

Appendices

Table of contents

Appendix 1: Eight fundamental ILO Conventions	2
Appendix 2: UN Guiding Principles on Business and Human Rights – The corporate responsibility to respect human rights.....	2
Appendix 3: List of B Corps in the apparel industry (with number of employees, headquarters country and continent and year of certification).....	5
Appendix 4: Trends on B Corps in the clothing industry	10
Appendix 5: List of potential questions in the ‘Supply Chain Management’ section of the B Impact Assessment.....	12
Appendix 6: List of ‘Supply Chain Management’ questions which apply according to number of full-time employees and market	20
Appendix 7: Maximum number of points a company can achieve to ‘Supply Chain Management’ section the BIA depending on market and number of employees	24
Appendix 8: List of statements in the Disclosure Questionnaire	24
Appendix 9: Framework applied to GOTS	27
Appendix 10: Framework applied to OEKO-TEX Made in Green	30
Appendix 11: Framework applied to the Fairtrade Textile Standard.....	35
Appendix 12: Framework applied to Fair Wear.....	38
Appendix 13: Framework applied to B Corp	43
Appendix 14: GOTS’ assessment	48
Appendix 15: OEKO-TEX Made in Green’s assessment	53
Appendix 16: The Fairtrade Textile Standards’ assessment	68
Appendix 17: Fair Wear’s eligibility criteria in terms of countries of operations	85
Appendix 18: Fair Wear’s Code of Labour Practices	86
Appendix 19: Fair Wear’s assessment	87
Appendix 20: Wear’s multi-level scoring system.....	95
Appendix 21: Interview with Bernard Gouw, Senior Manager Social Standards	95

Appendix 1: Eight fundamental ILO Conventions

The year is the year of ratification and the number in the parenthesis is the number of the Convention

- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- Forced Labour Convention, 1930 (No. 29) and its 2014 Protocol
- Abolition of Forced Labour Convention, 1957 (No. 105)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)
- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Source: International Labour Organization, n.d.-b

Appendix 2: UN Guiding Principles on Business and Human Rights – The corporate responsibility to respect human rights

Foundational Principles

11. Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

12. The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

13. The responsibility to respect human rights requires that business enterprises:

- (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
- (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.

14. The responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure. Nevertheless, the scale and complexity of the means through which enterprises meet that responsibility may vary according to these factors and with the severity of the enterprise’s adverse human rights impacts.

15. In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including :

- (a) A policy commitment to meet their responsibility to respect human rights;
- (b) A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights;
- (c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.

Operational Principles

POLICY COMMITMENT

16. As the basis for embedding their responsibility to respect human rights, business enterprises should express their commitment to meet this responsibility through a statement of policy that:

- (a) Is approved at the most senior level of the business enterprise;
- (b) Is informed by relevant internal and/or external expertise;
- (c) Stipulates the enterprise's human rights expectations of personnel, business partners and other parties directly linked to its operations, products or services;
- (d) Is publicly available and communicated internally and externally to all personnel, business partners and other relevant parties;
- (e) Is reflected in operational policies and procedures necessary to embed it throughout the business enterprise.

HUMAN RIGHTS DUE DILIGENCE

17. In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, business enterprises should carry out human rights due diligence. The process should assess actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:

- (a) Should cover adverse human rights impacts that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships;
- (b) Will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of its operations;
- (c) Should be ongoing, recognising that the human rights risks may change over time as the business enterprise's operations and operating context evolve.

18. In order to gauge human rights risks, business enterprises should identify and assess any actual or potential adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationships. This process should:

- (a) Draw on internal and/or independent external human rights expertise;
- (b) Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the business enterprise and the nature and context of the operation.

19. In order to prevent and mitigate adverse human rights impacts, business enterprises should integrate the findings from their impact assessments across relevant internal functions and processes, and take appropriate action.

- (a) Effective integration requires that:
 - (i) Responsibility for addressing such impacts is assigned to the appropriate level and function within the business enterprise;
 - (ii) Internal decision-making, budget allocations and oversight processes enable effective responses to such impacts.
- (b) Appropriate action will vary according to:

(i) Whether the business enterprise causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship;

(ii) The extent of its leverage in addressing the adverse impact.

20. In order to verify whether adverse human rights impacts are being addressed, business enterprises should track the effectiveness of their response. Tracking should:

(a) Be based on appropriate qualitative and quantitative indicators;

(b) Draw on feedback from both internal and external sources, including affected stakeholders.

21. In order to account for how they address their human rights impacts, business enterprises should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders. Business enterprises whose operations or operating contexts pose risks of severe human rights impacts should report formally on how they address them. In all instances, communications should:

(a) Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences;

(b) Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved;

(c) In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.

REMEDIATION

22. Where business enterprises identify that they have caused or contributed to adverse impacts, they should provide for or cooperate in their remediation through legitimated processes.

ISSUES OF CONTEXT

23. In all contexts, business enterprises should:

(a) Comply with all applicable laws and respect internationally recognized human rights, wherever they operate;

(b) Seek ways to honour the principles of internationally recognized human rights when faced with conflicting requirements;

(c) Treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.

24. Where it is necessary to prioritize actions to address actual and potential adverse human rights impacts, business enterprises should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable.

Source: United Nations, 2011, pp. 13-26

Appendix 3: List of B Corps in the apparel industry (with number of employees, headquarters country and continent and year of certification)

Name	Type of business	# Employees	Headquarters country	Headquarters continent	Certified since
WeRFuture srl	Wholesale/Retail	0	Italy	Europe	2022
TUKUAN Jupe d'hiver versatile Inc.	Wholesale/Retail	0	Canada	North America	2022
FRANC INC	Wholesale/Retail	0	Canada	North America	2022
Vain Dane Athletic	Wholesale/Retail	0	Denmark	Europe	2022
Fox & Robin, Inc.	Wholesale/Retail	0	United States	North America	2022
The Very Good Bra	Wholesale/Retail	0	Australia	Oceania	2022
CLOZTALK	Wholesale/Retail	0	United States	North America	2022
KAIA Clothing	Wholesale/Retail	0	United Kingdom	Europe	2022
Ivy Marie LLC	Wholesale/Retail	0	United States	North America	2021
SEAY Srl	Wholesale/Retail	0	Italy	Europe	2021
Ozeano Vision	Wholesale/Retail	0	Australia	Oceania	2021
Ozeano Swimwear	Manufacturing	0	Dominican Republic	America	2021
Impt! Company	Wholesale/Retail	0	Brazil	Latin America	2021
Happy Earth Apparel	Wholesale/Retail	0	United States	North America	2021
Tabeeze	Wholesale/Retail	0	United States	North America	2020
Pala Eyewear	Wholesale/Retail	0	United Kingdom	Europe	2020
Sozy	Wholesale/Retail	0	United States	North America	2020
The Good Tee	Wholesale/Retail	0	Canada	North America	2020
Minka	Wholesale/Retail	0	Chile	Latin America	2020
Timirim	Wholesale/Retail	0	Brazil	Latin America	2019
James&Co (Australia) Pty Ltd	Wholesale/Retail	0	Australia	Oceania	2019
All The Wild Roses Pty Limited	Wholesale/Retail	0	Australia	Oceania	2019
Tillak	Wholesale/Retail	0	United States	North America	2018
Lantinga Vita Inc.	Wholesale/Retail	0	Canada	North America	2018
Riz Boardshorts Ltd	Wholesale/Retail	0	United Kingdom	Europe	2018
Duffle & Co. Ltd	Wholesale/Retail	0	New Zealand	Oceania	2017
Skelly Lives, Inc. dba Kozm	Wholesale/Retail	0	United States	North America	2017
Chilote Shoes	Wholesale/Retail	0	Chile	Latin America	2016
Thread Harvest	Wholesale/Retail	0	Australia	Oceania	2016
CFCL Inc.	Wholesale/Retail	1-9	Japan	Asia	2022
Zay Limited	Wholesale/Retail	1-9	New Zealand	Oceania	2022
Ombraz Inc	Wholesale/Retail	1-9	United States	North America	2022
Fair Harbor	Wholesale/Retail	1-9	United States	North America	2022
Wild Rye, PBC	Wholesale/Retail	1-9	United States	North America	2022
AWWA	Wholesale/Retail	1-9	New Zealand	Oceania	2022

With Nothing Underneath	Wholesale/Retail	1-9	United Kingdom	Europe	2022
Cristiana Costa Lda.	Wholesale/Retail	1-9	Portugal	Europe	2022
CIRCULAR INDUSTRY CO.,LTD.	Wholesale/Retail	1-9	Thailand	Asia	2022
Stay Wild Swim Limited	Wholesale/Retail	1-9	United Kingdom	Europe	2022
DEPLOY	Manufacturing	1-9	United Kingdom	Europe	2022
UNCOUTURE	Wholesale/Retail	1-9	France	Europe	2022
Benjie of Switzerland	Wholesale/Retail	1-9	Switzerland	Europe	2022
The Bshirt	Wholesale/Retail	1-9	United Kingdom	Europe	2022
Proem Parades	Wholesale/Retail	1-9	Denmark	Europe	2022
BOROBABI	Wholesale/Retail	1-9	United States	North America	2022
Ekoluxe & Love Khaos	Manufacturing	1-9	Indonesia	Asia	2022
KOKOLU	Wholesale/Retail	1-9	China	Asia	2022
dewerstone	Wholesale/Retail	1-9	United Kingdom	Europe	2022
Madlug CIC	Wholesale/Retail	1-9	United Kingdom	Europe	2022
Plastic Ecological Transformation	Wholesale/Retail	1-9	China	Asia	2021
Cortazu BV	Wholesale/Retail	1-9	Netherlands The	Europe	2021
Orba Shoes	Wholesale/Retail	1-9	New Zealand	Oceania	2021
The Humble Shoe Company, Inc.	Wholesale/Retail	1-9	United States	North America	2021
Dear Denier	Wholesale/Retail	1-9	Denmark	Europe	2021
Trendsplant	Wholesale/Retail	1-9	Spain	Europe	2021
Y.O.U Underwear	Wholesale/Retail	1-9	United Kingdom	Europe	2021
Zurita	Wholesale/Retail	1-9	China	Asia	2021
Ocean Refresh	Wholesale/Retail	1-9	United Kingdom	Europe	2021
BE Ultimate Apparel Ltd.	Wholesale/Retail	1-9	Canada	North America	2021
GIVINGBACK	Wholesale/Retail	1-9	China	Asia	2021
Moda Sostenible RD	Wholesale/Retail	1-9	Dominican Republic	America	2021
Martha	Wholesale/Retail	1-9	Argentina	Latin America	2021
Merry Go Rounds	Wholesale/Retail	1-9	United States	North America	2020
Patara LLC	Wholesale/Retail	1-9	United States	North America	2020
BONDI BORN	Wholesale/Retail	1-9	Australia	Oceania	2020
Citizen Wolf Pty Ltd	Manufacturing	1-9	Australia	Oceania	2020
Rifo S.r.l.	Wholesale/Retail	1-9	Italy	Europe	2020
Paka	Wholesale/Retail	1-9	United States	North America	2020
Dai	Wholesale/Retail	1-9	United Kingdom	Europe	2020
Rose Buddha	Manufacturing	1-9	Canada	North America	2020

Áurea Lúcia	Wholesale/Retail	1-9	Brazil	Latin America	2020
Genestyle LTD	Wholesale/Retail	1-9	United Kingdom	Europe	2020
Amor & Rosas	Manufacturing	1-9	Mexico	America	2020
better. by BlueStar (BlueStar Marketing)	Wholesale/Retail	1-9	United States	North America	2020
N'GO SHOES	Wholesale/Retail	1-9	France	Europe	2020
Another Tomorrow Inc.	Wholesale/Retail	1-9	United States	North America	2020
HowBottle	Wholesale/Retail	1-9	China	Asia	2020
Bird	Wholesale/Retail	1-9	United Kingdom	Europe	2020
Gallant International Inc.	Wholesale/Retail	1-9	United States	North America	2020
LAUDE the Label	Wholesale/Retail	1-9	United States	North America	2019
Fair Bazaar	Wholesale/Retail	1-9	Portugal	Europe	2019
Enda Athletic Inc.	Wholesale/Retail	1-9	Kenya	Africa	2019
Las Polleras de Agus	Manufacturing	1-9	Peru	Latin America	2019
Vanhulley	Manufacturing	1-9	Netherlands The	Europe	2019
Better Narrative Inc	Wholesale/Retail	1-9	Canada	North America	2019
KNOWN SUPPLY	Wholesale/Retail	1-9	United States	North America	2019
Arnsdorf	Wholesale/Retail	1-9	Australia	Oceania	2019
WVN	Wholesale/Retail	1-9	United States	North America	2018
bigtruck®	Wholesale/Retail	1-9	United States	North America	2018
Jelt	Wholesale/Retail	1-9	United States	North America	2017
Vert & Vogue	Wholesale/Retail	1-9	United States	North America	2017
Sudara Inc.	Wholesale/Retail	1-9	United States	North America	2017
Lulea Mindful Athletes S.A.	Wholesale/Retail	1-9	Argentina	Latin America	2017
Accompany	Wholesale/Retail	1-9	United States	North America	2017
MERGE4 Mfg, Inc.	Wholesale/Retail	1-9	United States	North America	2017
Better World Fashion	Wholesale/Retail	1-9	Denmark	Europe	2017
Etiko Pty Ltd	Wholesale/Retail	1-9	Australia	Oceania	2017
VPL	Wholesale/Retail	1-9	United States	North America	2016
Vanessa Montoro	Wholesale/Retail	1-9	Brazil	Latin America	2016
Seams To Fit	Wholesale/Retail	1-9	United States	North America	2016
Little Yellow Bird	Wholesale/Retail	1-9	New Zealand	Oceania	2016
MOVIN	Wholesale/Retail	1-9	Brazil	Latin America	2016
ECOPURA LIMITADA	Manufacturing	1-9	Chile	Latin America	2015
MUD Jeans International	Wholesale/Retail	1-9	Netherlands The	Europe	2015
Dhana Inc.	Wholesale/Retail	1-9	United States	North America	2013
Therafit Shoe	Wholesale/Retail	1-9	United States	North America	2013
Kariün	Wholesale/Retail	1-9	Chile	Latin America	2013
Oliberte Limited	Wholesale/Retail	1-9	Canada, Ethiopia	North America	2012
Bixbee	Wholesale/Retail	1-9	United States	North America	2012
Apolis Holdings LLC	Wholesale/Retail	1-9	United States	North America	2012

Stripe & Stare	Wholesale/Retail	10-49	United Kingdom	Europe	2022
Yellow Octopus Group	Wholesale/Retail	10-49	Poland	Europe	2022
Kowtow Clothing Ltd	Wholesale/Retail	10-49	Australia, New Zealand	Oceania	2022
Refazenda	Manufacturing	10-49	Brazil	Latin America	2022
HYLO Athletics	Wholesale/Retail	10-49	United Kingdom	Europe	2022
Unspun	Wholesale/Retail	10-49	United States	North America	2022
Sepiia 2080 S.L	Wholesale/Retail	10-49	Spain	Europe	2022
Clothing The Gaps Pty Ltd	Wholesale/Retail	10-49	Australia	Oceania	2022
The House of LR&C, PBC	Wholesale/Retail Wholesale/Retail	10-49	Canada, United States	North America	2022
TomboyX	Wholesale/Retail	10-49	United States	North America	2022
Wuxly Movement	Wholesale/Retail	10-49	Canada	North America	2021
CARIUMA	Wholesale/Retail	10-49	Singapore	Asia	2021
Boody	Wholesale/Retail	10-49	Australia	Oceania	2021
Herself	Wholesale/Retail	10-49	Brazil	Latin America	2021
House of Baukjen (Izzie & Ollie ltd)	Wholesale/Retail	10-49	United Kingdom	Europe	2021
MINI A TURE	Wholesale/Retail	10-49	Denmark	Europe	2021
ACBC	Wholesale/Retail	10-49	Italy	Europe	2021
TIDAL New York	Manufacturing	10-49	United States	North America	2021
Rumpl	Wholesale/Retail	10-49	United States	North America	2021
Frank & Eileen	Wholesale/Retail	10-49	United States	North America	2020
Barner	Wholesale/Retail	10-49	Spain	Europe	2020
Bemglô	Wholesale/Retail	10-49	Brazil	Latin America	2020
Movimento #EUVISTOOBEM	Manufacturing	10-49	Brazil	Latin America	2020
Solmate Socks	Wholesale/Retail	10-49	United States	North America	2020
Askov Finlayson	Wholesale/Retail	10-49	United States	North America	2019
PARAFINA CO.	Wholesale/Retail	10-49	Spain	Europe	2019
Reflect Studio	Wholesale/Retail	10-49	Turkey	Middle East	2019
Organic Basics	Wholesale/Retail	10-49	Denmark	Europe	2019
Portland Garment Factory	Manufacturing	10-49	United States	North America	2019
SAVE THE DUCK S.p.A.	Wholesale/Retail	10-49	Italy	Europe	2019
Carla Fernández Comercializadora de Diseño Flora SAPI de CV	Wholesale/Retail	10-49	Mexico	Central America	2018
Encircled	Wholesale/Retail	10-49	Canada	North America	2018
Nisolo	Manufacturing	10-49	United States	North America	2017
Twine Fair Trade Company	Wholesale/Retail	10-49	Taiwan	Asia	2017
Kotn	Wholesale/Retail	10-49	Canada, Egypt	North America	2017
Someone Somewhere	Wholesale/Retail	10-49	Mexico	Central America	2017

Jetty	Manufacturing	10-49	United States	North America	2017
Höség	Wholesale/Retail	10-49	Peru	Latin America	2016
Flavia Aranha Comércio e Confeção EIRELI - ME	Manufacturing	10-49	Brazil	Latin America	2016
Insecta Shoes	Wholesale/Retail	10-49	Brazil	Latin America	2016
Unbelts	Wholesale/Retail	10-49	Canada	North America	2015
TYF Adventure	Wholesale/Retail	10-49	United Kingdom	Europe	2015
Wallaroo Hat Company	Wholesale/Retail	10-49	United States	North America	2014
Looptworks	Manufacturing	10-49	United States	North America	2014
Oaklandish	Manufacturing	10-49	United States	North America	2012
United By Blue	Wholesale/Retail	10-49	United States	North America	2011
TS Designs, Inc.	Manufacturing	10-49	United States	North America	2008
bassike	Wholesale/Retail	50-249	Australia	Oceania	2022
Le Slip Français	Wholesale/Retail	50-249	France	Europe	2022
OnTheList	Wholesale/Retail	50-249	Hong Kong S.A.R.	Asia	2022
Wildling Shoes	Wholesale/Retail	50-249	Germany	Europe	2021
Bared Trading Pty Ltd	Wholesale/Retail	50-249	Australia	Oceania	2021
Faithfull the Brand	Manufacturing	50-249	Indonesia	Asia	2021
North Sails Apparel SPA Società Benefit	Wholesale/Retail	50-249	Italy	Europe	2021
Untouched World	Manufacturing	50-249	New Zealand	Oceania	2021
FAGUO	Wholesale/Retail	50-249	France	Europe	2021
Mondetta Canada Inc	Wholesale/Retail	50-249	Canada	North America	2021
VIVOBAREFOOT	Wholesale/Retail	50-249	United Kingdom	Europe	2020
One+All	Wholesale/Retail	50-249	United Kingdom	Europe	2020
Karen Kane	Manufacturing	50-249	United States	North America	2020
McCabe Promotional	Wholesale/Retail	50-249	Canada	North America	2019
Australian Brands Alliance	Wholesale/Retail	50-249	Australia	Oceania	2019
VEJA	Wholesale/Retail	50-249	France	Europe	2018
Sympatex Technologies GmbH	Wholesale/Retail	50-249	Germany	Europe	2018
Parker Clay	Manufacturing	50-249	Ethiopia, United States	North America	2018
Outland Denim	Manufacturing	50-249	Australia, Cambodia	Oceania	2018
ECOALF RECYCLED FABRICS, SL	Wholesale/Retail	50-249	Spain	Europe	2018
Finisterre	Wholesale/Retail	50-249	United Kingdom	Europe	2018
Bombas	Wholesale/Retail	50-249	United States	North America	2017
Handknits Pty Ltd	Manufacturing	50-249	India	Asia	2017
Allbirds, Inc.	Wholesale/Retail	50-249	United States	North America	2016

tentree international	Wholesale/Retail	50-249	Canada	North America	2016
Cotopaxi	Wholesale/Retail	50-249	United States	North America	2015
OluKai	Wholesale/Retail	50-249	United States	North America	2014
66°North	Manufacturing	250-999	Iceland	Europe	2022
Sézane	Wholesale/Retail	250-999	France	Europe	2021
Vestiaire collective	Wholesale/Retail	250-999	France	Europe	2021
Blue Design	Manufacturing	250-999	Paraguay	Latin America	2021
SUCCESSORI REDA SPA	Manufacturing	250-999	Italy	Europe	2020
Frank And Oak	Wholesale/Retail	250-999	Canada	North America	2019
TOMS	Wholesale/Retail	250-999	United States	North America	2018
JoJo Maman Bebe	Wholesale/Retail	250-999	United Kingdom	Europe	2016
Eileen Fisher, Inc.	Wholesale/Retail	250-999	United States	North America	2015
Textil del Valle	Manufacturing	1000+	Peru	Latin America	2020
Reserva	Wholesale/Retail	1000+	Brazil	Latin America	2020
Kathmandu	Wholesale/Retail	1000+	New Zealand	Oceania	2019
Saitex International	Manufacturing	1000+	Vietnam	Asia	2019
Athleta, Inc.	Wholesale/Retail	1000+	United States	North America	2018
Patagonia Works	Wholesale/Retail	1000+	United States	North America	2011

Source: B Lab, n.d.-h

Appendix 4: Trends on B Corps in the clothing industry

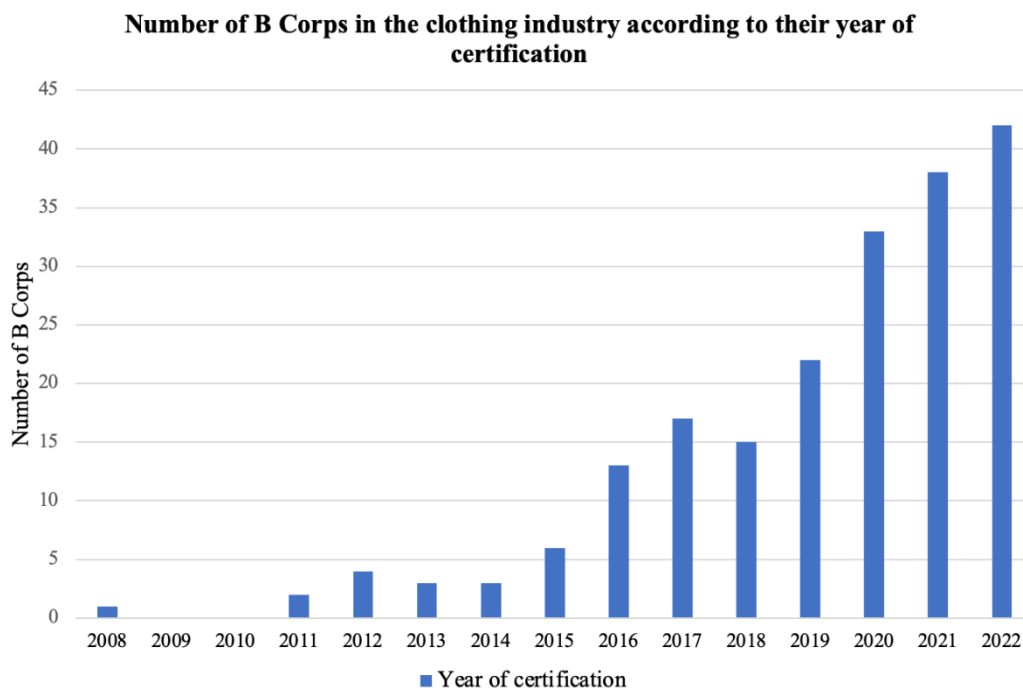


Figure 2: Number of B Corps in the clothing industry according to their year of certification¹

¹ the counting stopped on July 31 for the year 2022

Percentage of B Corps in the clothing industry headquartered in each continent

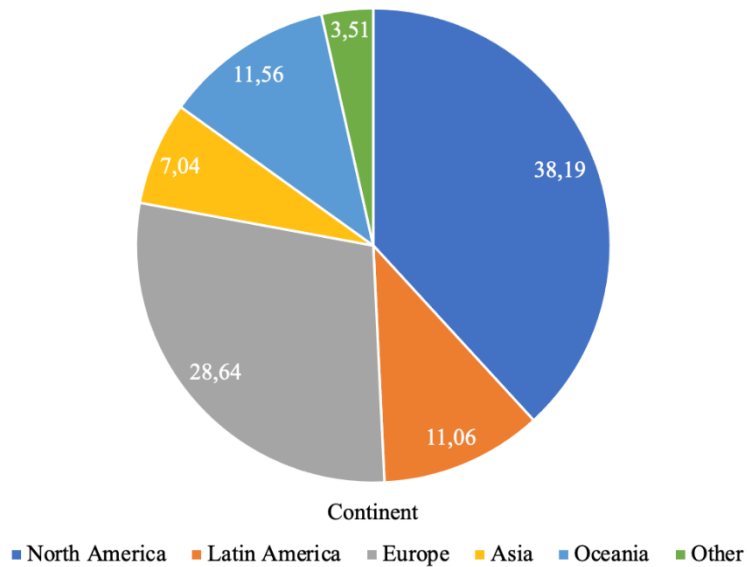


Figure 3: Percentage of B Corps in the clothing industry headquartered in each continent

Percentage of B Corps in the clothing according to business type

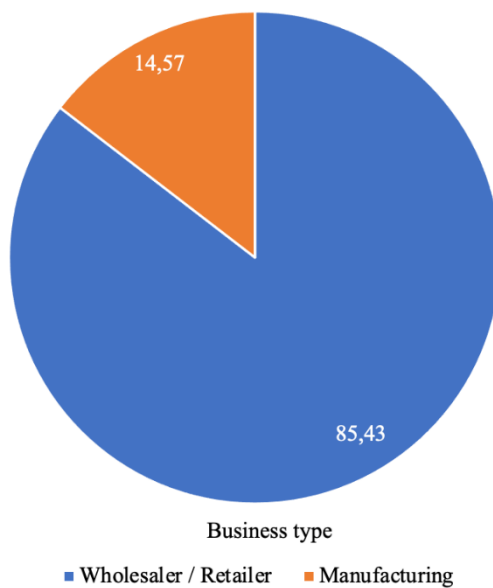


Figure 4: Percentage of B Corps in the clothing industry according to business type

Percentage of B Corps in the clothing industry according to the number of full-time employees

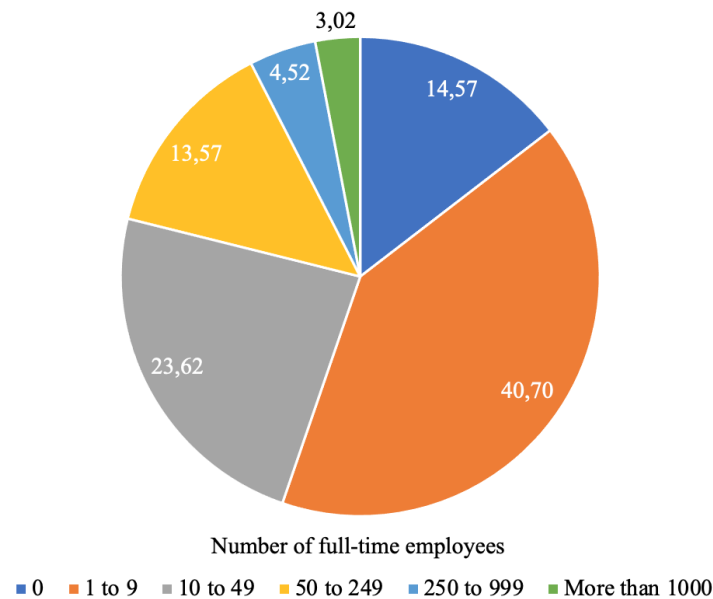


Figure 5: Percentage of B Corps in the clothing industry according to the number of full-time employees

Source: B Lab, n.d.-h

Appendix 5: List of potential questions in the ‘Supply Chain Management’ section of the B Impact Assessment

Q1. Significant Supplier Descriptions: Please select the types of companies that represent your Significant Suppliers?

Significant suppliers: “refers to suppliers who collectively represent approximately 80% of your purchases in currency terms”

- Product manufacturers
- Professional Service Firms (Consulting, Legal, Accounting)
- Independent Contractors
- Marketing and advertising
- Office Supplies
- Benefits Providers
- Technology
- Raw materials
- Farms
- Other – please describe

Q2. Supply Chain Risk Assessment and Mapping: Has your company conducted a risk assessment that identifies aspects of your supply chain and purchasers at most risk for negative social and environmental impact based on any of the following risk factors?

- Country of origin
- Sub-regions within countries
- Product / Service / Ingredient

- Size of purchases by the company
- Risk assessment was conducted with support by a third party

Q3. Supply Chain Tracking and Traceability: For what percentage of materials in your supply chain deemed at risk does your company have a system in place that accurately traces the source and origination of all ingredients / components through the chain?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q4. Social or Environmental Screening of Suppliers: Does your company screen or evaluate Significant Supplier for social and environmental impact?

- Yes
- No

Q5. Supplier Screen topics: What does your company formally screen for regarding the social and environmental practices and performance of your suppliers?

- Compliance with all local laws and regulations, including those related to social and environmental performance
- Good governance, including policies related to ethics and corruption
- Positive practices beyond what is required by regulations (e.g. environmentally-friendly manufacturing process, excellent labor practices)
- Third-party certifications related to positive social and/or environmental performance
- Other (+ description)
- We have no formal screening process in place

Q6. Supplier Evaluation practices: What methods does your company use to evaluate the social or environmental impact of your suppliers?

- We share policies or rules with suppliers but we don't have a verification process in place
- We require suppliers to complete an assessment we designed
- We use third-party risk or impact assessment tools (Seder, BIA)
- We conduct routine audits or reviews of suppliers at least every two years
- We have third parties conduct routine audits or reviews of suppliers at least every two years
- Other (please describe)
- None of the above

Q7. Outsourced Staffing Services: Does your company outsource support services (staffing) essential to the delivery of your services to other individuals or organisations?

- Yes
- No

Q8. Outsourced Staffing Screening Topics: Does your company review or set requirements regarding the labour practices of its outsourced staffing service providers that includes the following topics?

- Compliance with all local laws and regulations
- Compliance with international human rights and labor standards (for employees and contractors)
- Payment at or above industry benchmarks
- Payment of a living wage (for employees and contractors)

- Employee benefits provided
- Professional development opportunities
- Other labor practices
- None of the above
- N/A

Q9.% of Outsourced Services Accountable to Code of Conduct: What % of your outsourced staffing services (on a currency basis) are accountable to the formalised code of conduct or requirements described in the previous question?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q10.Screening/monitoring for services: Which of the following methods are used to evaluate the social or environmental impact of your outsourced staffing services?

- Company shares policies or rules with subcontractors but does not have a verification process in place
- Company requires subcontractors complete self-designed assessment
- Company utilises third party risk or impact assessment tools (BIA)
- Company conducts routine audits/reviews of subcontractors at least every two years
- Company has third parties conduct routine audits/reviews of subcontractors at least every two years
- Other

Q11.% of Outsourced Services Screened/Monitored: What % of your outsourced staffing services (on a currency basis) are evaluated based on the methods selected in the previous question?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q12.Suppliers in low-income communities: What percentage of your Significant Suppliers is located in low-income communities or create employment opportunities for other chronically underemployed populations?

- <10%
- 10-19%
- 20-30%
- 30%+
- Don't know

Q13.Supplier Code of Conduct: Is there a formal written Supplier Code of Conduct policy that specifically holds your company's suppliers accountable for social and environmental performance?

- Yes
- No

Q14. Supplier Code of Conduct Topics: What areas of social and environmental performance are specifically included in your company's Supplier Code of Conduct policy?

