



Federal Ministry
for Economic Cooperation
and Development

Sustainable Textiles

A question of responsibility





I WELCOME THE FACT THAT MORE AND MORE PEOPLE ARE ASKING WHETHER THEIR CLOTHES WERE FAIRLY PRODUCED AND ARE DEMANDING ACTION FROM BUSINESSES AND POLICY-MAKERS TO ENSURE THAT FASHION IS SUSTAINABLE. THE RANA PLAZA DISASTER, WHICH CLAIMED THE LIVES OF MORE THAN 1,100 WORKERS, SHOULD BE A WAKE-UP CALL THAT LEADS TO FUNDAMENTAL IMPROVEMENTS IN THE TEXTILE SUPPLY CHAIN. 14-HOUR SHIFTS IN HOT AND AIRLESS FACTORIES, NO FIRE PROTECTION, DISMISSAL OF PREGNANT WORKERS, THE USE OF TOXIC CHEMICALS AND STARVATION WAGES MUST FINALLY BE CONSIGNED TO THE PAST. TODAY, TOGETHER WITH CONSUMERS, WE CAN MAKE CHANGE HAPPEN.

DR GERD MÜLLER
FEDERAL MINISTER FOR ECONOMIC COOPERATION AND DEVELOPMENT

DEAR READERS,

The horrifying images of the collapse of the Rana Plaza factory building in Bangladesh in 2013 have burned themselves into our consciousness. It is still the worst factory disaster in the history of the textiles industry. More than 1,100 people lost their lives, including many who had been producing garments for us here in Germany. We must make certain that such a tragedy never happens again.

Until the disaster, many people were unaware of the conditions in which our clothing is produced. Since then, we have witnessed a growing trend towards fairly and sustainably sourced fashion. Seventy-five per cent of German consumers now say that good manufacturing conditions are important to them. Many firms have recognised this and are showing that sustainable fashion is possible.

But not all companies have opted to join in. In developing countries and emerging economies, 14-hour shifts, starvation wages and the use of toxic chemicals without protective clothing are not the exception but the norm. Sadly, so is exploitative child labour. We must make change happen so that sustainability becomes the industry standard.

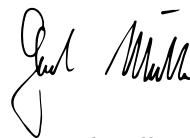
In an effort to bring about fundamental improvements in the textiles industry, the German Federal Ministry for Economic Cooperation and Development (BMZ) is supporting targeted actions in the producer countries, especially in Asia

and Africa: accident insurance, workplace health and safety, decent working conditions and sustainable production in line with environmental standards.

By working together, we can engage more effectively and achieve so much more. In Germany, we launched the Partnership for Sustainable Textiles in 2014, which has proved to be a great success. Each year, its 100+ members – companies, business associations, trade unions, non-governmental organisations, standards organisations and the German government – adopt numerous practical measures to improve working and environmental conditions all along the textile supply chain.

Even now, it is not easy to find sustainable fashion in-store. That is why we have launched the Green Button – the publicly endorsed label for sustainable textiles. Consumers wishing to buy garments that meet ambitious social and environmental standards just have to look at the label.

We hope you will take responsibility by choosing ethical and sustainable textiles. We change fashion!



Dr Gerd Müller, Member of the German Parliament

Federal Minister for Economic Cooperation and Development



Further information
via our app
www.bmz.de/textil



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We won't wear it!

Working together for change

Imagine having to work a 70-hour week in a factory in poor or even hazardous conditions – with no employment contract and no protection of any kind, but always on call.

Imagine not earning enough to feed your family and having to send your children to work instead of school.

Imagine being dismissed just because you are pregnant.

Imagine your employer barring you from joining a trade union.

Hard to visualise? Conditions like these are the daily reality for most of the 75 million workers in the textiles and garment industry in developing countries and emerging economies.

Although these appalling conditions are endured by people many thousands of miles away, they should concern us – for most of the clothing sold in Germany is produced as cheaply as possible in developing countries, mainly in Asia and Africa.



← The Rana Plaza factory building in Bangladesh after it collapsed in 2013.

By the time an average T-shirt reaches a store in Germany, it is likely to have travelled some 18,000 kilometres. Not only does transporting goods such long distances leave a large ecological footprint: each stage in the production process creates major social and environmental challenges in many regions. The situation is symbolised by the collapse of the Rana Plaza factory building in Bangladesh in 2013. It was the worst disaster in the history of the textiles industry. More than 1,100 people died and 2,500 were injured.

