

Textile Labelling Guide

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Guide to Sustainability Labelling and Certification in Textile and Fashion

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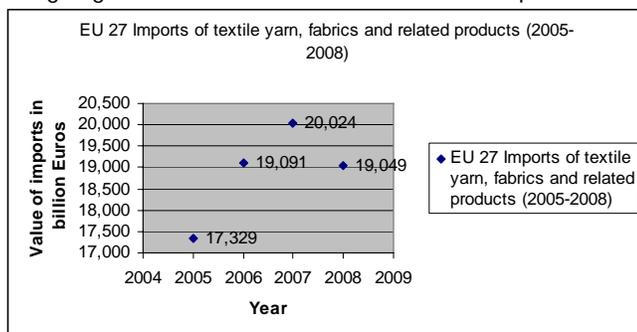
1 Abbreviations

CEO	Chief Executive Officer
EFF	Electronic Frontier Foundation
EMS	Environmental Management System
EU	The European Union
EU27	The 27 member countries of the European Union
GP	Green Procurement
GPP	Green Public & Private Procurement
ILO	International Labor Organization
INNATEX	International Fair for Natural and Organic Textiles
KOTRA	Korea Trade-Investment Promotion Agency
LE	Egyptian Pound also represented by E£ and coded as EGP
M&S	Marc and Spenser's
NGOs	Non-Governmental Organizations
R&D	Research and Development
RFT	Right First Time

2 The significance of sustainability labels in textiles

Sustainability has been at the core of every marketing campaign during the last many years. The consumers have shown their willingness to pay higher premiums for sustainable products. The concept of ethical and responsible production and consumption has become a part and parcel of governments' economic and social policies in many countries. Textile/clothing sector because of its environmental and social impacts is a focus of sustainability movement. The sustainable textiles labels (also known as eco-labels) have been developed to inform consumers of the environmental and social conditions in which they were produced and allow them to make an informed choice. On the other hand they provide producers an incentive to design and market sustainable textiles. Sustainability labels are, therefore, not only a means to reduce environmental and social impacts of textiles but also a marketing tool, effective use of which leads to improved access to export markets. A variety of sustainability labels exist focussing on particular sustainability goals to be achieved in the design, use, and end-of-life/reuse phases of the textiles. By qualifying these labels, the manufacturers/suppliers prove to customers/retailer and thereby end consumers the sustainability of design and performance of their textiles.

For Asian textile suppliers the European market is highly important from a business point of view. European market is getting competitive with respect to environmental and social standards. The Asian textile suppliers have to make their products and processes compatible with the changing demands of European consumers, governments and retailers. As a result, Asian textile exporters are increasingly required to demonstrate their social and environmental credentials in order to penetrate in European market. It is now clearly seen that the social and environmental performance will play an increasingly prominent part in the commercial success of the textile exporters to EU¹. Textile sustainability labels provide a very good instrument which not only can help make the production in Asian countries sustainable but also can work to increase the efficiency and profitability of the exporters. An estimate of the profit mark-up for apparel items made using organic fibre was calculated to be 33.8 percent. The non-application of dyes in apparel



production results in cost saving for producers allowing retailers to sell the items at discounts of up-to 15 percent. In the apparel market the organic apparel sell expensive compared to apparel made from conventional raw material². The data of EU27 imports value (in billion Euros) from 2005 to 2008 is presented below³. This shows that the demand of textile products in

¹ <http://assets.panda.org/downloads/textilesjan2002c.pdf>

² (Nimon & Beghin, 1999, p. 802)

³ http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-AR-09-012/EN/KS-AR-09-012-EN.PDF

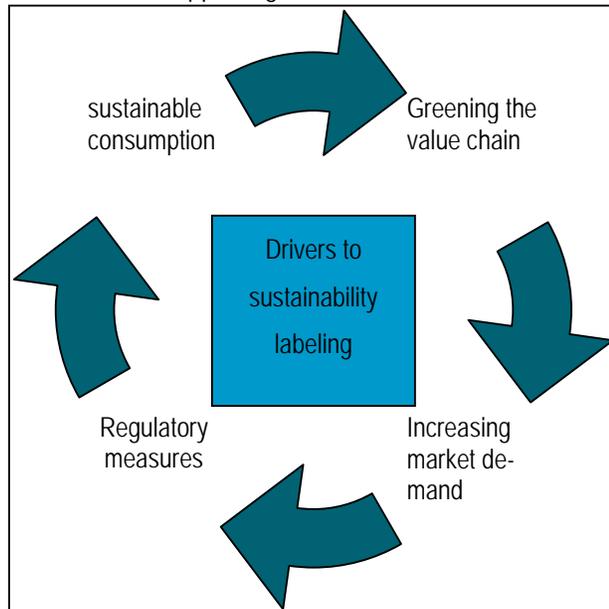
EU has been on rise. Due to increasing awareness of environmental and health concerns, the demand of eco-labelled textiles in EU has been steadily on the rise⁴.

⁴ (Puja Sawhney, 2006)

3 Textile sustainability labelling

3.1 Drivers to sustainability labeling

An important area of practical concern in the textiles and apparel goods has been how can the sustainable products be distinguished and clearly recognized. Different labels and certifications came to guide the textile producer and consumers. The textile merchandisers viewed them as a means to demonstrate the ecological and environmental credentials of the textiles to the consumers. "The purpose of these labels is two-fold: guide consumers in their choice of products that are less damaging; and to stimulate the competition in the industrial sector in the development, design and production of goods taking into account environmental consideration in mainstream marketing strategies"⁵. The drive for textile sustainability labels is equally present throughout the textile-supply-chain. Most direct drivers to sustainability labeling include: ethical and sustainable consumption; greening the value chain; and increasing market demand and regulatory measures (see the pictogram 1). The following section discusses them in detail.



3.1.1 Increasing demand for sustainable textiles (producer side drivers)

In recent years, eco/sustainability labels have proliferated. And they've started to compete for increasingly eco-minded consumers' attention. The labels become shorthand for going green. Researchers identify a significant and robust premium for the organic fibres embodied in the apparel goods (John Beghin). The word "natural" appeared on the label of a third of new products last year, according to a recent study from Mintel Global New Products Database, the number of products claiming to be environmentally friendly rose nearly 200 percent.⁶

3.1.1.1 Sustainable textiles becomes mainstream export of Asia

⁵ (Alexander & Fairbridge, 1999)

⁶ <http://www.greenbiz.com>

Asia's textile manufacturers are increasingly reacting to meet the demands of eco-friendly fabrics. In China, Bangladesh and India, the world's top textile producers, as well as in Pakistan, South Korea and Taiwan, natural fibers, organic yarns, fair trade practices and clean processing are increasingly being adopted. The evidence of how the eco-friendly textile and apparel fashion products are gaining popularity in consumers all over the world can be seen

A textile producer's comments

"I turned to eco-friendly textile three years ago because it was popular in Europe and sales of green fabrics since then have grown 100 fold" (Taiwan's Chia Her, a 30-year-old textile maker)

"China is receiving orders for eco-friendly textiles, with European customers handing you a thick book like a dictionary with standards and certifications, from raw material to the finished product" (The Chinese representative for Texworld Yan York)

from the ever-increasing rate of participation of eco-textile producers at international trade fairs. To cite an example, at the Interstoff Asia Essential trade fair in March 2010 at the Hong Kong, there was a 100 percent increase in the Eco related supplier participation possessing a separate pavilion ground.

The Asian countries not only find demand for eco-friendly textile abroad but also at home. In China for example, the demand is growing for the trendy and fashionable cloth that also respect

South Korean sustainable textile designers seek partnerships with the US retails

The South Korean textile goods have been innovatively designed mixing fashion with sustainability. These claims were made at the 14th Annual Korean Preview Textile Trade Show on February 2-3, 2010 in New York City. The business strategy of South Korean textile designers was to emphasize not only the excellent design but also the exceptional quality and performance of socially responsible fabrics as well as the ethical labour practices in the Korean industry.

Comments of some buyers of South Korean fabrics

Several buyers appreciated and testified the high-quality and sustainability of the Korean fabrics. For example, Bobby Soleimani, President and CEO of Tally Taylor Brands, New York Buyer of Korean fabrics said "As a designer of high-end ladies' couture I have depended on Korean fabrics since 1995 because the customers of my Tally Taylor and Odelliah brands demand quality. Dry cleaning after dry cleaning my customers say that Korean fabrics outperform everything they have tried. Yes, it is a bit more expensive, but Korean fabrics are worth keeping my customers happy". The success of Korean socially responsible fabrics was expressed in enduring partnership of Korean firms with the US retailers as Soon Yong Hong, President, KOTRA North America said "This is a tremendous opportunity to continue our very successful partnership with US retailers that originated over 30 years ago, by helping retailers sell products not only because of their excellent design, but for the exceptional quality and performance of our socially responsible fabrics and ethical labor practices"

the environment. The South Korean firms are following the suit⁷ (see box). The firms in other Asian countries are slowly adapting to the trend.

Asian textile businesses show their interest in designing sustainable fibers and fabrics through participating in various projects related to eco-fashion design and form partnerships with sustainability-focused retail chains. The designers, retailers and consumers strengthen interaction on various events such as trade fairs and fashion exhibitions etc.

A Pakistani supplier's experience with eco-labeling

"It's very expensive and very difficult to get the certifications. Bringing in consultants, ensuring supplies such as yarns and chemicals met all the right standards, and re-adapting the manufacturing processes called for sizable investment. Organic materials are in high demand and stores such as Marks and Spencers for example wouldn't buy anything unless we're clean from the environmental point of view. Two years ago when our firm began offering green-friendly products there was no interest. Now we have enquiries every day". (Syed Adeel Haider deputy manager marketing of a Pakistan firm, US Denim Mills one of the big players on the jeans front, supplying to Levi's and Esprit.)