- Bribery, corruption, and fraud
- Working hours
- Freely chooses employment
- Compensation
- Child labor
- Freedom of association
- Health and safety
- Use of materials
- Product's environmental impact
- Information on how the Code will be monitored and reviewed (e.g. self-audits, site visits)
- N/A – No Supplier Code of Conduct

Q15. Supply Chain Compliance Topics: Does your company have a formalised code of conduct or set requirements regarding the social or environmental practices and performance of its suppliers that include the following topics?

- Compliance with all local laws and regulations, including those related to social and environmental performance
- Compliance with international human rights and labor standards (for employees and contractors)
- Compliance with international environmental standards
- Payment of a living wage (for employees and contractors)
- Ethics and anti-corruption policies
- Management systems to manage and incentivise positive social and environmental performance
- Other

Q16. % of Suppliers Accountable to Code of Conduct: What % of your suppliers (on a currency basis) are accountable to the formalised code of conduct or requirements described in the previous question?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q17. Screening/Management methods for Tier 1 Suppliers: Which of the following methods are used to evaluate the social or environmental impact of your Tier 1 Suppliers?

Tier 1 Suppliers are the direct suppliers from which your company purchases products or services.

- Company shares policies or rules with suppliers but does not have a verification process in place
- Company requires completion of self-designed assessment
- Company utilises third party risk or impact assessment tools (BIA)
- Company conducts routine audits/reviews of Tier 1 Suppliers at least every two years
- Company has third parties conduct routine audits/reviews of Tier 1 Suppliers at least every two years
- Company has mechanisms to hear grievance or performance feedback from stakeholders of Tier 1 Suppliers
- Company can confirm quantifiable improvement in Tier 1 Supplier social and environmental performance improvement in last year

- Other
- None of the above

Q18.% of Tier 1 Suppliers Screened / Monitored: What % of your Tier 1 Suppliers (on a currency basis) are evaluated based on the methods selected in the previous question?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q19.Screening/Management methods for Tier 2 Suppliers: Which of the following methods are used to evaluate the social or environmental impact of your Tier 2 Suppliers?

Tier 2 Suppliers are the suppliers of your company's Tier 1 suppliers.

- Company shares policies or rules with suppliers but does not have a verification process in place
- Company requires Tier 2 Suppliers completion of self-designed assessment
- Company utilises third party risk or impact assessment tools for Tier 2 suppliers (Sedex, BIA)
- Company conducts routine audits/reviews of Tier 2 Suppliers at least every two years
- Company has third parties conduct routine audits/reviews of Tier 2 Suppliers at least every two years
- Company has mechanisms to hear grievance or performance feedback from stakeholders of Tier 2 Suppliers
- Company can confirm quantifiable improvement in Tier 2 supplier social and environmental performance improvement in last year
- None of the above

Q20.% of Tier 2 Suppliers Screened / Monitored: What % of your Tier 2 Suppliers (on a currency basis) are evaluated based on the methods selected in the previous question?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q21.Screening Methods for Original Producers of Raw Materials: Which of the following methods are used to evaluate the social or environmental impact of the original producers of your raw materials?

Original Producers of Raw Materials refers to any and all producers of raw materials that are used in your company's product. This includes Tier 1 Suppliers, Tier 2 Suppliers, and all suppliers beyond Tier 2 (Tier 3 Suppliers, etc.).

- Company shares policies or rules with suppliers but does not have a verification process in place
- Company requires original producers completion of self-designed assessment
- Company utilises third party risk or impact assessment tools for original producers (Sedex, BIA)
- Company conducts routine audits/reviews of original producers at least every two years
- Company has third parties conduct routine audits/reviews of original producers at least every two years

- Company has mechanisms to hear grievance or performance feedback from stakeholders of original producers of raw materials
- Company can confirm quantifiable improvement in social and environmental performance of original producers of raw materials in last year
- None of the above

Q22.% of Original Producers Screened/Monitored: What % of the original producers of your raw material are evaluated based on the methods selected in the previous question?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q23.Reporting on Supply Chain Impact: Which of the following are true regarding how your company reports on your supply chain impact?

- Company aggregates results of supply chain social and environmental assessments to identify and report on trends in performance and breaches publicly
- Company reports key risk areas and root causes of supply chain performance issues and breaches, including methods of remediation the company is taking to address them
- Company publicly reports the geographic locations of all significant and high risk suppliers and originating sources within its supply chain
- Company publicly shares information identifying specific companies in their supply chain
- Company has set public goals regarding the overall social or environmental impact of their supply chain, along with progress towards those goals (to be paying a living wage, etc.)
- None of the above

Q24.% of Suppliers with Transparency, Reporting, and Goal Setting: For what % of your suppliers (on a currency basis) do the reporting practices selected in the previous question apply?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q25.Disclosure of Suppliers: What percentage of Significant Suppliers (on currency basis) are made transparent on your company's website?

- 0%
- 1-49%
- 50-79%
- 80%+
- Don't know

Q26.Support for Improved Supply Chain Social or Environmental Performance: How does your company encourage improved social and environmental performance among your suppliers?

- We provide incentives for suppliers with strong social and environmental performance

- We set goals and expectations with suppliers to improve their social and environmental performance
- We provide resources to suppliers to improve their social and environmental performance
- Other
- None of the above

Q27.Improving Impact of Suppliers: Does the company have any of the following policies or programs to improve the social and/or environmental impact of suppliers, either in case of noncompliance or more broadly?

- Company formulates corrective action or improvement plan with goals for continuous improvement of their supplier performance
- Company requires a specific time period for suppliers to make changes to remediate code of conduct non-compliance or otherwise terminates contract
- Company provides training and/or resources on improving social or environmental performance to suppliers, either from the company itself or through a third party
- Company provides training and/or resources to its own staff, focused on managing their own practices and relationships with suppliers to enable the suppliers to improve their performance
- Company has participated in collaborative initiatives with other companies to help improve social and environmental impact of their supply chain
- Company incentivises social and environmental performance or improvement through contact terms, prices, or other means
- Company has achieved quantifiable improvements on social or environmental performance of its supply chain
- Other
- None of the above

Q28.% of Suppliers with Programs to Improve Impact: For what % of your suppliers (on a currency basis) do the policies and programs selected in the previous question apply?

- 0%
- 1-20%
- 21-49%
- 50-74%
- 75-99%
- 100%
- N/A

Q29.Managing Supply Chain Impact: Which of the following are true regarding how your company manages your supply chain impact?

- We embed social and environmental supplier performance into the job descriptions and performance evaluations of their procurements departments (distinct from their sustainability or CSR departments)
- Senior management team members have written responsibility for social and environmental supply chain performance
- We aggregate the results of supply chain social and environmental assessments to identify and report on trends in performance and breaches internally
- We use trends in supply chain performance to identify and remediate root causes of supply chain performance issues and breaches (including contractual requirements posed by the company itself, inadequate management or Human Resources processes, capacity constraints within suppliers etc.)
- None of the above

Q30.Verification of Positive Outcomes in Supply Chain: Has your company verified any of the following outcomes for all aspects of its supply chain in a way that can be publicly and accurately confirmed?

- Compliance with all local laws and regulations, including those related to social and environmental performance
- Compliance with international human rights and labor standards
- Compliance with international environmental standards
- Payment of a living wage
- No forced labour/modern slavery
- None of the above

Q31.Length of Supplier Relationship: What is the average tenure of your company's relationships with suppliers?

- Average tenure of supplier relationships is less than 12 months
- Average tenure of supplier relationships is greater than 12 months
- Average tenure of supplier relationships is greater than 36 months
- Average tenure of supplier relationships is greater than 60 months
- Our company has had a relationship with a majority of our suppliers (on a currency basis) since our first year of operations
- Don't know

Q32.Support for In Need Suppliers: Does your company do any of the following to support small scale or other in-need suppliers?

- We review suppliers for potential training needs
- We have a formal education or support program for selected suppliers
- We provide small scale suppliers the same contracts, prices and payments terms (such as days payable outstanding) as other suppliers
- We pay 30 days payable outstanding to small scale suppliers
- A formal mechanism is in place for suppliers to provide us feedback (e.g. supplier satisfaction surveys)
- We have a formal grievance mechanism to address complaints and resolve disputes
- Other

Q33.Independent Contractor Practices: What are your company's policies regarding independent contractors that do not work for the company greater than 20 hours per week for longer than a 6 month period?

- We have a formal routine process for independent contractors to receive post-project or -contract performance feedback
- We have a formal routine process for independent contractors to communicate post-project or post-contract feedback to the company
- Our independent contractors are verified to either work on a time-bound basis, split their time with work for other clients, or have been offered employment
- Independent contractors are paid a living wage (calculated as hourly wage when living wage data is available)
- We have independent contractors, but have not engaged in any of these practices
- N/A – We haven't used independent contractors in the last year

Q34.Social or Environmental Purchases: What percentage of materials or products purchased have third-party social or environmental certification or are from Significant Suppliers that are purpose-driven or have third-party company level certification or approval?

- 0%
- 1-24%

- 25-49%
- 50-74%
- 75%+
- Don't know

Q35. Supplier certifications: During the last fiscal year, what percentage of your Significant Suppliers (on currency basis) had internationally-recognised product certifications?

- 0%
- 1-24%
- 25-49%
- 50-74%
- 75%+
- Don't know

Source: B Lab, n.d.-c

Appendix 6: List of 'Supply Chain Management' questions which apply according to number of full-time employees and market

Companies in the « Developed – Global » market

Question / Number of full-time employees	0	1-9	10-49	50-249	250-999	1000+
Q1. Significant Supplier Description	X	X	X	X	X	X
Q2. Supply Chain Risk Assessment and Mapping						X
Q3. Supply Chain Tracking and Traceability						X
Q4. Social and Environmental Screening of Suppliers	X	X	X	X	X	
Q5. Supplier Screen Topics	X	X	X	X	X	
Q6. Supplier Evaluation Practices	X	X	X	X	X	
Q7. Outsourced Staffing Services		X	X	X	X	X
Q8. Outsourced Staffing Screening Topics	X	X	X	X	X	X
Q9. % of Outsourced Services Accountable to Code of Conduct	X	X	X	X	X	X
Q10. Screening / Monitoring for Services	X	X	X	X	X	X
Q11. % of Outsourced Services Screened / Monitored	X	X	X	X	X	X
Q12. Suppliers in low-income communities		X	X	X	X	
Q13. Supplier Code of Conduct		X	X	X	X	
Q14. Supplier Code of Conduct Topics					X	
Q15. Supply Chain Compliance Topics						X
Q16. % of Suppliers Accountable to Code of Conduct				X	X	X
Q17. Screening / Management Methods for Tier 1 Suppliers						X
Q18. % of Tier 1 Suppliers Screened / Monitored						X
Q19. Screening / Management Methods for Tier 2 Suppliers						X
Q20. % of Tier 2 Suppliers Screened / Monitored						X

Q21.Screening / Management Methods for Original Producers for Raw Materials						X
Q22.% of Original Producers Screened / Monitored						X
Q23.Reporting on Supply chain Impact						X
Q24.% of Suppliers with Transparency, Reporting and Goal Setting						X
Q25.Disclosure of Suppliers				X	X	
Q26.Support of Improved Supply Chain Social or Environmental Performance				X	X	
Q27.Improving Impact of Suppliers				X	X	X
Q28.% of Suppliers with Programs to Improve Impact				X	X	X
Q29.Managing Supply Chain Impact						X
Q30.Verification of Positive Outcomes in Supply Chain						X
Q31.Length of Supplier Relationship	X	X	X	X	X	X
Q32.Support for In Need Suppliers				X	X	X
Q33.Independent Contractor Practices	X					
Q34.Social or Environmental Purchases		X	X	X	X	X
Q35.Supplier Certifications						

Companies in the « Developed » market

Question / Number of full-time employees	0	1-9	10-49	50-249	250-999	1000+
Q1.Significant Supplier Description	X	X	X	X	X	X
Q2.Supply Chain Risk Assessment and Mapping						X
Q3.Supply Chain Tracking and Traceability						X
Q4.Social and Environmental Screening of Suppliers	X	X	X	X	X	
Q5.Supplier Screen Topics	X	X	X	X	X	
Q6.Supplier Evaluation Practices	X	X	X	X	X	
Q7.Outsourced Staffing Services	X	X	X	X	X	X
Q8.Outsourced Staffing Screening Topics	X	X	X	X	X	X
Q9.% of Outsourced Services Accountable to Code of Conduct	X	X	X	X	X	X
Q10.Screening / Monitoring for Services	X	X	X	X	X	X
Q11.% of Outsourced Services Screened / Monitored	X	X	X	X	X	X
Q12.Suppliers in low-income communities		X	X	X	X	
Q13.Supplier Code of Conduct		X	X	X	X	
Q14.Supplier Code of Conduct Topics					X	
Q15.Supply Chain Compliance Topics						X
Q16.% of Suppliers Accountable to Code of Conduct				X	X	X
Q17.Screening / Management Methods for Tier 1 Suppliers						X
Q18.% of Tier 1 Suppliers Screened / Monitored						X
Q19.Screening / Management Methods for Tier 2 Suppliers						X

Q20.% of Tier 2 Suppliers Screened / Monitored						X
Q21.Screening / Management Methods for Original Producers for Raw Materials						X
Q22.% of Original Producers Screened / Monitored						X
Q23.Reporting on Supply chain Impact						X
Q24.% of Suppliers with Transparency, Reporting and Goal Setting						X
Q25.Disclosure of Suppliers				X	X	
Q26.Support of Improved Supply Chain Social or Environmental Performance				X	X	
Q27.Improving Impact of Suppliers				X	X	X
Q28.% of Suppliers with Programs to Improve Impact				X	X	X
Q29.Managing Supply Chain Impact						X
Q30.Verification of Positive Outcomes in Supply Chain						X
Q31.Length of Supplier Relationship	X	X	X	X	X	X
Q32.Support for In Need Suppliers				X	X	X
Q33.Independent Contractor Practices	X					
Q34.Social or Environmental Purchases	X	X	X	X	X	X
Q35.Supplier Certifications						

Companies in the « Emerging » market

Question / Number of full-time employees	0	1-9	10-49	50-249	250-999	1000+
Q1.Significant Supplier Description	X	X	X	X	X	X
Q2.Supply Chain Risk Assessment and Mapping						X
Q3.Supply Chain Tracking and Traceability						X
Q4.Social and Environmental Screening of Suppliers	X	X	X	X	X	
Q5.Supplier Screen Topics	X	X	X	X	X	
Q6.Supplier Evaluation Practices	X	X	X	X	X	
Q7.Outsourced Staffing Services	X	X	X	X	X	X
Q8.Outsourced Staffing Screening Topics	X	X	X	X	X	X
Q9.% of Outsourced Services Accountable to Code of Conduct	X	X	X	X	X	X
Q10.Screening / Monitoring for Services	X	X	X	X	X	X
Q11.% of Outsourced Services Screened / Monitored	X	X	X	X	X	X
Q12.Suppliers in low-income communities						
Q13.Supplier Code of Conduct		X	X	X	X	
Q14.Supplier Code of Conduct Topics					X	
Q15.Supply Chain Compliance Topics						X
Q16.% of Suppliers Accountable to Code of Conduct						X
Q17.Screening / Management Methods for Tier 1 Suppliers						X
Q18.% of Tier 1 Suppliers Screened / Monitored						X

Q19.Screening / Management Methods for Tier 2 Suppliers						X
Q20.% of Tier 2 Suppliers Screened / Monitored						X
Q21.Screening / Management Methods for Original Producers for Raw Materials						X
Q22.% of Original Producers Screened / Monitored						X
Q23.Reporting on Supply chain Impact						X
Q24.% of Suppliers with Transparency, Reporting and Goal Setting						X
Q25.Disclosure of Suppliers						
Q26.Support of Improved Supply Chain Social or Environmental Performance					X	
Q27.Improving Impact of Suppliers				X	X	X
Q28.% of Suppliers with Programs to Improve Impact				X	X	X
Q29.Managing Supply Chain Impact						X
Q30.Verification of Positive Outcomes in Supply Chain						X
Q31.Length of Supplier Relationship	X	X	X	X	X	X
Q32.Support for In Need Suppliers						X
Q33.Independent Contractor Practices	X					
Q34.Social or Environmental Purchases						X
Q35.Supplier Certifications	X	X	X	X	X	

Source: B Lab, n.d.-c

Appendix 7: Maximum number of points a company can achieve to ‘Supply Chain Management’ section the BIA depending on market and number of employees

Market	Number of employees	Maximum number of points (out of 200)
Emerging	0	19
Emerging	1-9	10.9
Emerging	10-49	10.9
Emerging	50-249	11.1
Emerging	250-999	11.2
Emerging	1000+	11.5
Developed	0	19
Developed	1-9	10.9
Developed	10-49	10.9
Developed	50-249	11.3
Developed	250-999	11.3
Developed	1000+	11.5
Developed - Global	0	19
Developed - Global	1-9	10.9
Developed - Global	10-49	10.9
Developed - Global	50-249	11.3
Developed - Global	250-999	11.3
Developed - Global	1000+	11.5

Source: B Lab, n.d.-c

Appendix 8: List of statements in the Disclosure Questionnaire

Disclosure industries (disclosure questions on specific production and trade)

Involvement in the production, operation, trade or sale in the following industries:

- Alcohol
- Tobacco
- Firearms, weapons or munitions
- Pornography
- Fossil-fuel-based oils, natural gas, or coal extraction, distributions, sale etc.
- Mining
- Nuclear power, radioactive materials or hazardous materials
- Prisons
- Bottled water
- Animal-based products or services (including seafood)
- Genetically Modified Organisms
- Industries with a large potential biodiversity impact (including logging or logging equipment, agriculture etc.)
- Energy- and emissions-intensive industries
- Water-intensive industries
- Products or activities that are illegal under country laws or regulations where they have operated banned in international conventions or agreements, or subject to international phase-out or regulation

- Industries reliant upon materials at high risk of human rights infringements (e.g. conflict materials)
- Other industries that may cause social or environmental harm or are subject to criticism or concern

Disclosure practices (disclosure questions on sensitive practices)

Engagement in the following practices:²

- Company is not formally registered in accordance with all relevant regulations and requirements
- Company uses corporate shells or other structural means, such as establishing multiple corporate entities, to minimise tax payments
- [E] Company withholds corporate financials from government
- Company operates in conflict zones
- Company sells or provides access to consumer or user data
- Company facilities are located adjacent to or in sensitive ecosystems
- Company's products are tested on animals
- Marketing of breastmilk substitutes
- [E] Company does not provide clean drinking water and clean toilets to employees during shifts
- [E] A portion of workers, contractors, sub-contractors or day-workers are paid below minimum wage
- [E] Company does not have a signed contract of employment with each worker in a language they understand
- [E] Company does not provide payslips or equivalent to all workers to show how wages are calculated and any deductions made
- Company has taken a public stance against unionisation, has engaged in activities that may be perceived as taking a stance against union organising, or prohibits workers from freely associating and bargaining collectively for the terms of one's employment
- [E] Company prohibits workers from freely leaving the site during non-working hours or at the end of their shift
- [E] Company keep workers' original ID cards or passports and/or does not allow workers to resign freely without penalty, even if advance notice is given
- Company hires workers that are under bond, debt, or other obligation to the company or to labour brokers
- Company does not confirm that workers have the legal right to work in jurisdiction of operations, or company does not keep personnel records that include evidence of the date of birth of each worker
- Company employs individuals on zero-hour contracts
- Company uses workers who are prisoners
- Company employs workers under the age of 15 (or other minimum work age covered by the ILO Convention No. 138) and/or company does not keep personnel records that include evidence of date of birth of each
- Overtime work is compulsory and exceeds 48 hours in a week
- Other sensitive practices that may cause social or environmental harm, or are subject to stakeholder concern

² The statements marked with an [E] are statements that only apply to companies in emerging markets.

Disclosure outcomes & penalties (disclosure questions concerning litigation, relocation of communities, accidents, and on-the-job fatality)

Outcome or penalty experienced in the past 5 years:

- Company has had an operational or on-the-job fatality
- Litigation or arbitration against company either ongoing, settled, or found against the company
- Company has filed for bankruptcy
- Bribery, fraud, or corruption
- Anti-Competitive behaviour
- Financial reporting, taxes, investments, or loans
- Political contributions or international affairs
- Labour issues (including safety and discrimination)
- Recalls due to quality control issues
- Breaches of individual privacy and/or losses of individual confidential data
- Consumer protection (including product safety and marketing claims)
- Company has had layoffs of more than 20% of the workforce
- Company sites have experienced accidental discharges to air, land or water of hazardous substances
- Construction or operation of company involved large scale land acquisition, convergence, or degradation (including the construction or refurbishment of dams), or resulted in the resettlement or economic displacement of 5,000 or more people
- Environmental management penalties, including animal welfare
- Infringing on indigenous people's rights, for instance by utilizing lands owned or used by indigenous peoples without full documented consent of such peoples
- Other penalties, complaints, or grievances filed or levied against the company for negative impacts on local communities, human rights, or other stakeholder concerns

Supply chain disclosure

- Employment of workers under the age of 15, use of workers who are currently prisoners, or other practices that are relevant to risk of forced labour
- Operation in conflict zones
- Practices or outcomes that produced substantial negative impacts regarding human rights, labour conditions, or local communities
- Practices or outcomes that produced substantial negative environmental impact

Source: B Lab, n.d.-c

Appendix 9: Framework applied to GOTS

The references to the appendices in the following table are to be understood as (cf. Appendix number, section(s) number within the appendix).

Criteria	GOTS
Topics covered	<ul style="list-style-type: none"> Environment and Social (Global Standard, n.d.-e)
Scope	
Mandatory or voluntary	<ul style="list-style-type: none"> Voluntary (Global Standard, n.d.-e)
Global, supranational or national	<ul style="list-style-type: none"> Global (Global Standard, n.d.-e)
Organization or product	<ul style="list-style-type: none"> Products (Global Standard, n.d.-b) Scope of the products certified: <ul style="list-style-type: none"> Products must contain at least 70 percent of certified organic fibers (in weight). To have the label grade 'organic', products must contain at least 95 percent of certified organic fibers (in weight) (Global Standard, n.d.-e).
Whole lifecycle or specific lifecycle stages	<ul style="list-style-type: none"> Whole value chain, including the farm level (Global Standard, 2020a) The GOTS issues two other types of certifications: <ul style="list-style-type: none"> The scope certification which certifies that an entity along the supply chain is GOTS certified for certain activities (Global Standard, 2020a). Brand, retailers and traders with less than EUR20.000 in annual revenues do not need to have a scope certificate (Global Standard, n.d.-b). The transaction certificate which certifies to an entity downstream in the supply chain that a batch of (semi-)finished products it will use as input is GOTS certified (Global Standard, n.d.-b). For a final product to be GOTS certified, all the supply chain entities involved need to possess a scope certificate and a transaction certificate must be presented for the transfer of semi(finished) products between each entity (Global Standard, n.d.-b).
Single attribute or multi attribute	<ul style="list-style-type: none"> Multi attribute (Global Standard, 2020a)
Issuer	
Institution	<ul style="list-style-type: none"> All activities linked to the GOTS label are managed by Global Standard. It was founded by four organizations, two which are organic organizations in the fields of food and agriculture and two other which are textile industry organizations (Global Standard, n.d.-a).
Organizational structure	<ul style="list-style-type: none"> Global Standard is a non-profit limited liability company (Global Standard, n.d.-a).
Rigour of the certification process	
Nature of the requirements	<ul style="list-style-type: none"> The GOTS Standard only consists of only binding criteria (Global Standard, n.d.-e).

	<ul style="list-style-type: none"> • The criteria used at each stage of the value chain are different; highly strict criteria for environmental matters apply when there is an important level of risk at a certain processing stage (Global Standard, n.d.-b). • The criteria that apply at each stage are in the following categories: Social Criteria, Ethical Business Behaviour and Environmental Management (Global Standard, n.d.-b).
Ambition of the standards	<ul style="list-style-type: none"> • Provide assurance of compliance with leading social and environmental standards by harmonizing industry labels (Global Standard, n.d.-a; Global Standard, n.d.-e).
Practices covered by the label	<ul style="list-style-type: none"> • Practices covered are the composition of textiles, chemical inputs, labour conditions, quality assurance system and ethical business behaviour (Global Standard, 2020a).
Evolution of the standards over time	<ul style="list-style-type: none"> • Revision of the standard happens every three years (Global Standard, n.d.-a).
Organization/institution responsible for verification (first, second or third party)	<ul style="list-style-type: none"> • Verification of compliance carried out by GOTS accredited certification bodies (third party) (Global Standard, n.d.-e).
Nature of the verification	<ul style="list-style-type: none"> • Compliance verification consists of on-site audit every year of all the entities involved in the production (excluding harvesting) of GOTS-certified textiles (Global Standard, n.d.-b). Regarding social criteria, inspectors will seek information through “Interviews with management, confidential interviews with workers, personnel documents, physical on-site inspections, unions/stakeholders” (Global Standard, n.d.-b). Unannounced audits can also take place (Global Standard, 2020a).
Time to certification	<ul style="list-style-type: none"> • N/A
Duration of certification	<ul style="list-style-type: none"> • Certifications for entities (scope certificates) are valid for one year (Global Standard, n.d.-b).
Transparency of the certification process	<ul style="list-style-type: none"> • Transparent certification process (Global Standard, n.d.-b)
Possibility of stakeholder engagement	<ul style="list-style-type: none"> • There is an involvement of a wide range of stakeholders for the revision of the Standard every three years (Global Standard, n.d.-a). • Public consultation and comments are possible during the revision process (Global Standard, n.d.-a). • There exists a complaints procedure to raise concerns with regards to GOTS certified entities (Global Standard, n.d.-e).
Financing	<ul style="list-style-type: none"> • Certification fees and annual fees for inspection of the facilities (Global Standard, n.d.-c)
Human rights related criteria	
Human rights topics covered	<ul style="list-style-type: none"> • The social criteria the company must comply with covers all the human rights risks identified by the sectoral guidance, namely forced labour, freedom of association and collective bargaining, child labour, discrimination in relation to employment, occupational health and safety, harassment and violence, remuneration and working hours (cf. Appendix 14, 3) (Global

	<p>Standard, 2020a). They include two other social criteria categories that correspond to social issues identified in the theoretical part: employment relationships and migrant work.</p>
Integration of UN Guiding Principles in the supply chain	<ul style="list-style-type: none"> • As part of the Ethical Business Behaviour requirement, all entities along the value chain should comply with the relevant OECD Guidelines for Multinational Enterprises which is aligned with the requirements of the UNGPs on the human rights topic (cf. Appendix 14, 5a) (Global Standard, 2020a). • Some more specific requirements in the social criteria relate to the UNGPs: <ul style="list-style-type: none"> ○ Policy commitment: In the subsection on harassment and violence in the social criteria, a statement requires companies to adopt a policy embedding their commitment to respect and protect human rights (cf. Appendix 14, 3.7.6). ○ Human rights due diligence: Through the monitoring of the compliance of the social criteria (encompassing all key sectoral human rights), certifying companies are expected to identify actual and potential adverse impacts and take necessary follow-up actions (cf. Appendix 14, 3.12.2).
Best practices related to human rights in the supply chain	<ul style="list-style-type: none"> • Regarding violence and harassment, the certifying entity has to implement a policy whose aim is to promote a working environment without harassment, bullying and violence (cf. Appendix 14, 3.7.1). An anonymous complaints mechanism for incidents linked to the same issues has to be developed and records have to be available to workers and potential future workers (cf. Appendix 14, 3.7.7). • Certifying entities are required to calculate the ‘wage gap’ which is the difference between the living wage and the remuneration provided to workers (cf. Appendix 14, 3.8.9).
Reference to international instruments, standards and tools	<ul style="list-style-type: none"> • There are direct links and references to the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear sector and the Universal Declaration of Human Rights in the social criteria section on the website and in the Guide for Implementation (cf. Appendix 14, 3) (Global Standard, 2020b; Global Standard, n.d.-b). • There are references to the ILO Conventions linked to every category of the social criteria in the Guide for Implementation of the Standard and link to the ILO website for further information (Global Standard, 2020b). • The assessment tackles OECD Guidelines (Global Standard, 2020a). • There are references to instruments related to specific human rights issues in the Guide for Implementation of the Standard (e.g. Global Living Wage Coalition, SAI’s Social Fingerprint) (Global Standard, 2020b).

Appendix 10: Framework applied to OEKO-TEX Made in Green

The references to the appendices in the following table are to be understood as (cf. Appendix number, section(s) number within the appendix).

Criteria	OEKO-TEX Made in Green
Topics covered	<ul style="list-style-type: none"> Environment, Social and Health & safety (OEKO-TEX, n.d.-b)
Scope	
Mandatory or voluntary	<ul style="list-style-type: none"> Voluntary (OEKO-TEX, n.d.-b)
Global, supranational or national	<ul style="list-style-type: none"> Global (OEKO-TEX, n.d.-b)
Organization or product	<ul style="list-style-type: none"> Products (OEKO-TEX, 2021) The Made in Green certification requires two different other OEKO-TEX certifications: <ul style="list-style-type: none"> Product must be certified Standard 100 (for textile products) or Leather Standard (for leather products). The topics covered by these certifications are health & safety and the environment (OEKO-TEX, 2021). All the facilities involved in the manufacturing must be certified STeP (Sustainable Textile & Leather Production). The topics covered by this certification are social and the environment (OEKO-TEX, 2021).
Whole lifecycle or specific lifecycle stages	<ul style="list-style-type: none"> Whole supply chain, except farm level (OEKO-TEX, 2021). All the entities along the supply chain must certify with an exception for converters, wholesalers, retailers and brands (OEKO-TEX, 2021).
Single attribute or multi attribute	<ul style="list-style-type: none"> Multi attribute (OEKO-TEX, 2021)
Issuer	
Institution	<ul style="list-style-type: none"> The Made in Green Standard is set and monitored by the International Association for Research and Testing in the Field of Textile and Leather Ecology represented by the OEKO-TEX Association (OEKO-TEX, 2021). The latter consists of 17 independent research and test institutes located in Europe and Japan working jointly (OEKO-TEX, n.d.-c).
Organizational structure	<ul style="list-style-type: none"> The OEKO-TEX Association is a private partnership (OEKO-TEX, n.d.-c)
Rigour of the certification process	
Nature of the requirements	<ul style="list-style-type: none"> Standard 100 or Leather Standard: It consists of binding requirements on products composition (OEKO-TEX, 2022a; OEKO-TEX, 2022b) STeP: It consists of certification against a multi-level scoring system on the six modules covered by STeP. All the modules have the same weighting in the final score. The assessment consists of basic questions including exclusion criteria and advanced questions. All the basic questions must be given an answer and all exclusion criteria must be met by the certifying

	<p>company. Advanced question are optional questions related to best practices the company might have implemented. Companies can get three different labelling for their certification depending on their score to the two question categories (OEKO-TEX, 2022c).</p> <ul style="list-style-type: none"> ○ Level 1: Entry level; Score of at least 70% on basic questions (including all exclusion criteria) and score below 34% for advanced questions (OEKO-TEX, 2022c). ○ Level 2: Good implementation; Score of at least 70% on basic questions (including exclusion criteria) and score between 34% and 66% on advanced questions (OEKO-TEX, 2022c). ○ Level 3: Exemplary implementation: Score of at least 70% on basic questions (including exclusion criteria) and score of at least 67% on advanced questions (OEKO-TEX, 2022c). <ul style="list-style-type: none"> • Continuous improvement is required for the Social Responsibility module of STeP. Targets must be set along with the approach to reach them (OEKO-TEX, 2022c).
Ambition of the standards	<ul style="list-style-type: none"> • The ambition of the standards is to provide full transparency on the supply chain to end users through a QR code as well as assurance of a socially and environmentally sustainable production (OEKO-TEX, n.d.-b).
Practices covered by the label	<ul style="list-style-type: none"> • The practices covered by the label are the following: compositions of textiles and leathers (OEKO-TEX, 2022b), social responsibility, occupational health and safety, environmental performance and management, chemical and quality management (OEKO-TEX, n.d.-f).
Evolution of the standards over time	<ul style="list-style-type: none"> • Standards are revised every year to adapt to new scientific findings, regulations and market obligations (OEKO-TEX, n.d.-c).
Organization/institution responsible for verification (first, second or third party)	<ul style="list-style-type: none"> • Independent institutes accredited by OEKO-TEX verify compliance with the standards (third party) (OEKO-TEX, 2021).
Nature of the verification	<ul style="list-style-type: none"> • Standard 100 or Leather Standard: Tests are run by OEKO-TEX institutes on some of the components of the textile or leather. The company or facility is subject to an on-site visit before certifying the first time and at least every three years (OEKO-TEX, 2022a; OEKO-TEX, 2022b). • STeP: An online self-assessment tool has to be filled by the production facility (with provision of evidence documents) and verification of the answers is carried out by an OEKO-TEX institute during an on-site audit. Compliance audits are carried out every 18 months and documentation from the online assessment must be kept up to date. Unannounced audits can also be carried out by OEKO-TEX auditors at any time (OEKO-TEX, n.d.-c). • Verification for MADE IN GREEN consists of verification of validity of the Standard 100 / Leather Standard and STeP certification on which the MADE IN GREEN label relies (OEKO-TEX, 2021).