SUPPORT FOR THE RANA PLAZA SURVIVORS AND VICTIMS' FAMILIES

After the Rana Plaza disaster in 2013, German development cooperation provided assistance for 515 survivors, enabling them to earn a living again.

LAUNCH OF THE PARTNERSHIP FOR SUSTAINABLE TEXTILES

In response to the Rana Plaza disaster, German Development Minister Dr Gerd Müller launched the Partnership for Sustainable Textiles in October 2014. Each year, companies, business associations, non-governmental organisations and the German government take practical action to improve working and environmental conditions in the textile supply chain.

Even now, female garment workers in Bangladesh are often paid just 90 euros a month – not enough to pay rent, buy food and pay for their children's schooling or for medical care. This situation is unacceptable – and it is one that we must change.

WE HAVE ALREADY ACHIEVED SO MUCH!

LAUNCH OF SIEGELKLARHEIT.DE

The German government set up the SIEGELKLARHEIT comparison website, enabling consumers to see at a glance which labels can be trusted.

LOCAL SUPPORT: LAUNCH OF THE INITIATIVE FOR A SUSTAINABLE ASIAN TEXTILES INDUSTRY

In Bangladesh, Pakistan, China, Cambodia and Myanmar, we provide practical support to set up governance and corporate structures for a sustainable textiles market. We have introduced accident insurance schemes, set up fire stations and provided training for 550 labour inspectors in order to minimise safety risks. In Pakistan, water consumption has been reduced

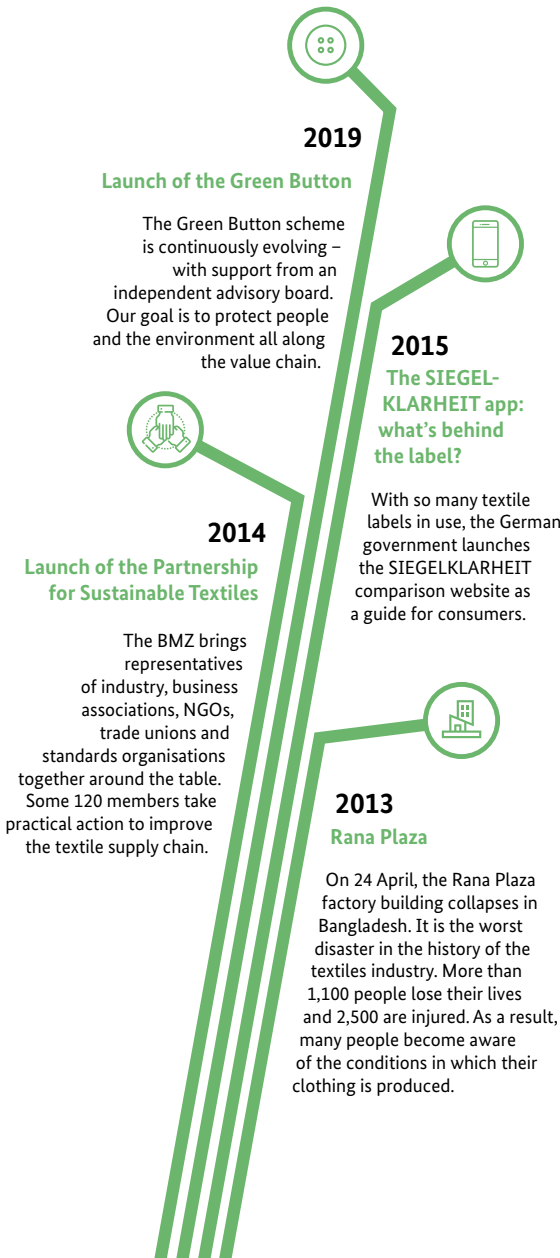
by 2.5 billion litres a year. In total, we have invested 67 million euros in improving safety, social and environmental standards in the Asian textiles sector.

ADOPTION OF THE NATIONAL ACTION PLAN FOR BUSINESS AND HUMAN RIGHTS

With the adoption of the German National Action Plan for Business and Human Rights (NAP) in 2016, the German government initiated a process for improving the human rights situation along global supply and value chains. The NAP defines corporate due diligence obligations, among other things. A survey of companies began in 2019 to verify whether they are meeting their supply chain responsibilities.

THE GREEN BUTTON – THE PUBLICLY ENDORSED LABEL FOR TEXTILES

The Green Button, introduced in 2019, is the publicly endorsed label for textiles produced in accordance with ambitious social and environmental standards. It provides clarity and builds consumer confidence.