At the apparel trade fairs the buyers of specialized fabrics meet and seek to source their

ten-Social-Responsibility-with-Sustainable-

required products. It is an event where the R&D, designers, merchandisers and overseas sourcing professionals get together. Meetings take place among mills, manufacturers from Asia and around the world displaying their collections for women's, men's and children's. They are a great opportunity for participant to market and source organic fibers, the fibers manufactured employing ethical labor practices, those which are produced using other sustainable and recyclable raw material like fibers obtained from recycled polyester and recycled textile waste etc.

International eco-textile exhibitions and trade fairs

A list of most famous eco-textile trade fairs around the world is given below.

Trade fair/Exhibition	2011 Host Cities	Brief Introduction
INNATEX (http://innatex.muveo.de/index.php?id=29)	Hofheim-Wallau	For last 14 year INNATEX has been the representative of natural fabrics. The INNATEX began global movement for organic raw material use in textiles. INNATEX viewed a strong market potential for organic textiles. It hosts exhibition of organic fabrics. The application criteria are that at least 10% of the raw-material must be sourced from certified organic farming.
THEKEY.TO (http://thekey.to/nasfashioncontest/)	Berlin	Launched in July 2009, THEKEY.TO was the first international event for green fashion, sustainable life-styles and culture in Berlin. THEKEY.TO serves as a platform for the interaction of innovative and contemporary brands, international green fashion and design. The brands which are leading in terms of integrating style with sustainability ideas. THEKEY.TO aims to adhere to sustainability standards throughout the fair including the selection of its exhibitors. These standards are constantly updated to keep in pace with the developments in clothing industry. The sustainability criteria have two broad categories: 1) sustainable materials 2) social standards. Interested exhibitors must comply with at least one of them. The first category requires that the fabrics be made of certified organic materials. The crop and livestock should have been farmed in accordance with organic agriculture standards. The fabrics should be designed from eco-friendly raw-material which produces comparatively less environmental pollution. They should use synthetic material which are recycled, up-cycled or observe the cradle-to-cradle technique. The second category of sustainability criteria are the social standards. The interested exhibitor must observe just trade practices which guarantee life safety, transparency and respectful relations with partners. ILO standards regarding working environment should be complied with. Initiatives should be taken to support traditional craft working together with local communities to preserve the production techniques.
Ethical Fashion Forum (http://www.ethicalfashionforum.com/how-it-works)	London	The Ethical Fashion forum was launched in 2004 by a group of determined fashion designers and business people. The forum aims to develop "a collaborative movement which will transform social and environmental standards in the fashion industry within a decade". It promotes sustainability in fashion through three distinct programs. Each program gives fashion businesses some tools which can assist them succeed in ethical fashion business. These three programs are: 1) Connect 2) Source 3) Excel. The aim of the first program is to support and facilitate collaboration towards a sustainable future for fashion. It provides following

		<p>tools: 1) ethical fashion network 2) ethical fashion newsletter 3) ethical fashion socials. Ethical fashion Network is the world's largest community of fashion professionals connected with each other through sustainability theme. Fashion professionals can create their profiles, offer what they do, share information with thousands of industry, media and buyers all over the world. The ethical fashion newsletter provides latest news, developments and updates readers on events surrounding ethical fashion forum. Ethical fashion socials take place all over the world and allow fashion professionals to connect and network with other members in their local area.</p> <p>The second program of Ethical Fashion Forum is Source. It includes four tools. They allow the fashion businesses benefit from sustainable business solutions. They would help promote social transformation of thousands of vulnerable individuals and communities in the fashion industry supply chain. The first tool in this regard is sustainable directory which comprises of databases of ethical fashion business. The directory allows buyers, press, consumers and businesses of all types including brands, retailers, suppliers and professionals, source ethical fashion. The second tool is magazine. The EFF magazine reports on brand leader's sustainable fashion intelligence. It presents success stories of entrepreneurship in sustainable fashion. The third tool is bulletins. It provides inside information and valuable market and business analysis. The last tool is expo. The expo is an event which allows fashion industry opportunities for ethical sourcing. The event takes place in Central London and draws exhibitors from across inspirational manufacturers and suppliers. It takes them directly to the designers, retailers and brands.</p> <p>The third program is Excel. The aim of this program is to offer training and resources to support sustainable fashion design. The first tool for this purpose is seminars, master-classes and training and networking sessions which focus to enhance businesses' ethical and commercial performance. The second tool is competition. The aim is to encourage competition for sustainability in fashion design. Through competition, new talent in fashion design and sustainability are showcased. The winners of the competition receive widespread media coverage, access to buyers and a chance to present their ideas at mainstream trade shows. The third tool is support for new start-ups. It provides fashion businesses start-ups with resources including planning, pricing and marketing plan templates. The last tool is consultancy. Through consultancy, the EFF facilitates interaction of fashion businesses with experts in ethical fashion among its consultant's pool and offer one-on-one support and range of services tailored to individual business needs.</p>
<p>Planet Textiles (http://www.planet-textiles.com)</p>	<p>Shanghai</p>	<p>Planet textiles is an international event co-organized by Eco-textile news, Messe Frankfurt and the Society of Dyers and Colorists⁸. It aims to improve the environmental and social im-</p>

⁸ The Society of Dyers and Colourists is a UK based charity and its aims and objectives are 'to advance the science of colour' in the broadest sense (<http://www.sdc.org.uk/general/general.htm>).

<p>textiles.com/index.htm</p>	<p>part of the global textile and clothing supply chain. It is supported by leading industry organizations and international clothing retailers. The event takes place alongside the Interstoff Asia Essential fabric show. The next Planet textile event on sustainability will take place on 19th October 2011 in Shanghai, China⁹. The event helps textile retailers, manufacturers and leading brands interact and look for ways to take greener steps within the textile supply chain and source eco-textiles. It is achieved through textile sustainability conference. At the conference the attendees listen to eco-friendly ideas and concepts through presentations and involve in discussions. The Planet textiles aims to drive the sustainability initiative down to the manufacturing community in Asia. It is a unique forum for leading brands, retailers and innovative textile companies to spread their latest eco-textile initiatives. It showcases that being eco-friendly is not only good for the environment but essential for businesses going forward¹⁰.</p>
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3.1.2 Sustainable textile design (retail and design side drivers)

Eco-design or design for environment refers to a product formulation which considers environmental factors at development or design stage. While the eco-design focuses on enhancing the environmental compatibility of existing product the sustainable product design or design for sustainability on the other hand focus on devising ways which can change the underlying patterns

Four leading Indian textiles fashion designers go eco-friendly

- o A South Mumbai-based fashion designer and personal stylist [Sonia Mehra](#), recently unveiled her organic range of outfits. She explains the growing demand, "More and more people are opting for organic fabric, besides being eco-friendly, it is more soft and comfortable. And, unlike the past, now eco-friendly clothes come in contemporary and modern designs and that too at an affordable price."
- o [Anita Dongre](#) recently launched "Grassroot", a contemporary western wear collection at Wills India Fashion Week, with the claim that Grassroot was a "complete label that only uses environment friendly fabrics and environment friendly techniques. "So, be it the raw material, dyeing, finishing techniques, everything is complete environment friendly. Colors used were vegetable dyes," said Anita.
- o Likewise in Kolkata, designer [Arpita Kalra](#)'s new eco-friendly clothing line Full Cupboard is being retailed at Seesha, one of the city's popular fashion houses, this year. Kalra said: "The clothes have been conceived by using bio-degradable natural fabrics, using recycled embroidered silk and cotton. 'The clothes have been conjured up by using old Pakistani embroidered stuff that had been given away. Not only are the crushed clothes eco-friendly but they are also easy to maintain and need no ironing. They can be just rolled up and forgotten.
- o Other designers are doing similar work as well. Promoting organic cotton in a big way, men's wear designer [Digvijay Singh](#) created an interesting and very practical line for the label Bhusattva. Working with eco friendly fabric and natural herbal dyes, the men's wear line had subtle touches of ethnicity with the look being very western.

⁹http://www.ecotextile.com/index.php?option=com_content&view=article&id=10906:planet-textiles-to-debut-in-shanghai&catid=125:shows-events&Itemid=39

¹⁰ http://www.fibre2fashion.com/news/textile-news/newsdetails.aspx?news_id=80255

of production and consumption. The sustainable design focuses on reducing the negative impacts of product over the whole life cycle from manufacturing to use phase to disposal or reuse. This means lowering the use of energy, avoiding of toxic substances during the manufacturing, minimizing the resource consumption, incorporating the elements of repair or disassembly and recycling. There could be multiple of incentives for designers to step in sustainable design initiative. Ethical and moral issue may be strong motive but the growing demand from population at large cause designers' focus turning to sustainable design. The trend forecasters¹¹ have been pointing towards growing class of conscience consumers and their readiness to spend at greener and sustainable products. The sustainable design is increasingly becoming an important determinant of product choice. Following anecdotic evidences show the textile fashion designers are adapting to changing consumer preferences in textiles¹².

3.1.2.1 Greening the value chain

Acting as institutional buyers, big retailers and government agencies assume a powerful role in the wide application of sustainability labeling. The endeavors of giant retail chains e.g. Wal-mart, Best Buy for developing standards to measure and report on sustainability measures (SMRS) on the one hand signal the responsiveness on the retailer's part and powerfully influence their relevant producers to become sustainable on the other. The sustainability-focused supplier evaluation schemes aim to simultaneously manage risk and supply chain.¹³ The big retail chains like the Wal-Mart and H&M wield leverage on their suppliers of textile in developing countries. They have the purchasing power to drive improvements all the way up to supply chain. They signal and highlight that the market is out there for the textiles made using the cleaner practices¹⁴. The optimal performance of supply chain is critical for the success of the textile in the market. The textile brands suffer because their suppliers with poor environmental performance can pose risk to their reputation. A holistic approach to supply-chain management can ensure improvements in environmental performance over the whole chain. The customer brands operating at the upper end of supply-chain require their suppliers at the lower end of the chain be environmentally sound considering the potential risks involved in working with environmentally unsound suppliers in the form of pressure from regulatory agencies or consumers. This serves to improve information asymmetry and improve the environmental performance of whole chain¹⁵. The eco-label is one indication to customers know and choose to work with the eco-labeled firms in textile supply chain.