Time to certification	<ul style="list-style-type: none"> The time to certification for Standard 100 and Leather Standard is highly varying. The time to certification for STeP varies between three to six months. Made In Green label can be issued in a few days if the STeP and Standard 100/Leather Standard are valid, the conditions for Made In Green are met and suppliers are responding positively immediately (OEKO-TEX, n.d.-a).
Duration of certification	<ul style="list-style-type: none"> The Made in Green certification is valid for one year (OEKO-TEX, 2021). The STeP certification is valid for three years (OEKO-TEX, 2022c) while Standard 100 and Leather Standard are valid for one year (OEKO-TEX, 2022a; OEKO-TEX, 2022b).
Transparency of the certification process	<ul style="list-style-type: none"> There is a lack of transparency regarding the assessment for STeP: basic and advanced questions are not publicly available (except for exclusion criteria) (OEKO-TEX, n.d.-a). A request to get access to them was denied.
Possibility of stakeholder engagement	<ul style="list-style-type: none"> There is a public stakeholder consultation process in the context of the annual revision of the standards. The results arising from it are published (OEKO-TEX, n.d.-c). There is a complaints mechanism for stakeholders of the certified companies to address concerns (OEKO-TEX, 2022c).
Financing	<ul style="list-style-type: none"> MADE IN GREEN can be obtained free of cost (OEKO-TEX, n.d.-a). The costs for Standard 100 / Leather Standard include license costs and costs for audits, tests and administrative matters. The costs vary from company to company (OEKO-TEX, n.d.-a). The costs for STeP include a basic certification fee and additional costs for verification which depend on the extent of the verification which is necessary (OEKO-TEX, n.d.-a).
Human rights related criteria	
Human rights topics covered	<ul style="list-style-type: none"> The social responsibility module of STeP and related exclusion criteria cover the following human rights issues: child labour, remuneration, employment relationships, freedom of association and collective bargaining, working hours, harassment and abuse, discrimination related to employment, forced and prison labour and health and safety. They cover all the sector risks as defined by the sectoral guidance, adding the employment relationship matter (cf. Appendix 15, 4.4) (OEKO-TEX, 2022c).
Integration of UN Guiding Principles in the supply chain	<ul style="list-style-type: none"> Sound integration of the UNGPs Policy commitment <ul style="list-style-type: none"> Social Responsibility Management System requirements partly addresses the policy commitment requirement of the UNGPs (cf. Appendix 15, 4.4.3). The certifying company should have a social policy outlining its commitment to be socially responsible and to prevent adverse social impacts from happening. There is however no requirement for a policy explicitly outlining the commitment of the company to respect human rights (cf. Appendix 15, 4.4.3).

	<ul style="list-style-type: none"> ○ This social policy must be signed by a senior executive, rely on internal and external expertise and be implemented in the processes and operational policies of the company. It is also implied, but not stated, that it should be shared with the suppliers and subcontractors. There is no requirement linked with the stipulation of the expectations of the company towards personnel and business partner with regards to human rights (cf. Appendix 15, 4.4.3). ● Human rights due diligence <ul style="list-style-type: none"> ○ The identification of potential and actual adverse human rights impacts requirement of the UNGPs is also partly met here. The requirements of the social responsibility module include identification of risks linked to the topics of the module. It should be done through audits and the collection of information. There is no mention of human rights risk assessment as such, but it can be considered to be included in the social risk assessment as the social responsibility module tackles all sectoral human rights issues. Next, there is no mention of the frequency at which this assessment should take place. Finally, the social risk assessment relies on internal expertise as the person in charge of conducting is trained regularly on the topics covered by the assessment (cf. Appendix 15, 4.4.3). ○ The findings of the social risk assessment must be integrated in the appropriate functions and processes. Corrective measures should be taken according to the findings of the assessment. They should include specific quantitative targets and according schedules and responsibilities. Lastly, they should go beyond legal frameworks (cf. Appendix 15, 4.4.3). ○ The tracking of effectiveness requirement of the due diligence is met as the adequacy and effectiveness of the measures implemented as a response to the social risk assessment must be review by senior management. The review is based on established benchmarks and key figures related to the targets cited above. There is no mention of involvement of stakeholders in the process (cf. Appendix 15, 4.4.3). ○ No requirement covers the external communication about the due diligence efforts (OEKO-TEX, 2022c). ● Remediation <ul style="list-style-type: none"> ○ Entities are required to implement an operational-level grievance mechanism aligned with OECD sectoral guidance (cf. Appendix 15, 4.4.10).
<p>Best practices related to human rights in the supply chain</p>	<ul style="list-style-type: none"> ● The following practices come from the social responsibility module of STeP which is the sole part in the OEKO-TEX Made in Green to tackle human rights (cf. Appendix 15, 4.4).

	<ul style="list-style-type: none"> • Certifying entities are required to adopt a certain number of policies linked to some of the matters tackled by the Social Responsibility module (cf. Appendix 15, 4.4.6/4.4.7/4.4.8/4.4.12/4.4.13/4.4.14/4.4.15). • Workers of the certifying entity should all be provided with a social insurance. They must also benefit from an accident insurance or compensation payments in case of accident (cf. Appendix 15, 4.4.7). • There are extensive requirements with regards to the different health protection and safety at work issues specific to the garment and footwear industry, including prevention measures and internal audits (cf. Appendix 15, 4.6). • Certifying entities are expected to establish anonymous complaints system for harassment and abuse in the workplace (cf. Appendix 15, 4.4.12). It should also conduct surveys to identify potential cases of discrimination (cf. Appendix 15, 4.4.13). • Regular training must be provided to all employees on most the issues tackled by the Social Responsibility module (cf. Appendix 15, 4.4.9/4.4.11/4.4.12/4.4.13/4.4.14/4.4.15). • The certifying entity must establish a roadmap with yearly targets to provide its employees with a living wage within 3 to 5 years at the most (cf. Appendix 15, 4.4.7). • Certifying entities should issue a sustainability report as a means to communicate with stakeholders (cf. Appendix 15, 4.4.5). • The collaboration with stakeholders and industry actors required and the investment in local community projects is encouraged (cf. Appendix 15, 4.4.5). • Other best practices may be included in the basic and advanced questions, but those questions are not available publicly (OEKO-TEX, 2022c).
Reference to international instruments, standards and tools	<ul style="list-style-type: none"> • There is an explicit obligation to comply with the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration of Human Rights as part of the STeP requirements (cf. Appendix 15, 4.4.4). • There are multiple references to the ILO core Conventions in the social responsibility module and related exclusion criteria of STeP (cf. Appendix 15, 4.4). • There is a reference to the OECD Due Diligence Guidance on the garment and footwear sector for the operational-level grievance mechanism requirement in the social responsibility module of STeP (cf. Appendix 15, 4.4.10). • There are references to industry instruments (e.g. Asia Floor Wage Alliance, Anker method from the Global Living Wage Coalition) for remuneration matters in the social responsibility module of STeP (cf. Appendix 15, 4.4.7).

Appendix 11: Framework applied to the Fairtrade Textile Standard

The references to the appendices in the following table are to be understood as (cf. Appendix number, section(s) number within the appendix).

Criteria	The Fairtrade Textile Standard
Topics covered	<ul style="list-style-type: none"> • Environment and social (Fairtrade International, n.d.-e)
Scope	
Mandatory or voluntary	<ul style="list-style-type: none"> • Voluntary (Fairtrade International, n.d.-e)
Global, supranational or national	<ul style="list-style-type: none"> • Global (Fairtrade International, n.d.-e) • Ineligibility for entities located in countries where freedom of association is allowed (Fairtrade International, n.d.-e).
Organization or product	<ul style="list-style-type: none"> • Products (Fairtrade International, n.d.-e) • For textiles containing responsible fibres (e.g. Fairtrade certified cotton) (Fairtrade International, n.d.-e). The fibres should be environmental and socially responsible (Fairtrade International, n.d.-b).
Whole lifecycle or specific lifecycle stages	<ul style="list-style-type: none"> • Whole supply chain (Fairtrade International, n.d.-e) • All the operators along the supply chain must certify against the Fairtrade textile Standard for a product to be certified. There is an exception for brand owners which are not involved in the production; they must however have a contract with a National Fairtrade organization or Fairtrade International and their suppliers which consists of a commitment from the brand to fair, trustworthy and foreseeable terms of trade (Fairtrade International, 2016b).
Single attribute or multi attribute	<ul style="list-style-type: none"> • Multi-attribute (Fairtrade International, 2016a)
Issuer	
Institution	<ul style="list-style-type: none"> • Fairtrade International monitors the Fairtrade Textile Standard. It comprises 22 members which are producer networks and national Fairtrade organizations (Fairtrade International, n.d.-a).
Organizational structure	<ul style="list-style-type: none"> • Fairtrade International is a non-profit and multi-stakeholder organization (Fairtrade International, n.d.-a).
Rigour of the certification process	
Nature of the requirements	<ul style="list-style-type: none"> • There are two types of requirements: <ul style="list-style-type: none"> ◦ Core requirements which are mandatory requirements (Fairtrade International, 2016a).

	<ul style="list-style-type: none"> ○ Development requirements against which are not mandatory requirements but against which the company must achieve a minimum score (Fairtrade International, 2016a). • No improvement of operators required over time (2016a).
Ambition of the standards	<ul style="list-style-type: none"> • The standards aim is to reduce poverty and enhance empowerment of workers along the supply chain (Fairtrade International, 2016a).
Practices covered by the label	<ul style="list-style-type: none"> • Practices covered are social development of workers, labour conditions, trade, and environmental responsibility (Fairtrade International, 2016a).
Evolution of the standards over time	<ul style="list-style-type: none"> • The assessment was expected to be updated in 2021, but it is still at its first version released in 2016 (Fairtrade International, n.d.-e).
Organization/institution responsible for verification (first, second or third party)	<ul style="list-style-type: none"> • Verification of compliance is conducted by Flocert, an independent certification body (third party) (Fairtrade International, 2016c; Flocert, n.d.).
Nature of the verification	<ul style="list-style-type: none"> • The verification by Flocert takes the form of audit (Fairtrade International, 2016a). In the frame of verification, Fairtrade International strives to respond to the ineffectiveness of traditional social audits (Fairtrade International, 2016b). The audits are conducted by skilled auditors and with a significant involvement of workers. Auditors strive to identify root causes of non-compliance with the standard. There is a high control over the duration and frequency of the audits as well as increased transparency efforts (Fairtrade International, n.d.-e). Factories may as well be subject to unannounced audits (Fairtrade International, 2016a). • Each requirement is audited after a certain number of years (0, 1, 3 or 6) (Fairtrade International, 2016a).
Time to certification	<ul style="list-style-type: none"> • N/A
Duration of certification	<ul style="list-style-type: none"> • There is no duration of the certification as such. A certain number of items are audited every year and if the organization fails to meet core requirements and/or to achieve the minimum score to the development requirements, it will lose its certification (Fairtrade International, 2016a).
Transparency of the certification process	<ul style="list-style-type: none"> • The certification process is unclear on some aspects. There are in addition no indications on the weighting of development requirements and the minimum score to achieve to certify (Fairtrade International, 2016a).
Possibility of stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder consultation is part of the process for determining standards (Fairtrade International, n.d.-d).
Financing	<ul style="list-style-type: none"> • Financing takes the form of a certification fee paid to Flocert (Flocert, n.d.).
Human rights related criteria	
Human rights topics covered	<ul style="list-style-type: none"> • The requirements in the Labour Conditions chapter cover the following human rights issues: discrimination related to employment, (gender) violence and harassment, forced labour, child

	labour, freedom of association and collective bargaining, remuneration, working hours, employment relationships and healthy and safe working conditions (cf. Appendix 16, 3). All sectoral risks identified by the OECD are covered, adding employment relationships.
Integration of UN Guiding Principles in the supply chain	<ul style="list-style-type: none"> • Inadequate integration of the UNGPs. • Policy commitment <ul style="list-style-type: none"> ◦ No policy commitment as defined by the UNGPs required (Fairtrade International, 2016a). • Human rights due diligence <ul style="list-style-type: none"> ◦ No human rights due diligence as such required (Fairtrade International, 2016a). ◦ However, operators' Compliance Committee need to conduct risk assessments once a year and internal audits four times a year on the different aspects of the Standard. They need to report and communicate about those audits and risk assessments as well as take the appropriate action. As the requirements cover all the human rights issues at stake in the garment and footwear industry, we could consider that the human right due diligence is fulfilled (cf. Appendix 16, 1.2.1). • Remediation <ul style="list-style-type: none"> ◦ Certifying entities should establish a grievance procedure (for which extensive guidelines are provided). Members of the local civil society should be designed as grievance handlers (cf. Appendix 16, 1.4.4/1.4.5).
Best practices related to human rights in the supply chain	<ul style="list-style-type: none"> • Significant involvement of workers in the compliance with the requirements (including in audits and finding ways to resolve compliance gaps) through the presence of worker representatives in the Compliance Committee (cf. Appendix 16, 1.2). • Full transparency of the supply chain is required. All the operators along the chain must certify and must register their subcontractors (cf. Appendix 16, 1.3.2). • Operators must in addition ensure the compliance of their subcontractors with the labour conditions and environmental responsibility requirements of the label. They should communicate the requirements, assess the major risks of non-compliance with those requirements, support their subcontractors in tackling the risks identified and report on the mitigation actions undertaken (cf. Appendix 16, 1.4.2). • Participation in sectoral initiatives on living wage and collective bargaining is required (cf. Appendix 16, 3.4.10/3.5.4). • Initiatives to empower workers such as training and capacity building are required, with special attention to women (cf. Appendix 16, 2.1.3/2.1.4/2.1.5).

	<ul style="list-style-type: none"> • Different requirements linked to measures the operator should take after an injury or death linked to work, in the form of care or compensation (cf. Appendix 16, 3.5.22/3.5.23/3.6.20/3.6.21/3.6.22). • The assessment fosters the reduction of subcontracting through improved planning (cf. Appendix 16, 1.4.3). • There are criteria related to increased paid, sick and maternity leave (cf. Appendix 16, 3.5.18/3.5.20/3.5.25). • Payment of a living wage to employees must be achieved within 6 years (cf. Appendix 16, 3.5.2/3.5.3). • Social security for all workers is required, independent of whether they are permanent, migrant, temporary or seasonal workers (cf. Appendix 16, 3.5.6). • Operator must sign a Freedom of Association Protocol signed by senior management (cf. Appendix 16, 3.4.4). It states that the company commits to respecting and promoting the right of workers to join trade unions and bargain collectively through various actions such as the provision of facilities (Fairtrade International, n.d.-c). • Specific requirements relate to the contracts with cotton producers and other suppliers (such as payment terms, pricing, pre-finance etc.) (cf. Appendix 16, 5.3/5.4) • Results of audits must be shared with workers (cf. Appendix 16, 1.3.4).
Reference to international instruments, standards and tools	<ul style="list-style-type: none"> • There are explicit references to the ILO Conventions linked to discrimination related to employment, forced labour, child labour, freedom of association and collective bargaining, wages and occupational health and safety, including the eight fundamental ILO Conventions (Fairtrade International, 2016a).

Appendix 12: Framework applied to Fair Wear

The references to the appendices in the following table are to be understood as (cf. Appendix number, section(s) number within the appendix).

Criteria	Fair Wear
Topics covered	<ul style="list-style-type: none"> • Social (Fair Wear Foundation, n.d.-c)
Scope	
Mandatory or voluntary	<ul style="list-style-type: none"> • Voluntary (Fair Wear Foundation, n.d.-c)
Global, supranational or national	<ul style="list-style-type: none"> • Global (Fair Wear Foundation, n.d.-c)
Organization or product	<ul style="list-style-type: none"> • Organization (Fair Wear Foundation, n.d.-c)

	<ul style="list-style-type: none"> For brand owners with more than 50% of their production in countries where Fair Wear operates, or low risk countries as defined by Fair Wear (cf. Appendix 17) and having an annual turnover of at least €10 million (Fair Wear Foundation, n.d.-c).
Whole lifecycle or specific lifecycle stages	<ul style="list-style-type: none"> Stages assessed are the product assembly stages: sewing or other techniques to assemble the fabric. Support processes such as “cutting, embroidery, screen printing, washing, ironing, garment knitting, packing, finishing and any other related processes used to transform raw material into finished garments” (Fair Wear Foundation, 2021a, p.9) are also assessed.
Single attribute or multi attribute	<ul style="list-style-type: none"> Multi-attribute (Fair Wear Foundation, 2021a)
Issuer	
Institution	<ul style="list-style-type: none"> The Fair Wear Foundation monitors the label (Fair Wear Foundation, n.d.-a).
Organizational structure	<ul style="list-style-type: none"> The Fair Wear foundation is an independent not-for-profit foundation (Fair Wear Foundation, n.d.-a).
Rigour of the certification process	
Nature of the requirements	<ul style="list-style-type: none"> There are first binding requirements: member brands must first strive for the enforcement of a code of conduct established by the Fair Wear foundation, the Code of Labour Practices (CoLP), at their suppliers’ (cf. Appendix 18). They must then meet basic requirements consisting of the submission of a work plan established to implement the CoLP, anticipated production location data for next financial year and production location data for previous financial year (Fair Wear Foundation, 2021a). There are also non-binding requirements embedded in an assessment called Brand Performance Check. The assessment consists of 4 layers. Certifying companies must comply with at least seven out of eight indicators for layer 1. They are in addition attributed the ‘Leader’, ‘Good’ or ‘Needs Improvement’ performance category based on the score to the indicators of layer 2 to 4 of the Brand Performance Check. Companies can keep the ‘Needs Improvement’ label for one year maximum. The minimum score to achieve evolves for each of the three first years (progressive criteria) (cf. Appendix 20). Some of the criteria in layer 2 to 4 require follow-up within a year, otherwise membership will be terminated (cf. Appendix 19, 2.3/2.7/3.6/3.7/3.10/3.14/4.6) (Fair Wear Foundation, 2021a). Continuous improvement required is required as there is a progressive score to achieve (for the three first years) and improvement expected with regards to feedback from previous assessment (Fair Wear Foundation, 2021a).
Ambition of the standards	<ul style="list-style-type: none"> The standards aim for, among other things, shared accountability between brands and suppliers regarding human rights in the supply chain and workers’ empowerment (Fair Wear Foundation, n.d.-d).

Practices covered by the label	<ul style="list-style-type: none"> Practices covered are working conditions, sourcing strategy, purchasing practices, supplier relationships and management systems (Fair Wear Foundation, 2021a).
Evolution of the standards over time	<ul style="list-style-type: none"> The Brand Performance Check undergoes updates (Fair Wear Foundation, 2021a).
Organization/institution responsible for verification (first, second or third party)	<ul style="list-style-type: none"> Verification audits are performed by external independent auditors (Fair Wear Foundation, 2021c).
Nature of the verification	<ul style="list-style-type: none"> Documentation must be submitted for each criterium at each brand performance check (Fair Wear Foundation, 2021a). Verification audits are performed on a portion of the production locations every year. Over three years, at least 10% of the FOB¹ is verified (Fair Wear Foundation, 2021c). During verification audits, auditors strive to get information from various sources. Workers are involved, including through offsite interviews (Fair Wear Foundation, n.d.-b).
Time to certification	<ul style="list-style-type: none"> Approximately 12 weeks are needed until certification is completed (Fair Wear Foundation, n.d.-c).
Duration of certification	<ul style="list-style-type: none"> The Brand performance Check must be carried out every year (Fair Wear Foundation, 2021a).
Transparency of the certification process	<ul style="list-style-type: none"> The certification process is transparent (Fair Wear Foundation, 2020; Fair Wear Foundation, n.d.-a). The outcomes of Brand Performance Checks of member brands are publicly available (Fair Wear Foundation, n.d.-a).
Possibility of stakeholder engagement	<ul style="list-style-type: none"> There is a multi-stakeholder Board and Committee of Experts (Fair Wear Foundation, n.d.-a). Fair Wear established a complaints handling process destined to member brands' stakeholders. The complaints are published on Fair Wear's website. (Fair Wear Foundation, n.d.-e)
Financing	<ul style="list-style-type: none"> The financing consists of annual membership fees (Fair Wear Foundation, 2021a).
Human rights related criteria	
Human rights topics covered	<ul style="list-style-type: none"> The Code of Labour Practices covers the following human rights issues: forced labour, freedom of association and collective bargaining, discrimination related to employment, child labour, remuneration, working hours, healthy and safe working conditions and employment relationships (cf. Appendix 18) (Fair Wear Foundation, n.d.-f). All sectoral risks identified by the OECD are covered, adding employment relationships.
Integration of UN Guiding Principles in the supply chain	<ul style="list-style-type: none"> Outstanding integration of UNGP and alignment with OECD sectoral guidance. Policy commitment <ul style="list-style-type: none"> A Responsible Business Conduct policy expressing the commitment to enforce the CoLP and to adopt responsible purchasing practices to enable for the prevention and mitigation of adverse human rights impacts should be adopted (cf. Appendix 19, 1.1) (Fair Wear Foundation, 2021a). It should include the expectations of the company toward its business

	<p>partners and the way this policy is included in the functions and processes of the company. It should in addition be adapted to the particularities of the supply chain and be informed by potentially affected groups. Finally, it should be aligned with the OECD Guidelines for Multinational Enterprises and adopted by the senior management (Fair Wear Foundation, 2021b).</p> <ul style="list-style-type: none"> • Human rights due diligence <ul style="list-style-type: none"> ○ (Minimum) scope: product assembly stages (Fair Wear Foundation, 2021b). ○ A risk-based approach to due diligence as outlined in the sectoral guidance required. Scoping of human rights risks must be done according to country, sector, business model, sourcing model and product level risks (cf. Appendix 19, 2.3) (Fair Wear Foundation, 2021a). Likelihood and severity of harm should be considered in risk scoping. It should be done regularly, informed, recorded (Fair Wear Foundation, 2021b). ○ Identification of actual and potential human rights risks in the supply chain must be conducted on an ongoing basis (at least once a year). Brands are expected to collect information, evaluate the risks and communicate on the findings. Information can be collected from “monitoring audits, outcomes of worker consultations, and local stakeholder input.” (Fair Wear Foundation, 2021a, p.38) (cf. Appendix 19, 2.7). The risk assessment should also be done for suppliers considered low risk (cf. Appendix 19, 2.5) (Fair Wear Foundation, 2021a). Workers should be part of the process (Fair Wear Foundation, 2021b). ○ Information on the human rights performance of a supplier should also be sought before engaging in a business relationship. The information should come from various sources when possible (cf. Appendix 19, 3.8) (Fair Wear Foundation, 2021a). ○ Integration of findings of the risk scoping in functions and internal processes related to the sourcing strategy is assessed by the Brand Performance Check (cf. Appendix 19, 2.3) (Fair Wear Foundation, 2021a). ○ Adequate response to the risk assessment must also be achieved by the company through time-bound prevention and mitigation programmes developed together with the supplier. Prioritisation must be done according to the risk scoping (cf. Appendix 19, 2.11/3.1/3.3/3.6/3.7/3.10/3.15) (Fair Wear Foundation, 2021a). The development of such programmes should involve several stakeholders, including workers and workers representatives and the factory management (Fair Wear Foundation, 2021b). A responsible exit strategy must be part of risk mitigation strategies of companies, but only used in case of consistent uncooperative behaviour from the supplier (cf. Appendix 19, 3.17) (Fair Wear Foundation, 2021a).
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	<ul style="list-style-type: none"> ○ Several requirements embody actions that can be taken at brand level to prevent and/or mitigate impact in the supply chain, namely through purchasing practices. First, two requirements relate to the mitigation by the brand of root causes of human rights issues linked to remuneration and overtime (cf. Appendix 19, 3.9/3.11). Two others assess the fair nature of contract terms and the collaboration between the brand and its suppliers on the establishment, monitoring and assessment of production planning (cf. Appendix 19, 2.13/2.15). Then, two requirements relate to the collaboration with other member brands or non-member brands, for example to prevent and mitigate human rights risks when they supply from the same production locations (cf. Appendix 19, 2.1/3.5). Next, brands are expected to show that they have identified the labour costs component in their purchasing price (cf. Appendix 19, 2.16). Lastly, a requirement relates to the prevention of unauthorised subcontracting, through for example quality control (cf. Appendix 19, 2.11) (Fair Wear Foundation, 2021a). ○ The company must track the efficiency of mitigation and prevention programmes (cf. Appendix 19, 3.6/3.7/3.16/4.5) (Fair Wear Foundation, 2021a). Workers and suppliers should be involved in tracking and validating the progress (Fair Wear Foundation, 2021b). ○ External communication on most serious risks, prioritisation process and the mitigation and prevention programmes must be carried out (cf. Appendix 19, 4.3) (Fair Wear Foundation, 2021a). ● Remediation <ul style="list-style-type: none"> ○ Operational-level grievance mechanism (in-house or third party) involving workers and workers representatives at the suppliers should be supported by the brand (as recommended by the sectoral guidance). Member brands should know the functioning, outcomes and track the effectiveness of the mechanism. OECD criteria on operational-level grievance mechanisms should also be respected (cf. Appendix 19, 3.4) (Fair Wear Foundation, 2021a). A Fair Wear member brand should also remediate to adverse impacts it has caused or contributed to (Fair Wear Foundation, 2021b).
Best practices related to human rights in the supply chain	<ul style="list-style-type: none"> ● Public disclosure of at least 90% of the production locations (in production volume) is required (cf. Appendix 19, 1.7) (Fair Wear Foundation, 2021a). ● There are explicit requirements linked to the gender consideration in the due diligence process (cf. Appendix 19, 2.9/3.2) (Fair Wear Foundation, 2021a). ● A criterion refers to how brands participate in wage increases for suppliers' workers' pay to reach the living wage (cf. Appendix 19, 3.12) (Fair Wear Foundation, 2021a). ● Fair Wear fosters long-term relationships with suppliers, considering more than five years as long-term (cf. Appendix 19, 2.2) (Fair Wear Foundation, 2021a).

	<ul style="list-style-type: none"> • With regards to unauthorised subcontracting, a criterium refers to a policy a member brand must have adopted on that matter (cf. Appendix 19, 1.5) (Fair Wear Foundation, 2021a). • A requirement relates to advanced reporting the company might conduct through disclosing further information about production locations and time-bound improvement programmes (cf. Appendix 19, 4.4) (Fair Wear Foundation, 2021a).
Reference to international instruments, standards and tools	<ul style="list-style-type: none"> • There are references to the ILO Conventions in the Code of Labour Practices (Fair Wear Foundation, n.d.-f). • There are references to the UNGPs, the OECD Guidelines for Multinational Enterprises and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear sector in the Brand Performance Check (Fair Wear Foundation, 2021a). • There are references to human rights resources and tools developed by Fair Wear as well as reference to ETI, Better Buying, Fashion Transparency index (Fair Wear Foundation, 2021a).

Appendix 13: Framework applied to B Corp

The references to the appendices in the following table are to be understood as (cf. Appendix number, section(s) number within the appendix).

Criteria	B Corp
Topics covered	<ul style="list-style-type: none"> • Environment and Social (B Lab, n.d.-a)
Scope	
Mandatory or voluntary	<ul style="list-style-type: none"> • Voluntary (Marquis, 2020a)
Global, supranational or national	<ul style="list-style-type: none"> • Global (Marquis, 2020a)
Organization or product	<ul style="list-style-type: none"> • Organization (Marquis, 2020a) • The certification can apply to any type of company (e.g. manufacturers, wholesalers and retailers) (Marquis, 2020a). • The certification does not apply to the garment and footwear industry exclusively, but to all the other industries as well (Marquis, 2020a).
Whole lifecycle or specific lifecycle stages	<ul style="list-style-type: none"> • The assessment is concentrated almost exclusively on the lifecycle stage at which the organization operates (either manufacturing, wholesale or retail). There are however few questions around its supply chain management, limited to direct suppliers for organizations with less than 1000 employees and going until the producers of raw material for organizations with more than 1000 employees (B Lab, n.d.-c).

Single attribute or multi attribute	<ul style="list-style-type: none"> Multi-attribute (B Lab, n.d.-c)
Issuer	
Institution	<ul style="list-style-type: none"> The B Corp certification is managed by B Lab (B Lab, n.d.-b).
Organizational structure	<ul style="list-style-type: none"> B Lab is a non-profit organisation (B Lab, n.d.-b).
Rigour of the certification process	
Nature of the requirements	<ul style="list-style-type: none"> Companies must complete the B Impact Assessment which consists of non-binding requirements. 80 points out of 200 must be achieved for the company to certify (Marquis, 2020a).
Ambition of the standards	<ul style="list-style-type: none"> The standards support businesses in the creation of positive impact on society to build a more prosperous economy (B Lab, n.d.-n).
Practices covered by the label	<ul style="list-style-type: none"> Practices that are covered include various practices regarding the environment, the workers, the community, the governance and the customers of a company (called impact areas) (Del Baldo, 2019). Regarding the supply chain, companies are assessed according to sourcing strategy, purchasing behaviour, supplier relationship and management systems (B Lab, n.d.-c).
Evolution of the standards over time	<ul style="list-style-type: none"> Standards are updated every two years to integrate new and emerging topics and best practices (B Lab, n.d.-m).
Organization/institution responsible for verification (first, second or third party)	<ul style="list-style-type: none"> Verification is conducted by B Lab (B Lab, n.d.-i).
Nature of the verification	<ul style="list-style-type: none"> Companies must complete a self-assessment, the B Impact Assessment. Additional documentation has to be submitted to 6 to 15 questions of the assessment and an on-site in-depth audit is conducted randomly at 10 percent of the certified B Corps every year (B Lab, n.d.-i). The company also has to answer a Disclosure Questionnaire, and if it responds positively to a statement, it is expected to provide comments and/or documents (B Lab, n.d.-c).
Time to certification	<ul style="list-style-type: none"> Time to certification varies from three months to a few years depending on the size of the company (annual revenue and number of full-time employees) (B Lab, n.d.-a).
Duration of certification	<ul style="list-style-type: none"> The certification remains valid three years (B Lab, n.d.-e).
Transparency of the certification process	<ul style="list-style-type: none"> The certification process is transparent (B Lab, n.d.-a). B Lab publishes on its website the final score and the score to each impact area of the BIA of B Corp certified companies. The median score of companies taking the BIA is also indicated (B Lab, n.d.-h). For large companies, the B Impact Assessments of the full group and some subsidiaries must in addition be publicly disclosed (B Lab, 2021a).
Possibility of stakeholder engagement	<ul style="list-style-type: none"> There is a formal complaints process for stakeholders of certified companies to raise concerns (B Lab, n.d.-g).

