Voluntary certification schemes in textiles - three cases and lessons learned

Technical paper

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Summary

Voluntary Sustainability Standards (VSS) prescribe a set of social, economic, and/or environmental requirements that producers, traders, manufacturers, retailers, or service providers can voluntarily comply with to make their production and processing practices sustainable. Upon verification of compliance with their rules, VSS issue certificates or labels that serve as proof of such compliance. VSS exist for a wide range of products. They have become more and more commonplace, especially in the textile industry, which is highly unregulated from a legislative perspective.

The popularity of VSS owes its success to the potential benefits VSS can provide. However, voluntary certification schemes also have limitations. This technical paper explores the most common certifications used in the textile industry: Oekotex (Made in Green), Bluesign, and GOTS. We focus on material ingredients and chemical management, assessing the level of ambition on content (targets; thresholds) and operations (protocols; compliance procedures). While not all VSS are created equal, there is a lot out there to take inspiration from!

Sustainability certification and labels have grown into major tools for global production and trade to become more sustainable, and for the private sector to demonstrate corporate social responsibility. It is essential to be able to evaluate the trustworthiness and performance of these tools. Understanding the strengths and weaknesses of VSS can help is to learn lessons: fixing past mistakes, addressing current limitations, building on successes and key learning, and ultimately channelling suggestions for effective policy making decisions that foster a robust and ambitious implementation of the Sustainable Textile Strategy.
Standards, VSS, and Ecolabelling – setting the framework

**Standards** are everywhere. They are the common rules and formats developed to help manage our complex world\(^1\). They can support regulatory and environmental policy objectives, without undermining the primacy of environmental legislation, or act as a replacement for legal requirements.

A sustainability standard provides a list of specifications on how a product must be produced, emphasising how to avoid environmental and social harm. More specifically, **Voluntary Sustainability Standards (VSS)** “are rules that producers, traders, manufacturers, retailers or service providers may be asked to follow so that the products they make do not hurt people and the environment. VSS are defined in accordance with the UN Forum on Sustainability Standards (UNFSS), and potentially include hundreds of standardisation bodies\(^2\).” The requirements can refer to product quality or attributes, but also to production and processing methods, as well as transportation.

The history of VSS can be traced back to early public demand for ethical production in the late nineteenth century. The concept has been adopted by producers who want to target niche consumers and build a reputation as a responsible producer. Furthermore, market regulators and governments have also embraced standards and ecolabels. Indeed, certification against VSS can support market access regulations and/or condition access to regulation-based economic incentives\(^3\).

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\(^2\) Idem

\(^3\) Idem
Today, VSS exist for a wide range of primary products in agriculture, forestry, fishery, and mining. Also, for manufactured products like textiles or electronics. Some address multiple social, environmental, and economic issues, while others focus on specific sustainability topics such as labour conditions or water management. Some VSS have consumer-facing labels, while others are designed as business-to-business.

Any producer who implements the specifications may display a label – or best in class, ecolabel – on their product so they can be recognised for their compliance with the standard. Ecolabels are defined as ‘seals of approval given to products that are deemed to have fewer impacts on the environment than functionally or competitively similar products’\(^4\). The International Organization for Standardization (ISO) distinguished between three types of ecolabels with different labels that put emphasis on different environmental impacts of products.

Behind each label is, or should be, a standard that backs up the claim being made. There are several principles that we recommend to ensure effectiveness:

<table>
<thead>
<tr>
<th>Clearly defined and communicated objectives</th>
<th>The standards allow for measurable results so as to track progress towards the objectives. These should contribute to improvements in the standard as part of a regular review and revision process.</th>
</tr>
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<tbody>
<tr>
<td>Fit for purpose and robust</td>
<td>The standard addresses the most impactful steps towards achieving the objectives. All requirements outlined in a standard only contribute to achieving the objectives, in accordance with scientific consensus and valid international norms and applicable legislation.</td>
</tr>
<tr>
<td>Stringency</td>
<td>The standard is written and structured in a way that is both logical and easy to understand for implementers, as well as being fully aligned with delivering quality outcomes towards the identified objectives. There are both aspirational and provide basic compliance performance levels, all of which can be suitably and accurately measured and reported on.</td>
</tr>
<tr>
<td>Transparency</td>
<td>The standard follows a transparent and well documented process for its development: open meetings are held, impartiality is achieved. The overall due process is clearly structured, consensus being used to find resolution. Results and progress are documented and achieved truthfully and in good faith.</td>
</tr>
</tbody>
</table>