¹¹ <http://www.dhub.org/articles/925>

¹² Adapted from (Brajesh Pandey, 2010, pp. 54-55)

¹³ (Dan Vermeer, 2010, p. 11)

¹⁴ <http://www.greenbiz.com/blog/2010/09/23/wal-mart-and-hm-commit-greening-their-textile-supply-chain>

¹⁵ (Hall, 2006)

Wal-Mart gives a push off to its textile suppliers towards greening the value chain¹⁶

The Wal-Mart is taking lead in becoming the retail chain offering green and sustainable textile in cooperation with its suppliers. The senior manager-sustainable textiles for Wal-Mart stores for the past two years, Kim Brandner says "We require the suppliers who work with Wal-Mart to demonstrate that their factories meet specific environmental, social and quality standards. We will only work with suppliers who maintain our standards throughout our relationship."

Wal-Mart has introduced its own scorecard to measure the sustainability performance of its suppliers. Brander puts scorecard approach as "Our goal for textiles is to measure the entire lifecycle of the product, which spans creation or growth of a fiber, through post-purchase care, all the way to the end of its life." He goes on to say "The textile scorecard is a fully transparent measurement tool designed to evaluate the sustainability of suppliers' products, the amount of packaging used, the greenhouse gas emissions generated in growing and transporting products, and the impact of dyes used in the textiles. The scorecard will include questions about factory sourcing and post-production. It will enable us to more effectively engage the support of our supply chain in identifying and minimizing inefficiencies in product life cycles, and driving continuous improvement within our supplier base. Our goal is to ultimately use the scorecard as a tool to inform buying decisions."

H&M promotes sustainability themes in fashion textiles

The Swedish-based H&M's sustainability efforts are not just restricted to sustainable cloths it racks on its shelves; sustainability is H&M's way of doing business. Only during previous year it planned to use 3000 tons of organic cotton which was ten times more than the benchmark year. H&M is a member of the Organic Exchange – an organization which promotes the use of organic cotton worldwide. It has been bringing sustainable design ideas into reality. Recently, it started incorporating recycled PET bottles, recycled cotton remnants and other second-time's-a-charm material into first-rate warm-wear weather essentials¹⁷. Sustainable fashion is the buzzword of the day. According to Lisa Sandberg, a U.S spokeswoman for H&M "We felt that eco-friendly materials are really hot right now. We do research on fashion trends globally. ... This was yet another trend that was picked up on by our fashion department."¹⁸

Marc and Spenser's introduces sustainable fashion range

Marc and Spenser retailed fashion garments using Fair trade and organic cotton, organic linen and recycled polyester. Customer's reaction was positive to its garments which were designed employing the recycling polyester obtained from waste bottles. The sales touches to 300,000 items made from around 2 million bottles¹⁹. M&S has adopted Plan-A since 2007 which establishes targets to make the company the world's most sustainable major retailer by 2015. It includes 180 environmental and ethical commitments involving those related to cutting carbon waste, reducing natural resource use and supporting communities. According to Mike Barry, head of sustainable business at Marks & Spencer and in charge of the retailer's Plan A sustainability strategy; this plan is not a green Corporate Social Responsibility initiative. "It's about making hard cash by doing the right thing". M&S's Plan A was bought in well in retailer's suppliers who according to Barry have realized that better traceability of goods, environmental and social responsibility and ethical work practice is another means of competing for contracts. The Asian suppliers are increasingly seeing a business case in sustainable practices. Barry described their reaction "Very rapidly in India and China, the leading suppliers are shifting away from the compliance mentality to 'it's making money, let's have a go at it'".²⁰

¹⁶ <http://www.textileinsight.com/articles.php?id=253>

¹⁷ http://www.ecostiletto.com/index.php?/Fashion/2009archives/whats_so_eco_about_hm_banana_republic_and_dkny/

¹⁸ http://www.redorbit.com/news/science/907883/ecofriendly_clothing_fits_green_lifestyle/

¹⁹ http://corporate.marksandspencer.com/howwedobusiness/our_policies/sustainable_raw_materials/sustainable_processes

²⁰ <http://www.businessgreen.com/bg/interview/1868061/mike-barry-cashing-plan/page/2>

Sustainability actions of Peek & Cloppenburg (P&C)

The Peek & Cloppenburg KG, Germany is an international textile retail chain. The P&C has become a leading company in Germany, offering innovative and fashionable women's, men's and children's clothing range. The retail store has its own brands in addition to exclusive design labels²¹. The company places a great emphasis on the sustainability side of the textile business. It recognizes the importance of sustainable management and using resources carefully. Since it operates globally, it has a large supplier network in developing and emerging countries. In working with its suppliers it pays particular attention to the ecological and social conditions under which its products are produced. The P&C's actions towards sustainability allow customers make sustainable choice by ensuring that the products which it offers are in produced in ethical, humane and socially responsible conditions, in compliance with applicable labor and environmental protection standards. The sustainability has also become an important part in company's logistics, packaging, presentation and lighting concerns. It always takes back its packaging material. To ensure that the working conditions are acceptable, the company established its own monitoring programs. P&C's own experts verify the conditions and suggest improvements. It has been continuously participating in the initiatives for monitoring social standards called Business Social Compliance Initiative (BSCI). The company set up extremely high safety demands in order to ensure that the articles it buys are non-harmful to health and environment. The P&C has a strong record in social responsibility initiatives. It supports the non-for-profit making projects in social welfare and humanitarian areas. For example the P&C is sponsoring "TRIBUTE TO BAMBI" foundation, which helps disadvantaged children in Germany and cooperates with the aid organization Terre des Hommes²².

3.1.3 Ethical and sustainable consumption (consumption side drivers)

The consumers are the key to decide the success of sustainability goods. There is a gap between what consumers claim they are willing to pay for sustainable products and what they actually pay pointing to skepticism that exists about misleading and unverified environmental claims. In this situation, accurate labels strengthen the trust in products, improve information symmetry between producers and consumers and ultimately lead to higher price premiums²³. The growing environmental awareness of consumers is a major driver for offering eco-friendly textile goods on export and domestic markets. The consumers rigorously judge the textile for the environmental and social impact in their consumption.

Consumers want to see sustainability enshrined by the textiles. They should have been made from non-polluting production processes employing less damaging chemicals, less energy and ethical labor practices. The related characteristics are that they are made from recyclables. Sustainability labels are a convenient way to inform consumers of these attributes. It should however, not be forgotten that the quality, print and color still remain valid in consumer choice of textiles. Furthermore, the consumers will be more likely to pay higher premiums for the sustainable textiles which also have a brand reputation in the market.

3.1.4 Regulatory drivers for textile sustainability labels

Regulatory measures are another major driver to sustainability labels. The governments show leadership role in sustainable consumption through the instrument of green public procurement. They are big buyers whose purchasing of sustainable products has much greater impact than individual consumers. In addition to green procurement, the governments have started initiatives

²¹ <http://career.peek-cloppenburg.com/en/about-us/>

²² <http://career.peek-cloppenburg.com/en/about-us/environment-and-ethics/>

²³ (Dan Vermeer, 2010, p. 11)

to develop data bases of organizations and products which fulfill the sustainability criteria. Korean green procurement law has been a major success resulting in certification of over 5000 products for GP since 2005. Similarly, Japan has 3000 member organizations and developed large data base of products which are sustainable²⁴. The institutional frameworks to incentivize green product development further lead to strengthening the cooperation among local standardization bodies, regulatory agencies, business associations and producers.

3.2 The business case for sustainability labels in textiles

The incentives to get sustainable labels are enormous for the actors connected to textile value chain. Provided the market is developed for the sale and consumption of sustainable textiles, the perspectives of profitability of the investment are very secure. Favorable response in markets would lead to long-term supply contracts for high-quality sustainable textiles. The preferred supplier agreements are one example in this regard. The market trends highlight positive prospects of sustainability labels as they are in great demand²⁵. The manufacturers adopting eco-

Internal/Corporate-level advantages				External/Macro-level advantages			
Cost saving 1. reduced employee turnover 2. lower chemical application costs/lower risk associated with chemical use 3. savings realized through reductions in water and electricity use and implementation of recycling programs 4. lower insurance premiums 5. reduced cost of capital	Risk management 1. crisis avoidance, 2. defense of existing markets, 3. reduced risk of business disruption 4. Improved regulatory relationships	Best practice management/ social and environmental aspect improvement 1. social equity for workers 2. energy efficiency and mix 3. safety of chemical and material inputs	Improvement in the soft image 1. improved corporate reputation and positive brand impact 2. employee attraction and retention 3. visibility of social and environmental performance	Education of consumers <ul style="list-style-type: none"> education on sustainable consumption and sustainable lifestyles 	Competitive advantage/ environmental and social stewardship <ul style="list-style-type: none"> enhanced opportunities of competition in export markets 	Ethical Leadership <ul style="list-style-type: none"> Fair trade labels include social issues and community development 	Combating climate change <ul style="list-style-type: none"> by stopping the use of ozone depleting chemicals in accordance with the eco-labeling criteria, the manufacturers can help combating the climate change

²⁴ (Bracht, 2009)

²⁵ (Programme, 2005)

labels will have both external (e.g. market share) and internal (e.g. cost saving, and increase product quality, reduced environmental impacts) advantages (see table below). Market power conferred on producers with eco-labels (i.e., whether a product can command a higher price or market share) is an indication of success²⁶. Eco-labels are the one good option to be considered when it comes to go by everyday life strategy “if you do something well, it’s always nice to have some objective proof”²⁷.

3.2.1 Corporate level advantages

The adoption of sustainability/eco labels brings significant advantages at corporate level. They result mainly in the following outcomes.

3.2.1.1 Improvement in the soft image

Eco-labels serve to authenticate the ecological and social credentials of a given product or process, which leads to, a stronger image, improved well being of employees and thereby increased profitability which increases competitiveness of the company in question. The label guides decision-makers and private consumers in green public and private procurement (GPP) practice.