	<ul style="list-style-type: none"> • There is a engagement with certified companies, researchers, stakeholders and the general public for the review of the standards (B Lab, n.d.-m).
Financing	<ul style="list-style-type: none"> • The financing consists of certification fees (B Lab, n.d.-e).
Human rights related criteria	
Human rights topics covered	<ul style="list-style-type: none"> • The only human rights topics tacked in the frame of the supply chain are child and forced labour in the Disclosure Questionnaire (cf. Appendix 8) (B Lab, n.d.-c).
Integration of UN Guiding Principles in the supply chain	<p><i>Companies with less than 1000 employees:</i></p> <ul style="list-style-type: none"> • Policy commitment <ul style="list-style-type: none"> ◦ No requirement linked with policy commitment (B Lab, n.d.-c) • Human rights due diligence <ul style="list-style-type: none"> ◦ Scope: direct suppliers (B Lab, n.d.-c). ◦ Some questions aim to know whether the certifying company conducts a social and/or environmental impact assessment, on which topics and with which evaluation methods. We cannot consider here that a human rights impact assessment would be part of a social impact assessment as ‘human rights’ is not included in the tick-box options of the topics included in the assessment. The tick-box options of the question with the evaluation methods include internal and external expertise (including own or third-party audits), but the company does not have to report on stakeholder consultation in the assessment (cf. Appendix 5, Q4/5/6). ◦ Regarding mitigation/prevention actions, a question tackles whether the company develops mitigation plans for its suppliers, in particular in case of non-compliance with a potential code of conduct, and if it sets a certain duration for remediation before deciding to end the contract. Other propositions on mitigation/prevention actions encompass the provision of training or other resources to suppliers and to own staff. Two other propositions are about participation in collaborative initiatives with other firms and the provision of incentives through contracts terms or prices for example (cf. Appendix 5, Q27). Nevertheless, it does not seem to be a subsequent action to the impact assessment. ◦ There is no mention in any other question of the integration of the findings of the assessment in functions and processes or the tracking of the effectiveness of the response or the external communication about the due diligence process (B Lab, n.d.-c). • Remediation <ul style="list-style-type: none"> ◦ Remediation only appears in the question about support to small scale or needy suppliers through a proposition about a company’s grievance mechanism to hear and handle complaints (cf. Appendix 5, Q32) (B Lab, n.d.-c).

	<p><i>Companies with more than 1000 employees:</i></p> <ul style="list-style-type: none"> • Policy commitment <ul style="list-style-type: none"> ○ No requirement linked to policy commitment (B Lab, n.d.-c) • Human rights due diligence <ul style="list-style-type: none"> ○ Scope: tier 1, tier 2 and producers of raw materials (B Lab, n.d.-c). ○ A question aims to assess whether the company conducted a risk assessment and risk mapping, including the country, product and size of purchase in the propositions. A risk assessment is not a UNGP requirement, but it is recommended by the sectoral guidance (cf. Appendix 5, Q2). ○ Several questions relate to a potential social and/or environmental impact assessment of suppliers. As for companies with less than 1000 employees, human rights are not explicitly said to be part of the social impact assessment (cf. Appendix 5, Q17/19/21). However, a further question aims to know whether the company has verified, among other things, ‘compliance with international human rights and labor standards’, the ‘payment of a living wage’ and ‘no forced/modern slavery’ for all entities of its supply chain. This aligns with the UNGPs guidelines. Yet what is confusing is that this question is labelled ‘Verification of Positive Outcomes in Supply Chain’, as if the respect of international human right and labour standards is not a baseline requirement companies should follow but a practice they should be rewarded for (cf. Appendix 5, Q30). ○ As for companies with less than 1000 employees, there is a question on the evaluation methods of environmental and/or social impact assessment and the propositions include internal and external expertise (including own or third-party audits) but no question relate to the involvement of stakeholders in the process (cf. Appendix 5, Q18/20/22). ○ The integration of the findings of the impact assessment is included in the question on the management of supply chain impact. The propositions encompass the integration of the responsibility for social and environmental suppliers’ performance to the procurement function performance assessment and job descriptions and the integration of the results of impact assessments into the company’s processes enabling to improve supply chain impact processes, in particular by working on root causes (cf. Appendix 5, Q29). ○ Regarding mitigation actions, the same question and corresponding propositions apply (cf. Appendix 5, Q27). Here also, there is also no tracking of the effectiveness of the mitigation plans (B Lab, n.d.-c). ○ Next, the external communication requirement is addressed by a question on the reporting of the supply chain impact by the company (cf. Appendix 5, Q23).
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	<ul style="list-style-type: none"> • Remediation <ul style="list-style-type: none"> ◦ Remediation only appears in the question about support to small scale or needy suppliers through a proposition about a company’s grievance mechanism to hear and handle complaints (cf. Appendix 5, Q32) <p><i>Multinational companies (companies with more than \$5B. in annual revenue)</i></p> <ul style="list-style-type: none"> • Multinational companies must adopt a human rights policy as part of the baseline requirements. In the frame of this human rights policy, companies must commit to the respect of human rights, including in their supply chain (B Lab, 2021b), which aligns with policy commitment. Next, companies must either explicitly commit to key human rights instruments including the UNDHR, the UNGPs and the ILO Principles or report on how it conducts human rights due diligence (which should be aligned with the UNGPs) (B Lab, 2021b). The due diligence requirement of the UNGPs would therefore be met, except if the company decides to commit to the key human rights instruments. Indeed, in that case there is no assessment of proper compliance with the latter. • Multinational companies must also implement a grievance mechanism destined to all its stakeholders. The remediation requirement of the UNGPs is therefore met (B Lab, 2021b).
Best practices related to human rights in the supply chain	<ul style="list-style-type: none"> • The best practices in the ‘Supply Chain Management’ section of the BIA relate mostly to purchasing practices and supplier relationships (B Lab, n.d.-c). • There is a question on how the company fosters enhanced environmental and social performance among its suppliers. Propositions include the provision of incentives, resources and the setting of specific goals. This question is only part of the assessment of companies having 50 to 999 employees (cf. Appendix 5, Q26). • A further question aims to know if and how companies support small-scale or other needy suppliers by assessing training needs, providing educational resources and/or favorable contract terms (cf. Appendix 5, Q32). It only applies to companies with more than 1000 employees if they are located in emerging markets (cf. Appendix 6). • Another question aims to know the average duration of relationship between the company and its suppliers (cf. Appendix 5, Q31). • A question aims to know whether the company supplies from companies with a social and/or environmental third-party certification (Appendix 5, Q34). It only applies to companies with more than 1000 employees of they are located in emerging markets (cf. Appendix 6).
Reference to international instruments, standards and tools	<ul style="list-style-type: none"> • There are no references to the ILO Conventions (except for forced labour) or other major international human rights instruments (B Lab, n.d.-c). • There are however references to UN Global Compact resources and UN Sustainable Development Goals (B Lab, n.d.-c).

Appendix 14: GOTS' assessment

3. Social criteria

3.1 Scope

The following social criteria apply to all textile processing, manufacturing and trading stages which are employing workers. The same principles and requirements apply also to the farm level, taking account of its specific nature and recognizing the limited direct monitoring and assurance possibilities with this Standard.

For adequate implementation and assessment of the following specific criteria adherence to the corresponding International Labour Conventions of the International Labour Organisation (ILO), United Nations Guiding Principles on Business and Human Rights (UNGPs) and OECD shall be assured. Certifiers are expected to study, assimilate and consider local and national conditions in their Risk Assessment while conducting inspections and audits.

Certified Entities shall create awareness on GOTS social criteria within their workforce by appropriate means.

3.2 *Employment is freely chosen*

- 3.2.1 There is no servitude, forced, bonded, trafficked or indentured labour
- 3.2.2 Forced labour shall not be used.
- 3.2.3 Workers are not required to lodge "deposits" or their identity papers with their employer. Workers are free to leave their employer after mutually agreed notice period, as stated in employment contract.
- 3.2.4 Workers are not required to pay for entering employment.
- 3.2.5 Workers are not forced to use factory provided lodging or transportation.

3.3 *Freedom of association and collective bargaining*

- 3.3.1 Freedom of association and the right to collective bargaining are respected.
- 3.3.2 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 3.3.3 The employer adopts an open and supportive attitude towards the activities of trade unions and their organisational activities and does not hinder or prevent or interfere with activities or engage in surveillance of those activities.
- 3.3.4 Workers representatives have access to carry out their representative functions in the workplace free of intimidation, discrimination or fear of reprisal. Employers do not intimidate or discriminate against workers for their union membership or activities.
- 3.3.5 Collective bargaining agreements shall be respected.
- 3.3.6 Display (for example, on a notice board) and communicate (for example, in employment contracts) about workers' right to collective bargaining.
- 3.3.7 If there is no trade union on site, the employer shall not deny time and resources for workers to elect representatives. Elected representatives shall have access to workers and employer's representative on a regular basis.
- 3.3.8 Each category of employees can be represented by elected representative(s) of the corresponding category of employees.
- 3.3.9 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining and allows their workers to freely elect their own representatives with whom the company can enter into dialogue about related issues.

3.4 Child labour shall not be used

- 3.4.1 Child labour, regardless of gender shall not be used.
- 3.4.2 Young workers (age between minimum age up to 18 years old) under 18 shall not be employed at night or in hazardous conditions.
- 3.4.3 A young worker cannot work for more than 8 hours in a day or the legal limit for young workers, whichever is lower. Overtime is prohibited and a minimum consecutive period of 12 hours' rest as well as customary weekly rest days shall be provided.
- 3.4.4 These policies and procedures including the interpretation of the terms "child" and "child labour" shall conform at the very minimum of to the provisions of the relevant ILO conventions C138 and C182, or national / local laws, which ever affords greater protection.

3.5 No discrimination is practised

- 3.5.1 There is no kind of discrimination e.g. in hiring, compensation, access to training, promotion, termination, retirement or right to overtime hours based on race, caste, ethnic or national origin, nationality, religion, age, disability, gender, marital status, pregnancy, sexual orientation, union membership, political affiliation, social background or any other condition that could give rise to discrimination. In particular, workers shall not be harassed or disciplined on any of the grounds listed above.

3.6 Occupational Health and Safety (OHS)

- 3.6.1 Working conditions are safe and hygienic.
- 3.6.2 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Vulnerable individuals such as - but not limited to - young workers, new and expecting mothers and persons with disabilities, shall receive special protection.
- 3.6.3 Appropriate personal protective equipment shall be provided to the workers (including homeworkers) at no cost to such workers and it shall be assured that these are being used whenever necessary. Adequate steps shall be taken to prevent accidents and injury to health arising from, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.6.4 Companies shall ensure adequate occupational medical assistance and related facilities.
- 3.6.5 Systems shall be in place to detect, assess, avoid and respond to potential threats to the health and safety of workers. Effective measures shall be taken to prevent workers from having accidents, injuries or illnesses, arising from, associated with, or occurring during work.
- 3.6.6 For all chemical substances and preparations used the corresponding Material Safety Data Sheet (SDS) shall be maintained and it shall be assured that the applicable health and safety measures for handling and storing these chemicals are implemented.
- 3.6.7 Companies shall take all appropriate measures within their sphere of influence, to see to the stability and safety of the equipment and buildings they use, including accommodation to workers, where provided, as well as to protect against any foreseeable emergency. Workers shall be able to exit the premises in case of imminent danger without seeking permission.
- 3.6.8 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry, any specific hazards, and context/country specific risks.
- 3.6.9 Workers shall receive regular and recorded health and safety training incl. fire prevention training and evacuation drills, and such training shall be repeated for new or reassigned workers.
- 3.6.10 Employers shall provide training and make safety signs available in the local language and the language(s) spoken by their workforce.

- 3.6.11 Workers (including homeworkers) and staff shall receive regular and recorded health and safety training including fire prevention training and evacuation drills (as relevant), and such training shall be repeated for new or reassigned workers.
- 3.6.12 If the facility employs homeworkers, it shall take effective actions to ensure that such homeworkers are given a level of protection equivalent to that given to the workers working at the facility.
- 3.6.13 Access to functional clean toilet facilities and to free of charge potable water, and, if appropriate, to rest areas, food consuming areas and sanitary facilities for food storage shall be provided and not unreasonably restricted.
- 3.6.14 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.6.15 Employer shall assign responsibility for health and safety to a senior management representative.

3.7 No harassment and violence

- 3.7.1 Employers shall make a commitment within their social compliance policy (see section 3.12) to foster an environment at work free from harassment, bullying and violence.
- 3.7.2 Sexual harassment, sexual violence and gender-based violence is not permitted in the workplace, irrespective of gender.
- 3.7.3 Prohibited is any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life.
- 3.7.4 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- 3.7.5 Workers shall be treated with respect and dignity.
- 3.7.6 Human Rights shall be respected and protected. Employer shall have a policy commitment for the same.
- 3.7.7 Confidential reporting of abuse or harsh treatment shall be encouraged by the management. Each facility shall display contact details for the local point of contact at the workplace for grievance redressal, in a way that all workers have access to it. This information shall be provided before signing an employment contract.
- 3.7.8 All disciplinary measures shall be recorded.

3.8 Remuneration and assessment of living wage gap

- 3.8.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 3.8.2 All workers shall be provided with written and understandable information about their employment conditions compliant with national legal requirements and including wages and social benefits legally granted before they enter employment.
- 3.8.3 Wages shall be paid regularly (at least monthly) and promptly. Workers shall be informed about the particulars of their wages for the pay period concerned each time that they are paid.
- 3.8.4 Withholding of wages for payment as a lump-sum at the end of a term of employment or training is prohibited.
- 3.8.5 For specified work (being done at home or at facility) paid by the 'piece rate', the rate of remuneration shall be comparable to that received by a worker in the facility of the employer, doing similar work on an hourly basis. If there is no such worker, then the remuneration in another facility in the same field of activity and region concerned can be used as a benchmark by the Approved Certifier.

- 3.8.6 Deductions from wages as a disciplinary measure are not permitted. Other deductions are permitted only under the conditions and to the extent prescribed by law or fixed by collective agreement.
- 3.8.7 Overtime shall be paid at a premium rate established by law or through collective bargaining, whichever is higher. Premium rate shall not be less than one and one-quarter times the regular rate. Equivalent leisure time may also be provided as compensation for overtime, if permitted by local regulations.
- 3.8.8 Workers shall receive wages directly in their hand / bank account or in a manner convenient to workers.
- 3.8.9 Certified Entities shall calculate 'Living Wages' for their respective operations. Furthermore, they shall compare Living Wages data with their remuneration data and calculate the 'Wage Gap' for their workers.

3.9 Working time

- 3.9.1 Working hours shall comply with national laws, collective bargaining agreements and benchmark industry standards, whichever affords greater protection.
- 3.9.2 In any event, workers shall not be required to work in excess of 48 hours per week on a regular basis, shall have the right to have rest breaks in every working day and shall be provided with at least one day off for every 7-day period on average.
- 3.9.3 Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall not represent a significantly higher likelihood of occupational hazards.

3.10 No precarious employment is provided

- 3.10.1 To every extent possible work performed shall be on the basis of recognised employment relationship established through national law and practice.
- 3.10.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3.11 Migrant workers

- 3.11.1 Equality in treatment shall be provided as compared to local workers who work at employer's facilities. This includes remunerations, social security, access to training and other provisions of GOTS Social Criteria.
- 3.11.2 Migrant workers shall have access to their travel documents
- 3.11.3 Besides other standard requirements, written employment contract shall include - in a language that the worker understands- clear information about provisions of terms, duration and hours of employment, deductions, benefits (such as leave and insurance), housing, food, transportation, and other applicable provisions.
- 3.11.4 If food, accommodation, transportation or other services are provided, they shall be provided at a rate not higher than the market rate.

3.12 Social Compliance Management

Companies shall have a policy for social accountability to ensure that the social criteria can be met. They shall support the implementation and monitoring of the social criteria by:

- 3.12.1 Nominating a person responsible for social accountability.

- 3.12.2 Monitoring compliance with the social criteria and implementing necessary improvements at its facilities, also keeping in mind potential adverse impacts.
- 3.12.3 Informing its workers about the contents of their employment contract, minimum social criteria and any other related information provided by GOTS in the applicable local language(s).
- 3.12.4 Maintaining records of the name, age, working hours and the wages paid for each worker.
- 3.12.5 Allowing the workers to nominate a representative for social accountability that can provide feedback to the management regarding implementation status of and compliance with social criteria.
- 3.12.6 Providing time and space to workers to organise and engage in collective bargaining.
- 3.12.7 Recording and investigating complaints from workers or third parties related to the adherence to the social criteria and maintaining records about any necessary corrective measures arising from them.
- 3.12.8 A functional and effective complaint mechanism shall be established. Anonymous complaint mechanism shall be followed to the maximum possible extent.
- 3.12.9 Upon request, Certified Entities shall provide information about complaint records to their Certified Buyers should complaints possibly be related to the business practices of such Certified Buyers.
- 3.12.10 Refraining from disciplinary measures, dismissals or other forms of discrimination against workers for providing information concerning observance of the social criteria.
- 3.10.11 For home-workers, data on the nature, extent and characteristics of home-work shall be compiled by the employer and made available to Certification Bodies. Appropriate access to private home-working premises shall be arranged by employers for the purposes of inspection and audit.

5. Ethical Business Behaviour

Ethical Behaviour is a crosscutting prerequisite at all stages of the supply chain and applies to all stakeholders of the supply chain. It is critically important for maintaining confidence among stakeholders of the certification process (workers, business partners, customers, certification body and scheme) and towards consumers. To assure Ethical Business Behaviour, the following criteria shall be met:

- a) Companies have a Code of Conduct (CoC) in place which prescribes ethical behaviour, honesty, fair dealings and prevention of corruption.
- b) Adherence to relevant OECD guidelines shall be assured.
- c) Companies are not involved in any act of corruption, extortion or embezzlement, nor in any form of bribery - including but not limited to - the promising, offering, giving or accepting of any improper monetary or other incentive.
- d) Companies keep accurate information regarding their activities, structure and performance, and disclose these in accordance with applicable regulations and industry benchmark practices.
- e) Companies shall neither participate in falsifying such information, nor in any act of misrepresentation in the supply chain. They are expected to collect, use and otherwise process any personal information (including that from workers, business partners, customers and consumers in their sphere of influence) with reasonable care.
- f) The collection, use and other processing of personal information shall comply with privacy and information security laws and regulatory requirements.
- g) Companies have established an anonymous non-discriminatory whistle-blower mechanism, assuring easy access and effective measures to protect whistle-blowers and ensuring that any

information received regarding corruption or non-compliance is followed up and necessary actions taken.

- h) Companies provide training on integrity regulations and inform about sanctions for non-compliance.

Source: Global Standard, 2020a, pp. 21-27

Appendix 15: OEKO-TEX Made in Green's assessment

The next part of assessments are from the STeP assessment, which is one of the two certifications necessary for a company to certify OEKO-TEX Made in Green.

4.4 Social responsibility

This module deals with the conditions of a facility or organisation with a focus on responsibility towards employees and their working conditions. Social responsibility addresses the following issues: child and juvenile labour, wages and benefits, employment status, freedom of association, collective bargaining agreements and working hours, including overtime regulations. This module also addresses how harassment, abuse and discrimination can be prevented in the facility. It deals with forced labor of any kind and the conditions for sanitary facilities, changing rooms, canteen/eating areas and dormitories.

The “Social Responsibility” module includes a management system that defines targets, generates programmes and designates responsible persons for training, monitoring and evaluating social and working conditions in the facility. The management policy must be defined with reference to the social and working conditions at the facility and in compliance with specified internal and external obligations and national and regional legal requirements.

4.4.1 Purpose

The “Social Responsibility” module covers the following topics:

- The management policy with regards to social responsibility (including targets, programmes and objectives, personnel and responsibilities such as management representatives, staff training, detailed measures with schedules and responsibilities, documentation of operational procedures and the conducting of social responsibility assessments, internal audits and evaluations)
- Compliance with all legal, national and other requirements that apply to the facility
- Communication with all relevant stakeholders
- Prevention of child labour
- Working environment for juvenile labour
- Work contracts
- Wages and benefits
- Freedom of association/right to collective bargaining
- Prevention of harassment and abuse
- Prevention of discrimination
- Prevention of forced, compulsory and prison labour and exploitation
- Provision of adequate sanitary facilities, canteen/eating areas and dormitories

4.4.2 General information

4.4.3 Social Responsibility Management System

A declaration of organisational responsibility and a management structure for issues related to social and working conditions should be the first step towards establishing a social responsibility management system. The company management nominates at least one person to be responsible of all aspects of the “Social Responsibility” module. This person is then responsible for all objectives and measures related to social responsibility, including the identification of risks and problems by conducting internal audits, compiling documentation and initiating corrective measures. Conducting and monitoring internal and external audits is part of this responsibility. This responsible person should hold regular training sessions for all employees on social responsibility objectives and keep training records. The management representative responsible for social responsibility shall report directly to senior management at the facility. The responsible person for social compliance shall be trained regularly towards all aspects of the “Social Responsibility” module including any risks in this regard.

The management system policy shall be defined and documented to ensure that it is tailored to the activities and services of the facility and its social impacts. The facility shall fulfil all regulatory provisions and any other provisions in addition to the legal requirements. It must aim to prevent negative social impacts. A management system for social responsibility can be aligned with existing compliance systems or a company code of conduct. The facility shall have a written social policy and/or code of conduct containing all the measures, obligations, objectives and procedures for ensuring social responsibility. The written social policy or code of conduct shall be signed by a representative of upper-level management. If a facility is certified by a third-party certification system, the documents and records of the certification process, including the certificate and validity period, should be provided to OEKO-TEX®.

Detailed measures with schedules and responsibilities should be part of the social responsibility management programme. These measures describe the approach used to develop and achieve the targets. The processes for fulfilling the defined requirements for social and working condition requirements and their documentation should be described.

The benchmarks and key figures to be reached to fulfil the social responsibility management programme should be recorded. Failure to comply with or meet them should be reported in a confidential way. Targets and key figures for the failure to fulfil or comply with benchmarks should be documented. An internal list of all officially submitted complaints and their solutions/corrective measures shall be in place. It should be recognised that an increase in sustainability should be the objective of the existing facility. However, the facility should have special programmes for managing new projects and developments with the inherent aim of greater responsibility:

- Social objectives should be achieved and clearly defined
- Formal procedures for project changes and change orders for ensuring consistency with targets and objectives are required
- Management principles should be in line with current quality management standards
- Regular review by top-level management of the adequacy and constant effectiveness of benchmarks and procedures within the facility

The social responsibility objectives of the facility should be laid down in writing and published internally and/or externally. These objectives and achievements should be documented. The objectives should be consistent with the social policy and/or code of conduct. To ensure the social policy or code of conduct is also complied with by suppliers and subcontractors and within their entire sphere of influence, the facility should conduct training sessions on purchasing practices and monitor order

quantities. The facility shall have a documentation system that ensures compliance with the requirements from the social responsibility management system.

To the greatest extent possible, these objectives should constitute a quantitative, realistic commitment with a fixed time frame for the continuous improvement of performance in relation to social responsibility. Objectives and targets should go beyond the fulfilment of legal requirements.

4.4.4 Laws and regulations

A collection of all the documents that form the basis for the legal existence and lawful operation of the company shall be available and kept ready for verification at any time. A list of all the relevant national, regional and international laws and regulations that affect the organisation shall be available and structured so that it can be provided as content for audits and reviews at any time.

The facility shall be aware of the regional and national legal, regulatory and other requirements that are relevant to company operations at the facility and these requirements shall be accessible and understood by the staff.

This applies to regulations that:

- Apply to the work at facilities, transport facilities, laboratories, offices, etc. (i.e. operational activities specific to the products and services)
- Apply to the designated use of products, goods, services and performance
- Apply to the relevant industry sector
- Are based on acknowledged global social standards, codes, principles or compliance systems

The responsible person has to act as the contact person for all matters related to social responsibility and shall be familiar with the contents of these laws and regulations. The responsible shall ensure compliance with these laws and regulations. Compliance with all local (or national) legal requirements, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Declaration of Human Rights and the STeP by OEKO-TEX® requirements shall be ensured without exception.

4.4.5 Stakeholder relations

Staff at the facility, including senior management, should be encouraged to maintain contact with their stakeholders. This contact should go beyond regional or international NGOs and unions. Dialogue with business partners is an important tool for keeping informed about the wishes and requirements of all the parties associated with the facility, including individuals such as workers and organisation such as suppliers, NGOs or political representatives in the region. The facility should consider making investments in local communities to support local developments.

Maintaining dialogue with all these stakeholders should be used as a means of developing and reviewing existing management systems. The facility should document all correspondence and communication with all the relevant business partner groups.

The compilation of a sustainability report, preferably based on established guidelines (for instance, the GRI ; see also 4.3.9.2), should serve as a basis for communicating detailed information to interested parties and the public.

4.4.6 Child and juvenile labour

Child labour shall be avoided in all the operational activities of the facility and in each sector related to its business activities, including suppliers and subcontractors. The minimum employment age is 15 years, as per ILO no. 138. If the legal minimum age is higher, the facility shall comply with the regional or national requirements. To prevent the worst forms of child labour, the facility shall also comply with ILO no. 182.

A written social policy shall be developed concerning responses, remedial measures and communication in the event that workers who are younger than the minimum age are discovered and to implement a prevention system for recruitment and internal audits. This policy shall serve the interest of the child. To avoid any risks of employing children and juveniles below the minimum age, all workers shall prove their age through a valid document such as an ID card, birth certificate or family register. The prevention system should be used to continuously improvement recruitment procedures. Training of management and HR officers alongside local health/social workers and school and educational institution representatives could also help with such improvements.

If young workers are employed at the facility, a written policy on the presence and treatment of young workers shall be in place. Juvenile labour is defined as the age groups between at least 15 and at most 18 years of age. These workers shall be protected by special working conditions. Workplace conditions with hazardous, toxic and dangerous materials for juvenile labour and work in areas of particularly high risk including night-time work are strictly prohibited. The facility shall comply with all the legal requirements for juvenile labour in relation to the type of work, working hours and occupational safety.

At least one person in the facility shall be responsible for all the legal requirements and for taking care of the needs and benefits of young workers. This person is responsible for all measures to minimise to risk of young workers and to promote benefits, such as welfare programmes. Young workers shall be able to spend a sufficient amount of time per week in school without any wage deductions. The management policy shall prevent overtime for young workers and ensure appropriate working hours that take the legal framework conditions into account. This period of absence from their homes, including transport, working hours and school, shall not exceed 10 hours per day. When using apprenticeship schemes, the obligations to young workers shall be taken seriously and the company shall comply with all the legal requirements. The replacement of regular employment with apprenticeships or other exploitative practices is also prohibited.

4.4.7 Wages and Non-Wage benefits

All the staff at the facility shall be paid a wage for their work. At minimum, the minimum wage or, if higher, the industrial sector or collectively agreed wage shall be paid. Wages and non-wage benefits (including piecework rate) shall comply with all the legal requirements for wages, severance payments and non-wage benefits.

These legal requirements cover wage bonuses, overtime, working on weekends and on official public holidays and holiday pay. STeP by OEKO-TEX® encourages all facilities to pay wages that cover all the basic requirements and costs based on regional needs and requirements while working the regular working hours and without bonus payments. A fair wage for a decent living standard includes remuneration for food (for the worker and his/her family), housing, essential needs (healthcare, clothing, transportation, education) and savings for unexpected events. The facility should define a strategy or roadmap how to achieve living wage for employees in the facility with levelling it every year or set targets to achieve it within 3 to 5 years is of advantage. Agreements with buyers (brands) that support living wage benchmarks through pricing or commitment should be part of the strategy / roadmap. Monitoring living wage in the region of the facility should be considered internally, or externally following Asia Floor Wage Alliance calculated min. living wage, Anker Method in partnership with Global Living Wage Coalition, with support from NGO's (e.g. Clean Clothes Campaign), negotiation with union (with or without employers) or together with brands.

The social management system at the facility should promote the ongoing monitoring of wages, taking developments in society and local framework conditions into account. The internal monitoring system at the facility should promote a continuous improvement process. This process should be based on collective bargaining agreements (preferably) or other balanced negotiations that take the needs and expenses of workers into account. This regular review shall be conducted by the social compliance

officer. The process shall include monitoring of wage-related requirements, collective bargaining within the sector and inflation rates. The monitored changes should be incorporated into the continuous improvement of remuneration. If the company provides non-wage benefits, equal conditions need to be applied for all workers.

Wage deductions as disciplinary measure are prohibited. Wage deductions are permitted only in compliance with national and regional legal provisions. In each case, any wage deductions shall be recorded in writing in the facility personnel file.

The facility shall provide a written policy on wages and benefits concerning deductions, minimum wage, welfare and non-wage benefits. This social policy shall also include regulations on shift work and overtime. All workers shall be provided with pay slips that include details of wages, the current payment method, overtime premiums and piecework rate calculations.

All workers should be provided with regular training on non-wage benefits, piecework rates and overtime calculations. Piecework rates shall be set out through achievable and appropriate targets in the written company policy. Social insurances shall be provided to all employees and its contributions and taxes shall be paid directly to workers either by cheque, bank transfer or similar. Payment shall be made on a defined regular basis (monthly at the minimum) and without delay. The facility should provide accident insurance or another compensation system, or the facility shall guarantee and document liability obligations to ensure compensation payments to workers in the event of accidents or injuries.

4.4.8 Employment relationship

Each employee (incl. Subcontracted workers, home workers etc.) shall receive a written employment contract. The employee shall receive the original contract by his or her first day of work at the latest. This employment contract shall contain the exact terms and conditions of employment, including working times, benefits and remuneration. Legal provisions such as those arising from collective agreements and ILO core labour standards shall be complied with. In this way, companies endeavour to provide the greatest possible protection for employees. The employer shall ensure that the employee has understood the contract and that the work is performed on the basis of accepted bargaining agreements.

The facility should create a personnel file for each employee on the day of recruitment. It should document participation in internal training sessions, incidents of undisciplined conduct and the measures required as a result.

The facility should have a written recruitment and termination policy and a written policy on development programmes and financial benefits. Employees in the HR department and other related departments should receive regular training to ensure compliance with this policy and regional and national legal requirements. The use of employment agencies in recruitment procedures is prohibited. Recruitment agencies shall be treated as subcontractors and monitored in accordance with this standard. Subcontracted workers from recruitment agencies have the same rights and benefits as to all workers. The HR department should document and continuously monitor the number of temporary workers, foreign workers and people who work from home. The rate of fluctuation should also be recorded. The facility parental leave periods shall comply with all legal requirements. If there are no applicable legal requirements, the company shall guarantee paid maternity leave as per the framework conditions of ILO 183 and create an internal policy.

4.4.9 Freedom of Association and collective bargaining

The facility shall comply with all regionally, nationally and internationally applicable legal requirements regarding the freedom of association and the right to collective bargaining. Workers shall have the right to form, join and organise a union/collective bargaining. The facility shall encourage

workers to nominate and elect a representative to act as a spokesperson for bringing the needs and suggestions of the workers to the attention of the management. In countries in which the law prohibits or restricts freedom of association or collective bargaining, the company is not permitted to hinder alternative and legal forms of independent and free worker representation and collective bargaining in compliance with ILO core standards.

Regular training on freedom of association, guidelines to the right to collective bargaining, procedures and applicable legal requirements should be provided for all workers. A written management policy shall protect employee representatives and all members of unions or wage agreements from discrimination, harassment, intimidation or retaliation due to their commitment.

4.4.10 Grievance Mechanism

OEKO-TEX® references to the OECD Due Diligence Guidance on the garment and footwear sector and relies on the core criteria of operational-level grievance mechanisms: Legitimate, accessible, predictable, equitable, transparent, dialogue-based.

The facility shall implement a formal communication system that includes an international grievance system with a procedure where workers can communicate their complaints to the responsible person within the facility (e.g. complaints box). The system shall include corrective actions describing types of complaints, analysis, remediation and actions taken.

Additionally to the internal grievance mechanism the facility shall provide a mechanism to all workers where they can communicate their complaints externally. The OEKO-TEX® complaint mechanism or an alternative external complaint mechanism shall be used. The OEKO-TEX® complaint mechanism is established to inform the OEKO-TEX® Secretariat about any compliance breaches of the company requirements. A complaint should be sent to the Email address: complaint@oekotex.com.

The internal grievance system and OEKO-TEX® complaint mechanism shall be accessible to all employees including the Email complaint@oekotex.com. The grievance mechanisms should not undermine other means of dispute resolution.