For a label to be trustworthy and meaningful, it needs to fulfil key criteria relating to both the content and the process:

- The label, and the underlying standard, must be able to objectively identify and measure specific ‘sustainability’ contributions and credentials.
- The ‘difference’ that is being made through the label must be measurable and quantifiable.
- The importance of checks and balances for the processes to be followed is extremely relevant.

Although certifications and labels are used to signal the successful implementation of VSS, certification schemes have different approaches regarding the system operating requirements. For example, related to the scope of sustainability criteria they cover, their rules on the audit system, verification procedures, management systems, accreditation requirements, etc.

\(^4\) OECD (1991) Environmental Labelling in OECD Countries
The growing demand for commodities is taking place in parallel to insufficient regulation to protect the environment and social rights. If standards follow best practice, they can be a tool for brands and the supply chain to not only reduce risk and add value, but also to communicate requirements clearly. However, not all standards are created equal and can never be a guarantee! With the growth of sustainability certification and labels as tools for global production and trade to become more sustainable, and for the private sector to demonstrate corporate social responsibility, it is essential to evaluate the trustworthiness and performance of these tools.

**VSS in the textile industry**

Overproduction and overconsumption drive much of the environmental crises we face, especially in the context of fast fashion. No approach can achieve true sustainability without actively working towards reducing production and consumption. Unfortunately, so far, those areas are currently underemphasised in circular economy approaches, as well as in VSS systems more generally.

Given that the textile sector has been notoriously underregulated, VSS could be classified as a pre-regulatory mechanism – a form of sustainability approach in fashion industry. This sector has sometimes been the frontrunners of sustainability initiatives, and they are constantly evolving.

VSS allow traceability and transparency of sustainability (environmental; social; economic) impacts along value chains and trades, which is vital for responsible production and consumption. However, there has been an incremental rather than a transformative approach to environmental sustainability in fashion. The number of different schemes and voluntary initiatives has grown exponentially in recent years.

This is especially true for the textile industry, with more and more companies keen to show their credentials by adopting different types of certifications, labels, and ethical commitments. However, not all VSS are equal. As well as their content and criteria, the quality of standards is highly determined by the process of how they are developed.

- Having a robust procedure for development and/or revision of criteria, including a process for review is important.
- The method to verify the criteria must be transparent and open so that everyone can access the standard, see what products must fulfil, and according to what methods compliance is tested or verified. Such a process ensures that the concerns of all interested and affected stakeholders are heard, represented, and appropriately integrated into the standard.
- From our findings and current research on the topic, there is a need for significantly increased transparency in fashion supply chains to satisfy the assurance requirements of VSS systems. The level of supply chain transparency of some of the assessed certifications in the next chapter, such as GOTS and Oeko-Tex, is already well-developed.

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These could (and should) be used as examples for the development of a robust transparency system.

Lastly, criteria and requirements within the standards should be science based and reflect regulatory improvement. VSS must be transparent and accountable by adhering to enforceable regulations that provide legal and commercial consequences for auditors and auditing firms that fail to identify essential and foreseeable risks⁸. It is key to ensure that there is strong legislation in place, a robust liability regime, and for VSS to take up the role and push the industry even further in the much-needed transition.

VSS systems have been able to enact some change towards a more sustainable fashion industry, but untapped opportunities for further development and improvement of VSS systems, still remains. As shown from the examples analysed, we looked more deeply into some that have created positive change, have robust criteria and procedure (GOTS and OekoTex), or have a different approach to be followed when it comes to chemical management (bluesign).

**VSS: a path to sustainability in the absence of laws, or a smokescreen?**

VSS provide an accountability framework for a performance-based approach to sustainability and standards. They are useful as a starting point for sustainability initiatives. Depending on the level of ambition, the scope for continuous improvement, the level of independence, transparency and governance, the actual certifications can be a make or break. They face multiple limitations regarding jurisdiction, reliance on market conditions, etc. VSS alone can be a starting point, but mandatory action is needed to achieve the paradigmatic shift required.