3.2.1.2 Cost Saving

Among the factors the companies consider to obtain eco-labels, economic motivations play a dominating role in comparison to environmental ones. The opportunities for cost-saving arise from multiple sources. The stringent implementation of renowned sustainability labels results in reduced chemical application, reduced water and energy consumption, lower insurance premiums, reduced environmental liability costs, reduced corrective action costs, reduced incidents of occupational health and safety accidents, and reduced reclamation costs.

3.2.1.3 Risk management

Risks emerging from becoming the target of protest campaigns by civil society organizations on accounts of environmental impacts can significantly damage a company's reputation. With the adoption of eco-labels the textile manufacturers can proactively avoid the risks of business disruption. By getting their processes and products verified by third party auditors they would secure long-term confidence of the customers in their claim of using eco-friendly production processes. This would also lead to improved regulatory relationship as companies demonstrate compliance to applicable laws and regulations on voluntary basis in accordance with the criteria of eco-labels.

3.2.1.4 Best Practice Management/ social and environmental aspect improvement

The companies which want to obtain eco-labels have to adopt certain best practices. Depending on the label a company decides to obtain, standard criteria mostly require implementing best practices. For example, SA-8000 standard criteria include respect for human rights at workplace as certification requirement. In other cases the criteria focus on improving energy efficiency and reducing the use of hazardous chemicals. The requirements on implementing best practices may target all or specific activities such as, raw-material consumption, water/electricity consumption, packaging, transportation, consumption/end-of-life and recycling.

²⁶ http://www.rsc.org/delivery/_ArticleLinking/DisplayArticleForFree.cfm?doi=b000161i&JournalCode=GC

²⁷ http://www.brandchannel.com/features_effect.asp?pf_id=305

3.2.2 Macro-level advantages

The external advantages associated with eco-label are presented below:

3.2.2.1 Education of consumers

Sustainability labels work as a bridge among the governments, businesses and consumers providing each with the guidance on identifying, producing and using green products. The green labels guide the society towards green consumption and provide technical information to assist in their efforts to meet their goals of energy saving and emission reduction²⁸. Consumers' awareness improves by the virtue of eco-label as it would lead them easily identify products that have been produced responsibly²⁹.

3.2.2.2 Competitive advantage/ environmental and social stewardship

Sustainability labeling is a medium for textiles designer to provide robust and transparent information on the environmental responsiveness of textiles and thereby securing a competitive advantage in the market. Different Sustainability criteria include energy efficiency, resource optimization and health related provisions. Complying with such requirements would lead to lowering material purchasing costs and thereby enhancing competitiveness. In other words, it is to capture all possible energy and material savings which is seen as a "competitive differentiator"³⁰.

3.2.2.3 Ethical Leadership

Implementation of eco-labels would improve the ethical side of textiles. Some labels focus on worker's rights others focus on artisanal production and overcome poverty through trade³¹. For example, Fair trade labels target social issues and community development. Exercising fair labor practices and demonstrating ethical leadership behavior pays dividends in employee pride, commitment, and loyalty.

3.2.2.4 Combating climate change

The enforcement of sustainability standards would result in reduction of pollution due to decrease in the use of toxic chemicals, solvents and ozone depleting substances as well as reduced impacts of the disposal of the goods at the end of life. The efficient use of resources with increased usage of recycled materials in textile manufacturing would help in combating climate change. The visualization of designers' effort to fight climate change would produce positive impact on the brand reputation.

²⁸ http://english.mep.gov.cn/Ministers/Speeches/200911/t20091103_181073.htm

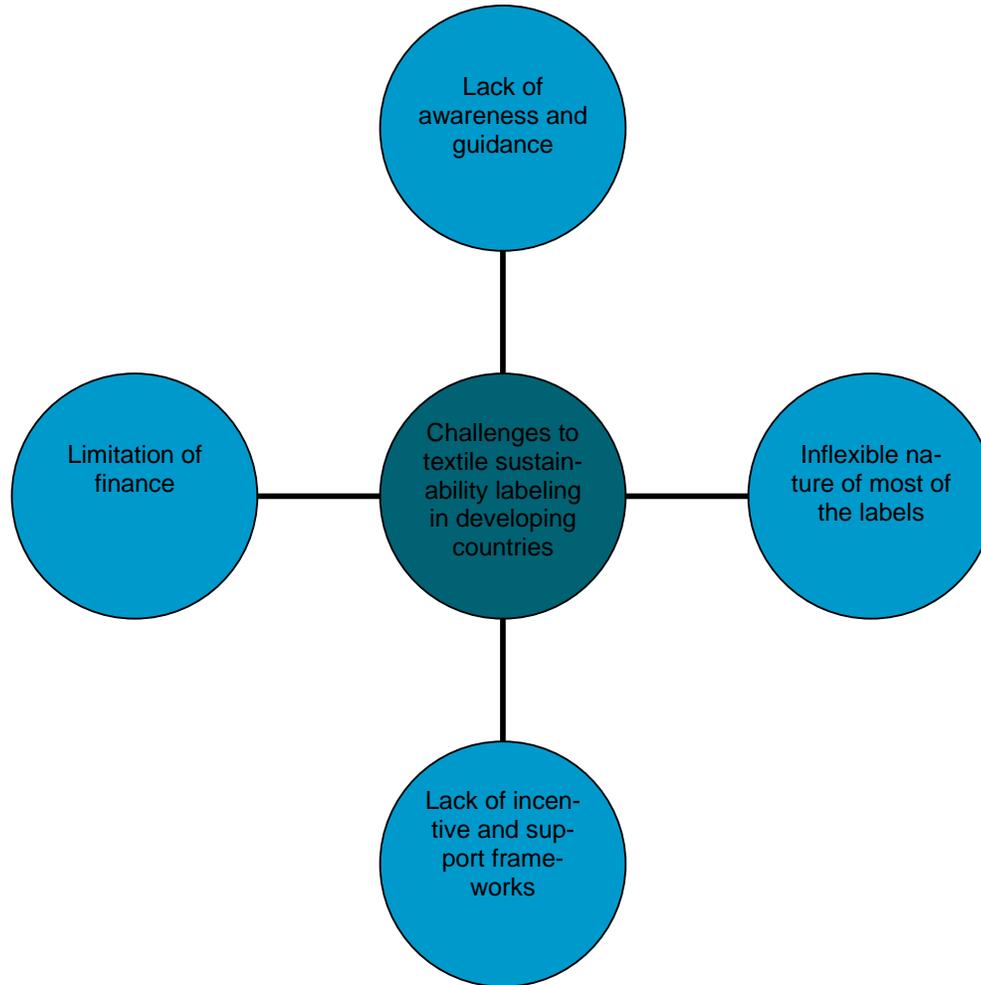
²⁹ <http://www.wri.org/publication/content/8541>

³⁰ <http://www.scp-centre.org/fileadmin/content/files/publications/ITRE-Eco-Innovation-09.pdf>

³¹ <http://www.ethicaltrade.org/news-and-events/blog/julia-hawkins/eco-fashion-not-just-a-pretty-face>

3.3 Challenges

To give the customers the idea about their products/processes' environmental and ethical aspects, the suppliers can use the mechanism of sustainability labels. However, there are a number of constraints to implement such labels in developing countries. They mainly can be divided into four categories as presented in the following pictogram.



3.3.1 Lack of awareness and guidance

In developing countries, lack of awareness to environmental issues hinders the promotion of sustainability measures like sustainability labels, environmental management systems and social standards. As there is a lack of awareness in people of the environmental standards, there are no significant public movements forcing the organizations to deal with the environmental issue and adopt means such as sustainability labels. Since these labels are market based therefore, they must reflect the popular environmental concerns of the society in criteria setting. Considering the general lack of awareness in developing countries of the environmental issues, emphasizing just on the use of labels would not in reality lead to phasing out of unsound practices in industry altogether. There is a need to raise the awareness to environmental issues in the society.

3.3.2 Inflexible nature of most of the labels

Developing countries have competitive advantage in exporting low-value-added products. However, the sectors of their competitive advantage are the ones which most of the labels are developed in. In Asia and the Pacific regions, for example, labor-intensive products particularly textiles and garments happen to be the biggest trading item which has been adversely affected due to labeling³². In this background, the developing countries are concerned that the labels are being increasingly developed in sectors of their export interest and there is inflexibility in the current schemes and the narrowness of the selection criteria and threshold.

3.3.3 Lack of incentive and support frameworks

In most of the industries in developing countries, the support infrastructure for introducing sustainability labels is non-existent. They lack the capacity, technical know-how and sufficient finance for this task. There is no common scope of various eco-labeling criteria for textile and clothing and they lack the specificity to the environmental and labor concerns of individual developing countries. In developing countries, required infrastructure for the monitoring, testing, auditing, and verification procedure is not adequate. The lack of technical capacity to control the various stages of the life-cycle caused constraints in exporting. The label developers seem to be paying no attention towards the potential difficulties in the implementation of labels in developing countries. There is comparatively less enthusiasm regarding the sustainability labels because of existing weak cooperation among labeling institutions and producers/exporters of developing countries. In some cases the environmental policy instruments being adopted in most of the developing countries add to negatively affect the up-take of sustainability labels in industries. This has been resulting especially where the countries enforce polluter pays principle, which means seeking to achieve environmentally sound production processes would presumably reduce the burden of payment on producers. On the other hand sustainability labels add an extra cost to producers in the form of administrative costs, license fees, charges paid to auditors for monitoring etc.