4.4.11 Working hours

The facility working times shall comply with all nationally and regionally applicable legal requirements and wage agreements. That includes regular working time, overtime, holiday time, off-season work and public holidays. Workers shall be granted the opportunity to participate in religious holidays. To avoid excessively long working hours, workers shall have at least one day off in seven. Excluding overtime, a working week shall not exceed 48 hours.

Overtime shall be worked on a voluntary basis. The assignment of overtime is permitted only as part of a collective bargaining agreement. Overtime shall be paid with a premium and shall not exceed 12 hours a week. Overtime shall be paid at 125% of the regular wage or on the basis of legal requirements or collective bargaining agreements, whichever is higher. Due to the yearly low and high season periods, the facility shall set out the maximum working hours during these periods in writing and shall communicate this provision to the workforce.

All employees shall be granted sufficient break periods during their work. The legal regulation and applicable collective bargaining agreements shall be complied with in this regard.

Employees, management and directors should receive training regarding working time directives and the applicable legal provisions. These training sessions should be held on a regular basis. The facility shall nominate a responsible person for all time monitoring key figures and records who has knowledge of the legal provisions.

4.4.12 Harassment and abuse

All employees shall be treated with dignity and respect. The working conditions at the facility shall comply with all regionally, nationally and internationally applicable legal provisions concerning harassment and abuse at the workplace. Neither physical punishment nor wage deductions are permitted as disciplinary measures. Verbal attacks and any form of coercion against the worker are also not permitted. Disciplinary measures shall take into account existing legal provisions and shall be documented in writing (e.g. in the personnel file).

A written policy for avoiding physical, psychological, verbal or sexual abuse and harassment (including gestures and touching) shall be compiled. This policy shall also include a prevention system for avoiding harassment and abuse at the workplace, in dormitories or in other areas of the facility. Such conduct shall not be tolerated by the employer. An anonymous complaints system for eliminating harassment and abuse shall be in place. A designated person shall be made available to review anonymous complaints from workers. Such an ombudsperson should be available for each gender.

Training on the prevention of harassment and abuse at the workplace and the applicable legal requirements should be conducted for all employees on a regular basis. Prevention also includes the communication of disciplinary measures. A functioning support or welfare programme, such as professional counselling, should be in place for workers who have been the victim of harassment/abuse, social compliance audits should be conducted on a regular basis.

4.4.13 Discrimination

The facility shall comply with ILO's core conventions and all regionally, nationally and internationally applicable legal requirements concerning all forms of discrimination.

All workers shall be treated equally and given the same opportunities based on performance and skills, with no discrimination due to race, origin, disability, religion, caste, ethnic background, gender, age, sexual orientation, union or political affiliation or any other personal and physical characteristics. Equal treatment of all employees shall form part of a non-discriminatory employment, recruitment and promotion policy. The facility should encourage and practice diversity in the recruitment of employees. The facility shall pay equal wages regardless of gender, ethnic background or other physical or personal characteristics. Discrimination shall not be tolerated by the employer. The company policy should include a monitoring system for identifying and reviewing any risks of discrimination. Routine surveys should be conducted to assess whether and to what extent the workers feel that they receive fair, equal and satisfactory treatment.

If a medical test is required by law (e.g. HIV testing), it is not considered to be discriminatory but shall be documented and monitored. Medical tests for pregnancy during the recruitment process and during the period of employment is strictly prohibited.

Workers, managers and directors at the facility should receive regular training in relation to anti-discrimination directives and applicable legal provisions.

4.4.14 Forced, bonded, indentured and prison labour

The facility shall comply with ILO's core conventions and all regional, national and international legal requirements regarding forced labour, exploitation, compulsory and prison labour. A policy shall be developed to ensure that employees are not restricted in terms of their personal freedom and are in possession or control of their own identity cards, work permits and travel documents. Any forms of slavery, such as Sumangali, are strictly prohibited. During working hours, personnel and workers shall be allowed to use toilets, drink tap water and take breaks as defined by labour law without fear of disciplinary punishment.

The company policy shall strictly prohibit the collection of deposits or security payments during the recruitment process and during further employment. In addition, any support of human trafficking shall be prohibited. Workers shall be free to quit their jobs without contractual penalty if they give reasonable notice. Workers shall have the right to move freely without any restrictions during non-working hours.

The facility should operate with a monitoring system to prevent any risk of forced, bonded, indentured and prison labour in the recruitment process. This includes the prohibition of the use of labour brokers.

The facility should train workers, managers and directors regarding the prevention of forced, bonded, indentured and prison labour and on contractual labour practices and the applicable legal requirements. Security staff shall receive special training on a regular basis.

4.4.15 Sanitary facilities, changing rooms, canteen/eating areas and dormitories

The facility shall comply with all regionally, nationally and internationally applicable legal requirements concerning sanitary facilities. Sanitary facilities, particularly toilets and washrooms, shall be made permanently accessible in sufficient quantity to all workers in the facility areas and dormitories areas. They shall be free of use and the facility shall employ staff to clean and maintain the sanitary facilities.

If meals are provided in the facility during working hours and if any employees live in accommodation at the facility, the food and dormitories shall comply with all the regional and national legal requirements. The facility management policy shall include clean and well maintained food storage and canteen/eating areas. The food provided shall be optional for workers and be comparable to local conditions. If food is provided, the quantities shall be appropriate and the conditions must be hygienic. Free and clean drinking water shall be available to all workers at all times. The water quality shall be monitored by the company.

Dormitories at the facility shall comply with all applicable local and national legal requirements. To monitor this compliance, the facility should perform regular assessments of the sanitary facilities and its maintenance. The dormitories should be located in buildings that are separated from production and storage areas. The personal space in the dormitories shall be adequate and should guarantee privacy. Dormitories shall be optional for workers and shall be comparable to local conditions. The building safety requirements in chapter 4.6.3 are to be complied with. Where applicable, childcare facilities should be provided and shall also comply with legal requirements.

At least one person shall be appointed by the facility to take responsibility for all the needs and tasks in relation to ensuring well maintained, safe and clean changing rooms, sanitary facilities, canteen/eating areas and dormitories. This responsible person shall be notified to employees as the contact person for these matters, and reports directly to management.

A management policy shall be introduced that covers all matters related to sanitary facilities, canteen/eating areas and dormitories. The facility should provide workers, managers and directors with training regarding the management policy on sanitary facilities, canteen/eating areas and dormitories.

4.4.16 Acceptance of Third-Party certificates

Recognised third-party certificates that are of significance responsibility are listed in Annex 8.

If a facility is certified by a third-party certification system, documents and records of the certification process, including certificates and validity periods, should be provided to OEKO-TEX®.

Exclusion criteria of the Social Responsibility module

- A code of conduct or policy that addresses the ILO's eight core conventions of fundamental human rights and the UN Declaration of Human Rights regarding discrimination, forced labour,

child labour, remuneration, freedom of association/collective bargaining, working hours, health and safety, and harassment and abuse shall be implemented (cf. 4.4.3).

- The facility shall have a written social policy and/or code of conduct including all measures, obligations, targets and procedures for ensuring and managing social responsibility (cf. 4.4.3).
- At least one person with responsibility for all aspects of the social responsibility module shall be named (cf. 4.4.3).
- The responsible person for social compliance shall be trained regularly towards all aspects of the “Social Responsibility” module including any risks in this regard (cf. 4.4.3).
- The apprentice programme shall comply with all applicable local requirements (cf. 4.4.4/4.4.6).
- Workers under the age of 15 shall not be employed and the company shall not support any recruitment of workers under the age of 15 (cf. 4.4.6).
- Special workforce conditions for young workers shall be implemented in the policy/management system (cf. 4.4.6).
- The company shall comply with all applicable legal requirements on minimum wage, severance pay and governing benefits (cf. 4.4.7).
- Wages shall be paid on time (cf. 4.4.7).
- Social insurance shall be provided for all workers (cf. 4.4.7).
- All staff at the facility shall be paid a wage for their work. In minimum the minimum wage or, if higher, the industrial sector or collectively agreed wage shall be paid. Wages and non-wage benefits (including piecework rate) shall comply with all the legal requirements for wages, severance payments and non-wage benefits (cf. 4.4.7).
- Work performed shall be based on recognised employment agreements (cf. 4.4.7/4.4.8).
- A written labour contract shall be provided to each employee. The employee shall receive the original contract on the first day of work at the latest. The labour contract shall comply with all applicable legal requirements (cf. 4.4.8).
- The labour contract shall be written in workers language. It shall be understood by workers (cf. 4.4.8).
- The company shall follow the corresponding legal requirements for maternity protection (cf. 4.4.8).
- The company shall comply with all applicable legal requirements regarding the right to freedom of association and collective bargaining (cf. 4.4.9).
- The company shall allow the workforce to form, join and organise unions for all employees (cf. 4.4.9).
- The facility shall implement a formal communication system that includes an internal grievance system with a procedure where workers can communicate their complaints to the responsible person within the facility (e.g. complaints box). The system shall include corrective actions describing types of complaints, analysis, remediation and actions taken (cf. 4.4.10).
- Additionnally to the grievance mechanism the facility shall provide a mechanism to all workers where they can communicate their complaints externally (cf. 4.4.10).
- The company shall comply with all applicable legal requirements regarding working hours (regular and overtime). Regular working hours shall not exceed 48h per week. Overtime shall not exceed 12h per week (cf. 4.4.11).
- The company shall comply with all applicable legal requirements regarding time off work (breaks, after finishing work etc.) (cf. 4.4.11).
- Appropriate breaks during work periods shall be guaranteed (cf. 4.4.11).
- Overtime shall be voluntary unless it is regulated in a collective bargaining agreement (cf. 4.4.11).
- The company shall nominate a responsible person for all time monitoring key figures and records who has knowledge of the legal provisions (cf. 4.4.11).

- A designated trusted person shall be made available to review anonymous complaints from workers (cf. 4.4.11).
- The company shall comply with all applicable requirements governing workplace harassment or abuse (cf. 4.4.12).
- Disciplinary actions such as corporal punishment, mental or physical coercion, or verbal attacks are not tolerated (cf. 4.4.12/4.4.14).
- The company shall comply with all applicable laws governing discrimination (cf. 4.4.13).
- Wage deductions shall not be done for disciplinary propose (cf. 4.4.13).
- The company shall not apply any forced, bonded, indentured and prison labour (cf. 4.4.14).
- The company shall guarantee that workers retain possession or control of their original working contracts, identity cards, work permits and travel documents (cf. 4.4.14).
- The company's policy shall strictly prohibit the collection of deposits or security payments at recruitment and during further employment (cf. 4.4.14).
- Free drinking water shall be provided to all employees (cf. 4.4.15).
- The company shall comply with all applicable legal requirements for sanitary facilities, canteen/eating areas and dormitories (if applicable) (cf. 4.4.15).
- The company shall nominate at least one responsible person for all needs and tasks to ensure well maintained, safe and clean changing rooms, sanitary facilities, canteen/eating areas and dormitories. This responsible person shall be notified to employees as the contact person for these matters, and reports directly to management (cf. 4.4.15.)
- Sanitary facilities, particularly toilets and washrooms, shall be made permanently accessible in sufficient quantity to all workers in the facility areas and dormitories areas (cf. 4.4.15).

Health and Safety module

4.6 Health and Safety

This module 4 covers the occupational health and safety of production facilities. It assesses work place conditions such as noise, dust, chemical risks, lighting, heat stress, care for employee health and safety through the provision of protective clothing (e.g. PPE) and the prevention of injuries through safe machinery/equipment. The module also covers facility safety in relation to the prevention of fire, building safety, emergency procedures (e.g. fire) and the safety of workers in the event of such incidents. Furthermore, it assesses the safety of production and its installations.

4.6.1 Purpose

The health and safety performance of the facility shall be considered at all times and particular attention should be paid to the following issues and objectives:

- The provision of a safe and healthy working environment
- The protection of workers from noise emissions, dust pollution and chemical risks
- The provision of adequate lighting for workplaces
- The protection of workers from heat stress
- The provision of PPE (personal protective equipment) where applicable to sustain health and safety
- The introduction of preventive measures to avoid accidents
- The performance of training sessions to enhance health and safety
- The evaluation of risks caused by workplaces next to each other
- The prevention of fires, explosions, etc.
- The provision of an emergency plan for all possible types of incidents (fire, explosion, chemical hazards, natural hazards such as floods, earthquakes, building collapse, etc.)

- The definition of rules and procedures in order to introduce an effective management system for health and safety
- The regular execution of internal audits
- “Good housekeeping” in ensuring clean, orderly workplaces

4.6.2 *Workplace safety*

4.6.2.1 *Workplace conditions*

The facility shall implement control to prevent hazards and minimise health and safety risks. The capacity planning for the workplaces should take into account maximum personnel capacities to avoid crushes due to panic in event of incidents. Production and laboratory equipment (machines/apparatus) shall be equipped with an emergency stop button in case of an incident. Vulnerable individuals including - but not restricted to - juvenile workers, young mothers, pregnant women and people with disabilities receive special protection. For personnel who are exposed to specific risks, regular health checks should be carried.

4.6.2.2 *Noise*

Workers shall be provided with effective hearing protection and instructed to use them in situations with noise emission level above 85 dB(A). Areas with noise emissions at this level shall be clearly and permanently signposted. Measurements in these areas are essential for the reduction of noise emissions, and a noise map should be prepared for the facility that records all the relevant buildings, storage areas and the job descriptions of affected workers. The noise map should preferably contain individual sources of noise emissions. Measures planned and introduced to lower the noise emissions of machinery, buildings, etc., should be documented.

4.6.2.3 *Dust*

In the event of high levels of dust emission, effective dust protection measures shall be provided and the personnel shall be instructed in their use. Areas with dust emissions (e.g. fibres in spinning mills, dyestuff dust in dyeing plants, etc.) shall be clearly and permanently signposted. To reduce the level of dust emissions, a dust map of the facility shall be prepared that records all the relevant buildings, storage areas and job descriptions of affected workers along with dusty areas, sources of dust and types of dust. Measures planned and introduced to lower the dust emissions of machinery, buildings, ect., shall be documented. The inhalation of cotton dust may lead to respiratory illnesses (e.g. chronic bronchitis, asthma, etc.) and should therefore be limited through the measures stated above in compliance with PPE requirements and legal requirements. Annex 6 includes a list on this subject with limit value recommendations for dust exposure at the workplace. Organic dust (such as cotton dust) are flammable and represent a potential risk of explosion. Potential sources of ignition should be avoided during the accumulation or formation of clouds of organic substances. Local and national legal requirements regarding dust emissions at the workplace shall be complied with at all times.

4.6.2.4 *The “Sandblasting Process”*

Sandblasting can cause a high level of dust pollution in the work area and cause health problems, and is either conditional or subject to a permit. An air analysis for the parameters of silicon dioxide and crystalline quartz (inhalable fraction) shall be conducted by an independent authorised laboratory/test centre to determine which applies. Wherever possible, an alternative procedure is to be considered to improve the air at the workplace. Even the automation of processes shall be considered. The restricted level for respirable crystalline silica for workers is listed in Annex 4.

4.6.2.5 *Working with chemicals*

In the case of chemical risks and chemicals that can cause allergic reactions (e.g. dyestuffs containing chromium), technical control equipment such as PPE (e.g. gloves, goggles, aprons, masks, etc.) shall be provided. Tanks and containers that contain hazardous chemicals (e.g. acids or caustic soda) shall be properly marked with warning symbols (e.g. “Wear Goggles, Gloves”, etc.). In addition, tanks and containers that contain chemicals should remain closed at all times. The use of sealed containers and automatic transportation of chemicals (liquids and salts) are of advantage.

Chemicals shall be separated based on their hazard level to prevent chemical reactions to the greatest extent possible.

All responsible persons have to be trained in handling chemicals.

4.6.2.6 Lighting of workplaces

If there is a risk of insufficient lighting, workplaces shall be illuminated accordingly and any necessary measures shall be taken. Planning and monitoring of the correct lighting at all workplaces should be maintained. Reference values for Lux (lx) at workplaces are listed in Annex 6.

4.6.2.7 Heat stress

If there is any risk related to heat stress in hot environments, measures should be defined and introduced in the form of adequate clothing, regulated working hours with defined breaks, ventilation of rooms and, if possible, air conditioning of rooms.

4.6.2.8 Personal Protective Equipment (PPE)

For the handling of hazardous materials (chemicals, solvent, etc.) and for the hazardous workplaces with dust, noise, VOC and odour emissions, personal protective equipment such as gloves, goggles, aprons, dust masks, ear plugs, respiratory masks, etc., shall be provided free of charge. The personnel should be trained in using the equipment correctly. The working conditions and the use and choice of PPE shall be in line with the specifications in the (extended) SDS. Employees working in the area of a wastewater treatment plant with anaerobic processes should carry personal H₂S detectors.

4.6.2.9 Risk of explosion

Flammable liquids like methanol, isopropyl alcohol etc. may form potentially explosive mixtures in the air. Therefore appropriate measures to prevent explosions (e.g. earthing of metal drums and equipment, explosion proof electric installations) shall be taken. Organic dusts (e.g. cotton dust) are combustible and present a potential explosion hazard. Potential ignition should be prevented wherever organic dusts accumulate or form clouds.

4.6.3 Facility safety

4.6.3.1 Building structure

All structures within the facility shall be suitable and safe for the planned use and operation. Any located and/or reported weak points, damages, etc. shall be identified and documented and measures have to be taken accordingly.

If buildings are changed significantly or if the designated use of a building is going to be changed, a static expert shall be involved to ensure the building structure is suitable for the designated use.

Boilers, generators and transformers that require a permit shall be used only in accordance with the conditions of a valid license. Critical installations such as pressure boilers and steam vessels shall be inspected at least annually by an external testing body or engineer.

4.6.3.2 Incidents

Any events and incidents shall be documented. The documentation shall include their nature, extent, cause and the corrective measures taken. A staff member shall be nominated and trained appropriately in fire safety to deal with any related problems. Fire protection plans with measures for fire prevention, alarms, firefighting and deployment of the fire department shall be prepared and published. Emergency plans for all possible types of incidents (e.g. fire, accidents, chemical hazards, natural hazards such as floods, earthquakes etc.) shall be prepared. Access to first aid equipment shall be guaranteed at all times in case of any accident. Escape routes and emergency exits shall be inspected at least every month to ensure that they are highlighted and freely accessible. Emergency escape route plans shall be posted on various places in the facility. In addition, emergency equipment shall be inspected annually to ensure that it is functional and freely accessible all times. Emergency and evacuation training sessions should be held every three years at minimum. All switch cabinets shall be closed at any time. All platforms, elevator shafts, stairs shall be secured to prevent workers from falling.

A disaster plan shall identify areas where incidents may have environmental consequences. Organisational safety measures such as inspections and maintenance of safety devices shall be documented.

Workers have the right to leave immediately and without special permission from situations that represent a risk to their health or safety.

4.6.4 Risk assessment

The identification of risks in the area of health and safety serves the overall safety of the facility and highlights the areas in which safety measures must be taken and reinforced. Potential aspects of a risk assessment shall be:

- Dangerous situations, such as fire and explosions (flammable gases, dust, etc.)
- Workplace safety
- Employee stress (physical, mental)
- Health risks (illnesses, allergies)
- Risks due to environmental factors (earthquakes, storms etc.)

One possible risk assessment method is described in chapter 4.5.10.

4.6.5 Records/Documentation

The facility should introduce and maintain a Plan-Do-Check-Act (PDCA) methodology for health and safety systems as per ISO 45001, for example. All activities and documents introduced in the organisation should be maintained and updated.

Management shall define a document on the health and safety policy of the organisation. The health and safety policy should be communicated to all persons who work under the control of the organisation and made available to interested parties.

The facility should establish and document procedures for ongoing hazard identification, risk assessment and determination of necessary controls. These procedures should take into account all risks to health and safety, such as work environments, machines, noise, dust, vibration, use of chemicals, work-related stress (physical and psychological) and the use of display screen equipment.

The management shall define and document a chart of all the employees responsible for health and safety that identifies at least the following positions: department manager, health and safety manager, person responsible for emergencies, fire extinguishing equipment and first aid, operational health and

safety physicians and the workers' representative for operational health and safety. Sufficient first aid and fire fighting personnel shall be present during production and maintenance operation.

The facility:

- Shall perform an internal audit with the responsible health and safety staff at least once a year
- Should document operational health and safety training activities
- Should develop a documented procedure for communicating health and safety policies to contractors and visitors
- Should define a process for controlling health and safety documents and records
- Shall document health and safety incidents and take appropriate corrective and preventive measures.

4.6.5.1 Internal audits (H&S)

The health and safety management system should be reviewed in frequent and regular intervals. The facility shall have a procedure and in particular shall have an audit plan/program for determining the suitability of its H&S system. The key to this is to assess health and safety matters and their effective introduction and implementation. Internal audits of the quality system shall be performed annually and according to an audit plan/program containing the main points to be audited within 3 years.

A corresponding audit report shall be issued incl. name(s) of internal auditor(s), findings as well as a corrective and preventive action plan. Whenever possible, photos as evidence should be included. Furthermore it shall be defined who is accountable for ensuring the corrective action and a date for completion of such.

4.6.6 Compliance

For the protection of workers in relation to the use of chemicals, noise and dust emissions, the national legal requirements shall be complied with. This also includes compliance with the standards ISO 8995 ("Lighting of workplaces") and ISO 7243 ("Ergonomics of the thermal environment - Assessment of heat stress using the WBGT index") and standards for vibrations. The aim should be to reduce exposure to below these limit values.

The facility shall establish a procedure for identifying and assessing the applicable legal and other health and safety requirements, as well as periodically assess the compliance with these requirements. In addition, objectives regarding compliance with the applicable legal requirements and the reduction of risks in the area of health and safety should be accomplished.

4.6.7 Acceptance of Third-Party certificates

Recognised third party certificates that are of significance for health and safety are listed in Annex 8.

If the facility is certified by a third-party certification system, documents and records of the certification process, including the certificate and validity period, shall be made available to the OEKO-TEX(R) Institute.

Exclusion criteria of the Health and Safety module

- An emergency plan regarding fire must exist (cf. 4.6.1/4.6.3.2)
- A health and safety management system shall be available (cf. 4.6.1/4.6.4).
- Compliance with the legal requirements shall be guaranteed (cf. 4.6.1/4.6.6).
- Machines shall have safety features (guards, covers, hood etc.) for the prevention of accidents based on risk assessment (cf. 4.6.2.1).
- Working areas with high noise have to be marked permanently (cf. 4.6.2.2).

- If there is any risk related to heat stress in hot environments, measures shall be defined and introduced in the form of adequate clothing, regulated working hours with defined breaks, ventilation of rooms and, if possible air conditioning of rooms (cf. 4.6.2.7).
- Working sections like high noise area, dust emission area, chemical handling places (e.g. filling up, weighing, mixing, transport etc.) and maintenance workshop areas where PPE is required, shall be permanently marked with the respective warning symbol(s) (cf. 4.6.2.8).
- All workers shall wear the required PPE at relevant workplaces (cf. 4.6.2.8).
- Emergency plans incl. Instructions concerning fire, accidents, natural hazards and chemical hazards shall exist (cf. 4.6.3.2).
- Emergency equipment shall be kept operational and freely accessible (cf. 4.6.3.2).
- A staff member shall be nominated and trained appropriately in fire safety to deal with any related problems (cf. 4.6.3.2).
- Access to first aid equipment shall be guaranteed at all times in case of any accident (cf. 4.6.3.2).
- Emergency and evacuation training sessions shall be held every three years at minimum (cf. 4.6.3.2).
- Sand Blasting in open systems is prohibited and in closed systems restricted (cf. 4.6.2.4).
- If the buildings are changed significantly or if the designated use of a building is to be changed, a static expert shall be involved to ensure the building structure is suitable for the designated use (cf. 4.6.3.1).
- Critical installations such as pressure boilers shall be inspected at least annually by an external testing body or engineer (cf. 4.6.3.1).
- All structures within the facility shall be suitable and safe for the planned use and operation. Any located and/or reported weak points, damages, etc. shall be identified and documented and measures have to be taken accordingly (cf. 4.6.3.1).
- Escape routes and emergency exits shall be inspected at least every month to ensure that they are highlighted and freely accessible (cf. 4.6.3.2).
- Escape routes and emergency exits have to be defined and properly marked (cf. 4.6.3.2)
- Emergency equipment shall be checked every year (cf. cf. 4.6.3.2).
- Escape routes and emergency exits must be unobstructed and freely accessible. All emergency "EXIT" doors must remain unlocked from the inside at all times during working hours (cf. 4.6.3.2)
- All platforms, elevator shafts and stairs shall be secured to prevent workers from falling (cf. 4.6.3.2).
- All switch cabinets shall be closed at any time (cf. 4.6.3.2).
- An audit/program to regularly assess the Health and Safety Management System shall be set in place (cf. 4.6.5).
- Sufficient first aid and fire fighting personnel shall be present during production and maintenance operation (cf. 4.6.5).
- The management shall define and document a chart of all the employees responsible for health and safety that identifies at least the following positions: department manager, health and safety manager, person responsible for emergencies, fire extinguishing equipment (cf. 4.6.5).
- Internal H&S audits shall be performed annually (cf. 4.6.5.1).
- Records of health and safety incidents and corrective and preventive action have to be kept (cf. 4.6.5.1).

Source: OEKO-TEX, 2022c, pp. 31-41, 51-56, 117-122

Appendix 16: The Fairtrade Textile Standards' assessment

1. General requirements and commitment to Fairtrade

Intent: This chapter outlines the requirements that relate to certification, determines the conditions for participation in the Fairtrade system under this standard and sets out the necessary framework for its effective implementation. This includes commitment to Fairtrade values and to a transparent process and management system for evaluating the complete textile supply chain.

1.1 Commitment to Fairtrade

Intent: To ensure all operators producing Fairtrade products are committed to Fairtrade values and have transparent processes and management systems for evaluating their complete textile supply chain.

- 1.1.1 Mission statement and performance indicators (Dev/year 3): In order to demonstrate commitment to Fairtrade, your company's mission statement or policy includes:
 - measures on how continuous improvement of social and sustainable production practices is implemented in your company;
 - a statement on your commitment to achieve the aims and values of Fairtrade;
 - how workers are informed about commitment to Fairtrade;
 - Fairtrade goals which are included in measurable key performance indicators for the CEO and senior management of your company.
- 1.1.2 Commitment to Fairtrade displayed (Core/year 0): Your company displays its commitment to Fairtrade in a public workplace and ensures that all workers are aware of this commitment by posting it in languages or pictograms understandable to all workers.
- 1.1.3 Fairtrade Officer (Core/year 0): Your company appoints a person responsible for Fairtrade matters, called the Fairtrade Officer, who is responsible for overall co-ordination of Fairtrade matters in your company and for handling all necessary Fairtrade related communications. The Fairtrade Officer reports directly to or is part of the senior management. The tasks of the Fairtrade Officer must be included in the job description and employment contract and include:
 - acting liaison between Fairtrade International, the certification body, workers and managers regarding Fairtrade matters;
 - ensuring compliance, implementation and monitoring of the company's performance regarding the Fairtrade requirements;
 - acting as the management representative on the Fairtrade Committee (1.2.2). The Fairtrade Officer has the relevant knowledge and experience to perform these tasks.

1.2 Compliance Committee

- 1.2.1 Compliance committee purpose (Core/year 1): A Compliance Committee (CC) is created with the purpose of engaging the workers in the implementation of the requirements in this standard. The tasks of the CC include, but are not limited to:
 - facilitating quarterly internal audits by meeting and consulting with workers to identify and prioritize areas of potential and actual non-conformance with this standard;
 - conducting annual risk assessments;
 - reporting on internal audits and risk assessments to senior management (see 1.4.1 for internal audit policies and procedures);
 - disseminating internal audit results and results of the risk assessments to workers through written communication and at an annual general (GA) assembly of workers;
 - supporting workers in understanding the grievance procedure and using it when necessary (see 1.4.5). Anonymity is necessary when supporting workers with the grievance procedure;

- designating one or more member(s) as Health and Safety representative(s) (see req. 1.2.4);
- recommending and prioritizing actions with time lines to senior management to address these risks.
- 1.2.2 Compliance Committee composition (Core/year 1): The Compliance Committee consists of at least 4 members. At least three quarters of the members are trade union/democratically-elected worker representatives and maximum one quarter are appointed management representatives (see also: ToR in 1.2.4 and CC meetings defined in 1.2.7 – 1.2.8). The composition of the CC reflects the composition of the workforce, taking into account gender as well as type of work and rank. A current list of CC members is posted and accessible to all workers in the workplace. Worker members shall be chosen by the factory's trade union, if present, and by democratic election among the workers where there is no trade union present.
- 1.2.3 Compliance Committee role in relationship to trade (Dev/year 3): The Compliance Committee provides relevant input on workplace challenges in relation to trade to brand owners and to next operator in certified supply.
- 1.2.4 Compliance Committee terms of reference (Core/year 1): The Compliance Committee has and follows terms of reference defining:
 - the aims of the Committee;
 - the composition (who are the members);
 - how worker members of the Committee are elected or appointed if members of a trade union;
 - procedures of the committee determining at least: terms of office, frequency and dates of meetings (see req. 1.2.7), documentation, and which reports should be delivered;
 - internal regulations, and responsibilities;
 - a delegate system for the General Assembly (GA) of workers where applicable;
 - how the interests of migrant and seasonal/temporary workers are taken into account.
- 1.2.5 Compliance Committee training (Core/year 1): Your company arranges and ensures that all CC members and/or trade union/worker representatives are trained to carry out their duties, including how to conduct internal audits and basic risk assessments in compliance with this standard. Trainings take place by Fairtrade International approved trainers or Fairtrade field staff or affiliates.
- 1.2.6 Compliance Committee designates Health and Safety representatives (Core/year 0): If there is no elected union representative on the Health and Safety (H&S) committee, the CC designates one or more members as the H&S representative(s). Their duties are to liaise between the H&S Officer, the CC, trade union representatives and workers on-site, acting as a point of contact for workers on H&S matters (see requirement 3.6.3). The management provides the H&S representatives with the necessary training and information to undertake their tasks.
- 1.2.7 Compliance Committee meetings (Core/year 0): The CC meets regularly, at least every 3 months during working hours. Minutes are taken at these meetings and approved by all meeting participants and posted publically in the workplace in a format and language accessible to all workers.
- 1.2.8 Compliance Committee time and resources (Core/year 0): Your company allocates time during regular working hours and provides necessary resources for the CC to successfully carry out its work. Resources may include but are not limited to: private facilities to meet, and office space to keep equipment and lockable files. Compensation is made for piece-rate workers and other similarly compensated work for time spent on Fairtrade implementation.

1.3 Audit access and transparency

- 1.3.1 Accepting audits (Core/year 0): Your company accepts announced and unannounced audits of your premises, including all certified production units, and also contractually requires subcontracted premises to accept audits of their premises. You provide all necessary information in relation to Fairtrade Standards as requested by the certification body.
- 1.3.2 Subcontractors registered (Core/year 0): You register all subcontractors used for the production of the Fairtrade certified goods with the certification body. Outsourcing any portion of the work for Fairtrade production is not permitted without informing the certification body. When you start working with a new subcontractor, you register the NEW subcontractor with the certification body.
- 1.3.3 Participation of worker representatives in audits (Core/year 1): At least one trade union/elected worker representative(s) or CC worker member participates in the audits, as well as opening and closing the meetings in order to increase worker involvement and understanding in the process of compliance. Worker participation in audits takes place during working time and it is ensured that workers do not lose income.
- 1.3.4 Sharing audit results with workers (Core/year 1): Your company shares audit results with workers through trade union/elected worker representatives (or CC members) following each audit in a way that workers understand these results. Time is allowed for trade union/elected worker representatives to be able to understand the audit report and to inform and explain the final results to all workers. This takes place during working time and it is ensured that workers do not lose income.
- 1.3.5 Workers involved in closing compliance gaps (Core/year 1): Trade union/elected worker representative(s) or CC worker members participate in finding solutions to correcting any non-compliance.
- 1.3.6 Fairtrade international allowed to interact with workers (Core/year 0): Your company allows Fairtrade International representatives to interact with workers to train and discuss matters related to Fairtrade as needed, without interference or presence of management representatives, whether on the premises or off-site. Meetings with workers and Fairtrade International representatives take place during regular work time and for piece-workers, respective reimbursement is made to ensure that workers do not lose income.

