Introduction to GOTS **Technical Criteria and Benefits to Businesses**

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Global Organic Textile Standard (GOTS)



"GOTS is recognized as the leading processing standard for textiles made from organic fibres worldwide. It defines high level environmental criteria along the entire supply chain of organic textiles and requires compliance with social criteria as well."

Global Organic Textile Standard (GOTS)

- Processing Standard for textiles made from organic fibres.
- Environmental Criteria
- Social Criteria
- Entire Supply Chain Covered
- ISO Type I Standard



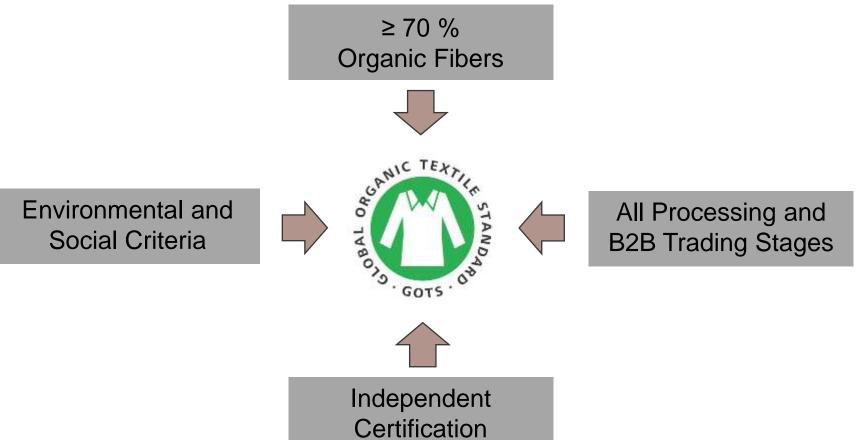
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Basic Features of GOTS





Dual System for Quality Assurance





On-Site inspection

- <u>On-site inspection</u> of the entire processing chain up to the import level
- Annual inspection cycle
- Organic product flow, environmental and social criteria subject to inspection

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Residue Testing

- Limit values for residues
- Risk assessment of contamination
- Analysis in ISO 17025 accredited labs

Criteria: Material Composition I



Criteria	Item
Fibres Allowed	Cotton, Bast, Silk, Wool, Other Animal Fibres (Certified Organic)- EC/NOP/IFOAM
Fibres Not Allowed	Conventional Cotton, Conventional Angora Wool, Virgin Polyester, GMO, Asbestos, carbon, steel, Acrylic
Fibres Restricted	Synthetic & Regenerated (Max 10%)
Special Conditions (in Restricted Fibres)	For socks & Sportswear, including Yogawear (Max 25%)

Key criteria for all Facilities Along the Supply Chain



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Environmental management requirements

(e.g. monitoring water and energy use, target goals and procedures to reduce consumption, monitoring waste and disposal)

✓Waste water requirements for wet processing stages

(e.g. functional treatment plant in place, limits for specific parameters)

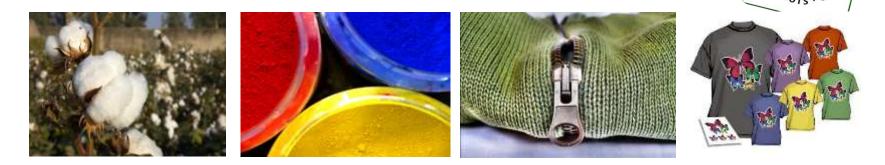
✓Internal quality assurance

(identification and separation system, product flow documentation)

Social minimum criteria based on ILO key conventions

(e.g. no child labour, no excessive working hours, health & safety criteria)

Product Specific Key Criteria for a GOTS Certified Textile Product



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Requirements for additional fibres, accessories, packaging
 (e.g. all polyester used in fabric must be recycled; no PVC, nickel or chromium)