Challenges of the globalised textiles industry

Worldwide, more than 75 million people work in the textiles and garment industry. The majority are women living in developing countries. In the textile factories, women who have little or no education can earn their own income for the first time. The textiles industry can thus be a driver of economic development.

However, there is still a significant need for action to improve human

rights protection and compliance with basic social and environmental standards.

Germany is the world's second largest importer of textiles and apparel. If more customers were to choose sustainably produced clothing, they would do much to improve social and environmental conditions in garment-manufacturing countries.



← Garment workers in a textile factory in Ethiopia.



TOPIC: WAGES AND WORKING HOURS

It should be possible to live with dignity on one's wages, but this is not the reality everywhere.

The wages paid in the textiles industry are often insufficient for workers to pay their rent, buy food or pay for their children's schooling and for medical care. Even where statutory minimum wages have been introduced, earnings are often not enough to live on. In Bangladesh, for example, unskilled female garment workers are paid minimum wages amounting to around 90 euros a month.

According to the Confederation of the German Textile and Fashion Industry, in 2016, one hour of labour



FAST FASHION

“Fast fashion” is the term used to describe the fashion industry trend towards increasingly rapid turnover and higher volumes in production, consumption and disposal. Whereas most fashion companies used to design two collections a year, fast fashion brands now produce as many as 20. The constant availability of new collections, in some cases on a weekly basis, combined with low prices encourages impulse buying of cheap throwaway garments.



ACT

Initiatives like ACT (Action, Collaboration, Transformation), which brings together international companies and trade unions, are therefore working to achieve living wages in producer countries. Through its development cooperation, Germany supports ACT's engagement for fairer working conditions and collective bargaining in Cambodia and Myanmar. The joint initiative empowers workers to participate more effectively in wage bargaining.

in the garment industry in Germany cost 32 euros. Cost levels in other EU countries are similar. In order to reduce costs, many production stages are outsourced to low-wage countries in Asia or Africa where garments are produced under conditions which, for good reason, have not been permitted in Germany for some time.

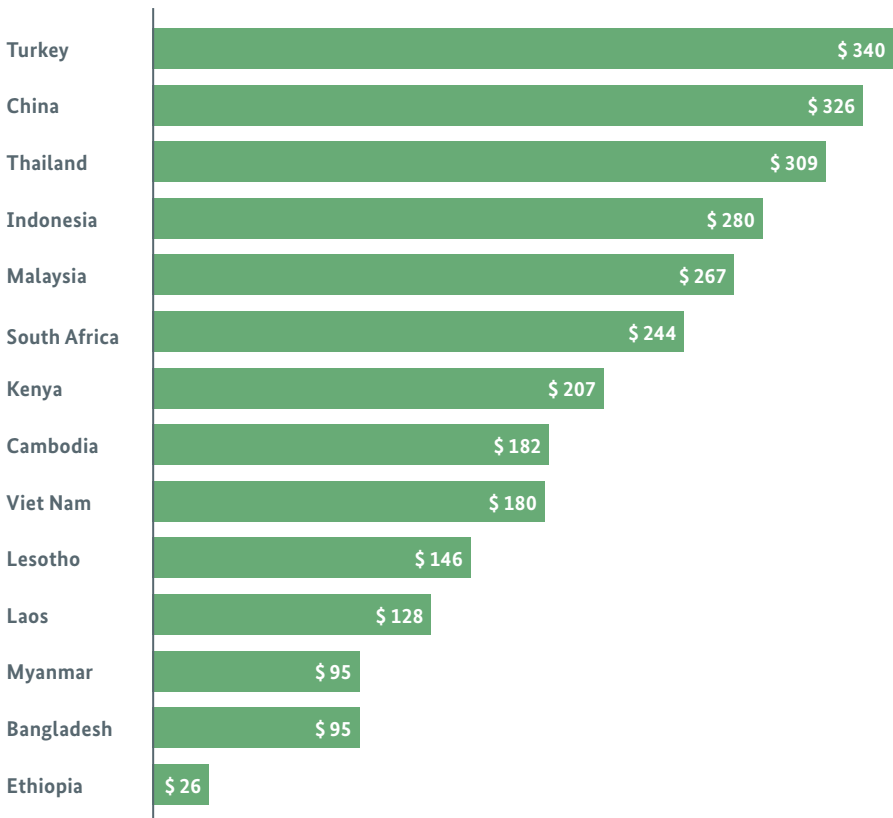
Textile producers in Asia often face aggressive purchasing practices from the international and, to some extent, the German wholesale and retail trade, with massive downward pressure on prices. If producers fail to match the required prices or miss delivery deadlines, they risk losing business

to competitors. This pressure is then passed on to their employees, who are forced to work unpaid overtime and lose out on wages.