1.4 Management systems

- 1.4.1 Performance monitoring procedures (Core/year 1): Your company has internal auditing policies and procedures in place designed to monitor compliance and assess the company's performance with the requirements in this standard. The responsibilities and role of the management and Compliance Committee representatives are defined in your internal auditing procedures. Your company makes these policies and procedures publicly available
- 1.4.2 Ensuring subcontractor compliance (Core/year 1): Your company has procedures in place that enables you to evaluate your suppliers in order to have full insight and assess risks in the working conditions in your supply chain. The procedures ensure that current and new suppliers and subcontractors comply with requirement 1.4.4 (grievance procedure), and the Labour Conditions and Environmental Responsibility requirements, chapters 3 and 4 in this Standard. The minimum actions your company must undertake to fulfil this requirement include:
 - Effectively communicate the requirements of this standard to senior leadership of suppliers, commissioned operators and subcontracted sites;
 - Assess significant risks of non-conformance by these entities;
 - Make efforts to ensure that these significant risks are effectively addressed by these entities and your company;
 - Your company records how these actions are fulfilled.

- 1.4.3 Improved planning to reduce subcontracting (Dev/year 3): Improved planning methods, such as critical path planning to reduce reliance on subcontracting, are developed in collaboration with your buyers.
- 1.4.4 Grievance procedure (Core/year 0): Your company has a grievance procedure in place, which:
 - allows workers and third parties to file complaints directly and anonymously;
 - protects workers who file complaints from retaliation;
 - ensures issues are resolved, remediation is implemented in a timely manner, and complainants updated about the ongoing resolution;
 - ensures that complaints received are forwarded to the certifying body in order to publish details about the status and resolution online;
 - entitles workers to representation by their trade union or other council of their choosing;
 - allows for an appeals process by the complainant;
 - includes documentation of all disputes;
 - includes a procedure for cases of sexual harassment.

Your company must ensure that workers are fully aware and understand the procedure and are aware that they have the right to be heard and the right to appeal to an independent party (see 1.4.5). The procedure is implemented, communicated and introduced to workers adequately, in a way that they have easy access, full confidence (anonymity) and no psychological hurdles (self-consciousness) the use of this instrument.

Your company does not discipline, dismiss or discriminate in any way against workers for using any grievance procedure.

Grievances regarding sexual harassment are designated to specially appointed women or women's committees, linked to a female senior manager when possible, and with direct access to the Chief Executive. The same principles apply in case of sexual harassment of groups other than women. This grievance procedure must be in accordance with national legislation where applicable.

- 1.4.5 Grievance handlers (Dev/year 3): The Compliance Committee determines one or two local 'grievance handlers', individuals who are part of the local civil society, i.e., a local trade union or workers' rights NGO to aid workers in filing and reconciling complaints to supplement the company grievance mechanism.

The grievance handler(s) must be:

- the same gender as the majority of the workforce. The CC can also determine one male and one female grievance handler;
- in regular contact with, accessible to, and trusted by the workers;
- made publicly known through the Fairtrade International website.

The process:

1. Grievances are filed with the grievance handler(s), by workers, or a third party if the company grievance procedure has not addressed a grievance sufficiently according to the complainant.
2. The grievance handler discusses the received complaint with the CC (within the same week of issue, but depending on the urgency of the matter may be faster).
3. The CC and grievance handler decide
 - (a) if the complaint is justified,
 - (b) the timeline for resolving the complaint, and
 - (c) the main steps to be taken to agree on a solution.
4. The CC forwards the filed issue and the defined solution to the certification body. Fairtrade International will publish the complaint in a list with current complaints (including information on: date, nature of complaint, factory, country, complainant, Fairtrade International certified buyers from this factory, status of resolution).

5. The grievance handler and CC hears both sides of the complaint and ensures that the issue is resolved timely in such a way that both sides agree upon.

2.Social development

2.1 Capacity Building of Workers

- 2.1.1 Workers awareness about labour rights (Core/year 1): Your company ensures that all workers know their labour rights and duties.
- 2.1.2 Worker awareness of Fairtrade (Core/year 1): Your company raises awareness about Fairtrade at all levels, that is senior and middle management, supervisors, and skilled and unskilled workers, including permanent, migrant and temporary workers, ensuring that all workers understand the benefits of Fairtrade, and the different functions, duties and positions of Fairtrade related committees and elected worker representatives.
Your company ensures that the management, including supervisors, understands the implications of Fairtrade for the company's operations (e.g., time needed for meetings during working hours).
- 2.1.3 Training on labour legislation and negotiation (Core/year 3): Your company ensures that trade union/elected worker representatives are trained on labour legislation and negotiation skills.
Training takes place during working hours and on an annual basis.
Your company records all training activities. Records include information on topics, time, duration, names of attendees and trainers.
- 2.1.4 Skill development (Dev/year 3): Your company provides opportunities to workers and staff to develop appropriate personal skills and/or professional qualifications.
- 2.1.5 Women focussed training and capacity building (Core/year 1): Your company provides training, capacity building, guidance, encouragement and assistance to and for women employees in order to ensure their professional development.
- 2.1.6 Achieving equity (Dev/year 3): Your company undertakes activities to achieve equity in the workplace. This includes specifically addressing the employment and promotion of suitably qualified people from disadvantaged and minority groups.
- 2.1.7 Crèche facilities (Dev/year 3): Your company provides adequate crèche facilities for your workers' children up to 6 years of age either on or off your premises where needed.

3.Labour conditions

Intent: This section intends to ensure decent working conditions in your company. Fairtrade International regards the 1998 ILO Declaration on Fundamental Principles and Rights at Work, as well as all other applicable ILO Conventions as references for decent working conditions. Guidelines for responsible business conduct and a company's duty to ensure decent working conditions are outlined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, respectively.

If your company has a completely separate business unrelated to Fairtrade production, then the requirements in this section do not apply to that business. Nevertheless Fairtrade International expects that all your operations unrelated to Fairtrade are also conducted in a way that upholds national law, including international human rights treaties ratified by your government. Therefore, if Fairtrade International identifies or receives information on any violation of rights of children or vulnerable adults, this will trigger Fairtrade's internal protection procedures that include reporting to relevant national protection bodies.

All requirements in this chapter also apply to subcontractors and subcontracted units.

3.1 Freedom from Discrimination

Intent: This section intends to prevent discrimination against all workers, permanent, temporary or migrant, and sub-contracted, on all aspects of employment. Freedom from discrimination is based on the ILO Declaration on Fundamental Principles and Rights at work, ILO Conventions C100 (Equal Remuneration), C111 (Employment and Occupation Convention) C183 (Maternity Protection Convention) and ILO Recommendation R111 (Discrimination (Employment and Occupation) Recommendation); and to ensure the fair treatment of migrant workers based on the ILO Conventions C97 (Migration for Employment Convention) and C143 (Migrant Workers (Supplementary Provisions) Convention).

Freedom from inhumane disciplinary practices in this section is founded in the following UN declarations and instruments: Universal Declaration of Human Rights (1948), International Covenant on Civil and Political Rights (1966), Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1975).

- 3.1.1 No discrimination (Core/year 0): Your company does not discriminate, support or tolerate discrimination on the basis of race, colour, gender, sexual orientation, disability, marital status, pregnancy, childbirth, disease, age, religion, political opinion, membership in trade union or workers' representative bodies, national extraction or social origin, or any other condition in recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement, general treatment in the workplace, or other activities.
- 3.1.2 No abuse of any kind (Core/year 0): Your company does not directly or indirectly engage in, support or tolerate the use of corporal punishment, mental or physical coercion, bullying, abuse, or other harassment of any kind.
- 3.1.3 Policy and procedure on disciplinary measures (Core/year 0): Your company establishes and implements a policy that clearly outlines fair and appropriate disciplinary measures and ensures that workers are aware of this policy. The policy is in line with the principle of non-discrimination (3.1.1) and includes procedures to carry it out.
- 3.1.4 No tolerance of sexual harassment (Core/year 0): Your company does not directly or indirectly tolerate behaviour, including gestures, language, and physical contact that is sexually intimidating, abusive or exploitative. This applies to management and workers alike.
- 3.1.5 Sexual harassment policy (Core/year 0): Your company establishes and implements a policy that clearly prohibits sexual harassment. Workers are aware of this policy and its contents.
- 3.1.6 Disciplinary measures motivated and recorded (Core/year 1): All disciplinary measures are properly motivated and recorded so that the employee is informed of the reasons for the decision and has the opportunity to file a grievance and seek representation (see requirement 1.4.4 on grievance procedures).
- 3.1.7 Record of terminated contracts (Core/year 1): Your company keeps a record of all terminated contracts. These records include the company's reason for termination.

3.2 Freedom from Forced and Compulsory Labour

Intent: This section intends to prevent forced or bonded labour, including trafficking and sexual exploitation based on ILO Conventions C29 (Forced Labour Convention) and C105 (Abolition of Forced Labour Convention) and Protocol 029 (Trafficking in persons).

- 3.2.1 No forced labour (Core/year 0): Your company does not directly or indirectly engage in, support or tolerate forced labour, including bonded or involuntary prison labour. You must explain this to all workers.
- 3.2.2 No retention of workers' salary or property (Core/year 0): Your company does not retain any part of the workers' salary, benefits, property or documents (e.g., passports) nor require a financial deposit in order to force them to remain in your employment.

3.3 Child Labour and Child Protection

Intent and Scope: This section intends to prevent labour that is damaging to children based on ILO Convention C182 (Worst Forms of Child Labour Convention) and on ILO Convention C138 (Minimum Age Convention). R146 (Minimum Age Recommendation), R190 (Worst Forms Labour Recommendation).

- 3.3.1 No children under 15 employed (Core/year 0): Your company does not directly or indirectly (through sub-contracting) employ children under the age of 15 or under the age defined by local law, whichever is higher.
- 3.3.2 No dangerous or exploitative work for children under 18 (Core/year 0): Your company does not submit workers directly or indirectly (through subcontracting) less than 18 years of age to any type of work which puts their health, safety or morals, or their school attendance at risk. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day.
- 3.3.3 Youth employment and apprentice programmes (Dev/year 3): Your company encourages decent youth employment and offers apprentice/trainee programmes for young workers where possible.
- 3.3.4 Monitoring apprentice programmes (Dev/year 3): A mechanism for monitoring programme achievements and schemes for professional development (req. 3.3.3) is established by your company and monitored by Compliance Committee members and management.
- 3.3.5 Apprentice program completion certificate (Core/year 3): A certificate of completion is issued to participants in the youth apprentice programme upon completion. The certificate includes details about the programme, skills learned, and length of participation and is signed by a senior manager. Certificate details follow applicable national legislation where it exists.
- 3.3.6 Child labour policy (Core/year 0): Your company establishes and implements a Child Labour Policy, which includes a clear statement against child labour and a commitment to adopting a child rights approach to protecting impacted children and remediating their situation. The Child Labour Policy is visibly posted for all workers and communicated to all suppliers and subcontractors as a mandatory component of contract. Your suppliers and subcontractors must comply with the policy.
- 3.3.7 Child Labour remediation policy (Core/year 0): If the certification body detects that, in the past, your company or subcontracted operators employed children under 15 years for any type of work, or children under 18 years were engaged in dangerous and exploitative work, your company must ensure that those children neither enter nor are at risk of entering into even worse forms of labour, including hazardous work, slave-like practices, recruitment into armed conflict, sex work, trafficking for labour purposes, and/or illicit activities.
Your company develops a rights-based remediation policy and programme within a UN Convention on the Rights of the Child (UNCRC) protective framework that covers how to withdraw the children and how to prevent that they enter into worse forms of labour. This programme should include remediation projects to ensure the immediate and continued protection of children. These projects can include expert partner organizations, preferably locally based.
- 3.3.8 Procedures to prevent child labour (Core/year 1): If there is a risk of child labour in any part of your production, you must implement relevant procedures to prevent children below the age of 15 from being employed for any work and children below the age of 18 from being employed in dangerous and exploitative work.

3.4 Freedom of Association and Collective Bargaining

Intent: This section intends to enable workers to exercise their human rights to organize and to bargain their working conditions collectively, based on ILO Conventions C87 (Freedom of Association and

Protection of the Right to Organize Convention), C98 (Right to Organize and Collective Bargaining Convention), C154 (Collective Bargaining Convention), C135 (Workers' Representatives Convention), C141 (Rural Workers' Organisations Conventions) and ILO Recommendation R143 (Workers' Representatives Recommendation).

Companies are expected to fulfil their responsibilities to respect these human rights even where the state does not protect them.

Fairtrade International promotes the rights of freedom of association and collective bargaining and considers independent and democratic trade unions that represent the interests of the workers and that are affiliated with an international trade union federation the best means for achieving this.

- 3.4.1 Trade union or independent workers' said organization on site (Core/year 0): There is some form of democratically elected and independent trade union or workers' organization established to represent workers in the company and negotiate with management.

Your company respects the self-organization of workers by engaging with representatives of these organizations through regular constructive and supportive dialogue recognizing the imbalance of power whilst workers are strengthening their union and building their capacity to negotiate.

- 3.4.2 Guaranteeing workers' labour rights (Core/year 0): All workers have the right to join or form trade unions and to bargain collectively.

Your company:

- respects the right of all workers to form or join trade unions;
- respects the right of workers to bargain collectively in practice;
- accepts that it has a duty to bargain in good faith with unions

Workers take the initiative to organize themselves and are allowed to do so independently of management.

Management does not interfere in the process, nor directly or indirectly conduct elections related to the formation, recognition or governance of this organization. Your company must not have opposed any of these rights in the last 2 years prior to application for certification.

- 3.4.3 No interference in workers' self-organization (Core/year 0): Your company does not punish, threaten, intimidate, harass or bribe union members or representatives, nor discriminate against workers for their past or present union membership or activities, and does not base their hiring on not joining or giving up their union membership.

Your company does not make any statements or take any actions which interfere with (or seek to influence) any worker's choice to form or join a trade union.

- 3.4.4 Freedom of Association protocol (Core/year 1): Your company actively accepts and promotes the conditions in requirement 3.4.3 and 3.4.4 by signing the Freedom of Association protocol provided by Fairtrade International in Annex 3 to this standard.

In case the ownership or senior management of a company changes, the FoA protocol is signed by the new owners/management within 3 months of de facto change.

- 3.4.5 Communicating Freedom of Association rights to workers (Core/year 1): The workers' right to unionise guarantee, which is included in the Freedom of Association protocol, is communicated to workers clearly and effectively by at least:

- translating it into all relevant languages of the workers;
- displaying it publically in the workplaces in a way that all workers have access to it;
- ensuring that illiterate workers understand their rights.

- 3.4.6 Local point of contact (Core/year 1): If no union is present in the workplace, your company displays information and contact details for the local point of contact in the workplace in a way that all workers have access to it and in the languages and pictograms understandable to workers.

- 3.4.7 Allowing trade union representatives to meet with workers (Core/year 0): In situations where workers are not represented by a trade union recognized for collective bargaining with the company, management allows representatives of trade union organizations that represent workers in the textile sector or region to meet with workers on company premises at agreed times. Trade union representatives must be able to inform the workers about trade unions and carry out their duties. Such meetings must take place without management interference or surveillance.

Workers may choose to meet with trade union representatives at any location. Times and locations of these agreed meetings are reasonable and management does not interfere in any way with, nor conduct any surveillance of these meetings.

- 3.4.8 Trade union access to workers (Core/year 0): Your company allows access to trade union representatives representing workers in your workplace in order to communicate about unionisation and/or to carry out their representative functions at an agreed time and place. These meetings take place without management interference or surveillance.
- 3.4.9 Worker representatives' duties (Core/year 0): Your company ensures that trade union/elected worker representatives:
 - are able to carry out their functions in the workplace;
 - have access to all workers in the workplace during working time without interference or the presence of management representatives and at agreed times, on average every three months;
 - can meet among themselves during regular working hours, at least once a month for one hour;
 - meet representatives of senior management during working hours at least once every 3 months.

Meetings schedules are agreed on between union representatives and management on a regular basis and must be signed and documented.

Workers that engage in such meetings are not dismissed for reasons connected to this engagement.

- 3.4.10 Sectoral collective bargaining agreement (CBA) (Core/year 1): In countries where a collective bargaining agreement (CBA) is agreed for the textile sector, your company signs and adheres to this agreement. Collective bargaining at the company level may take place even if a sector-wide collective agreement exists, however company level agreements does not provide lesser terms and conditions than the sector-wide agreement.
- 3.4.11 Negotiations in the absence of a Collective Bargaining Agreement (Core/year 0): If there is no sectoral or company CBA in place, your company proactively engages in a process to enter into a collective agreement with elected worker representatives. Your company must not refuse any genuine opportunity to bargain collectively with workers.

Negotiations must take place with a recognized trade union, or with elected worker representatives in the absence of a trade union, but only where such elected worker representatives are provided for by law and are legally authorized to bargain (see 3.4.1).

In cases where workers have freely and specifically decided to not form or join a trade union and are not otherwise legally authorized to collectively bargain, then the collective bargaining requirement is waived. In these situations, the certification body will determine whether there was any intimidation or coercion involved in this decision. The decision cannot be the result of any vote in which management was in any way involved.

3.5 Conditions of Employment: wages, benefits and working hours

Intent: This section intends to ensure good practices regarding the payment of workers and their conditions of employment based on ILO Conventions C95 (Protection of Wages Convention), C100

(Equal Remuneration Convention), and C110 (Conditions of Employment of Plantation Workers Convention).

This section also intends to ensure good practices regarding sick leave, social security, maternity protection and workers' housing based on ILO Conventions C102 (Social Security (Minimum Standards) Convention), Part III, C121 (Employment Injury Benefits Convention), C130 (Medical Care and Sickness Benefits Convention), C183 (Maternity Protection Convention) and ILO Recommendation R115 (Workers' Housing Recommendation).

- 3.5.1 Wages and conditions of employment (Core/year 0): Your company must set wages for workers and other conditions of employment according to legal or sectoral CBA regulations where they apply, or at regional average wages or at official minimum wages for similar occupations; whichever is the highest, with the intention of continually increasing salaries (see 3.5.2).
Your company must specify wages for all employee functions and employment terms, such as piece-work.
- 3.5.2 Wage increases to reach living wages (Core/year 0): If remuneration (wages and benefits) is below living wage benchmarks approved by Fairtrade International, your company must agree with trade union/workers' representatives to a time-bound plan of maximum six years from certification to increase real wages to close the gap to living wages.
Once a living wage is reached, wage increases are expected to continue to keep up with inflation. Negotiations on annual wage increases do not have to take place every year, as long as real wages increase every year.
- 3.5.3 Living wage paid (Core/year 6): Your company pays at least a living wage to all workers.
- 3.5.4 Participation in sector-wide wage initiatives (Dev/year 3): Your company supports sector-wide initiatives on wages, such as industry bargaining and minimum wage processes, to raise wages across the industry, and advocating for wage increases up to a living wage.
- 3.5.5 Equal pay for equal work (Core/year 0): Your company offers equal pay for equal work to all workers – permanent, temporary and migrant, without discrimination based on gender or otherwise. This includes equivalent benefits and employment conditions for equal work.
- 3.5.6 Social security (Core/year 0): Your company provides legal social security, including contributions to a provident fund or pension scheme for all workers, whether permanent, migrant, temporary or seasonal.
- 3.5.7 Wages specified for all functions (Core/year 0): In order to ensure transparency and fairness in wage rates, your company must specify wages for all employee functions.
- 3.5.8 No deductions from salaries (Core/year 0): Your company does not make deductions from salaries unless they are permitted by national laws, fixed by a collective bargaining agreement, and the employee has given written consent. If deductions are made from salaries for services provided by the company, the amounts must be in line with the actual costs incurred. Salary deductions must not be used for disciplinary purposes.
- 3.5.9 Wages paid regularly (Core/year 0): Your company makes payments to workers at regularly scheduled intervals in a convenient way for workers, and must document the payments with a clear and understandable payslip containing all necessary information. Workers must sign for payments received in cash. Payments are made in national currency.
- 3.5.10 Quota and piece-work pay equivalent to hourly pay (Core/year 0): For work based on production, quotas and piecework, during normal working hours, your company must pay the equivalent to an average hourly waged work based on a manageable work load. This must not be below the relevant industry average or a proportionate wage based on the living wage benchmark provided for in requirement 3.5.2, whichever is higher.
Piece rates must be agreed upon by trade union/worker representatives and calculation documented by technical documentation of the company.

Information about this pay rate must be transparent and available for all workers and worker organizations.

- 3.5.11 Working hours (Core/year 0): Your company must comply with applicable national and local legislation and industry standards, and follow CBA agreements regarding working hours and overtime regulations. Your company must not require workers to work in excess of 8 hours per day and 48 hours per week on a regular basis.
- 3.5.12 Overtime is not required (Core/year 0): Your company does not require its workers to work overtime. Overtime is allowable in exceptional circumstances if it is voluntary and not used on a regular basis and does not extend over a period of more than 3 consecutive months. It does not exceed 12 hours per week, or 3 months per year.
- 3.5.13 Measures to avoid overtime (Core/year 3): Overtime for regular production periods must be avoided by putting in place adequate measures to anticipate production peaks and other extraordinary situations.
- 3.5.14 Day of rest (Core/year 0): Your company must allow workers at least one day of rest for every 6 consecutive days worked. For shift work common industry practices apply.
- 3.5.15 Overtime compensation (Core/year 0): Your company must compensate overtime in all cases at a premium rate and inform workers of these rates. The premium rate must be paid at a factor (ratio) of 1.5 for work performed on regular workdays, and for work performed on the day of rest, public holidays and night work a premium at a factor of 2 must be paid unless otherwise defined by national legislation, by CBA or by agreements with unions. If overtime is compensated by the allocation of time off work, your company must apply the premium factor.
- 3.5.16 Work breaks (Core/year 0): Your company must grant and respect meal and work breaks according to national legislation.
- 3.5.17 Paid leave (Core/year 0): Your company must follow national legislation regarding regular paid leave.
- 3.5.18 Increased paid leave (Dev/year 3): Your company must grant all workers at least 2 weeks of paid leave per year at minimum, not including sick and casual leave. Periods of annual leave must be in line with national legislation and/or with agreements detailed in a specific or industry sector CBA, if either of these exceeds 2 weeks.
- 3.5.19 Sick leave (Core/year 0): Your company must follow national legislation regarding regular temporary (paid) sick leave.
- 3.5.20 Increased sick leave (Dev/year 3): Your company has a regulation granting at least 5 days regular (paid) sick leave. The regulation must ensure that workers are protected from being dismissed during temporary sick leave. It must guarantee worker income during sick leave and it must not deduct this leave from annual leave.
- 3.5.21 Leave for injury (Core/year 0): Your company has a regulation granting at least 5 days paid leave caused by employment injury. The regulation must ensure that workers are protected from being dismissed during temporary leave. It must not deduct this leave from annual leave.
- 3.5.22 Disability compensation (Core/year 1): Your company has a regulation on disability compensation that ensures that workers sustaining long-term disabilities caused by employment injury are fairly compensated.
- 3.5.23 Survivor benefits (Core/year 1): Your company has a regulation on survivor benefits which ensures that the dependent family members of workers who are killed in an employment-related accident are fairly compensated.
- 3.5.24 Maternity leave (Core/year 0): Your company must grant its female workers at least eight weeks of maternity leave with compensation consistent with national laws or not less than 2/3 regular pay, whichever is higher, not including annual leave and not incurring any loss or privilege on account of such leave.

- 3.5.25 Increased maternity leave (Dev/year 3): If maternity leave is less than 12 weeks, your company must increase it by one week each year until 12 weeks is reached, with compensation consistent with requirement 3.5.20.
National legislation must be complied with if it exceeds this requirement.
- 3.5.26 No termination for pregnancy (Core/year 0): Your company must not terminate the employment of a woman during her pregnancy or maternity leave, except on grounds unrelated to the pregnancy or birth of the child.
- 3.5.27 Safe work for pregnant and nursing women (Core/year 0): Your company must ensure that pregnant and nursing women do not perform work that may compromise the health of the mother or the child. This includes working during night hours.
- 3.5.28 Nursing breaks (Core/year 0): Your company must grant nursing mothers two or more daily breaks during paid working time, or a daily reduction of hours of work, to breastfeed her child for at least 6 months after the birth.
- 3.5.29 Increased nursing breaks (Dev/year 3): If the period granted for the nursing breaks is less than 12 months, your company must increase the duration of the period for nursing breaks during working time to at least 12 months after the birth.
- 3.5.30 Regular work done by permanent workers (Core/year 0): All regular work must be undertaken by permanent workers. Time-limited contracts and contract labour are permitted during peak periods and under special circumstances.
- 3.5.31 Employment contracts (Core/year 0): Your company has a legally binding written contract of employment for all workers, including permanent, temporary, seasonal and migrant, signed by worker and employer that includes at least the following:
 - job description;
 - working hours;
 - pay rate;
 - overtime regulation;
 - social benefits;
 - entitlements and deductions;
 - annual paid leave, sick leave, protection of the worker from loss of pay in the case of illness, disability, accident, or loss of life;
 - and a notice period for termination that is the same as the notice period for the employer.
- 3.5.32 Workers have a copy of employment contract and understand content (Core/year 0): Your company must ensure that workers have a signed copy of their employment contract and that they understand the content by providing it in a format and language they understand. Your company must ensure that all workers are aware of their rights and duties, responsibilities, salaries, and work schedules as part of the legal labour contract.
- 3.5.33 Records of all workers (Core/year 0): Your company has records of all workers, including contracted workers, that indicate the names of workers, their payment and their working hours.
- 3.5.34 Recruitment practices (Core/year 0): If your company actively recruits workers from other regions within your country or from other countries, your company must pay any recruitment or agency and visa fees incurred. Your company must also pay travel costs for these workers to and from their home country or region at the onset and end of their work period, if the work period is less than one year.
- 3.5.35 Worker housing (Core/year 0): If your company provides accommodation (dormitories, housing) for workers, it must be such as to ensure structural safety and reasonable levels of decency, privacy, security and hygiene, and include regular upkeep and improvement to respond to the workers' and their families' basic needs. If sanitary facilities are shared, a reasonable number of toilets and bathing facilities with clean water, per number of users, and

according to regional practice, must be available. Accommodation must be located in separate buildings from production areas, storages and warehouses.

Accommodation must be optional for workers and if rent is charged it must not exceed local average, or exceed any benchmark set by local government, if available.

National or state regulation must be complied with in all cases and regional norms should be considered.

3.6 Occupational Health and Safety

- 3.6.1 Occupational Health & Safety (Core/year 0): Your company makes work processes, workplaces, buildings, machinery and equipment on the production site as safe as possible, minimizing any inherent risks by appropriate measures and adequate control. To ensure safety:
 - Systems to detect, avoid, or respond to potential threats to the health and safety of workers are established;
 - Risk areas and potential hazards are clearly identified by warning signs in appropriate languages and include pictograms if possible;
 - Safety instructions and procedures including accident prevention and response are in place and communicated to staff;
 - All hazardous machinery and equipment is equipped with adequate safety devices;
 - Protective guards are placed over moving parts;
 - Safety equipment is provided to all workers who must be instructed and monitored in its proper use;
 - Equipment for chemical use is stored properly.

- 3.6.2 Health and Safety Officer (Core/year 0): Your company appoints a Health and Safety Officer (H&S Officer) to be in charge of occupational health and safety matters and who reports to senior management.

The H&S Officer must be qualified and adequately trained for the job and equipped with adequate time and resources to carry out duties which include: implementing, suggesting, planning and monitoring measures to improve health and safety on the site and informing and training workers on H&S.

The H&S Officers' duties must be included in their employment contract.

- 3.6.3 Meetings between Health & Safety Officer & worker representatives: The H&S Officer in your company must meet regularly with the trade union/worker representative(s) of the Compliance Committee to discuss health and safety in the workplace.

The CC H&S representative actively communicates with all workers on issues of health and safety and makes suggestions for improvements to the H&S Officer.

- 3.6.4 Health and Safety risk assessments (Dev/year 3): Your company ensures that regular H&S risk assessments are carried out, and safety measures adapted accordingly.

The appointed H&S member of the CC is provided with findings of the risk assessment and suggested measures in order to report back to the CC (see 1.2.1).

- 3.6.5 Fire safety (Core/year 0): Properly marked fire exits, escape routes, firefighting equipment and appropriate fire alarms for each working area are required. Fire exits and escape routes are kept clear of obstacles, unlocked, and easily openable at all times when workers are present, allowing for swift and safe exit in case of an emergency.

- 3.6.6 Training on evacuation procedures (Core/year 0): All staff is trained on evacuation procedures, and regular fire safety drills are conducted at least every 6 months and are documented.

Evacuation procedures and fire safety drills are conducted according to national legislation where it exists.

- 3.6.7 Health & Safety instructions in factory (Core/year 0): All information, safety instructions, re-entry intervals and hygiene recommendations regarding hazardous work must be displayed

clearly in a visible place in the workplace in the language(s) understood by workers and with pictograms.

Instructions must be in line with technical guidelines provided by machinery and production suppliers, MSDS (Material Safety Data Sheets), and local authorities inspections, (e.g., firefighting brigade, labour inspector). MSDS must fulfil internationally recognised standards – REACH Regulation (Annex I Requirements for the compilation of safety data sheets Directive EU 453/2010).

- 3.6.8 Training on occupational health and safety (Core/year 0): Your company ensures that all workers and their representatives are trained in the basic requirements of occupational health and safety, relevant health protection and first aid immediately before starting any new job. Regular refresher trainings take place at least once a year. The training includes making workers aware of their right to remove themselves from unsafe situations without being penalized for doing so.
Records are kept of these training activities indicating information on topics, time, duration, names of attendees and trainers.
- 3.6.9 Training on Health & Safety for specific tasks (Core/year 0): Your company ensures that all workers and their representatives are trained in health and safety matters appropriately for their specific job and task.
All chemical handlers are thoroughly instructed and trained at regular intervals by a recognised institution or by specialists in the safe application and the risks of chemicals. Safety instructions on the label of chemical products are followed. Workers that are engaged in any potentially hazardous work are trained according to the tasks they carry out at least once every year. Records of these training activities are kept indicating information on topics, time, duration, names of attendees and trainers. Training includes proper handling and storing of hazardous waste.
- 3.6.10 Health & Safety policy (Core/year 0): Your company implements an appropriate health and safety policy outlining measures for handling and storing hazardous chemicals. MSDS are maintained for all chemical substances and preparations used.
- 3.6.11 Health & Safety procedures (Dev/year 3): Your company has procedures in place to comply with the Registration, Evaluation, Authorisation and Restriction of chemical (REACH) regulation on the use of chemicals (see requirement 4.1.1).
- 3.6.12 Hazardous work (Core/year 0): The following persons must not be engaged in any potentially hazardous work:
 - People younger than 18 years
 - Pregnant or nursing women
 - People with incapacitated mental conditions;
 - People with chronic, hepatic or renal diseases, and
 - People with respiratory diseases are not allowed to handle or work with hazardous chemicals.
- 3.6.13 Safe, clean and hygienic working areas (Core/year 0): All working areas must be free of obvious defects and maintained in a safe, clean and, where necessary, hygienic condition at all times.
- 3.6.14 Electrical equipment (Core/year 0): All electrical equipment, wiring and outlets must be properly placed, grounded and inspected for overloading and leakage by a professional on a regular basis. Inspection protocols must be available on site and renewed annually.
- 3.6.15 Adequate lighting, heating, ventilation (Core/year 0): All workplaces must have adequate lighting, heating, and ventilation and control systems in place for noise, dust and vibration according to legal requirements.
- 3.6.16 Personal protective equipment (PPE) (Core/year 0): Your company provides adequate quality personal protective equipment (PPE) to all workers free of charge and ensures that

workers are trained and use the equipment properly. Replacement stock of proper PPE is always available. Visible signs are posted in the work place displaying appropriate PPE required for each work place or working area. Workers always use such equipment and are monitored accordingly.