✓ All chemical inputs must be approved prior to usage

(e.g. strict criteria related to environmental and health hazards; no use of any Greenpeace 'detox chemicals'; worldwide no use of any substances banned in any legislation; no formaldehyde, GM or nano particles -> processors receive positive lists containing trade names of approved inputs)

✓ Strict RSL requirements on the final product

✓ Use of certified organic fibres

(min. 95% for 'organic' label grade, min 70% for 'made with organic')

Environment Criteria- Textile Companies

- Energy & Water Consumption Data must be available
- Waste & Discharges
- Chemical & Sludge Disposal
- Staff Training
- Max COD content of discharged water: 20 g/kg of textile output
- pH of discharged water 6 to 9
- Max Temperature of discharged water 35 °C
- GOTS Monitor (Water/Energy) is really helpful here



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Quality Assurance:Limit values for residues in GOTS Goods (chapter 2.4.15)



To be considered in risk assessment and testing:

- >NP, OP, NPEO, OPEO sum limit parameter < 20 mg/kg added
- Aniline limit parameter < 100 mg/kg added</p>
- PFOA, PFOS individual limit parameter added < 0,001 mg/kg</p>
- FTOH limit value added < 0,01 mg/kg</p>
- DMEP added to phthalates to be tested
- ➤Various test methods up-dated

Note: also in the list of limit values for accessories and additional materials changes have been made which are to be considered in risk assessment / testing

Restricted Criteria for Additives in GOTS

 Section 2.3.1: Azo dyes and pigments releasing carcinogenic arylamine compounds (MAK III, category 1,2,3,4)

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- Section 2.3.2: Certain preparations which contain at least one substance which is classified with any of hazard statements
- Section 2.4.6: Dispersed dyes known to be allergenic
- Red List of the IUCN: The use of natural dyes and auxiliaries that are derived from a threatened species are prohibited

Hazards Data



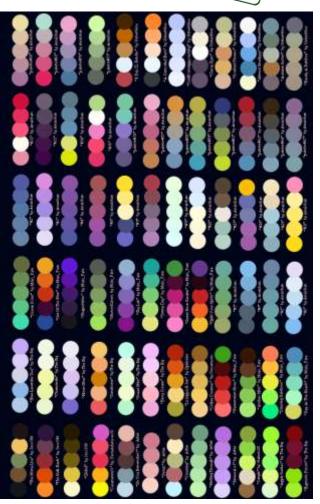
 Your Certification Body will do an evaluations and Risk Assessment of your products based on documents submitted and suggest on testing requirements.

Toxicity

- Oral Toxicity LD50 > 2000 mg/kg 2)
- Aquatic Toxicity LC₅₀, EC₅₀, IC₅₀ > 1 mg/l
- Relation of biodegradability / eliminability to aquatic toxicity
 - Only allowed, if: < 70% and > 100 mg/l > 70% and > 10 mg/l
 - > 95% and > 1 mg/l

Assessment of Chemical Inputs/ Inks/ Auxiliaries

- All Chemical Inputs need to get GOTS Approval
- Preparations evaluated and their Trade Names have to be registered on approved lists <u>prior to</u> <u>their usage</u>
- Alternative Trade Names of same products also need to be <u>separately listed</u> in Positive List
- MSDS to be prepared according to a <u>norm or</u> <u>directive</u> recognised by GOTS
- Processors (like printing units) can request for a copy of Positive List from <u>their Certification</u> <u>Body</u>



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Low Impact Dyes and Chemicals

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- Prohibited and restricted inputs
- Requirements related to hazards and toxicity
- Assessment of chemical inputs
- Limit values for restricted substances
- Details to be submitted:
- MSDS
- Test Reports
- Calculated toxicity values
- Non-GMO Declaration (s)
- Any other documents asked by CB

MSDS



- Applicable recognised norms or directives for preparing MSDS
 - ANSI Z400.1-2004
 - ISO 11014-1
 - 1907/2006EEC (Reach)
 - 2001/58/EEC
 - GHS (Global Harmonised System)
 - JIS Z 7250:2005, Part 1