Legislation is the key to change but setting rules and regulations in place takes some time. So, VSS can be used in the absence of legislation to ensure that systems change can be delivered as quickly as possible⁹. The Ellen Macarthur Foundation said: “Voluntary agreements are an important starting point, but we know they alone are not enough to address fashion’s waste and pollution. This is why we also work with governments and policy makers. It remains critical that we continue to work with companies however, as they have the power and responsibility to change the materials and business models used at scale”¹⁰. On the other hand, some fashion brands using sustainability certification schemes and voluntary initiatives as a smokescreen, while continuing with destructive practices. Moreover, some highlight that VSS can be used as a delaying tactic, creating a false promise that the industry will address sustainability voluntarily. It is beyond doubt that we need comprehensive legislation to change the course of the fashion industry, setting it on a different fair and green path.¹¹

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⁸ Fig Leaf for Fashion. How social auditing protects brands and fails workers — Clean Clothes Campaign

⁹ Voluntary fashion initiatives and certifications "enable" greenwashing - Just Style (just-style.com)

¹⁰ Idem
**Overview and review of 3 certifications in the textile industry**

Of the close to 500 ecolabels that exist worldwide\(^\text{12}\), over 100 apply to textiles\(^\text{13}\), according to the Eco Label Index\(^\text{14}\). There are a number of textile certifications that focus on the environmental and social impact of textile production. This technical report investigates:

- Oeko-Tex Made in Green combines the requirements of Oeko-Tex Standard 100 with the requirements of the STeP by OEKO-TEX® certification, which is a sustainability certification for textile production facilities. This means that products with the Oeko-Tex Made in Green label have been tested for harmful substances and produced in a sustainable way. Oeko-Tex Made in Green also requires that products be made from recycled or sustainably-sourced materials.

- GOTS (Global Organic Textile Standard) is a certification for organic textiles that ensures that all stages of production, from cultivation to processing, meet strict environmental and social standards. GOTS also includes requirements for chemical management and prohibits the use of harmful substances in the production of organic textiles. GOTS also requires that products be made from at least 70% organic fibres.

- Bluesign is a chemical management system that aims to eliminate harmful substances from the textile supply chain. It has strict requirements for the use of harmful substances in textiles, as well as for the environmental and social impact of textile production. Bluesign also requires that products be made from recycled or sustainably-sourced materials. Its process to check for harmful substances is interesting.

We chose these three certifications for comparison because they are all well-respected and have a good reputation for setting standards for the environmental impact of textile production. They also provide insightful and tested approaches to deal with key aspects such as chemical management and materials.

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\(^\text{12}\) All ecolabels | Ecolabel Index