- 3.6.17 First aid facilities, equipment, staff, boxes and training (Core/year 0): Your company provides adequate emergency first aid facilities, equipment and appropriately trained first aid staff to meet all reasonably foreseeable emergency first aid situations.
The H&S Officer must check and restock the first aid boxes at least every two months to ensure that all boxes are complete.
A reasonable number of workers (in relation to the total number of employees and the nature of their work), must receive regular training in first aid.
- 3.6.18 Reporting accidents and first aid measures (Core/year 1): The H&S Officer must compile reports on all accidents and subsequent first aid measures that occur in the workplace and in company-controlled residences and property. Reports are provided for risk assessments (1.2.1).
- 3.6.19 Medical Officer (Core/year 0): Your company appoints and identifies to the workforce a Medical Officer responsible for healthcare and protection.
The Medical Officer is qualified for the job or trained by local medical authorities, such as a trained nurse or health worker. They are responsible for suggesting, planning and monitoring measures to improve medical care and protection of health within the company.
The Medical Officer's duties are included in their employment contract.
- 3.6.20 Medical Officer: documentation (Core/year 0): The Medical Officer must maintain complete continuously-updated documentation on work-related illness and accidents, and propose actions to reduce these where possible.
- 3.6.21 Free and regular occupational medical care (Dev/year 3): Your company provides or enables access to free and regular occupational medical care and advice, offered at the workplace at fixed times during working hours, or at the local health centres/hospital.
- 3.6.22 Work-related illness or injury care (Core/year 0): Your company provides appropriate care in case of work-related illness or injury by providing free onsite permanent medical support adequately equipped to deal with accidents or guaranteeing free transportation to the nearest hospital, and follow-up medical treatment.
- 3.6.23 Examinations by medical doctor (Core/year 0): Your company must offer regular examinations and check-ups by a medical doctor to all workers on a voluntary basis at least every three years. Any findings must be communicated to the worker confidentially and in a readily understandable form.
- 3.6.24 Handling of hazardous chemicals and other hazardous work (Core/year 0): Workers engaged in handling any potentially hazardous chemicals or other hazardous work must be examined regularly, at least once a year, by a medical doctor.
These examinations must be free and confidential to the respective worker. The frequency of examinations depends on the level of exposure to chemicals.
Individual health records must be established for workers at risk due the nature of their job. These records must be kept confidential and management must not have access to them.
- 3.6.25 Rest areas and canteens (Dev/year 3): Your company provides suitable rest areas and canteens, with clean and maintained cooking and food storage facilities where necessary and if requested by workers.
- 3.6.26 Meals provided (Core/year 0): If meals are provided by the company, it is optional for workers and must be comparable in quality and cost to local conditions.
- 3.6.27 Clean drinking water (Core/year 0): If clean toilets with hand t ensured by local authorities, your company provides clean drinking water close to the working area of all workers and clearly labelled drinking water facilities as such in the rest or canteen area.

The water quality is monitored by the company and H&S Compliance Committee representative.

- 3.6.28 Toilets, washing facilities & changing rooms (Core/year 0): Core Your company provides clean toilets with hand washing facilities close by, changing rooms for all workers, and clean showers for workers who handle hazardous chemicals. Lockable storage facilities are provided where requested.

Toilets, changing rooms and showers are separate for women and men, and the number of toilets and hand washing facilities are in proportion to the number of workers (minimum proportion is 1:25). Your company also provides clean hand washing facilities close to the canteen. All facilities are cleaned regularly and equipped with covered drains and pipes.

5.Trade

5.3 Contracts

Intent: To ensure transparency in trading relationships between the suppliers throughout the complete textile supply chain, as well as to the brand owner who is the buyer responsible for the purchase order. Contracts set the framework for Fairtrade trade operations.

- 5.3.1 Trade with Fairtrade affiliated partners (Core/year 0): To maintain a fully certified supply chain for a product and for use of the Fairtrade Mark (see section 5.5) you sell only to entities that are either certified against Fairtrade Standards or have a contract with Fairtrade International or a National Fairtrade Organization. If you transfer goods through an agent who takes ownership of the product, that agent must have a Fairtrade International ID.
- 5.3.2 Purchase contracts between suppliers and buyers (Core/year 0): You sign binding purchase contracts with your suppliers and buyers when applicable, or their agents on their behalf, to ensure responsible purchasing practices. Contracts follow industry regulations, and at a minimum clearly indicate:
 - agreed volumes;
 - quality;
 - prices that allow for paying living wages within parameters of this Standard (see 3.5.2);
 - payment terms that are transparent and traceable;
 - feasible lead times;
 - procedures in case of quality problems;
 - terms of delivery using international commercial terms (Incoterms);
 - definition or mentioning of “Force Majeure”;
 - agreement on applicable jurisdiction; and
 - a dispute resolution mechanism to resolve conflicts.

5.4 Purchasing seed cotton

Intent: This section covers the purchase of Fairtrade certified seed cotton and is applicable only to buyers of Fairtrade cotton for use in a Fairtrade Textile supply chain. Seed Cotton is the seeds and fibre of all commercially grown species of the cotton plant: *Gossypium hirsutum* (upland cotton), *Gossypium herbaceum*, *Gossypium arboretum*, and *Gossypium barbadense* (e.g., PIMA, Giza).

- 5.4.1 Product Sourcing (Core/year 0/applies to: Fairtrade cotton buyer): Except where specifically provided in this standard, all cotton in Fairtrade traceable cotton products must be sourced originally from certified producers.

Where there is insufficient availability of Fairtrade cotton combers, it is permitted to make cotton wool pads out of up to 20% non-Fairtrade cotton combers, provided that the manufacturer subsequently purchases an equivalent volume of Fairtrade cotton and uses it in the manufacture of a non-Fairtrade product. Any such substitution must be clearly reported in the quarterly flow of goods report.

- 5.4.2 Women growers (Core/year 0/applies to: Fairtrade cotton buyer): In case of women growers, payments are made directly to the woman (not to the husband or male partner).
- 5.4.3 Sourcing plan (Core/year 0/applies to Fairtrade cotton buyer): Sourcing Plans must cover each harvest. Sourcing plans must be renewed a minimum of three months before they expire.
- 5.4.4 Buying Fairtrade eligible cotton (Core/year 0/applies to Fairtrade cotton buyer): Buyers of seed cotton may buy seed cotton as Fairtrade eligible (see definitions), and sell the lint or derived products as Fairtrade provided that the conditions below are met:
 - To be Fairtrade eligible, the seed cotton has to have been produced as Fairtrade.
 - When the buyer of Fairtrade eligible seed cotton sells cotton lint or derived products as Fairtrade, the buyer must notify the supplying producers within 15 days of the sale. The buyer must inform each of the supplying producers of the volumes of their Fairtrade eligible seed cotton sold as Fairtrade, of the corresponding Fairtrade price adjustment (the difference between the market price and the Fairtrade Price, if applicable), and of the Fairtrade Premium due.
 - When the buyer of Fairtrade eligible seed cotton sells only a certain percentage of the total Fairtrade eligible seed cotton as Fairtrade, then this percentage is applied to each producer's supplied volume, and the Premium and price adjustment (if applicable) are calculated pro rata. If the second buyer (the buyer of the cotton lint or derived product) requests in writing for cotton from a specific producer, the Fairtrade price adjustment and Premium is to be paid to that specific producer.
- 5.4.5 Pre-finance (Core/year 0/applies to Fairtrade cotton buyer): On request from the producer, the Fairtrade payer makes up to 60% of the value of the contract available as pre-finance to the producer at any time after signing the contract. The pre-finance must be made available at least six weeks prior to shipment. Contract Production operators should refer to the Contracts chapter A.2.3 of the Contract Production Standard.
- 5.4.6 Pricing for seed cotton from contract production (Core/year 0/applies to Fairtrade cotton buyer): In the case of contract production (in India and Pakistan), the Fairtrade Minimum Price is the Minimum Price paid by the promoting body to the registered producers. The promoting body can deduct Direct Fairtrade Costs amounts of up to a maximum of EUR 0.04 per kg from the Minimum Price or market price (whichever is higher), and pay at least the remaining amount to the individual farmers.
- 5.4.7 Staple length based Prices for South Asia (Core/year 0/applies to Fairtrade cotton buyer): For South Asia, the Fairtrade minimum prices for *Gossypium hirsutum*, *Gossypium herbaceum* and *Gossypium arboreum* are set according to staple length categories (see table of Fairtrade Minimum Prices). In the case of India, these categories are based on the classification system defined by the Cotton Corporation of India:
 - The Fairtrade Minimum Prices for staple lengths of 25mm and longer refer to Medium Long Staple varieties (25mm to 27mm), to Long Staple varieties (27.5mm to 32mm) and to Extra Long Staple (32.5mm and above).
 - The Fairtrade Minimum Prices for staple lengths of 24.5mm and shorter refer to Short Staple varieties (20mm and below) and Medium Staple varieties (20.5mm to 24.5mm).
- 5.4.8 Payment terms (Core/year 0/applies to Fairtrade cotton buyer): Payment must be made upon receipt of the product.
- 5.4.9 Late payment (Core/year 0/applies to Fairtrade cotton buyer): For contracts involving Fairtrade payers, producers and conveyors, the conveyor must transfer the Fairtrade Premium and the price adjustment (where applicable) within 30 days following the end of each quarter as follows:
 - By April 30th, transfer of all Fairtrade Premium received in quarter 1;
 - By July 31st, transfer of all Fairtrade Premium received in quarter 2;
 - By October 30th, transfer of all Fairtrade Premium received in quarter 3;

- By January 31st, transfer of all Fairtrade Premium received in quarter 4 (of the previous year).

5.6 Requirement for brand owners

Intent: The following requirements apply to buyers of textiles produced under Fairtrade terms. The buyer is the brand owner that initiates a purchase order and is committed to fulfil the requirements in this section but is not certified against them.

- 5.6.1 Contract with an NFO or Fairtrade International (applies to brand owners): You have a contractual relationship with a national Fairtrade organization or with Fairtrade International that communicates publically on your commitment to Fairtrade.
- 5.6.2 Contract with Fairtrade supplier (applies to brand owners): You have a binding legal contract with your supplier, or agent on the behalf of your supplier, which supports their compliance with the Fairtrade Textile Standard and maintains responsible purchasing practices. The contract includes the following:
 - agreed volumes;
 - quality;
 - prices that allow for paying living wages within parameters of this Standard with the portion for living wages clearly marked;
 - payment terms that are transparent and traceable;
 - feasible lead times;
 - procedures in case of quality problems;
 - terms of delivery using international commercial terms (Incoterms);
 - definition or mentioning of “Force Majeure”;
 - agreement on applicable jurisdiction; and
 - an alternative dispute resolution mechanism to resolve conflicts.

If you are represented by an agent you are responsible for signing and fulfilling the contract with the supplier.

You do not change the terms of the contract once the contract is executed.

- 5.6.3 Long-term commitments (applies to brand owners): You have a long term commitment with your suppliers, so they can in turn have long-term contracts with their suppliers.
- 5.6.4 Increasing Fairtrade cotton content (applies to brand owners): You set up a plan demonstrating how you increase the Fairtrade cotton content in your line.

Source: Fairtrade International, 2016a, pp. 11-41, 45-52

Appendix 17: Fair Wear’s eligibility criteria in terms of countries of operations

Countries Fair Wear is active in: Bangladesh, Bulgaria, India, Indonesia, Myanmar, North Macedonia, Romania, Tunisia, Turkey, Vietnam.

Low risk countries: All present member states of the European Union (EU) except Bulgaria, Romania and Italy. Furthermore, member states of the European Free Trade Association (EFTA) including Iceland, Liechtenstein, Norway and Switzerland.

Source: Fair Wear Foundation, n.d.-c

Appendix 18: Fair Wear's Code of Labour Practices

Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour (ILO Conventions 29 and 105).

Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98)

The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers.

Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

There is no discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)

Payment of a living wage

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131)

Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted.

Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage.

Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

Reasonable hours of work

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

Legally binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

Source: Fair Wear Foundation, n.d.-f

Appendix 19: Fair Wear's assessment

The number between parenthesis for layer 2, 3 and 4 is the score the brand would achieve if it meets the according level of achievement.

Layer 1 – Foundational system's criteria

- 1.1 Member company has a Responsible Business Conduct policy that has been adopted by top management.
A policy that supports the Code of Labour Practices and is in line with the OECD guidelines, tailored to the specificities of members' supply chains and/or operations. For the expected content and scope, see: 'Fair Wear Human Rights Due Diligence Policy'
- 1.2 All member company staff are made aware of Fair Wear's membership requirements.
Members raise the internal awareness of staff, whose decisions and practices can indirectly affect labour rights (for example, sales, design, marketing). For instance, through joining induction training, newsletters, brand manuals, meetings etc.
- 1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.
The focus is on behavioural change and ensuring the appropriate knowledge level needed to embed human rights due diligence. Member companies should train staff whose decisions and practices can most immediately affect labour rights (i.e., procurement, sourcing, quality, compliance and so on) on responsible business practices. Staff are encouraged to join the Fair Wear new member seminar when offered – note that training can take on different forms and may not always need to be repeated every year.
- 1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.
- 1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.
- 1.6 Member company has disclosed 90-100% of its FOB internally through Fair Wear's information management system.

Please consult the Fair Wear Transparency Policy for more information.

- 1.7 Member company has disclosed 90-100% of its FOB externally on Fair Wear's transparency portal.

Please consult the Fair Wear Transparency Policy for more information.

- 1.8 Member complies with the basic requirements of Fair Wear's communication policy. Please consult the Fair Wear Communications Guide for more details.

Layer 2 – Human rights due diligence, including sourcing strategy and responsible purchasing practices

- 2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.
 - Advanced (6): Member company's sourcing strategy is focused on increasing influence through consolidation and active cooperation to influence labour conditions.
 - Intermediate (4): Member company's sourcing strategy is focused on increasing influence through consolidation or active cooperation to influence labour conditions.
 - Basic (2): Member company's sourcing strategy is focused on addressing labour conditions.
 - Insufficient (0): Member company's sourcing does not address influencing labour conditions, or the member does not have a sourcing strategy.
- 2.2 Member company's sourcing strategy is focused on building long-term relationships
 - Advanced (6): Member company's sourcing strategy combines maintaining long-term relationships with forward looking contracts.
 - Intermediate (4): Member company's sourcing strategy is focused on maintaining long-term relationships and occasionally commits to long-range contracts.
 - Basic (2): Member company's sourcing strategy is focused on maintaining long-term relationships.
 - Insufficient (0): Member company's sourcing strategy is not focused on building long-term relationships, or the member does not have a sourcing strategy.
- 2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy
 - Advanced (6): Member company conducts systematic risk scoping on all level and adjusts its sourcing strategy based on the results.
 - Intermediate (4): Member company conducts systematic risk scoping exercises on all risk levels.
 - Basic (2): Member company conducts risk scoping that does not include all risk levels.
 - Insufficient (-2): Member company does not conduct a risk scoping exercise as part of its sourcing strategy.
- 2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order.
 - Advanced (4): Member company engages in dialogue with factory management about Fair Wear requirements before finalising the first purchase order.
 - Intermediate (2): Member company shares information about Fair Wear membership with factory management before finalising the first purchase order.
 - Insufficient (0): Member company does not share information about Fair Wear membership with factory management before finalising the first purchase order.
- 2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.
 - Advanced (6): Member company assesses factory specific human rights situation based on self-assessment, existing external third-party information, and worker/ stakeholder input before finalising the first purchase order and adjusts sourcing decisions based on these results.
 - Intermediate (4): Member company assesses factory specific human rights situation based on self-assessment and existing external third-party information before finalising the first purchase order and adjusts sourcing decisions based on these results.

- Basic (2): Member company assesses factory-specific human rights situation based on self-assessment before finalising the first purchase order.
- Insufficient (0): Member company does not collect human rights information before finalising the first purchase order.
- N/A: 2nd+ year member and no new production locations selected.
- 2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.
 - Advanced (6): Member company organises onboarding sessions for factory workers and management on Fair Wear's CoLP and the complaints helpline. It actively raises awareness of management on social dialogue within the first year of the business relationship.
 - Intermediate (4): Member company organises onboarding sessions for factory workers and management on Fair Wear's CoLP and the complaints helpline within the first year of the business relationship.
 - Basic (2): Member company shares information about Fair Wear's CoLP and the complaints helpline in the first year of the business relationship.
 - Insufficient (0): Member company's onboarding process does not include raising awareness about Fair Wear's CoLP or the complaints helpline.
 - N/A: No production locations in the first year of business.
- 2.7 Member company has a system to continuously monitor human rights risks in its supply chain.
 - Advanced (6): Member company has a systematic and inclusive approach to identify human rights risks.
 - Intermediate (4): Member company has a systematic approach to identifying human rights risks.
 - Basic (2): Member company has an ad hoc approach to identify human rights risks.
 - Insufficient (0): No system is in place to identify risks.
- 2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).
 - Advanced (6): Member company has an advanced understanding of FoA in all sourcing countries, uses country information on the status of FoA at the supplier level through monitoring tools, and maintains communications with factory management, worker representatives and/or local unions (where appropriate), and other local stakeholders.
 - Intermediate (4): Member company has an enhanced understanding of FoA in all sourcing countries and uses specific country information to determine influence and impact at the supplier level.
 - Basic (2): Member company has a basic understanding of FoA in all sourcing countries.
 - Insufficient (0): No system is in place to identify risks.
- 2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.
 - Advanced (6): Member company actively analyses gender-disaggregated data at the factory and country levels to better understand the gendered implications at its production locations.
 - Intermediate (4): Member company actively collects gender data (including secondary sources) per factory.
 - Basic (2): Member company has a basic understanding of gender on the country level (not per factory) for all its production countries.
 - Insufficient (0): Member's risk assessment does not include a gender analysis.
- 2.10 Member company considers a production location's human rights performance in its purchasing decisions.
 - Advanced (4): Member systematically considers a production location's human rights performance in purchasing decisions.

- Intermediate (2): Member occasionally includes a production location's human rights performance in purchasing decisions.
- Insufficient (0): Member does not include a production location's human rights performance in purchasing decisions.
- 2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.
 - Advanced (4): Member uses outcomes of its human rights monitoring to respond to and prevent unauthorised subcontracting or unknown production.
 - Intermediate (2): Member uses outcomes of its human rights monitoring to respond to unauthorised subcontracting or unknown production.
 - Insufficient (0): Member does not prevent or respond to unauthorised subcontracting or unknown production.
- 2.12 Member company extends its due diligence approach to homeworkers
 - Advanced (4): Member company has determined whether a supplier has measures in place to source responsibly from homeworkers and/or facilitates the supplier to do so. OR Member company has identified that there are no home workers involved in their production lines and processes.
 - Intermediate (2): Member company has identified suppliers where homeworkers are at risk and has started to collect the necessary information.
 - Insufficient (0): Member company has not included homeworkers in its due diligence approach.
- 2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.
 - Advanced (4): Member company's written contracts clearly lay out the shared responsibility of CoLP implementation, including fair payment terms.
 - Intermediate (2): Member company's written contracts partially support the implementation of human rights due diligence.
 - Insufficient (0): Member company has no written contracts with suppliers, or contracts hinder human rights due diligence.
- 2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in their decision-making processes.
 - Advanced (6): Corporate Social Responsibility (CSR) and other relevant departments actively share information leading to responsible business practices and active sourcing dialogues with suppliers. Responsible business practices are included in job role competencies and KPIs of sourcing and/or purchasing staff.
 - Intermediate (4): CSR and other relevant departments actively share information leading to coherent responsible business practices.
 - Basic (2): CSR actively informs other relevant departments necessary for responsible business practices.
 - Insufficient (0): Relevant information remains in the CSR department and is not actively shared within the organisation.
- 2.15 Member company's purchasing practices support reasonable working hours
 - Advanced (6): Member company collaborates with the supplier to effectively plan, monitor, and evaluate the production process.
 - Intermediate (4): Member company collaborates with the supplier to effectively plan and monitor the production process.
 - Basic (2): Member company effectively plans and monitors the production process.
 - Insufficient (0): Inadequate systems in place.
- 2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations.
 - Advanced (6): Member company can demonstrate a clear understanding of the labour cost component of its buying prices. Labour costs are fixed (not negotiable).

- Intermediate (4): Member company can demonstrate some form of open costing and applies a plausibility check to its buying prices against wage levels.
- Basic (2): Member company can demonstrate some form of open costing with a labour cost component.
- Insufficient (0): Member company only knows buying prices, meaning there is no understanding of wage part and/or labour costs of the product.
- 2.17 All sourcing intermediaries play an active role in upholding Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.
 - Advanced (4): Intermediaries are informed about the requirements of the CoLP and actively support CoLP implementation. OR Member's sourcing model purposely excludes the use of intermediaries.
 - Intermediate (2): Intermediaries are informed about the requirements of the CoLP and inform suppliers about CoLP requirements.
 - Insufficient (0): Member has not sufficiently informed intermediaries to support the implementation of the CoLP.

Layer 3 – Remediation and impact

- 3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile.
 - Advanced (6): Member company's follow-up plan matches the risk profile for 67-100% of FOB.
 - Intermediate (4): Member company's follow-up plan matches the risk the profile for 34-66% of FOB.
 - Basic (2): Member company's follow up plan matches the risk profile for 0-33% of FOB.
 - Insufficient (0): Member company has not drafted follow-up plans, and/ or it does not match the risk profile.
- 3.2 Member company's improvement and prevention programmes include a gender lens
 - Advanced (6): Member company includes a gender lens in the implementation of the improvement and prevention programmes.
 - Intermediate (4): Member company includes a gender lens in the implementation of the improvement or prevention programmes.
 - Basic (2): Member company partly includes a gender lens in the implementation of the improvement or prevention programmes.
 - Insufficient (0): Member company has no gender lens in improvement or prevention programmes.
- 3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue.
 - Advanced (6): Member company included steps to encourage freedom of association and effective social dialogue in implementing the improvement and prevention programmes.
 - Intermediate (4): Member company included steps to encourage freedom of association and effective social dialogue in implementing the improvement or prevention programmes.
 - Basic (2): Member company partly included steps to encourage freedom of association and effective social dialogue in improvement or prevention programmes.
 - Insufficient (0): Member company has not included steps to encourage freedom of association and effective social dialogue in improvement or prevention programmes.
- 3.4 Member company actively supports operational-level internal grievance mechanism
 - Advanced (6): Member company supports and monitors the effectiveness of internal grievance mechanism and responds when the mechanism is not effective.
 - Intermediate (4): Member company supports and monitors the effectiveness of internal grievance mechanism.

- Basic (2): Member company actively supports internal grievance mechanism.
- Insufficient (0): Member company does not actively support and monitor the effectiveness of internal grievance mechanism.
- 3.5 Member company collaborates with other Fair Wear members or customers of the production location.
 - Advanced (6): Member company collaborates with other Fair Wear members and other customers of the production location to prevent and respond to human rights violations.
 - Intermediate (4): Member company collaborates with other Fair Wear members and other customers of the production location to respond to findings.
 - Basic (2): Member company collaborates with other Fair Wear members to respond to findings.
 - Insufficient (0): Member company does not collaborate with other members or customers of the production location.
- 3.6 Degree of progress towards implementation of improvement programme per relevant factory.
 - Advanced (6): >67% of findings solved/ actions addressed within the set timeframe.
 - Intermediate (4): 33%-66% of findings solved/ actions addressed within the set timeframe.
 - Basic (2): <33% of findings addressed within the set timeframe.
 - Insufficient (-2): No progress/ no solved/ actions actions identified.
- 3.7 Degree of progress towards implementation of prevention programme.
 - Advanced (6): >67% of findings solved/ actions addressed within the set timeframe.
 - Intermediate (4): 33%-66% of findings solved/ actions addressed within the set timeframe.
 - Basic (2): <33% of findings addressed within the set timeframe.
 - Insufficient (0): No progress.
- 3.8 Member company validates risk profile and maintains regular dialogue with factories where no improvement or prevention programme is needed.
 - Advanced (6): Member company is in regular contact with factory management and worker representatives/local unions (where appropriate) to discuss possible human rights risks and takes appropriate action when risk profile changes.
 - Intermediate (4): Member company is in regular contact with factory management to discuss possible human rights risks.
 - Basic (2): Member company irregularly checks with factory management about possible human rights risks.
 - Insufficient (0): Member company does not check or address possible human rights risks.
 - N/A: No factories in the respective risk profile.
- 3.9 Degree to which member company mitigates root causes of excessive overtime.
 - Advanced (6): Member took specific actions that eliminated root causes of excessive overtime and demonstrably led to reducing excessive overtime.
 - Intermediate (4): Member analysed root causes of production delays that could lead to excessive overtime. Member has addressed some of the causes and actively promoted transparency regarding working hours.
 - Basic (2): Member analyses causes of delays/ bottlenecks that led to excessive overtime.
 - Insufficient (0): Member does not analyse/address root causes of excessive overtime.
- 3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.
 - Advanced (4): Member company demonstrates verified (remediation) evidence of all workers receiving legally required wage components.
 - Intermediate (2): Member company demonstrates adequate (remediation) efforts of all workers receiving legally required wage components.
 - Insufficient (-2): No response.

- 3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.
 - Advanced (6): Based on the root cause analysis, the member company has taken specific steps to increase wages towards a living wage, resulting in a systemic and time-bound approach.
 - Intermediate (4): Member company discusses the topic of wages with the factories. Wages below living wage estimates caused by internal processes of member companies should be identified and prevented in the future. The member company should also assess other factors affecting wages.
 - Basic (2): Member company discusses wages with the factories and has an overview of wages paid in production locations.
 - Insufficient (0): Inadequate/ no action taken.
- 3.12 Member company determines and finances wage increases
 - Advanced (6): Member company has set a goal to increase wages and is systematically implementing financing approaches throughout its supplier base. There is a solid strategy and mapping of the process, and a holistic approach on 'how you fulfil your responsibilities.'
 - Intermediate (4): Member company has set a goal to increase wages and started implementing financing approaches to realise higher wages in a few production locations. Testing out some of the approaches.
 - Basic (2): Member company has started to address the topic, realising it is not only on the factory's side. Analysing what the living wage factor should be, and thinking about how to finance the costs.
 - Insufficient (0): No actions taken/ no target wage has been set.
- 3.13 Percentage of production volume where the member company pays its share of the living wage estimate.
 - Advanced (6): Share of a living wage estimate is paid for >67% of production volume.
 - Intermediate (4): Share of a living wage estimate is paid for 34-66% of production volume.
 - Basic (2): Share of a living wage estimate is paid for 1-33% of production volume.
 - Insufficient (0): The member company is not contributing to higher wages in any of its production locations.
- 3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure.
 - Advanced (4): Member addressed complaints in accordance with the Fair Wear Complaints Procedure and uses the results for human rights monitoring and prevention.
 - Intermediate (2): Member actively addressed complaints in accordance with the Fair Wear Complaints Procedure.
 - Insufficient (-2): Member company did not adequately respond to a complaint, or insufficient action is taken.
 - N/A: No complaints received.
- 3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.
 - Advanced (6): Member brand implemented training for all factories where this is part of the improvement and/or prevention programme and implemented training at factories going beyond improvement and/or prevention programmes.
 - Intermediate (4): Member brand implemented training for all factories where this is part of the improvement and/or prevention programme.
 - Basic (2): Member brand implemented training for part of the factories where this is part of the improvement and/or prevention programme.
 - Insufficient (0): Member did not implement training as per the requirement of the improvement programme.
- 3.16 Degree to which member company follows up after a training programme

- Advanced (6): Member company shows follow up on all training and uses results as input for its human rights risk monitoring.
- Intermediate (4): Member company follows up on all training.
- Basic (2): Member company shows follow up on part of the training.
- Insufficient (0): Member company did not follow up on training.
- N/A: Member company did not implement any training.
- 3.17 The member company's human rights risk monitoring system includes a responsible exit strategy.
 - Advanced (4): Member company human rights risk monitoring system includes a responsible exit strategy, which is discussed with suppliers.
 - Intermediate (2): Member company human rights risk monitoring system includes a responsible exit strategy.
 - Insufficient (0): Member company human rights risk monitoring system does not include a responsible exit strategy.
- 3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.
 - Advanced (6): Member company extends its human rights risk monitoring, remediation and prevention activities beyond the indicators or scope.
 - Intermediate (4): Member company extends its human rights risk monitoring and remediation activities beyond the indicators or scope.
 - Basic (2): Member company extends its human rights risk monitoring activities beyond the indicators or scope.
 - N/A: Member company's activities do not go beyond the indicators or scope.

Layer 4 – External communication, outreach, learning, and evaluation

- 4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts.
 - Advanced (4): Member company actively engages with its customers and stakeholders to share their Fair Wear membership journey and spread the message.
 - Intermediate (2): Member company actively communicates about Fair Wear membership.
 - Insufficient (0): No active communication or inaccurate communication.
- 4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).
 - Advanced (4): External brands are members of other credible initiatives.
 - Intermediate (2): Some relevant information is collected and influences decision making about which brands to resell.
 - Insufficient (0): No insight into the external brands' human rights due diligence efforts and/or inaccurate communication.
 - N/A: No reselling of external brands.
- 4.3 Social report is submitted to Fair Wear and is published on the member company's website.
 - Advanced (4): Timely and in accordance with OECD guidelines. Published on the company website(s).
 - Intermediate (2): Timely and in accordance with OECD guidelines. Submitted to Fair Wear.
 - Insufficient (0): Inaccurate or not submitted.
- 4.4 Member company engages in advanced reporting activities.
 - Advanced (4): Reporting on full factory disclosure and time-bound improvement plans.
 - Intermediate (2): Reporting on factory level data and remediation results.
 - Insufficient (0): No advanced reporting.
- 4.5 Member company has a system to track implementation and validate results.
 - Advanced (6): The evaluation system includes top management and triangulated information from external sources.

- Intermediate (4): The evaluation system includes top management.
- Basic (2): Basic evaluation system.
- Insufficient (0): No system to verify progress.
- 4.6 Level of action/progress made on requirements from previous Brand Performance Check.
 - Advanced (4): Member company has addressed all the requirements from the previous Brand Performance Check.
 - Intermediate (2): Member company has addressed at least half of the requirements from the previous Brand Performance Check.
 - Basic (0): Member company has addressed less than half of the requirements from the previous Brand Performance Check.
 - Insufficient (-2): Member company has not addressed any of the requirements from the previous Brand Performance Check.
 - N/A: No requirements were included in the previous Brand Performance Check.

Source: Fair Wear Foundation, 2021a, pp. 22-106

Appendix 20: Wear's multi-level scoring system

Score to achieve to the Brand Performance Check according to the number of years of membership and the performance category.

	LEADER	GOOD	NEEDS IMPROVEMENT
First year	-	-	-
After 1st performance check	Score 75+	Score 30-74	Score <30
After 2nd performance check	Score 75+	Score 40-74	Score <40
After 3rd performance check and beyond	Score 75+	Score 50-74	Score <50

Source: Fair Wear Foundation, 2021a, p.16

Appendix 21: Interview with Bernard Gouw, Senior Manager Social Standards

Date: 20th of July 2022

Jeanne: I can shortly introduce myself and present my Master thesis. My name is Jeanne. I'm from Belgium and I'm studying at the School of Management. It's in Belgium as well and I'm in the last year of my Masters. I'm writing my master thesis in corporate social responsibility and on the B Corp certification more precisely. So the goal of my thesis is to provide B lab with some recommendations on how to strengthen the certification process with regards to human rights. For this, I decided to reduce the scope to the clothing industry only because it's an industry I'm interested in first, but also because there are a lot of human rights issues of course. I also decided to limit the scope to only the supply chain and so only the suppliers of B Corps because in the clothing industry it is where the highest human rights risk happen of course. To build my recommendations, I looked at other labels in the clothing industry, leading labels. I don't know if you know them it's GOTS, the global organic textile standard, OEKO-TEX, the Fairtrade Textile Standard and Fairwear. These are the four I built my recommendations on and so I looked at how they integrate themselves human rights in their

assessments. What I was thinking for this call if it's OK for you it's first I have a few questions on how the human rights will be integrated in the new certification process that B Lab is working on and then I would like to present you my work briefly and then have your views on what I did.