Positive lists – Statistics





- Positive lists according to GOTS Version 4.0 are prepared for: 479 suppliers of colourants (dyestuffs and prints) and auxiliaries
- They contain (status 31.12.2015)
 5042 trade names of colourants and
 7110 trade names of auxiliary agents
- Figures for 2014 :
 - 409 suppliers, 3238 colourants, 5823 auxiliary agents

GOTS 4.0 – Minimum Social Criteria







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 Social criteria based on the International Labor Organization key norms is required for all processing and manufacturing stages. This includes no child labor.

Also under current Version 4.0:

- Health and safety training must include fire prevention training and evacuation drills
- Protective equipment given to the workers is used whenever necessary
- MSDS's for all chemicals used must be maintained, and applicable health and safety measures for handling and storing must be met.

Social Criteria-I



- Social minimum criteria based on the ILO key conventions is compulsory for all processing and manufacturing stages.
- The requirements include e.g.:
 - No child labor
 - Payment of living wages
 - Working hours must not be excessive
 - Safe and hygienic working conditions
 - No discrimination, no harsh or inhumane treatment
 - Operators must establish social compliance management tools that support the implementation and monitoring of the social minimum criteria

Social Criteria-II



Relevant Chapters in GOTS Version 4.0 Standard: Chapter 3

- 3.1. Scope
- 3.2. Employment is freely chosen
- 3.3. Freedom of association and the right to collective bargaining are respected
- 3.4. Working conditions are safe and hygienic
- 3.5. Child labour must not be used
- 3.6. Living wages
- 3.7. Working hours are not excessive
- 3.8. No discrimination is practised
- 3.9. Regular employment is provided
- 3.10. Harsh or inhumane treatment is prohibited

Social Compliance Management -I



3.11. Social Compliance Management

- Companies must have a policy for social accountability to ensure that the social criteria can be met. They must support the implementation and monitoring of the social criteria by:
- nominating a person responsible for social accountability
- monitoring compliance with the social criteria and implementing necessary improvements at its facilities
- informing its workers about the content of the minimum social criteria in the applicable local language(s)

Social Compliance Management -II



- maintaining records of the name, age, working hours and the wages paid for each worker
- allowing the workers to nominate a representative for social accountability that is able to provide feedback to the management regarding implementation status of and compliance with social criteria
- 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
- refraining from disciplinary measures, dismissals or other forms of discrimination against workers for providing information concerning observance of the social criteria



Traceability

Certificates along the supply chain

(slide courtesy of Textile Exchange)





GOTS: International Recognition



✓ U.S. Department of Agriculture:

✓ policy memorandum (May 20, 2011) explicitly recognizes GOTS and its label grade 'organic': "Textile products that are produced in accordance with the Global Organic Textile Standard (GOTS) may be sold as organic in the U.S." Note that this does not entitle use of the USDA seal.

✓ IFOAM

✓ endorses GOTS as the minimum reference for organic textile processing. The endorsement letter (April 23, 2014) includes the recommendation to governments not to start development of redundant standards and regulations but to make references to GOTS as processing standard for textiles labelled 'organic.'

✓ Greenpeace International

Textile Procurement Policy (October, 2012) states that all cotton-based textiles used by volunteers, activists, or staff must be certified to GOTS or the equivalent.