3.3.4 Limitation of finance

The major challenge to textile sustainability labeling for developing countries' manufacturers is the insufficient finance to obtain them. Sustainability labeling criteria may be created in view of the existing best technology options in manufacturing, the access to which is already difficult for developing countries. In this context, the developing countries may have to face disproportion-

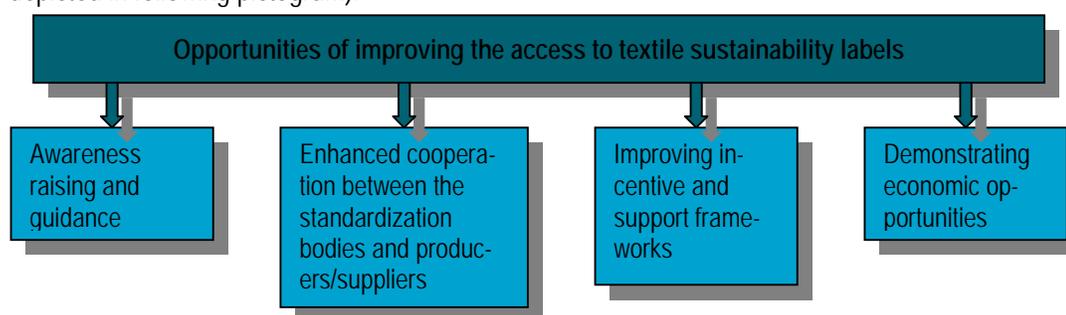
Case study: Challenges to eco-labeling for Brazilian textile exporters

Brazil is a major exporter of textiles to Europe. The leading Brazilian exporters were all making adjustments to comply with the environmental requirements of European importers. Many had already enough information regarding the EU eco-label for textiles. They were complying with a number of criteria for T-shirt and bed linen. They faced difficulties in meeting the criteria related to the use of pesticides in cotton growing, waste water parameters during manufacturing process and noise. Although the use of pesticides in cotton grown in Brazil is low, to meet the export demands a huge quantity of cotton is sourced through imports. It is difficult for the producers to certify that the imported cotton was grown in accordance with criteria for pesticides use. In addition, they have difficulties in complying with eco-labels because of their small size and technological constraints. This difficulty may also be faced by EU producers. (Tian, 2003) and (OECD, 1997)

ately large cost burden to adjust to the requirements of sustainability labels. Since the environmental infrastructure might not be as sophisticated as that of developed countries, the compliance to sustainability labels would place a high burden on them. Sourcing of environmentally friendly suppliers of input raw material might be more difficult from within developing countries³³.

3.4 Opportunities of improving access to textile sustainability labels

In the following section, the opportunities to improve the access of producers to sustainability labels in developing countries are addressed in four areas: awareness raising and guidance; improving cooperation between eco-label developing organizations and developing countries' producers; improving incentive and support frameworks for the up-take of eco-labels; and demonstrating economic opportunities through eco-labeling within the textile manufacturers (as depicted in following pictogram).



3.4.1 Awareness raising and guidance

The first and important opportunity area with regard to sustainability labels is awareness raising and provision of guidance. A variety of mechanisms can be employed for this purpose. In order to raise the awareness of producers to environmental issues and benefits in acquiring environmental standards or sustainability labels, the civil society, media and governmental environmental agencies collectively can campaign in developing countries. The involvement of different actors including environmental pressure groups is crucial in raising awareness, stimulating public debates and demanding action. Textile sustainability labels provide economic incentive for demonstrating their long-term environmental and social responsibility commitments for suppliers and manufacturers. Through these labels, they can raise environmental standards through consumer choice. In border sense their participation in eco-labeling schemes would contribute to sustainable use of resources and serve to save human/animal and plant health by seizing to follow harmful production practices³⁴.

3.4.2 Enhanced cooperation between the standardization bodies and developing countries' suppliers

The second major opportunity area is to strengthen the cooperation between standardization bodies and developing countries' producers/suppliers. In order to reduce heavy burden of investment in getting certification to sustainability labels, an effective coordination between the

³³ (Naumann, 2001)

³⁴ (Fisheries and Aquaculture Department of Food and Agriculture Organization (FAO) of the United Nations, 2010)

standardization organizations and developing countries' exporters is essential. Setting up labeling criteria appropriate to developing countries' specific environmental issues and labor concerns, would facilitate the adoption of the labels within the producers/suppliers. It would reduce trade barriers and serve to reduce the gaps in interpretations of the criteria requirements for the producers/suppliers representing indigenous environmental and social challenges and realistic requirements. The effective coordination would seek active consultation with developing countries' in criteria setting and thus incorporating their concerns in labeling scheme. Some certification programs, for example, ISO 14001 Environmental Management System (EMS) is flexible in nature and allows the organizations set-up environmental management system appropriate to their environmental impacts and related activities taking into account the legal obligation they are obliged to comply with. It requires organizations to design environmental policy suitable to its nature, scale and operational concern. The organizations have to set up objectives, targets and activities to fulfill their environmental policy and communicate them to stakeholders and public.

Enhanced cooperation between eco-labeling institutions: An international initiative by the Global Eco-labeling Network

The Global Eco-labeling Network (GEN) is an international non-profit organization. Its membership constituted on 28 leading eco-labeling institutes around the world and its associates are the organizations who support the principle of eco-labeling. Established in 1994 its mission is to foster co-operation, exchange information and harmonize various eco-labeling schemes and programs. The GEN aims to promote the use of eco-labeling and reduce the barriers in the way of environmentally preferable products and services. The network has established a project "Road-map towards greater cooperation and mutual recognition between different eco-labeling schemes". The aim of the project is to develop general agreement for a multinational System of Enhanced Cooperation. This system could automatically be employed by eco-labeling programs when they join the network. In short term, the concept of enhanced cooperation can be adopted on bilateral basis by those eco-labeling programs wishing to join enhanced cooperation. Several eco-labeling schemes have developed bilateral pilot agreements for mutual recognition of each other's testing and verification. For details visit: <http://www.globalecolabelling.net/> and http://www.globalecolabelling.net/about/activities/documents/gen_discussion_paper_on_.htm?xhighlightwords=Roadmap+towards++greater+cooperation+and++mutual+recognition+between++different+eco-labelling++schemes

3.4.3 Improving incentive and support frameworks

In developing countries, it is needed to establish conditions required for the up-take of sustainability labels. This includes making low-cost training and certification programs accessible and putting in place a right combination of incentives from large customers, government and public. In order to improve the incentive for certified companies, in public procurement, they can be preferred in awarding tenders. For the public authorities, market-based instruments and flexible performance standards are efficient means to provide such incentives than more direct forms of regulations³⁵.

³⁵ (Publishing, 2008)

3.4.4 Demonstrating economic opportunities

In developing countries, there is a need to demonstrate to the producers the economic opportunities of sustainability/eco-labeling. Eco-labels are the least coercive market-based instrument. Expectancy is very high of the growth of market share of eco-labeled products in future making the eco-label a compelling business choice. Eco-labeling helps in gaining access to new premium green markets. The producers who are willing to fulfill sustainability requirements, for them the eco-labeling adds value to their existing products and helps in expanding reach in existing markets or maintaining market share in competitive environment.

For developing countries, the eco-labeling could provide opportunities for attracting capital investment and joint ventures. Since the sustainability consciousness among consumers about textiles has been growing consecutively in recent years, it makes sense for producers to take into account environmental considerations of textiles and eco-labeling is a good option to show their responsiveness. There is need to support NGOs and producer organizations that recognize the eco-labeling opportunities for developing countries' producers and can disseminate such awareness³⁶.

³⁶ (Fisheries and Aquaculture Department of Food and Agriculture Organization (FAO) of the United Nations, 2010)

Production process improvement - opportunities through eco-labeling: Cases from Egyptian textile manufacturing companies³⁷.

Through eco-labels the companies can gain financial saving. Eco-labels serve to assist companies enter into new markets while maintaining existing ones. In addition they provide opportunities for financial saving through process optimization, reduced consumption of raw materials, reduced processing time, improved environmental performance and improved working conditions. In Egypt, the textile industry is the fifth largest sector in terms of foreign exchange earnings after oil, remittances, tourism and the income generated through Suez Canal. In the textiles exports, the cotton yarn has largest share, 60% of which is exported to Europe. In future the trend seems changing and finished garments are likely to possess a greater share in export market.

The drivers to eco-labeling for Egyptian textile manufacturers

To Egyptian textile exports, the drive to achieve eco-labels was a result of following issues:

- 1) rising awareness in consumers of the imports of industrial pollution on the environment and their health
- 2) increased demand of eco-labeled textiles in European markets
- 3) growing competition for environmentally friendly textiles which do not contain chemicals that might be harmful to the consumers
- 4) potential loss to business for not adopting measures to address the environmental and social aspects of textile processing
- 5) The lack of eco-labels works as a leverage in the hands of customers to negotiate down the prices.

To the Egyptian textiles exporters, the eco-labels are an opportunity to catch-up with the demand of eco-friendly textiles in European market and achieve a long-term financial advantage by saving the use of unwanted materials.

Benefits of Eco-labeling for Egyptian textile manufacturers

Precisely, the following benefits have been recognized:

- 1) Enhanced export market: through securing eco-labels, manufacturers and retailers can enhance market opportunities.
- 2) Improved product quality: through process optimization and improvements that result in saving of water, chemicals and energy. This could reduce the processing time. These improvements generally offset the incremental costs of using eco-friendly chemicals or of adopting modified processes.
- 3) Improved environmental performance: through eliminating the use of hazardous substances and achieving energy and raw material efficiency, the pollution and emissions can be significantly decreased.

The two textile companies which adopt eco-labels and achieved the financial savings were: Misr for Spinning and Weaving company, Mehalla El-Kobra; and Giza for Spinning, Weaving, Dyeing and Garments company, Kafr El-Hakeim, Giza.

³⁷ (Jago, 2003)

Misr for Spinning and Weaving company, Mehalla El-Kobra

Misr Spinning and Weaving company located at El-Kobra is the largest company in Middle East. At the time of certification to eco-label, its average annual production accounted for 48000 tons of which 50% got exported. The company had a workforce of 3000 and currently its facilities are spanned over an area of 600 acres. It processes cotton, wool, synthetic and blends to produce a wide range of textiles including, ready-made garments, yarns, finished fabrics, bandages and blankets.

Giza Spinning, Weaving, Dyeing, Garments Co.

Giza Spinning, Weaving, Dyeing, Garments Co. is a privately owned company. The average annual production at the time it achieved eco-label stood at 500 tons. A 95% of production accounted for exports. It employed a workforce of 2400 and the facility has an area of 25 acres. The major productions of the company include cotton, polyester, ready-made garments, yarns and finished fabrics.

The eco-labels certification process at both companies

In Egyptian textile manufacturers, final product quality eco-labels (Öko-tex) received preference because they are also acceptable in Europe which is Egypt's major export destination.