Bernard: Sounds good.

Jeanne: OK perfect thanks. So first can you tell me more about your position and career path at B Lab?

Bernard: Sure so I'm still at my first year at B Lab. I joined in October 2021 and my role is Senior Manager Social Standards so I work within the standards management team and, well the name already says that it, we manage everything to do with the standards. So you can roughly divide or organization into people working on the standards since you already got on paper what needs to be done which of course is different to certification and verification and then that's of course other teams like we have a strategy team, we have internal teams, like HR. Then you know my title already says it but I'm responsible for the social side of our standard. So that's, if you look at the BIA, that roughly covers workers and community and that includes everything related to human rights automatically and that's also been my background. So my background has been in labor and human rights for just over 10 years. I've been very fortunate I've traveled a lot, I've worked at many different types of organizations. I worked for work for Oxfam, for the U.N., I've worked in private sector consultancy as well, small and big. I've seen I wouldn't say everything but I've seen lots of different industries and sectors and countries and contexts, and I think that's been an important part of getting this job because I'm sure you can imagine it's a huge challenge that our standards are globally applicable to almost all kinds of companies, it's a huge challenge.

Jeanne: Yes, of course I can imagine. B Lab described briefly the changes that will happen for the next B Corp certification process. Which were the factors that triggered the need for changes, and especially with regards to human rights?

Bernard: Sure. So I think I think you refer to what we sometimes call the new performance requirements, or PR 2.0. So maybe I'll take a step back and quickly explain. We have roughly ten topics, four of which are social. We have worker empowerment, justice equity diversity inclusion, fair wages and human rights. Do you want me to speak to all four or just human rights?

Jeanne: Human rights, but I am also interested about the others but because I think they're kind of related.

Bernard: Yes, it definitely relates, and you know one thing we're thinking is we could actually put everything under one big human rights topic but the other three are important enough and we wanna see accelerated progress on those that they require their own topic. But you are right, actually they're closely related. So human rights there's many different ways in which this came about. So obviously you had the UN Guiding Principles that came out over 10 years ago and I think the implementation has been rather slow. To think that companies are now on a wide scale putting it into their policies is great but then you also think, hang on, but it's been out for over 10 years, what's taken so long? And I think part of why it has taken us longer as well as is because our standards came out just before the UNGPs. So currently what we call it PR 2.0, it's the first big revision going back to the drawing board and revising the standards. So I think that's it's the first good opportunity to really integrate the UNGPs. Having said that, we have over the past few years, based on stakeholder input, essentially critique, public critique, that we received from people in trying to integrate aspects of UNGP and human rights due diligence. Maybe you've seen we have extra requirements for multinational corporations, so that's an example of how we tried including one or two things but it's not enough. It doesn't fully capture your UNGPs and that's also what the real opportunity in PR 2.0, to fully integrate it. So to summarize the drivers, one is because of external critique, and I think a lot of it is justified. Part of it is now we can because of course the standards originally came out before UNGPs and now is a good opportunity to integrate them. I think also what helps is there's a lot of really good guidance out there now and there's

a lot of useful frameworks, so for example OECD due diligence framework. There's even, I don't know if you've seen, one challenge we have is most B Corps are small companies and most human rights work is in the multinational corporations. But the German government has recently put out you see special guides for SMEs, for small medium enterprises. So with tools like that it also makes it easier for us to do this work.

Jeanne: Yes, it totally makes sense. Then, so B Lab is also aiming to attract bigger players aside from the smaller companies, is it right? In the B Movements as a whole, not only for this certification. Which impact did it have on the changes [in the B Corp certification process] if it had some?

Bernard: So I wouldn't necessarily say that we, I mean attract is an interesting word. So I wouldn't want to suggest that we are trying to attract larger companies, the interest is there from larger companies. So our standard was never designed for large companies and we like the idea of all kinds of businesses joining our movement because that's how you change markets, that's how you change systems, by having all the different actors involved. So I think there are more large companies on now, but a lot of it has to do with their demand and interest in our certification. And for sure, of course, human rights impacts that has a lot of implications because, human rights are of course relevant for all companies but multinational corporations have both more leverage as you know, more complicated supply chains and often have bigger negative impacts on human rights. So that's why in the baseline requirements, I think they came out in December, human rights is one of the big topics in those baseline requirements because we realized that there was an extra risk with multinational corporations. Does that answer your question?

Jeanne: Yes, absolutely, thank you. Can you also tell me more about the changes with regards to human rights [in the new B Corp certification process]? So you talked about the U.N. Guiding Principles, will it only be about that or will there be other requirements are related to human rights?

Bernard: So one thing which is both good and bad about the business human rights space I find is there's a lot of harmonization. So if you ask people, experts, what do companies need to do in human rights, actually most people will agree you know. We're referring to the same standards, same frameworks. I already mentioned a few: OECD, UNGPs, ... And actually that's quite a unique opportunity because for a lot of sustainability topics there is not this kind of harmonization. Now that's the positive. The flip side is a lot of the way in which we talk about human rights is about 'do no harm'. It is also aimed at multinational corporations because understandably they have been committing, for decades, even centuries, human rights violations. So a lot of it is framed in a very particular way, and to be frank some of that doesn't quite work for our movement. So our movement, as I mentioned before, at least historically, has focused on small and medium enterprises. We also don't want to lose that, we don't want to become a certification of multinational corporations alone. So how do you take these, you know, OECD guidelines which are very big and heavy and technical. How do you get them to apply to small companies? And you know we say small companies, sometimes it's even family company of three people you know so really really really small and really new to the world of sustainability. And the other side is this this phrasing of 'do no harm', it makes sense because human rights are all about protections but I think what happens is we forget about the positive pursuit of human rights. That is not just managing risks and avoiding harm, it's about promoting people's dignity and promoting respect and empowering people. And both are framing or the way people talk about human rights and a lot of guidance is phrased in this 'do no harm' way. So we're trying to find a way of spinning it to make it more of a positive pursuit. So we're trying to find a way of referring to all those common frameworks standards, but presenting in a different way or in a way that's more engaging. It phrases it as this is something you need to do not just to avoid risk and avoid violations but because it's a way of doing good business, it's a way of making sure that business is a force for good. But those are some thoughts, of course we've been working on this for already almost a year so there's a lot more I could tell you but I'll stop there.

Jeanne: Thank you. Can you just maybe tell me if it applies to all companies in the same way or if there are some distinctions?

Bernard: It's a great question. So one thing we realized, a challenge with the current impact assessment is basically companies pick and choose right? So they could say 'I'm better environment, I'm gonna do more there'. 'I don't wanna pay a living wage, I'm no gonna do that'. So that's been a challenge that we have, we also hear from others that it's a challenge. So the new performance requirements we're looking for a core set of specific requirements, you can also see it as mandatory requirements. So this idea of picking and choosing to determine your certification will likely go away and we will have core topics that apply to all companies around the world, different sectors, literally all companies. And human rights will therefore be mandatory for all companies. Now specific, so we refer to something called contextualization, which is, you can have a requirement for companies which say 'you will all do you human rights due diligence', but that can be contextualized to their specific context. So if you're, for example, a freelance consultant on your own, you have no supply chain and there can be reduced requirements and more flexibility versus multinational corporations. It's a very extreme example I think, you get the point but there's more nuance to it as well. If we take work empowerment for example, if that's a concept that is less known in certain parts of the world, and maybe even has negative consequences, then maybe we need to tweak the requirements to give companies flexibility so they can do what makes sense for their context. Human rights is an example where arguably you should contextualize less because human rights are universal but, we do think some degree of contextualization will be needed.

Jeanne: Ok, it's interesting. So you talked about like the UN guiding principles and other frameworks, are there others you build your work on?

Bernard: So UNGP, OECD, a lot of ILO Conventions and then I am trying to think of other ones. Have you ever heard of the Dhaka principles? If you ever do work related to migrant labor, the Dhaka principles are fantastic. So they're standards specific for migrant workers. So they're of course relevant and let me actually quickly get that 'cause in our draft we have a list of the standards we pretty much refer to. So that I'm sure that I'm not forgetting anything. Let's see. Of course there's the upcoming directives, the corporate sustainability reporting directives. You've heard of that one?

Jeanne: Yes it's about due diligence right?

Bernard: Exactly yes.

Jeanne: But for the moment it's only a proposal right? I think it still has to be voted.

Bernard: Yes, indeed. And as I mentioned before there's a lot of harmonization in our industry, so they've already said it's gonna be aligned with OECD and UNGPs so I think we know what to expect. But we are still keeping it close, I like to see what comes out. And the U.N. Global Compact as well.

Jeanne: I see you already refer to a lot of U.N. Global Compact tools in the assessment as well.

Bernard: Yes, what I can do for you is put them in the chat and you also have all the links there.

Jeanne: OK thank you very much.

Bernard: And we make a distinction between references which refer to standards and frameworks and then implementation resources are guidance materials that we think are useful.

Jeanne: Thank you. Can you just tell me again, maybe you've already said it, but so you will have performance requirements, will they be apart from the BIA or will they be kind of integrated together in a way there are binding requirements but also non binding requirements and more flexibility like it's already the case for the BIA?

Bernard: It's the question of of the week. You can see me laughing because it really is exactly what we're discussing this week. When we started this about three quarters of a year ago, the direction of travel was separate requirements from the BIA. That means that the BIA is no longer used for certification, we don't have a point system. 10 requirements, you have to meet them, pass or fail style. So quite a big shift for us. That was how we were developing our drums over the past. Let's say for three or four months, we've been getting a lot of feedback that it would be a shame to disconnect from the BIA completely because people are used to it, it's very tangible, a lot of companies and people like the point system. So this week we're having discussions about it since we're rethinking our direction. And it's exactly the two options that you put in your question: is it 10 mandatory requirements as part of the BIA or is it the BIA that's part of these mandatory requirements? So the answer to your question at the moment is 'we don't know.'

Jeanne: OK, can't wait to see it. So for my questions, I think it's all good. I have prepared a little PowerPoint for it to be easier for you to follow my recommendations. If you have any question don't hesitate to ask because for me it's really clear because I've been working a lot on it but maybe it's not that clear.

Bernard: Can I ask just for context, I'm curious, what did you study for your Bachelors'?

Jeanne: Business engineering. It's a degree I think only exists in Belgium but it's like business administration with a lot of like science, computer science as well. It's a bit more technical I would say but I've also had all the other regular courses of business.

Bernard: OK, and is your background mostly academic or do you also have work experience ?

Jeanne: Mostly academic, I just did a three months internship.

Bernard: OK that's useful context, thanks.

Jeanne: Can you see my PowerPoint now?

Bernard: Yes I can see it, thanks.

Jeanne: So first I will present you my analysis of the shortcomings which also comes from the literature that I found. So as I said I will only focus on the supply chain, so I focus on the human rights responsibility of companies with regards to their suppliers. For the B Corp profile I chose an apparel retailer and I looked at the supply chain management subsection in the community impact area, also at the disclosure questionnaire and the preliminary risk review for larger companies. And so, as you said, what I found it as there is a poor integration of the UNGPs in the supply chain management section. There are also few references to international human rights standards such as UNGPs or ILO Conventions or other instruments. And there are no binding requirements and quite a flexibility on how companies respond [to the BIA], which may have the impact that they overlook totally the supply chain management section, which is according to my my calculations worth maximum five percent of the whole assessment. But I found some really good practices related to purchasing behaviour and supplier relationships in that same section. And so that's what I based my work on and then I looked at, as I said, other labels in the clothing industry to see how they did because of course they are contextualized, they know the importance of human rights and so they can integrate it better. I built my recommendations on two components, so first performance requirements. I chose the same way as B Lab presented it. So it's binding requirements and I designed it apart from the BIA. They are requirements which are reviewed every year by B Lab. Then, development requirements. It's the way other labels use to name it and these are non binding requirements but against which the company must have a minimum score. In that case, it would be included in the supply chain management section, so the same as the way it is now. And those are reviewed every three years like any other question of the BIA. We can first dive in the performance requirements. So I build it in three components. So first, there would be a code of

conduct and this code of conduct would be enforced by the B Corps on their suppliers. It would also apply to subcontractors at the same time and it would follow international standards such as the ILO Conventions with explicit reference to those Conventions. I selected the sectoral issues, so related to the clothing industry which are forced labor and child labor also discrimination with regards to employment, freedom of association and collective bargaining, wages and living wage as well, working hours, harassment and abuse and employment relationships. So that would be the first part and then companies would have to conduct human rights due diligence on their suppliers, so they would have to follow the U.N. Guiding Principles and it would include a risk scoping. So the risk scoping is not a requirement from the UN Guiding Principles but it's integrated in the OECD guidance on how to conduct human rights due diligence [in the clothing industry]. And so it enables to have several profiles of suppliers according to their human rights risks. Also the B Corps would have to monitor their suppliers and it would be mostly done on the basis of the code of conduct. So they would check the code of conduct based on monitoring audit and so all of this would also have to be conducted yearly. For the scope, for the moment, it would be only product assembly stages so it is the stages after which you have a fabric, so a textile, and then you put the textile together in order to make a garment. And so it would be those steps only that would be concerned at first. But then if the directive on due diligence is adopted, then I would recommend that B Lab extends the requirements to the whole supply chain and for all companies even if they are not all concerned by the legislation, but so there is kind of harmony and clarity. So that's for human rights due diligence and then the last one would be traceability because it's also a way to mitigate human rights risks in the supply chain. And so companies would have to disclose at least 90% of their suppliers. So it would also concern the steps before product assembly and what they would have to disclose is name, supply chain stage and country. So that would be basically the three components. It would apply to every company in the textile in the clothing industry without distinction of size as I thought about it. So the verification would be conducted by B Lab every year. It would consist of two things, so first a review of the documents provided by the B Corps in which they show compliance with the requirements and then also verification audits by B Lab on a portion of B Corp's suppliers to verify if human rights due diligence has been conducted. So that's it for performance requirements, I don't know if you have any comment or question on this already.

Bernard: I have a few comments and questions, shall we start with those and then move to the other part or you want me to do everything in one go?

Jeanne: As you prefer, maybe if you see all of it's easier for you.

Bernard: OK

Jeanne: So then it's about development requirements. So those are the ones which are non-binding and part of the BIA as I imagined it. So they would be mostly linked to sourcing strategy and purchasing practices because it is what a textile retailer can do to improve impact in its supply chain. So it's more positive approach here and it's more best practices. So the ones with the little stars they are already kind of included in the BIA, in a certain way, in some questions. So sourcing strategy and purchasing practices you had for example average duration of supplier relationships but you also have fair contract terms with suppliers or assessment and mitigation of root causes of human rights issues that can be linked to purchasing practices, especially overtime and wage. Then you have other requirements which can be provision of training to the suppliers but also provision of training to own staff or a disclosure of 100% of the supply chain entities, advanced reporting and so on. Those would be non-binding and represent best practices. The implications of my recommendations would be first that more resources would be required from B Lab and B Corps of course, namely due to the audit requirements. What I maybe thought that would be possible is to contract with third party auditors for B Lab. It's what all the labels I studied do, and so maybe it would enable to yeah to manage the resources better and not to be completely overwhelmed by the new verification. It would also maybe enable B Lab to provide audit services to the B corps for them to conduct the verification audits on their suppliers, and this would of

course be in exchange for a fee. So that would be an idea and that's also what is offered by other labels I studied. So my recommendations enable first alignment with international human rights standards through the performance requirements but still differentiation through development requirements which give points to companies showing best practices but which do not really penalize companies who don't. And then it also enables adaptation to the context of the industry. That's it.

Bernard: Do you mind going one slide back? I just want to check something.

Jeanne: I can also send it to you if you want after the call.

Bernard: Yes that'd be great. OK I think there's yeah there's a lot of interesting stuff there. Shall I share some feedback?

Jeanne: Yes perfect.

Bernard: Let me just check. So the idea is that do you want me to kind of ask you questions and challenge you on how you got to certain points or is the idea that I already share feedback on behalf of B Lab on what you presented?

Jeanne: It's more the idea of a feedback but if you have some questions, I can take them.

Bernard: I'm interested in limiting the scope to the assembly stages, so this is for the performance requirements. So what would the idea behind not doing immediately full scope all the way to for example cotton?

Jeanne: The idea was to think about feasibility and also of course human rights risk happen everywhere along the along the supply chain but the goal was not to make it too difficult for B Corps and also because at that stage there are quite a lot of human rights risks also related to health and safety for example as we've seen also with Rana Plaza. I think it's also the stages with the highest human rights risks. And also based my recommendations on other labels. I chose for that scope to make it feasible and also to remain focused on what another label was doing.

Bernard: And those other labels, do they have specific guidance for small and medium sized enterprises?

Jeanne: No all their requirements apply to every size, every country. Like even three out of the four I studied are certifications on products, so every entity along the supply chain has to be certified, and so it can be really small players as well as bigger retail companies.

Bernard: OK that makes sense. So I think there's a there's a lot of interesting stuff there. Maybe if we do performance requirements, would you mind bringing up that slide and then I can refer to specific lines. So I could see this is very much aligned with best practices and a lot of the frameworks and standards that are out there. One thing which I find interesting is the focus on audits and you just mentioned Rana Plaza yourself. How familiar are you yourself with the limitations of social audits ?

Jeanne: Not quite. I've researched a bit on it and I know it's not efficient at all times. But I've read about assurance audits which are a bit more high level and on which when an audit occurs it's against certain principle and requirements specific requirements and then that in that case it would be maybe more efficient but I don't know much more than this.

Bernard: So in case this document, I put in the chat, hasn't come across your little literature review, I think it's worthwhile reading and putting it in because it talks about the the limitations of social audits. I say this as someone who has worked in industry and also done social audits myself. There are a lot of problems with them especially in Asian countries where of course a lot of our clothing is made. In a country like China it's almost no there's almost no point doing social audits because well there's lots of different reasons, I think if you read the report you'll get a fuller picture but in summary audits are a

very western construct of ‘you go in you check documents’, you expect formalization in a business but that’s not necessarily how businesses operate, especially outside of the West. The audit industry is in many countries in Asia completely corrupt because of course there’s a lot of money there’s huge consequences. And if you have huge consequences, huge money and you know not the strongest systems in place, that lends itself to corruption. So in China for example corruption in the audit industry it’s mainstream. Everyone knows about it, it’s an open secret. There’s also the fact that audits don’t reveal an accurate picture and it gives a false sense of confidence. Now financial audits work well ‘cause it’s with numbers. Social audits work with people and like it’s harder to measure and so you need more skills, you need more time and that costs money. But of course it’s a private sector landscape so companies are trying to drive down costs, so there’s always this tension of cheap audits not doing what they’re supposed to be doing but at the same time there’s this feeling of ‘Oh but I’ve done an audit and it says it’s fine so surely it’s fine’. So it gives self a false sense of confidence. One of the biggest challenges is that at least on a mainstream level there’s no clear alternative, so a lot of companies are kind of stuck trying to figure out what to do. What you see is a difference between conservative industries and companies that are still in the audit space, you know companies from the U.S. so more likely to use audits then from Europe because there are more conservative on the right side, I guess we could say behind, less progressive, and then depending on the company, you also have differences so large clothing companies tend to be more conservative, risk mitigation approach and then, there are some smaller entities trying to come up with new ways of doing things. Some of those new ways you’ll often see refer to as beyond compliance, so this idea of we’re going beyond you know this tick box, follow this checklist and just aim for being compliant with local regulations or with the code of conduct. It’s hard to go beyond it but there are some examples of it working. There’s something called worker centric monetary models and there’s of course the other option which is unions. So unions in theory can do everything in audit can ‘cause it’s a monitoring tool. These audits units allow you to do many different things including monitoring ‘cause its workers saying ‘this is wrong’, going to the union. So it’s actually better that they go to the union because it’s a you know it’s a more internal entity than an external auditor. But of course unions, you know we just talk about Asian countries, unions in most Asian countries are not really an effective tool so that is not quite mainstream. Like those are some of the things to think about. I would not rest a lot of good work that’s here on audits and in fact for the new human rights requirements we’re looking at what can we do beyond, what can we ask for beyond audits. Yes, I’ll stop there.

Jeanne: Thank you. From what I saw from other labels, it’s always audits but like they try to integrate interviews with workers, interviews with trade unions and with other stakeholders. For them it’s kind of part of the audit process. And so here it’s just an overview but in what I wrote more in details, I say that stakeholders should be involved, that the audit should be done in collaboration with several stakeholders. This can make it maybe a little better even if I know there can still be problems and it is not the best alternative. But yes I couldn’t really find anything else at least from like the methodology I used, so based on other labels. It’s also just a limitation of my methodology because of course I focused my outcomes on what other labels are doing, so I kind of have to stick to that. But it’s of course something I will add in my limitations or in my discussion, it’s really interesting to tackle that idea, thank you very much.

Bernard: I just put in the chat a link to the shift project. So in fact the guy who wrote this blog that I linked to he was my old boss and I think in your work it’s gonna be useful to make a distinction between traditional audits and worker centric audits because it may be the way I was talking about audits is not completely accurate because there is some nuance. Not all audits are bad but traditional audits which is the majority of audits are bad but there are ways of doing audits where you can still get value and I think the easiest term to use worker centric models and it refers to some of the things you were saying so in more work interviews, speaking to union representatives. Alright let me, I think I have one or two more points on this. The public international standards, I think all of those make sense. Maybe have a

think about what I referred to before which is contextualization to all of these which are not universally accepted. I would say they are universally relevant but they're not universally accepted. So in China, where a lot of clothes are made freedom of association is not possible, working hours culturally it's just in a different dimension and this is actually the case for most Asian countries. Overtime is work by default, I'm sure you're aware. It doesn't mean it's correct but what it means is to go in and say 'Hey but ILO says we should all be gradually reducing to 40 hours' it's so disconnected from their reality. So it would be interesting to add a layer to think through you know, if a lot of our garments come from Asia, can I come up with standards or kind of nuanced approach for the Asian continent. And the last thought I had was related to B Lab doing audits or supplier audits. I think it's definitely interesting idea, definitely a creative suggestion. I think there are two things that come to mind, one is that costs could be an issue. Audits are expensive, audits can easily be 2000-3000 euros and for small companies that's just not possible. So there's a matter of cost here. It also makes the first bullet point here, so verification by B Lab conducted every year, it's to be frank not gonna be feasible. I also don't think we necessarily want to do that because that's so, you know, to go through an audit process is a lot of work, it's not just paying for the service but it's the time of the energy invested. To do that on a yearly basis is too much, for both us and for them. So I think two ways, either just say three years across or having a risk based approach where you say we may pick one or two of the most risky companies and we focus on them in that year. That could be an approach.

Jeanne: You mean focus on risky B Corps or risky suppliers of me B Corps?

Bernard: Risky B Corps. We could look at things like growth figures or we could do a sector approach where we decide, we do one from Food and Agriculture one from Garments every year, something like that.

Jeanne: OK, so how does B Lab see verification of performance requirements rights now. Conducted through audits like it is planned for the moment, like I think it's randomly 10% of B Corps are audited every year. Would it also be the case for performance requirements?

Bernard: So for the new performance requirements, we're not there yet. We don't actually know what that's gonna look like. For the BIA, for the current standards, there is some verification for all B corps but the amount of verification depends on size and risk so if you're one person company most of the verification, I think, maybe all of their verification is just document based. Then what you're referring to, indeed the 10% that are selected for a site review, that's where we go and visit them and we speak to, I think, it's two employees and so there's additional verification done. So it happens in different degrees of intensity and it may be interesting for you to know that we already work with a third-party. So we've noticed that it's too much to do for us in house. So we work with a third-party and they help us with verification. Let's see if there is anything else. Yes maybe last point on us doing audits on the suppliers, like I said it's definitely interesting idea. The challenge we have is, so again around the costs, skills. So I think if you're gonna audits suppliers, suppliers of course are located around the world and you're more likely to have a workforce that's immersed in the local culture. What I mean by that is H&M in Sweden, you'll have many different nationalities but everyone speaks English, and so for us to verify it is quite a simple process. But if we had to go to Bangladesh, to one of their suppliers, you of course need to speak the local language, you need to speak you need to know the local cultural context. And then for B Lab to have that in-house expertise for all these different countries it's just not feasible. So, if we did that we would have to go to third-parties and this links back to the point earlier about traditional audits versus worker centric models. There are many providers out there that for 800 euros can do a social audit of a factory in Bangladesh but it's complete garbage. Like it's really a waste of time and it even gives you a false sense of confidence. So we're looking at having a very meaningful assessment. You know you're looking at 2000-3000 euros and then cost has become an issue. I'll give you some quick context yesterday I had a discussion with a B Corp in Singapore. It's a coffee company and they have 30 employees. They're growing in the sense that they are opening up new coffee shops

in Singapore and I asked about living wage and I said ‘would you be able to afford 700 euros a year to buy living wage data?’ and he said no. So these are the kinds of margins that we’re dealing with, you know. Then 3000 euros for one supplier all of a sudden is a huge cost for a small company. So I think if we wanted to pursue this it would have to be for multinational corporations and through third party auditors, not that we do it ourselves.

Jeanne: And so verification with regards to smaller company would only be done through documentation then?

Bernard: So I don’t work on the verification side, honestly I don’t have full view of how it works. It’s also extremely complicated so you know, even though I’ve almost completed a year, I’m still learning a lot about how it works, but yes in summary, we’re risk and size led. We go from document to other types of verification and I don’t know to what extent you’re aware but we also have a complaints process so if we here for example, if a Bangladeshi garment workers would send us a complaint saying ‘I supplied to H&M’. H&M is not a B Corp of course that’s not a good example but maybe Patagonia. So we would then have a look into that. To my knowledge, I am trying to think if we’ve ever done any ‘cause it what would happen is if we get a complaint, for example if there’s a beer company called BrewDog in the UK we received complaints and there were lots of issues in the media. So that was enough for us to do an additional verification investigation. So we went to the BrewDog headquarters and we interview people. So of course that’s a type of verification, you’re trying to understand whether the complaints are justified and trying to understand whether they should remain a B Corp or not. So we had that as the additional verification, but I don’t know if we’ve ever done it for a suppliers.

Jeanne: Because I know about the complaints mechanism but I thought like the B Corp suppliers are other kind of companies also, and they are not B Corps as such, so do they really get the access, I guess if they really want it they could. But do they really know about the system and do they know if it applies to them also?

Bernard: There’s two questions here, ‘do they have access?’ formally speaking, yes. But then, to your second question ‘would they know about it?’ I think for a Bangladeshi worker, it’s safe to say I wouldn’t know about it. But you know a supplier might, so especially if you’re you’re working with a larger supplier, maybe they would be aware of the B Corp certification. Of course it’s interesting that our certification tends to focus on the top of the supply chain, so it’s often brands and retailers that are certified. It’s very rare to have a supplier or manufacturer that is certified.

Jeanne: And also, I understand what you said about the company which had complaints but in the way I saw it was not how to deal with human rights when an impact is really done, but more in the U.N. way of seeing like avoiding any risk and making sure that risks are prevented and mitigated, and not only to react when something happened. That’s why I also really struggled on how B Lab could show assurance to its stakeholders that its B Corps are doing good on due diligence and other human rights requirements. Of course I know that it costs a lot and I completely understand, but to me I had to find a way to prove assurance that they were doing good.

Bernard: So yeah it’s interesting UNGPs actually has a assurance framework to do almost like you’re checking CO2 emissions, you check human rights violations. To be honest not a single company doing it properly yet, so how exactly that’s going to look like I also don’t think you need to feel the pressure to figure that out because no company is doing it. And you can add that in your report, saying ‘well no company is doing it, still trying to figure it out is something’ and I don’t have the answer to. What we’re seeing is there is more different types of reporting on human rights violations, you know the use of third parties I think there is potentially a lot of value human rights impact assessments so that’s an example. It’s a little bit like what I’ve seen before but traditional audits versus at work centric audits, for me all falls under this on the spectrum of assessments. You can have bad assessments, you can have good assessments and impact assessments are certainly the good side. They’re very costly but if a company

for example does a handful a year, focusing each year on a different place, focusing on you know the high risk commodities or high risk countries, I think that a lot of good could be done. In terms of us verifying, a lot of how our accountability system works is you know you can actually see what a company filled out on their B Impact Assessment, so that's how it works with us. We don't always mandate 100% because of course it's very difficult to mandate the same thing across the world for different kinds of companies, so a lot of it is done to having companies report and being transparent on what they do.

Jeanne: Because also when I from what I read companies only have to provide additional documentation 6 to 15 questions or something like that. So they don't have to give additional information to all questions.

Bernard: OK possible. This might fall in the category of things I don't know about the verification.

Jeanne: No problem, that's really interesting in any case to have a feedback now of course. It is an ideal solution but in terms of feasibility it is always complicated I guess.

Bernard: You know it's it's interesting because generally as a movement, and in a lot of it comes from Europe, we are very keen to have processes structures and we like this idea of measure everything 'cause then you can prove it. But we have to be conscious that this is very much of how we do business and it's not necessarily how the whole world does business. And it's not always the best approach. Something that I have been learning a lot about this past year, you know when you're trying to make standards for such a diverse group of companies, you really do have to be mindful of how you construct what you're asking companies to do. Even yesterday, I was talking to someone who identifies as from an indigenous group in New Zealand and he was explaining how his view on sustainability in business is completely different. A lot of indigenous groups don't even work with the concept of ownership, so if you have a community that doesn't even work with the idea of ownership, how can you talk about owning resources and company ownership? It's very complicated, it's not for you to figure out of course, I think it's just to be aware that a lot of the frameworks that were referred to are rooted in a certain way of thinking and doing business that may not work for the entire world. Should we move to development requirements?

Jeanne: Yes.

Bernard: So here there's a lot of things that I really liked, for example that you had the the fair contract terms. Are you familiar with the work by the American Bar Association?

Jeanne: Not really.

Bernard: It is a group of lawyers that have put together a list of suggested contractual clauses for contracts with suppliers. I don't know if the work is focused on the garment sector. I think it's fair or it has something similar, so that could be a good reference for you. But happy to see that there. I like of course to see the living wage there as well. I find your phrasing interesting 'initiatives to help suppliers provide a living wage'. I think that already shows a good understanding of how living wages works because it's not about mandating living wage, a lot of it is about enabling them which means paying them enough. So I like how you how you phrase that. And then the things that I've picked up to ask about, so disclosure of 100% of supplier entities, I think is is is great and there are some companies that can achieve that. It's quite rare to have companies that have full, 100% visibility, maybe it also depends on how far down you're going. So you know you talk about tiers right, Tier 1 Tier 2, are you familiar?

Jeanne: Yes.

Bernard: So I think 100% for tier one absolutely, but 100% all the way down to cotton is extremely challenging. I like that you have gender lens applied due diligence process. I was talking to some people the other day about this and you know we were talking about there are many different identities: gender,

race, people disabilities and I'm trying to think what can we consider universal, what should we require as additional. And the feedback was gender absolutely universal, relevant in literally every country in the world. And then there are many countries in the world where companies need to go further using a few more identities, so I think that's something that you can you can add. So if for example you're sourcing from India, there's a cast lens applied or maybe you're sourcing from India and Bangladesh, there is a religion lens applied. So whatever the local context is, there's more ways in which you're looking at people identities and potential for differential treatments. Yes, I think those were the main points and a last thing I'll highlight is, I like how there's references to incentives here. Were doing a lot of thinking about incentives and preferential treatment of suppliers so I think that's good to see. And actually I think that's it in terms of feedback.

Jeanne: Thank you very much for your time, your feedback. It's really interesting to have the feedback of someone from B Lab, and especially on feasibility and the other aspects that we could talk about.

Bernard: Good, glad it was helpful. I'm quite impressed that you've managed to pick up a lot of key points and by key I mean both emerging and developing ideas but also tension tension points, you know things that are quite hard in our industry. So I think it's insightful piece of work and I think there's a few points that could be it useful to add a little bit more nuance. If you're going to do garment sector, a lot of it comes from Asia so there's a bit of nuance that you can add to make it more relevant for Asian context.

Jeanne: Thank you very much again.

Bernard: Great, well best of luck though with your thesis. If you need anything from me let me know. If you have any more questions, send an e-mail.

Jeanne: Thank you very much, have a great day.

Bernard: You too, goodbye.