In such situations, many garment workers work not just 10 or 12 hours but up to 16 hours a day. Despite the existence of legislation, it is common

for workers to have to work seven days a week during peak periods. Many companies do not provide holiday or sick pay. Many workers are employed on a piece-rate basis and are paid according to the number of units they produce. National or international labour regulations are often violated with impunity.

FIGURE: MONTHLY MINIMUM WAGES IN MAJOR GARMENT-EXPORTING COUNTRIES (IN US\$)



Source: Barrett & Baumann-Pauly, 2019



TOPIC: HEALTH AND SAFETY AT WORK

Large-scale cotton monocultures account for 25 per cent of global pesticide use. Often, these toxic substances are sprayed on crops by hand or even by aircraft while people are working in the fields. If employers fail to provide proper protective clothing, this can cause respiratory and skin diseases and damage to the eyes and nervous system.

Many textile factories neglect the issue of occupational health and safety as well. For example, chemicals that can cause serious diseases are often used incorrectly in the processing of fabrics. Sandblasting jeans to give them a fashionable “distressed” look is one example: sandblasting exposes workers to a high risk of developing silicosis, a deadly lung disease. Despite the risks, workers are often not given adequate training in handling dangerous substances and are not provided with appropriate protective clothing.



COMPENSATION FOR THE RANA PLAZA VICTIMS

After the disaster, a compensation fund was set up for the victims, which is managed by the International Labour Organization (ILO). The disbursement of compensation payments has now been completed. More than 5,700 survivors and family members have received financial assistance. With support from the BMZ, 515 survivors are now able to earn a living again.

In 2012, fires at the Ali Enterprises garment factory in Pakistan and at Tazreen Fashions in Bangladesh claimed more than 360 lives.

→ Box: The Rana Plaza disaster.

Time and again, serious accidents occur because safety standards have been ignored. In 2013, the nine-storey Rana Plaza business and factory building collapsed. The garment factory there had been producing clothing for many Western textile companies. An investigation showed that several storeys of the building had been erected without a permit and low-quality building materials had been used.

→ THE RANA PLAZA DISASTER

On 24 April 2013, more than 1,100 people were killed and 2,500 were injured when a building collapsed in Bangladesh.

The building housed several garment factories and businesses. It was the worst factory disaster in Bangladesh's history.

After cracks in the structure of the building were observed the day before the collapse, police had barred workers from entering the building. Under pressure from factory managers, however, more than 3,000 people reported for work. An

investigation revealed that several storeys had been erected without a permit and that the building had major structural defects.



↑ Women in Bangladesh mourn relatives who lost their lives when the Rana Plaza building collapsed.



A garment worker wears a chainmail glove for protection while cutting fabric.



↑ Trade unionists in Indonesia demonstrate for better working conditions.



TOPIC: FREEDOM OF ASSOCIATION AND TRADE UNIONS

Freedom of association is a fundamental human right. It is enshrined in the Universal Declaration of Human Rights. Article 23 states: “Everyone has the right to form and to join trade unions for the protection of his interests.”

If smallholder cotton growers or garment workers form associations, they improve their chances of asserting their rights and wage demands. Together, they are more likely to be successful in negotiating good working conditions and business terms.

However, in many textile-producing countries, there are barriers to trade union activity. Many plantation and textile factory owners impede or obstruct workers’ attempts to organise. Some governments restrict trade union rights. In some countries with a large textiles sector, the growing numbers of informal workers do not benefit from trade union activity.



THE BANGLADESH ACCORD

In response to the accidents in Bangladesh, some 190 companies came together with trade unions and, with support from the International Labour Organization (ILO), signed the Accord on Fire and Building Safety in Bangladesh. This legally binding agreement requires

all member factories in the textiles sector to undergo independent safety inspections. While the situation has improved to some extent, major safety deficits are still a significant cause for concern in factories in Bangladesh and other producer countries.