In both companies, the process of eco-labels began with the commitment from the management. The indicators of commitment were the allocation of appropriate human resources, encouraging the factory staff to implement the necessary changes in a timely fashion, providing the necessary financial resources for raw-material substitution, testing and certification, seeking process optimization changes that benefited the factory and developing the quality control culture that is integral part in achieving and maintaining any eco-label.

Improvements through eco-labels at both companies

In Misr company, chemical cost saving of LE³⁸ 30,456 was achieved through process modification and optimization. This saving includes reduction in cost of dyes, chemicals, optimization of water, steam and electricity consumption. Similarly, at Giza company, a cost saving of LE 32,700 was recorded on accounts of improvement in bleaching process. Previously, the customers used to require that individual consignment have to be tested to ensure that they conformed to eco-labeling standards. For Misr company, for example, this fabric testing cost was LE 20,000 annually. After Misr company's securing the eco-label, the customers were no longer requiring the testing. The companies achieved improvements in production efficiency due to eco-labels. In Giza company, for example, the processing time reduced by more than 47% in the half bleaching process and 27% in full bleaching process. The modification in processes resulted in water saving of 60% which subsequently reduced the wastewater. Steam consumption was reduced by 14%. In Misr company, on the other hand, a 5% improvement in the 'Right First Time (RFT)' in the dyeing process was recorded which lead to reduction of 25% in processing time and 14% reduction in steam consumption. A major difference resulted in quality of fabrics. The eco-label significantly improved the quality and consistency of fabrics. The elimination of the use of banned chemicals in bleaching process resulted in increasing the strength of the fabric and enhanced performance. There have been improvements in the environmental performance of both companies due to eco-label. This was achieved by eliminating the usage of hazardous chemicals in the textile manufacturing process. The removal of hazardous material resulted in better and safer working environment and produced positive impact on the well-being of workers. In Misr company, for example, use of kerosene in the printing process was eliminated. The

³⁸ Egyptian Pound (LE) also represented by EE and coded as EGP

Kerosene is a flammable and hazardous material which is toxic to aquatic life giving strong toxic fume during processing. The eco-label prohibits the use of this material since, it leaves unpleasant odor on the finished product. In Giza company, the use of sulfate was removed in dyeing process resulting in reducing toxicity of the final effluent. Through eco-label, the skills, confidence and motivation of workers was also improved at both companies.

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3.1 Primary Labels

Label description (<450 words)

- Introduction (<40 words)
- Short descriptions (150-200 words)
- Target group and initiators (<50)
- Quality assurance system (<50)
- Certification process (<70)
- Dissemination and popularity (<50)

3.1.1 Global Organic Textile Standards (GOTS)



Introduced in 2005, the Global Organic Textile Standard (GOTS) enjoys international acceptance today. It defines two different label grades which are applicable for fibre products, yarns, fabrics and clothes.

Short description

GOTS takes a life cycle approach which addresses ecological as well as social factors and ranges from the phase of resource extraction to the packaging of the final product.

With regard to environmental criteria, GOTS defines the minimum share of organic fibres the labelled product needs to contain. The first label grade demands at least 95% fibres from certified organic farms, whereas for the second label grade a share of at least 70% is sufficient. Certain chemical inputs must meet basic requirements on toxicity and biodegradability or/and are restricted in all processing stages of the product. Particularly critical inputs like toxic heavy metals or genetically modified organisms are strictly prohibited. Additionally, raw materials used in processing need to be clearly labelled and identifiable as such in all stages. Companies which seek to get their products labelled are further required to have a formal environmental policy which ensures certain criteria as environmentally sound water management, storage facilities, packaging and transport.

The social criteria of the GOTS apply only for the stages of processing. Forced and child labour as well as any forms of discrimination are strictly prohibited. Moreover, companies need to provide decent working conditions and employee rights.

Target group and initiators

GOTS was defined by the International Working Group (IWG) on Global Organic Textile Standard, which consists of national organisations from Germany, England, the US and Japan. Textile processing, manufacturing and trading entities can apply for certification according to the GOTS.

Quality assurance system

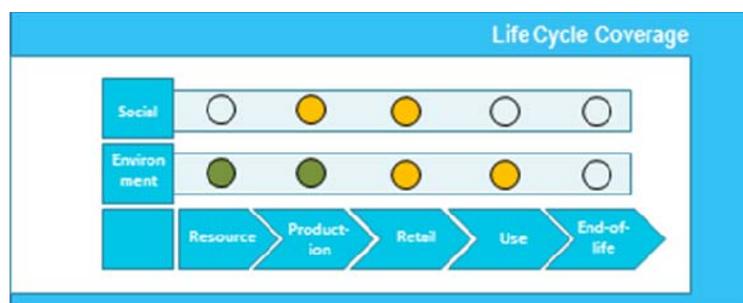
All companies along the value chain awarded by GOTS are inspected on a yearly basis. Inspections do not need to be announced. Companies of the labelled products are responsible to ensure the integrity of their supply chain.

Certification process

Entities that wish to label their products are requested to address a GOTS approved certification body to get informed in detail about the GOTS quality assurance system, related procedures of the certification process and cost estimation for their specific case. Companies will receive a GOTS operational certification after they have demonstrated to the certification body that they can ensure the GOTS criteria.

Dissemination and acceptance

GOTS was designed as an international standard for textiles and counts to one of the most accepted textile labels worldwide.



Further information – Website link: <http://www.global-standard.org/>

3.1.2 Fairtrade



Fairtrade is “a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade”. Although, the Fairtrade label is most famous for products such as coffee and cacao, it is also available for textile products since 2005.

Short description

Fairtrade focus on social standards and aims to ensure that they are met during the production and trading of products. The Fairtrade minimum price is paid by the buyers of Fairtrade products and covers the average costs of sustainable production as set for its different product groups. The Fairtrade Premium price is paid in addition. It benefits the social and economic development of producing communities based on democratic decisions by producers and/or workers.

Producers are only awarded if they comply to certain social standards. They are required to be based on participative and democratic structures which ensure decent working conditions, equal distribution of profits and job security for their workforce. Producers who meet these standards benefit from increased consistency of sales through guaranteed prices and long term trade partnerships, the provision of agricultural inputs at cost price, interest-free pre-finance and agricultural advice and support.

In terms of environment standards, Fairtrade provides monetary incentives by offering a higher minimal price for those producers who apply organic production. This implies the reduction of impacts on the environment through mineralization of agrochemicals, improved waste and water management, maintenance of soil fertility and non-appliance of genetic modified organisms.

Target group and initiators

The product certification scheme is operated by Fairtrade Labelling Organizations (FLO) International, which defines two sets of Fairtrade standards addressing different target groups. While the first standard applies to small-scale producers organised in democratically structured organisations, the second standard applies not to producers itself but to employed workers.

Quality assurance system

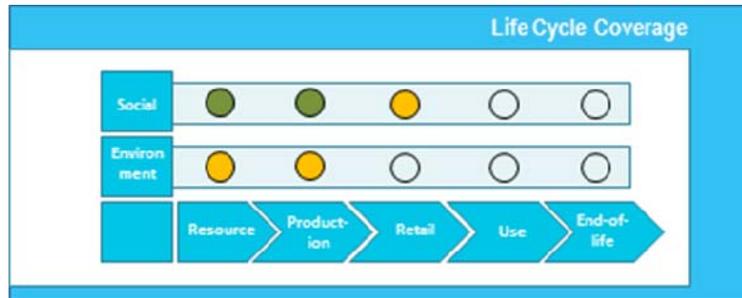
Standards are regularly inspected and controlled by FLO-CERT, a certification company which operates independently from FLO and offers its services in more than 70 countries. Certifications are only issued after a physical inspection which confirmed that all Fairtrade standards are met and compliance is ensured by regularly audits.

Certification process

Producer organization are asked to send a written application to FLO-CERT. If the application is accepted, the physical inspection against Fairtrade standards is conducted by a regionally-based inspector. The final decision taking by FLO-CERT is based on a report on the inspection.

Dissemination and acceptance

In 1997, consumers spent 1,6 billion Pounds on Fairtrade products benefiting an estimated 1,5 million producers and workers in 58 countries. In the same year, more than 14 million items made out Fairtrade certified cotton were sold, ranging from cotton wool to jeans and towels.



Further information – Website link: <http://www.transfair.org/>

3.1.3 Organic Exchange (OE) Standards



Organic Exchange (OE) defines environmental standards for tracking and documenting the purchase, handling and use of sustainable cotton fibre through all the steps of textile processing. In contrast to other standards, it allows companies to make claims on used fibres instead of full product claims only.

Short description

The OE Standards cover the life phases of resource extraction and production ensuring environmental criteria. Their requirements ensure a certain content of organic cotton fibres and apply to each individual operation in the textile manufacturing, but do not control for any processing inputs or social criteria.

Organic Exchange Standards are offered in two different versions. The first version is the OE 100 Standard and requires that the labelled product contains 100% organic cotton fibres. The label referring to the OE 100 Standard can either be used as "made with 100% organically grown cotton" for products that contain 100% organic cotton or as "Made with organically grown cotton" for products that contain at least 95%. The second version of OE Standards is the OE Blended Standard. This standard applies to products which contain combinations of organic cotton and conventional cotton or synthetic fibres that have a minimum of 5% organic cotton

content. The OE Blended Standard aims to encourage the growth of organic cotton farming by allowing companies to claim that their product contains organically grown cotton to a certain percentage which is indicated by the label through the writing “Made with X% organically grown cotton”.

Target group and initiators

The OE 100 and the OE Blended Standards were developed by the non-profit organization Organic Exchange which, since October 2010, is called Textile Exchange as its focus is to be broadened to include further sustainability issues such as climate change impacts, toxic inputs, water and energy use aiming to foster the development of a sustainable textile industry worldwide. The OE logos can be used by manufactures to indicate that they are certified to produce goods to the OE Standards or by brand and retailers which apply it to goods that have been certified to the end of the production process by a licensed certifier.