\(^\text{13}\) All ecolabels on textiles | Ecolabel Index. For the following topics such labels do already exist: down, wool, cotton, recycled materials (polyester, wool, cotton, nylon etc; GRS), aluminium, chemical management as well as labour conditions.
<table>
<thead>
<tr>
<th><strong>Scope</strong></th>
<th>Product label for all kinds of textiles (e.g., garments, home textiles, fabrics, nonwovens) and leather products (e.g., garments, finished and semi-finished leathers), including non-textile/-leather components (e.g., accessories). End product tested for harmful substances. Making up and wet processes/chemical processes (excluding wet spinning) have been manufactured using sustainable processes under socially responsible working conditions. Licensing according to OEKO-TEX® MADE IN GREEN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transparency on test methods (substances in materials)</strong></td>
<td>Test methods not stated in OTS100.</td>
</tr>
<tr>
<td><strong>Process for revision and development of criteria</strong></td>
<td>Process for revision is available on the website. Performed by the OEKO-Tex association/17 institutes connected.</td>
</tr>
<tr>
<td><strong>The scope of the bluesign® SYSTEM includes the textile and leather supply chain, from chemical suppliers to manufacturers to brands or from chemical products to consumer goods. It examines natural resources and chemicals used in textile production and the apparel supply chain. bluesign_system_v3.0_2020-03.pdf</strong></td>
<td>The labelling of consumer goods as bluesign® PRODUCT is based on the principle of self-declaration by the trademark user. Only authorised trademark users, which have successfully passed brand assessment, by having no relevant gaps identified, can promote an article as bluesign® PRODUCT within the defined product range. bluesign_criteria_for_bluesign_product_v3.0_2020-03.pdf</td>
</tr>
<tr>
<td>Standard for organic fibres, including ecological and social criteria, backed up by independent third-party certification of the entire textile supply chain. It covers the processing, manufacturing, packaging, labelling, trading, and distribution of all textiles made from at least 70% certified organic natural fibres*. The final product categories may include, but are not limited to, fibres, yarns, fabrics, garments, textile accessories (carried or worn), textile toys, home textiles, mattresses, beddings, personal care textile products, and Food Contact Textiles. GOTS defines criteria for textile producers, manufacturers, B2B operators as well as textile chemicals. <em>There are two GOTS label-grades: ‘organic’ requiring a minimum of 95% organic fibres, and ‘made with organic materials’ requiring at least 70% organic fibres. Home - GOTS (global-standard.org)</em>*</td>
<td>Test methods not stated in OTS100. Test method stated for some substances, only test equipment for others. Test methods approved by GOTS listed in the standard.</td>
</tr>
<tr>
<td><strong>Process for revision</strong></td>
<td>Process for revision is available in the standard. Public consultation is</td>
</tr>
<tr>
<td><strong>Process for development of criteria</strong></td>
<td>Process for revision is available on the website. Includes information about revision committee, procedure, and</td>
</tr>
<tr>
<td>Industry stakeholders consulted. No public consultation. Not possible to access comments from stakeholders. Public Stakeholder Consultation (oekotex.com)</td>
<td>performed, but published documents cannot be found on the website. bluesign_system_v3.0_2020-03.pdf</td>
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<tr>
<td>---</td>
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<tr>
<td>Requirements on the certification body</td>
<td>List of certification bodies approved by the OEKO-TEX Association. Every OEKO-TEX® institute is active in the field of research and development and committed to innovation. Our testing institutes carry out accredited testing processes. OEKO-TEX®</td>
</tr>
<tr>
<td>System for ensuring traceability of material and product flows</td>
<td>Each company in the value shall be registered in “myOEKO-TEX platform” and actively use the “Made in Green dashboard”. The unique product ID can be used to trace the product. It can thus be shown where the different stages of product manufacturing have taken place.</td>
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</tbody>
</table>

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15 Ecological and Social Criteria - GOTS (global-standard.org)
16 GOTS_7.0_.--_signed-25.04.pdf (global-standard.org)
<table>
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<tr>
<th>Chemical management</th>
<th>No transaction certificates to ensure the material flows.</th>
<th>Chemical suppliers need to be system partners and chemicals approved to be used in processes.</th>
<th>A Certified Entity shall only use chemicals which are assessed, approved, and explicitly listed on the GOTS Positive List and shall have copies of valid Letter of Approvals and Safety Data Sheet documents on hand (Approved according to scope 4).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements regarding social responsibility and OH&amp;S</td>
<td>An inventory list of all chemicals used in the facility (minimum for management). List of restricted and banned chemicals for STeP-certified facility and for the materials (OTS100). StepStandard_01.2023_en_de.pdf (oeko-tex.com) ECOPASSPORT available for chemicals which are then approved to be used.</td>
<td>Chemical suppliers need to be system partners and chemicals approved to be used in processes. List of banned and restricted chemicals. Approved chemicals are registered in a “bluesign finder” available for other system partners.</td>
<td>GOTS Human Rights and Social Criteria apply to Certified Entities employing Workers engaged in all stages of textile processing, manufacturing, packaging, labelling, trading, warehousing, and distribution of all textiles made from at least 70% certified organic natural fibres. Criteria: ILO’s core conventions, but also requirements to have a social compliance management, assessment of living wage gap, no precarious employment, whistle-blower mechanisms, etc., and criteria which covers occupational health and safety.</td>
</tr>
<tr>
<td></td>
<td>Consumers cannot trace the production chain. “Shop Bluesign products” in the Bluesign website links further to products which are not stated to be Bluesign products.</td>
<td>Consumers cannot trace the production chain.</td>
<td></td>
</tr>
<tr>
<td>Only for STeP-certified entities (making up and wet/chemical processes).</td>
<td>(FLA), World Fair Trade Organization and/or - participating in the Social Labor Convergence Project (SLCP). Encourages other partners to implement a social responsibility program, but not mandatory unless the abuse of one or more convention has been identified.</td>
<td>No 3rd party certifications listed as approved to meet the social criteria.</td>
<td></td>
</tr>
</tbody>
</table>