GOTS- an Ideal Sustainability Tool

- Covers all natural textile fibres
- Covers all processes in manufacture
- Covers Chemical Restrictions
- Covers Product Performance
- Covers Waste Management to check environment pollution
- Covers Social Aspects (ILO)
- Covers Work Environment
- Covers Water and Energy Management
- GOTS is legally registered as a Non-Profit Organisation in Germany. Hence GOTS has no commercial interest and is working for upliftment and safety of people and stakeholders involved

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The Gold Standard for Sustainability





Certified to GOTS standard - traceability of organic fibre content + environmentally and socially responsible manufacture

"Organic" claims can legitimately be made on products



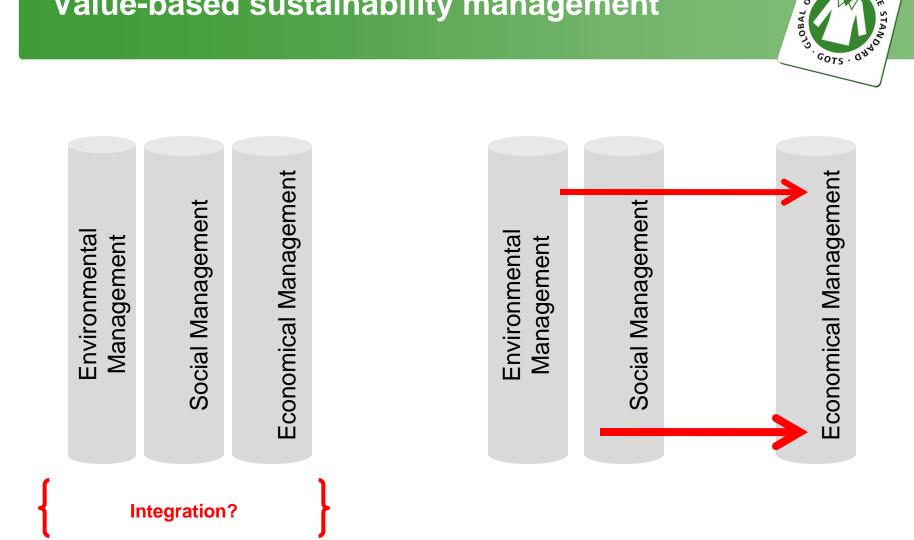
Certified to OE standard - traceability of organic fibre content only

"Made with organically grown cotton" claims can legitimately be made on products

Certified Organic at farm level only Any claims made will need to be able to be justified...



Business Case for Sustainability



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Value-based sustainability management

Sustainability and Competition

Assuring acceptance and legitimacy

Realizing and making use of differentiation potential

Security in strategy



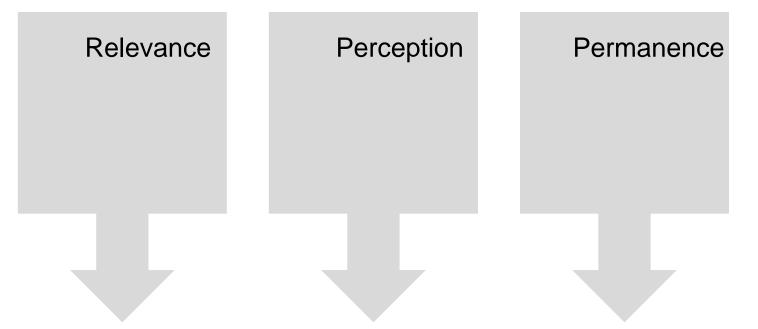






Competitive Advantages in general





Competitive Advantage

Competitive Advantages



Social and ecological problems

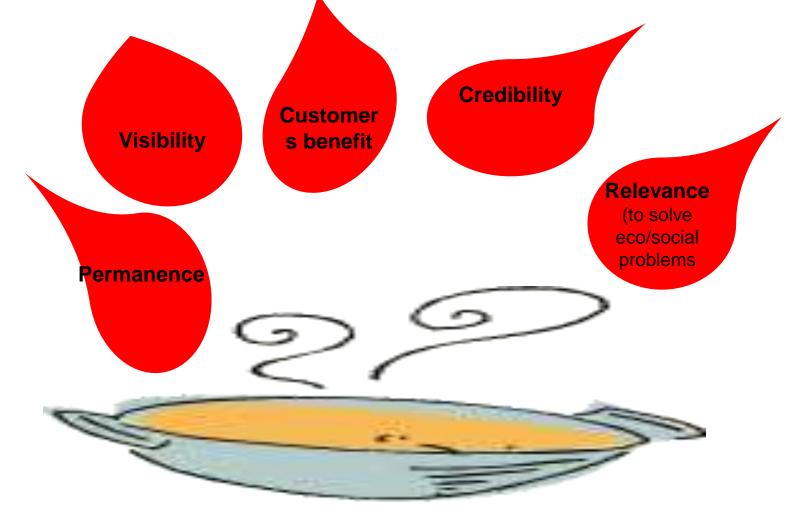
Social and ecological knowledge become stakes