Quality assurance system

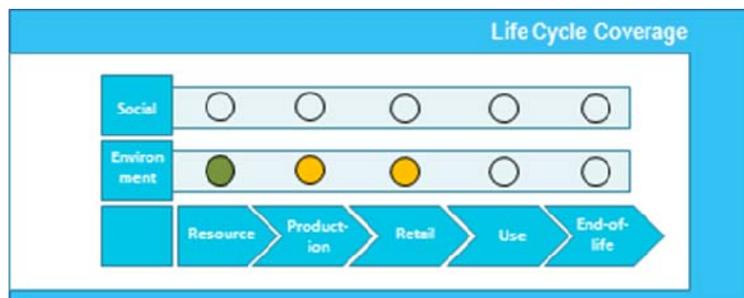
OE Standards oblige companies to have an independent, accredited third party which certify compliance with the OE Standard in question. In order to assist companies and improve confidence in documenting of purchase and use of certified organic cotton, OE offers an Online Tracking Service which allows companies to manage certification data along their complete supply chain.

Certification process

Companies that would like to be certified to one or both of the OE standards are asked to contact one of the licensed certifiers, which will lead through the process. A list with contact details can be found on the OE website (also see below).

Dissemination and popularity

OE has over 230 global organizational members, including many well known brands and retailers. In 2009, organic cotton certified by OE was grown by approximately 274.000 farmers in 23 countries.



Further information – Website link <http://organicexchange.org>

3.1.4 Oeko-Tex 100 Standard



Oeko-Tex 100 Standard was introduced in 1992 and is the world's widest-spread eco-textile standard today. It aims for improving the consumer safety of textile products by limiting or prohibiting the use of harmful substances.

Short description

The Oeko-Tex 100 Standard tests textile raw materials, intermediate and end products at all stages of processing. It sets prescriptive limits for dangerous substance in four product categories depending on its intended use. The more skin contact is expected during the use, the stricter are the criteria the product in question has to meet. Labelled products range from products underlying high standards as textiles for babies and underwear to products which have to meet less strict requirements as textiles for decorative purposes covering walls and floors. Consequently, Oeko-Tex 100 Standard does not contain any social requirements, while ecological requirements are limited to impacts textile products may have to the human body, but impacts on the natural environment are excluded. Social requirements are covered by other labels of the Oeko-Tex Standard's family. Social criteria are covered by the Oeko-Tex 1000 standard, while Oeko-Tex 100plus combines the requirements made by Oeko-Tex 100 and 1000.

Target group and initiators

The Oeko Tex Standards are managed and protected by the International Oeko-Tex Association, comprises about 60 research and auditing institutions around the globe. It addresses all

parties involved in the manufacturing process. Thereby the responsibility of meeting the standards always remain with that party who made qualitative or chemical changes to the product.

Quality assurance system

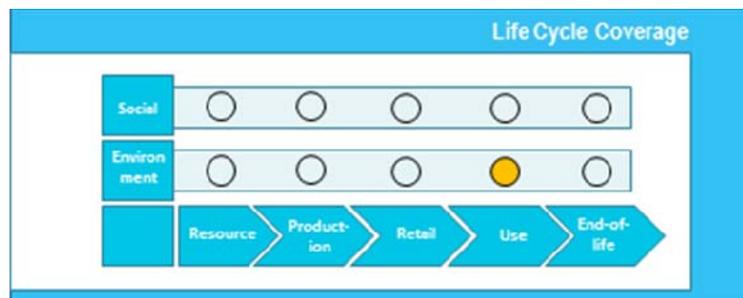
Before being awarded with an Oeko-Tex label, textiles needs to pass test in the Oeko-Tex laboratory. Conditions differ according to the category of the textile product, its intended use and information given by the applicants. After being certified, companies will in average receive audits from independent institutions every three years.

Certification Process

Applicants have to submit a completed application form and representative sample material to one of the authorized Oeko-Tex test institutes. After the samples passed the individual test against the parameters of the Oeko-Tex criteria, the applicant have to provide evidence of conformity of the other manufactured products to the tested samples in order to be certified for the period of one year.

Dissemination and popularity

More than 9.500 Textile producers along the entire value chain and from more than 90 countries are certified by the Oeko-Tex Standard 100. More than 95.000 issued certifications and several million certified products make the Oeko-Tex Standard 100 to the most known and disseminated label in the world.



Further information – Website link www.oeko-tex.com

3.1.5 The bluesign standard



Since 1997, the bluesign standard is based on an input stream management considering inputs, processes and technologies at their source. In this way, it takes a life cycle approach which not only tests the end product against environmental standards but every single step a textile product takes until it is offered to the consumer.

Short description

The bluesign standard combines the important issues of resource productivity, consumer safety, air emissions, water emissions and occupational health & safety along the value chain. In contrast to most other standards, bluesign is not output-orientated but considers input components and production processes at all stages of production. Its Input Stream Management ensures that hazardous material or chemical inputs are excluded right from the beginning of the product's life cycle. In opposite to these as black classified inputs, components which meet the Bluesign standard get classified as blue and are free to be used on or in the product. In puts in between these two types of inputs are classified as gray and are only allowed to be used if they represent the best available technology. Data about approved inputs and their classification as well as improved production processes can be found in the so called bluefinder, a online database accessible to bluesign partners.

The process or technology related standards of bluesign aim to introduce production processes which create less harmful impacts on human beings and the environment. These standards related to process optimization include the improvements of resource productivity, emission reduction and water conservation also social aspects such assessments on the worker's health situation at the working place. In addition all partners of bluesign have to ensure their support of the social principles of the United Nations Global Compact initiative.

Target group and initiators

The bluesign standard is implemented by the bluesign technology ag with headquarters in St. Gallen, Switzerland. The standard addresses all parties along the textile production chain, from raw material and component suppliers to textile manufactures, to brand and companies.

Quality assurance system

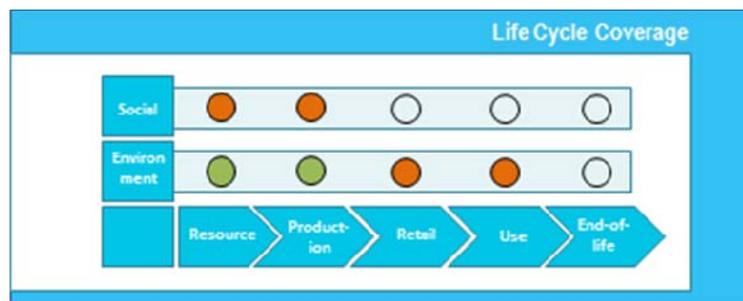
Compliance of companies to the bluesign standard is ensured by auditing institutes which are part of the bluesign system. Audits are carried out on a regularly basis and take into consideration technology advancement.

Certification process

Companies who would like to use the bluesign label have to apply for membership at bluesign. An on-site audit is followed to verify statements made about the company. After being accepted as member, the company is provided with different tools and trainings to improve inputs and processes with the final goal to meet the bluesign standard and use its label.

Dissemination and popularity

Since bluesign technologies ag was founded in 2000, different worldwide leading textile suppliers, manufactures, retailers and brands have adopted the standard (facts & figures not available).



Further information – Website link <http://www.bluesign.com>

3.1.6 EU Eco Label



The EU Ecolabel is a voluntary scheme designed as a marketing mechanism for environmentally sound products sold in the European Union. Applied in different product groups, it is only awarded to those products which prove to have the lowest environmental impact in a product range.

Short description

The standards of the EU Ecolabel address environmental issues along the entire life cycle of textile end-products, fibres, yarns and fabrics. They mainly embrace certain input specifications which relate to single materials such as cotton or polyester.

Different types of fibres are restricted in their use to the share of 5%. Additionally, the production needs to ensure that toxic residues in fibres are kept under an in detail defined level. The air and water pollution resulting from certain substances during fibre process is restricted by a set of cut-off values. The EU Ecolabel further limits the use of specific substance harmful for the environment and human body.

The standards of the EU Ecolabel also concern the use phase of textile products. Awarded products ensure that dimensional changes during washing and drying do not exceed certain values as well as colour fastness to perspiration, washing and sunlight. The specific criteria for each product group are published in the Official Journal of the European Communities.

Target group initiators

The EU Ecolabel is awarded by designated Competent Bodies, which operate on the national level. It addresses manufactures, importers, services providers, traders and retails concerned with textile products.

Quality assurance system

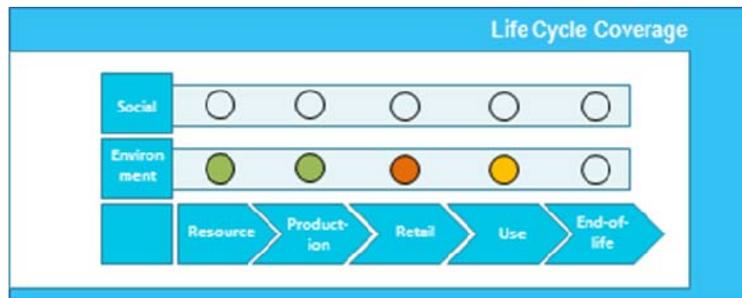
Audits are conducted by the Competent Bodies before a company is awarded with the EU Ecolabel. Hereafter products are tested and audits conducted on a random basis.

Certification process

Companies who want their product to be awarded need to apply at one of the Competent Bodies which will examine the documentation material. Afterwards the Competent Body may conduct a on-site visit to the applicant and if necessary to his suppliers. When all requirements are met by the applicant a contract is signed and the respective product allowed to use the label.

Dissemination and popularity

Textile products is the third most awarded product group representing 9% of all EU Ecolabel awarded licences. 90 companies from the textile sector hold awarded licences in 2010, while the total number of companies receiving the label has significantly increase year after year.



Further information – Website link <http://www.eco-label.com>

3.1.7 Naturtextil Best



Introduction

Naturtextil Best is based on a comprehensive standard which values environmental and social criteria along the entire production chain. It represents one of the most stringent requirements for textile products and is most known in the EU countries and especially in Germany.