TOPIC: ENVIRONMENTAL STANDARDS

A textile factory uses 2,500 kilos of chemicals per day on average. If environmental standards are non-existent or are ignored, fabric dyes, bleaches and softening agents from the textile factories are discharged untreated with other wastewater, causing high levels of pollution in rivers and water resources in producer countries. Sometimes, next season's fashion colour can be detected from the colour of the rivers near the garment factories. Furthermore, leaching of chemicals into groundwater puts local people's health at risk.

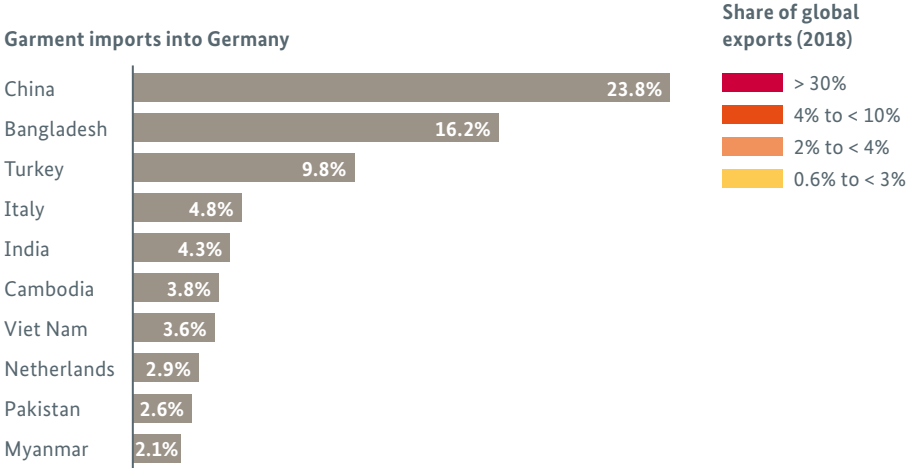
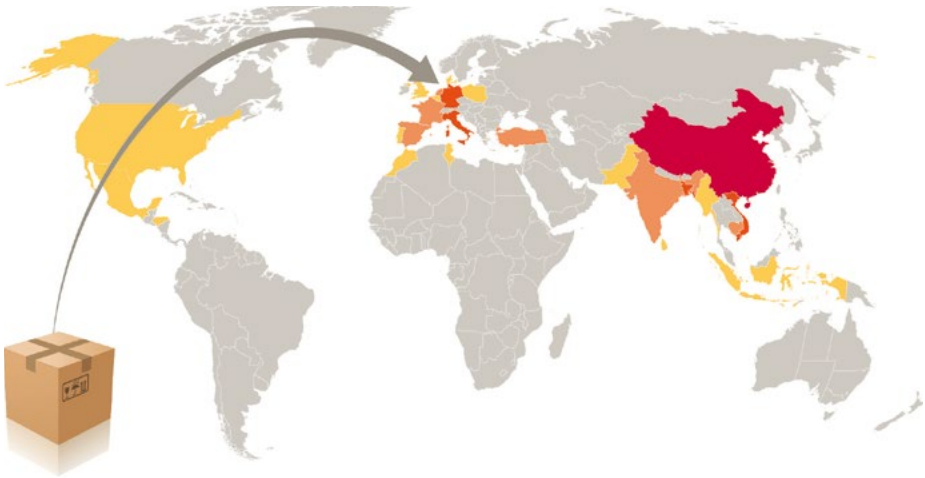
Cotton production causes environmental problems in many places as well. Pesticides from cotton fields seep into groundwater and drinking

water. Intensive irrigation of cotton is a critical issue in water-poor regions in particular. Making matters worse, large-scale monoculture production rapidly depletes the soil.

In Bangladesh, large volumes of sludge are generated as a by-product of the textiles industry. Poor management of this waste stream causes severe environmental pollution in densely populated areas.

With support from German development cooperation, Bangladesh has drawn up regulations on the management of toxic textile sludge. As a result, an initial 100 tonnes of toxic sludge have been treated and no longer pose a risk.

FIGURE: LARGEST GARMENT EXPORTERS WORLDWIDE AND IMPORTS INTO GERMANY, 2018



Germany is the world's second largest importer of textile and apparel products, accounting for 9 per cent of global imports (2018). Around 50 per cent of the garments imported into Germany are made in China, Bangladesh and Turkey. Garment imports from China are sharply declining, however, contrasting with a noticeable increase in imports from Bangladesh and Viet Nam.

Source: International Trade Centre, 2019



↑ A worker pours untreated wastewater from a textile factory into a river.



DID YOU KNOW?