Social and ecological competition fields (current, latent, in the future)

Competitive Advantage

What makes a standard a competitive factor?





The Business Case for GOTS Certified Products



Certified businesses are:

- SAFE GOTS helps reduce or control risks
- CREDIBLE GOTS-required independent certification includes onsite inspection and product testing, and enables companies to improve or retain their image and reputation
- **EFFICIENT** GOTS improves productivity and efficiency
- **INNOVATIVE** GOTS provides market differential
- **TRANSFORMATIVE** GOTS drives change in the overall textile marketplace.



Benefits

What does a Brand/ Factory looks for improvement because of standards

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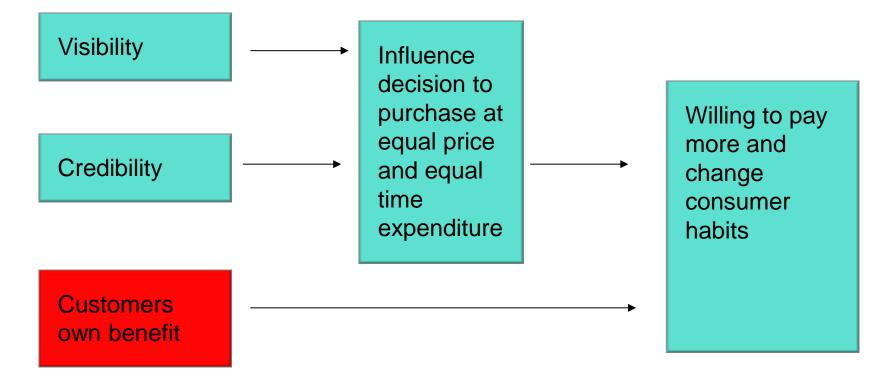






Differentiation – customers view





Benefits of Adopting Standards to Brands

- Sensational opportunity to masscustomise marketing efforts and consumer engagement
- It fosters the customer's trust towards a brand and its products – suggesting safety
- Answers customers' questions about sourcing and manufacturing of the products they are going to buy



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Reputation

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Major Benefits to Manufacturers from GOTS (1)

 One International Standard for all markets- trust for consumers, brands, manufacturers and all stakeholders. 0

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- Generating market and customers for organic cotton, finally benefiting whole supply chain till organic farmers
- Premium for GOTS Certified Organic Textiles
- Higher business opportunities and increase in foreign exchange earnings for country
- Limited Cost of Compliance due to acceptance of GOTS certification over the world for organic textiles

Major Benefits to Manufacturers from GOTS (2)

- or CANIC TETAIL
- Thousands of dyes and auxiliaries were assessed for important environmental criteria like toxicity, biodegradability, ingredients and residues of hazardous substances under GOTS Approval Program.
- Almost no environmental data have been available previously for many of these products and GOTS assessment and registration was the reason why important environmental data have been assessed and tested and corresponding MSDS have been prepared.
- Only treated water is discharged from textile factories participating in GOTS program.

Major Benefits to Manufacturers from GOTS (3)



- Better Aquatic Life: Fish are saved from harmful chemicals like APEOs and therefore restricting their entry to food chain as well
- Local residents saved from health hazards arising from toxic industrial waste
- Better working conditions for labourers in certified textile processing facilities; hence benefitting the poor workers





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