Short description

Naturtextil Best was established in 2000 and is awarded by the international association natural textile industry (IVN). It embraces both environmental and social criteria during the phases of raw material extraction and production. The requirements of the Naturtext Best build on the GOTS standard but go beyond it.

Only such textile products are awarded by Naturtextil Best which contains 100% certified organic fibres as a base of textile production. This helps to reduce energy use and restricts the input of non-renewable resources in the phase of material extraction. During the phase of raw material extraction, the use of pesticides, synthetic fertilizer or defoliants are prohibited in order to reduce negative environmental impacts. Naturtextil Best also defines standards of appropriate animal care which need to be met with animal produced resources such as wool and silk.

During the production phase non-contamination and non-commingling of organic fibres need to be assured in production steps. Toxic substances which might harmful for the human body of

workers, users or to nature are banned from all steps of production. The fibres processing is restricted to environmental sounded methods. For instance, boiling, kieren, washing and bleaching are limited to the basis of oxygen, while mechanical or thermal treatment and processes with the use of substances are allowed on basis of natural raw materials. Further the material used for accessories is limited to natural raw materials and chrome and nickel free metal, waste water treatment must meet criteria and storage, packaging and transport is required to be documented in order to guaranty none contamination of the finished product.

Next to these environmental criteria Naturtextil Best also oblige all companies involved in extraction of raw materials and production of awarded products to stick to the core social principles as defined by the International Labor Organization (ILO). This includes adequate wages and working conditions, non-discrimination as well as freedom of association and the right to collective bargaining

Target group and initiators

Naturtextil Best is awarded by the International Association Nature Textile Industry (IVN) which is based in Stuttgart, Germany. The Naturtextil Best standard addresses any company involved in the production of textile products.

Quality assurance system

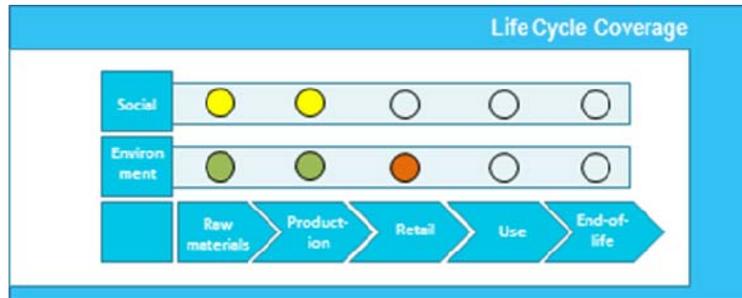
Certified companies are asked to capture their operational procedures and practices through the use of an effective documentation and record systems which provides an audit trail that can be traced by inspectors. Audits to control compliance to the standards are conducted without notice by independent auditing institutions.

Certification process

Companies interested in having their products awarded by the Naturtextil Best label have to send their application to the International Association Nature Textile Industry (IVN). In a next step an independent institute tests the applicant against the environmental and social criteria of Naturtextil Best. Only if this test successfully passed the company is certified and allowed to use the label for the time of one year.

Dissemination and popularity

(no data available yet, asked for via email)



http://www.naturtextil.com/portal/rili_kurz_en,1756,1535.html

3.1.8 Social Accountability 8000 (SA8000)



Created in 1997, the SA8000 is one of the most recognized standard for decent working conditions worldwide. It addresses companies, suppliers and sub-contractors and is based on international human rights norms, conventions of ILO and national labor laws.

Short description

The SA8000 standard addresses social aspects from the phase of raw material extraction till retailing of products. The social standards are applied on company level and derive from international human rights norms, conventions of ILO or national labor laws, which protect and empower directly employed or contracted personnel of companies. national laws apply whenever determined requirements are more stringent than the respective international norms. The SA8000 is designed to help companies to apply these international norm in practice within their context. Consequently, its standards cover central social issues as such as child labour, forced and compulsory labour, health and safety, worker's rights, discrimination, disciplinary practices, working hours, remuneration and define criteria for management systems. Within each of these issue areas the SA8000 provides several criteria, which outline in detail what a company awarded by the SA8000 is supposed to do. For instance, in the area of health and safety, companies are supposed to appoint a senior management representative how is responsible for ensuring a safe and healthy workplace environment. In regards to working hours one criteria asks the com-

pany have to comply with applicable laws and industry standards on working hours and public holidays, while the normal work week including overtime should not exceed 48 hours.

Workshops and trainings are offered to representatives from companies and workers in order to shape their understanding and strategies regarding the adoption of SA8000 standards.

Target group and initiators

The SA8000 was developed and introduced by Social Accountability International (SAI) a non-governmental, multi-stakeholder organization based in New York. While the SAI is responsible for guidance, trainings and standard interpretation, the Social Accountability Accreditation Service (SAAS) is commissioned to license and supervise auditing organizations and award companies. The SA8000 target retailers and brand companies as well as their suppliers and sub-contractors.

Quality assurance system

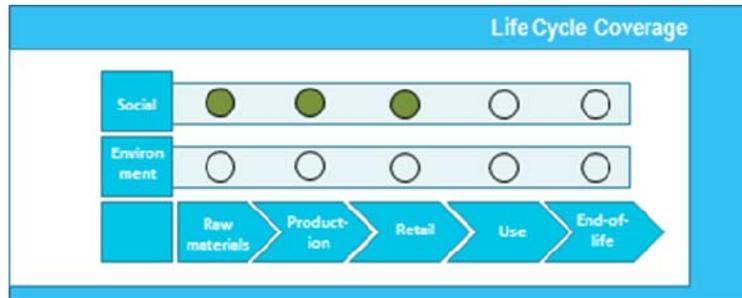
Companies are asked to maintain appropriate records which demonstrate that they meet set requirements. In addition announced and unannounced on site audits are conducted by licensed auditing organisations.

Certification process

Companies who seek certification to SA8000 have to apply to a SAAS-accredited certification bodies. Auditors from these certification bodies will visit the applicant on-site to testify if the state of the company's management system can ensure ongoing practices which meet SA8000 standards. After having fulfilled all requirements companies have to make public their certification. The certification lasts for the time of three years.

Dissemination and popularity

The SA8000 is one of the most known standards for decent working conditions worldwide. Since 1998, the number of certifications has grown at least 35% each year. SAI claims that over 680.000 workers were employed in 1373 certified facilities across 66 industries in 64 countries in 2007.



<http://www.sa-intl.org/>

<http://www.saasaccreditation.org/index.htm>

3.1.9 ISO 14001



Introduced in 1996, ISO 14001 is a part of a broader family of 16 international ISO 14000 standards which aim on assisting companies to reduce their negative impacts on the environment. It specifies requirements for an environmental management system which enables organizations to develop and implement policies and objectives in favor of the environment.

Short description

The ISO 14001 belongs to the group of ISO standards which focus on environmental factors and can be applied by every organization along the entire life cycle of products. It aims to support organizations of any size to identify and control environmental impacts of its activities, products and services. It indicates ways of how companies can set environmental objectives and targets by following a systemic approach. The approach follows a four step problem solving process of plan-do-check-act (PDCA). After objectives and potential measures have been planned, they will be implemented and results checked against expected results. In case this evaluation asks for it, changes aiming for further improvements will be made finally. Thereby the ISO 14001 does not specify certain levels of environmental performances but rather gives generic requirements of an environmental management system. These requirements include such measures as the identification, evaluation and controlling of important environmental aspects, nomination of an envi-

ronmental protection officer, environmental trainings for employees or the specification of environmental policies. One strong feature among others of the ISO 14001 is, that it describes the accountability of planning environmental disasters and requires an outline of clear responses to possible negative scenarios.

Target group and initiators

The ISO 14001 norm is specified by the International Organization for Standardization (ISO). It addresses companies involved in production or delivery of services along the entire life-cycle of a product. Especially companies which use already ISO 9000 norms for quality management can extend it to further include environmental aspects easily as many ISO 14001 will already be covered.

Quality assurance system

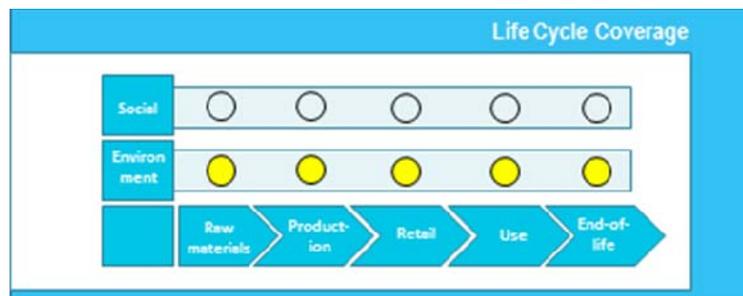
Compliance to the standard is ensured by auditing firms which is requested by accreditation agencies. Starting on basis of official documents and plans, the auditors evaluate gaps between practice and these documents and provides suggestions how to fill them.

Certification Process

Companies apply for certification at accredited certification bodies which can be found on the national level. A comprehensive on-site audit is conducted to testify if the applying company meets the ISO 14001 norms. Companies which successfully pass the audit are allowed to hold the certificate for the period of three years.

Dissemination and popularity

ISO 14001 is the most widely used Environmental Management System in the world. An estimated 223,000 organizations in 159 countries received ISO 14001 certifications.



<http://www.iso.org/iso/home.html>

3.2 Secondary Labels

Label description (<180 words)

- Introduction (<40 words)
- Short descriptions (80 words)
- Target group and initiators (<20)
- Dissemination and popularity (<20)

3.2.1 Made in green (This might not be interesting as it focus on brands)

Introduction

Made-By is label that supports brands embracing step-by-step improvements towards more sustainable products. Made-By advices brands interested in producing more sustainable how they can successfully introduce more sustainable practices along the entire product chain.

Short description

The aim of Made-By to develop strategies for textile brands of all sizes and scopes which improve their environmental and social conditions along the entire value chain. It offered services range from delivery of basic information about how to produce environmentally sounded and socially just, to close partnerships over a period of several years.

Target group and initiators

The Made-By label was introduced by the Dutch Non-Profit-Organisation MADE-BY in 2004. The target group of the label are textile brands.

Dissemination and popularity

After being introduced in the Netherlands, the label is also available in Germany and Great Britain by today.