- *In Germany, the average consumer buys 60 garments a year. Each year, 80 billion new garments are sold worldwide.*
- *Globally, there are more than 75 million people working in the textiles and garment industry.*
- *An unskilled seamstress in Ethiopia earns an hourly wage of less than 20 cents.*
- *20 per cent of industrial water pollution comes from fabric dyeing and finishing, making the textiles industry the world's second largest water polluter.*
- *The fashion and footwear sector is responsible for more than 8 per cent of global greenhouse gas emissions.*
- *Cotton production accounts for 25 per cent of global insecticide use.*
- *It takes an area 10 times the size of Berlin to grow enough cotton for all the garments sold in Germany in a year.*

The Partnership for Sustainable Textiles

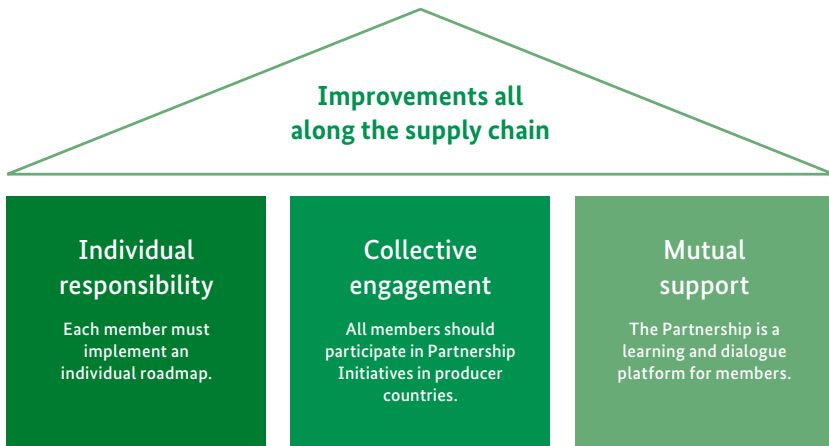
Improvements in the social and environmental conditions in the textiles industry are most likely to be achieved if the various stakeholders from business, civil society, the trade unions and the political sphere pool their energies and expertise.

That is why German Development Minister Dr Gerd Müller launched the Partnership for Sustainable Textiles in October 2014. More than 100 companies, civil society organisations, trade unions and standards organisations have joined the Partnership in order to collaborate on progressively improving environmental

and social standards all along the textile supply chain. The Partnership now covers about half of Germany's textile retail market.



← Textile workers in Bangladesh cut bales of fabric.



↑ The Partnership builds on three pillars and aims to achieve improvements all along the textile supply chain.

By joining the Partnership for Sustainable Textiles, members undertake to continuously pursue the objectives defined in the joint Plan of Action. The Partnership builds on three pillars: individual responsibility; collective engagement; and mutual support.

The Partnership for Sustainable Textiles addresses the most urgent challenges facing the industry: improving transparency in the supply chain, banning toxic and hazardous chemicals and supporting appropriate use of safe substitutes, and promoting living wages and freedom of association.

INDIVIDUAL RESPONSIBILITY

Each member is obliged to set specific targets for its own engagement in an individual roadmap, to pursue these

targets in a verifiable manner and to report annually on progress. Since 2018, the roadmaps have been published on the Partnership's website; this will also apply to the progress reports from 2019 onwards.

COLLECTIVE ENGAGEMENT

Germany is the world's second largest textiles importer and can therefore generate significant momentum – especially if the various stakeholders within the Partnership work together. This is where the Partnership Initiatives come in (see Box). Through its development cooperation, Germany connects the Partnership Initiatives with development projects in the producer countries in order to promote sustainable production conditions even more effectively.



PARTNERSHIP INITIATIVES

Together, we can achieve more than we would alone – this is the logic underlying the Partnership Initiatives, of which there are currently three, with more to follow:

- In **Tamil Nadu** (India), systemic improvements in **working conditions** are being achieved, particularly for women and girls working in spinning mills.
- Through the introduction of **sustainable and innovative chemical and environmental**

management at production sites in Bangladesh and China, hazardous chemicals in wet processes are being replaced with safe alternatives. This makes the workplace safer while also contributing to environmental protection.

- In the **Living Wages initiative**, the purchasing practices of brands and commercial enterprises are reviewed and adapted in order to achieve higher wage levels in producer countries.



↑ A sustainable textiles industry is only possible through international cooperation.

MUTUAL SUPPORT

Members of the Partnership for Sustainable Textiles support each other: ideas and possible improvements are discussed, developed and then implemented. This sharing of knowledge and experience is crucial in making change happen.