| **References** | MigStandard_02.2023_en_de.pdf (oeko-tex.com) | bluesign_system_v3.0_2020-03.pdf | GOTS_7.0__SIGNED_.pdf (global-standard.org) |
Key learning

In the analysis, what comes out is the need to set up clear and strict requirements, make them enforceable and consider the entire supply chain, from the extraction of raw materials to the disposal of finished products. Also, there is a need to be transparent and involve stakeholders in the development and the revision of the requirements.

The assessment of Oeko-Tex Made in Green, Bluesign, and GOTS helps us to draw some lessons:

1. COVERAGE

All three VSS aim to address the whole production chain, and facilities/production units along the chain must certified for the final product to fulfil the requirements. They must also have a system in place to make sure that almost all actors in the value chain are working individually to fulfil the requirements in the standard, with inspections/audits on site. GOTS covers all steps, including raw material processing and trading, while Oeko-Tex Made in Green and Bluesign do not cover the origin of the raw material or fibre production (criteria starting from fibre). Oeko-Tex Made in Green does not cover yarn spinning, weaving/knitting, and other mechanical steps, but it covers wet processes and making up.

2. CHEMICALS

Clear criteria are available for all three certifications. All three VSS have lists for restricted and banned substances in materials and chemicals used.

Test methods concerning harmful substances in materials are stated for GOTS, and only partly for Bluesign (sometimes only referring to equipment that shall be used, without stating the test method). The level of chemical testing for the certifications varies. Bluesign requires products to be tested for a wide range of harmful substances, including heavy metals, pesticides, and phthalates. The testing is done at the component level, which means that each individual component of the textile is tested for harmful substances. GOTS also requires products to be tested for a wide range of harmful substances, but the testing is done at the finished product level, not the individual components. Oeko-Tex Made in Green also tests for harmful substances at the finished product level, and it includes a list of over 100 harmful substances that are prohibited in textiles.

Chemical management is needed, and all three standards includes lists of restricted and banned substances. Bluesign and GOTS require a pre-approval of chemicals used and Bluesign also requires the chemical supplier to be a system partner. A corresponding approval of chemicals exist for Oeko-Tex Made in Green (ECOPASSPORT) but this is not mandatory.

Mandatory use of pre-approved chemicals is a positive step – each chemical has been thoroughly investigated before being used. However, there might be other chemicals in the facility used for “non-certified” processes. Oeko-Tex Made in Green does not require pre-approval, but does require that all chemicals used in the facility fulfils the standard, so there will be no risk for exposure from other processes or mix up.

3. TRANSPARENCY

More transparency is always welcomed, and public information and consultation is part of that process. The process for revision is stated for all 3 VSS, but seems more transparent for GOTS, which publishes the public consultation performed during the process.

4. TRACEABILITY
All three VSS work with systems for traceability. The requirements for the certification body are prescriptive for both GOTS and Oeko-Tex Made in Green. Bluesign and Oeko-Tex Made in Green focus on the certified entities (working in platforms/networks), while GOTS appear to focus on the material (working with transaction certificates). It would be ideal to both have a system for tracing materials and platform for the production chain. All certification bodies working with VSS within EU should be certified according to ISO/IEC 17065:2012—"Conformity assessment — Requirements for bodies certifying products, processes and services", at the very least.