The Partnership for Sustainable Textiles assists its members by conducting studies and analyses and providing training on specific topics such as grievance mechanisms and guidance on fulfilling corporate responsibility.



INTERNATIONAL NETWORKING

The Partnership for Sustainable Textiles builds partnerships with the EU, G7 and OECD countries and with international organisations and initiatives in order to integrate its objectives into the international agenda. The aim is to create synergies and minimise duplication of work.

Approach to International Chemicals Management (SAICM) on chemicals and environmental management. It is engaged in an intensive dialogue on living wages with ACT (Action, Collaboration, Transformation) and the Fair Wear Foundation.

Eight strategic partnerships have been established to date. For example, the Partnership cooperates with the Zero Discharge of Hazardous Chemicals (ZDHC) Programme and the Strategic

As one of the largest alliances for sustainable manufacturing worldwide, the Partnership for Sustainable Textiles harnesses its market power in order to improve conditions in global textile production.



↑ A working group discusses practical measures.



WHAT HAS THE PARTNERSHIP FOR SUSTAINABLE TEXTILES ACHIEVED SO FAR?

CLEAR STANDARDS

The standards of the Partnership for Sustainable Textiles are based on well-established international principles and guidelines. They provide members with clear guidance on implementing their corporate due diligence obligations. As part of this process, specific timeframes are set in order to expedite the change processes initiated by members and their suppliers.

MORE TRANSPARENCY

Members report publicly on the progress made over the past year with regard to establishing decent working conditions, protecting the environment and introducing fair wages in their supply chains. The individual progress achieved by members is reviewed by independent experts and the results are published. This is a milestone for transparency in the textiles and garment industry.

PRACTICAL ACTION

In 2018, members implemented more than 1,300 individual measures in order to improve their own sustainability performance. The results stand up to scrutiny: around 80 per cent of the 2018 targets were reached, including the following:

- All textile manufacturers within the Partnership for Sustainable Textiles have begun to remove 160 toxic chemicals from their production processes.
- Collectively, 32 per cent of the cotton used by members came from sustainable sources, with a 70 per cent target set for 2025. Some member companies are going further and aspire to reach a sustainable cotton target of 80 per cent.
- Under the Partnership Initiative in Tamil Nadu (India), more than 40 local non-governmental organisations (NGOs) learned how to deliver training on improving working conditions and social standards in 2018. The NGOs are already delivering training on setting up grievance committees in more than 100 spinning mills.

The members of the Partnership for Sustainable Textiles have defined a multitude of innovative measures for 2019 as well:

- Each member must take action towards payment of living wages. This is a particular priority for the Partnership in 2019.
- All members require their producers and business partners to introduce wastewater standards.
- All companies must select their suppliers on the basis of sustainability criteria and adopt anti-corruption measures.
- All companies must show how they are promoting access to remedy and grievance mechanisms in their supply chains.



↑ Training in Tamil Nadu, India.

The Green Button – our label of responsibility

We all share responsibility for the working and environmental conditions in producer countries – every day, with every purchase we make. By choosing fairly traded goods in the supermarket and the clothing store, every consumer can help to improve working and environmental conditions in supply chains.

Sustainable textile products are already available from a wide range of companies, but they are not always easy to find in the shops. There are also many different labels, which many consumers find confusing.

The Green Button label provides consumers with the guidance they need: it shows them which textiles have been produced in line with social and environmental standards. The Green Button symbol is displayed on the products themselves, so it is easy to find. Consumers wishing to choose sustainable products with a clear conscience can now look for the Green Button.



← A young family goes shopping for clothes.



WHAT IS THE GREEN BUTTON?

The Green Button is the publicly endorsed label for textiles that have been produced in line with ambitious social and environmental standards. The conditions and criteria for award of the label are set by the government, and compliance is monitored by accredited independent auditing bodies. This helps to build consumer confidence.



WHAT DOES THE GREEN BUTTON STAND FOR?

CONSUMER CONFIDENCE THROUGH PUBLIC ENDORSEMENT

The Green Button label is the first of its kind. Based on mandatory, publicly endorsed criteria, the Green Button aims to protect people and the environment from A to Z – from ambitious water pollution thresholds to zero forced labour.

GUIDANCE FOR CONSUMERS

Seventy-five per cent of consumers say that fair fashion is important to them. Quite rightly, they do not want to wear a T-shirt that was produced by a seamstress working a 16-hour shift for a starvation wage or dyed using toxic chemicals. The Green Button draws attention to socially and environmentally sustainable textiles in-store and online. It is marked on the product or packaging, so it is easy to find.