5. **SOCIAL RESPONSIBILITY**

GOTS requires all actors involved to fulfil the set requirements, while Oeko-Tex requires that the making up and facilities performing wet processes (i.e. STeP-certified entities) fulfil the requirements. GOTS is the only certification system which requires that the certification body has demonstrated experience of social auditing in the textile field. Bluesign focuses on the core conventions, for tier 1. Only if a company further down the value chain has violated the core conventions, they too need to implement a social program.

Similarities exist between Oeko-Tex Made in Green and GOTS. Both standards have more far-fetching requirements than only the 8 core conventions of ILO, and with criteria that needs to be fulfilled by production units along the value chain. All 3 VSS includes requirements for occupational health and safety.

6. **OVERPRODUCTION**

None of the analysed VSS in this paper explicitly address production volumes, nor rates.

**Taking a page from social audits – lessons learned**

The textile industry has been under scrutiny not only for its environmental impacts but also for exploitative labour practices for decades. The industry has typically reacted by permitting social auditing and certification schemes to ensure their compliance with social standards. What can we learn from human rights-relevant auditing and certification systems to ensure that lessons can be learned and applied to the development and enforcement of robust sustainability VSS more broadly?

- **Auditors’ skills and time:** ensuring that basic training and knowledge of core issues is mandatory is pivotal. Pressure to limit the time available for audits undercuts auditors’ ability to spend time in the audited premises, thus impacting on the audit’s scope and quality. So, this should be avoided. It is essential to ensure that audits are conducted by independent third parties, that off-site worker interviews are conducted in safe settings to ensure worker participation, engagement, and protection from retaliation, to follow information leads, and to corroborate information. It will be relevant to clarify elements

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17 Organic and more sustainable? Textile certifications and suspected forced labour in Xinjiang. ECCHR_PP_XINJIANG_PF.pdf
18 Open letter to EU policymakers on social audit failures — Clean Clothes Campaign
19 “Obsessed with Audit Tools, Missing the Goal”: Why Social Audits Can’t Fix Labor Rights Abuses in Global Supply Chains | HRW
20 Idem
needed, such as off-site worker interviews, unannounced visits, and stakeholder involvement.

- **Ensure independence and avoid risk of fraud**: lack of independence from the mandating/lead companies is an issue that could jeopardise the entire process.
- **Mandatory transparency**: supply chain information must be publicly available.
- **Clear accountability**: Auditing firms can only report findings and suggest corrective actions to the party that paid for the audit. Clear policies and processes need to be in place to ensure follow-up on prevention and remediation, alongside consequences for companies who fail to stop, prevent, or mitigate risks. Also, regular review of auditing methodologies is needed. Policymakers should develop complaints-based and penalties-based regimes to hold auditing and certification programs, and firms offering auditing and certification services, accountable.

Any audit is always just a snapshot in time and will not be able to evaluate all activities. In all cases, the quality of the auditor plays a key role in determining how effective an audit is. Experience and expertise in both the industry and in auditing are critical, and the best standards will have a robust process in place to ensure consistent high quality. Use of professional accreditation bodies, third party review by, for example, GEN or certification according to ISO 17065 at least. Assessment of the performance of the certification bodies further helps to sustain best practices. In addition, in the implementation of standards, it is key to define separate roles between parties that interact during the creation, implementation, and maintenance processes of a standard. Including the implementers (i.e.: organisations being evaluated), verifiers (i.e.: those who ensure the conformity to the standard, such as certification bodies), and owners of the standard (i.e. those responsible for the development, revision and maintenance of the standard). Certification schemes should aim for the highest possible level of ambition.

**Conclusions**

In summary, growing demand for commodities is taking place at the same time as there being insufficient regulation to protect the environment and social rights. If standards follow best practice, they are a tool for brands and the supply chain not only to reduce risk and add value, but also to communicate requirements clearly. However, a standard can never be a guarantee! From our findings and current research on the topic, there is a need for significantly increased transparency in fashion supply chains to satisfy the assurance requirements of VSS systems. When it comes to the examples analysed in this paper, their level of transparency to make sure that the requirements are fulfilled in the supply chain is well developed and could and should be taken as an example for the development of an even more robust transparency system.

ECOS has also published a paper on Deep dive: Standards to measure textile durability (ecostandard.org)