AMBITIOUS CRITERIA

The Green Button establishes mandatory **social standards** relating to decent work – including payment of minimum wages, compliance with working hours and a ban on child labour and forced labour.

It introduces ambitious **environmental criteria**, including a ban on softening agents and other dangerous chemicals, and pollution thresholds for wastewater from production processes.



↑ Workers sorting cotton.

CREDIBLE INDEPENDENT AUDITS

Independent auditing bodies monitor compliance with the criteria. The German national accreditation body (DAkS), as a “certifier of certifiers”, ensures that the audit process is credible and reliable.



HOW DOES IT WORK?

In order to qualify for the Green Button label, companies must comply with a total of 46 ambitious social and environmental criteria. As the scheme's unique selling point, the entire company is audited. Offering a small portfolio of flagship products is not enough.

PRODUCT CRITERIA

To qualify for the Green Button, a product – a T-shirt or bed linen, for example – must meet 26 social and environmental standards, known as product criteria. Here, the Green Button builds on other recognised and credible product labels.

COMPANY CRITERIA

In addition to the individual products, the company as a whole is audited. It must prove, on the basis of 20 additional company criteria, that it is fulfilling its human rights, social and environmental

responsibilities. For example: Do seamstresses have recourse to local complaints mechanisms? Does the company address abuses effectively? Does it disclose information about risks in its supply chain?

The company criteria are based on the UN Guiding Principles on Business and Human Rights, which include comprehensive recommendations on corporate human rights due diligence. They are supplemented by the recommendations made by the Organisation for Economic Co-operation and Development (OECD) for the textiles sector.

Germany has adopted a National Action Plan (NAP) to implement the UN Guiding Principles. The company criteria for the Green Button are therefore aligned to the core elements defined in the NAP (→ See Box: What is corporate due diligence? and Box: Due diligence according to the OECD).

The twin pillars of the Green Button label:



1. Company audit

The company must prove that it is fulfilling its human rights due diligence obligations.

+



2. Product audit

It must be demonstrated that the product was manufactured in accordance with social and environmental standards and is credibly certified.

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SIEGELKLARHEIT

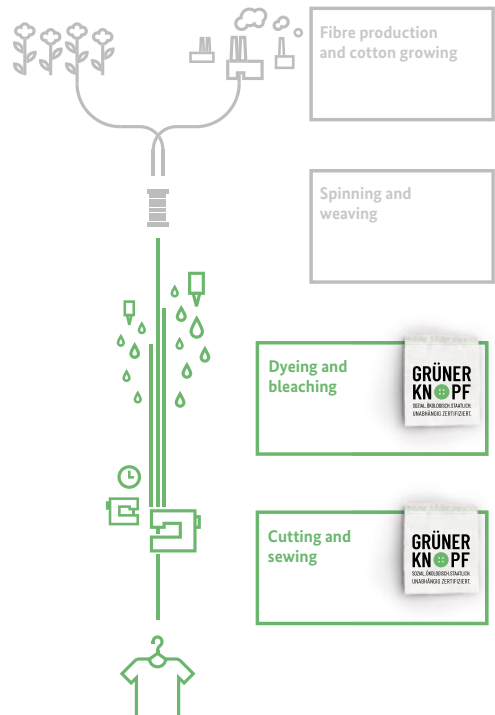
SIEGELKLARHEIT.DE helps consumers make informed buying decisions in favour of sustainable products. It guides consumers through the labels landscape and draws attention to labels that trustworthy and ambitious. The SIEGELKLARHEIT ratings are based on the German government's award criteria for social and environmental product labels.

The website explains what's behind the label and enables consumers to make a comparison. The service is also available via the SIEGELKLARHEIT app for mobile devices: simply scan the product label for a rating.



OUR AIM: TEXTILE PRODUCTION FROM COTTON FIELD TO CLOTHES HANGER

As the Green Button is still in its start-up phase, it does not yet cover the entire supply chain. Initially, the audits will focus on cutting and sewing, and bleaching and dyeing – production stages which pose particularly significant social and environmental challenges. In future years, the Green Button will be expanded to cover spinning and weaving, and then fibre production/cotton growing. The goal is for the Green Button to protect people and the environment along the entire supply chain – from the cotton field to the clothes hanger.





COTTON GROWING/ FIBRE PRODUCTION

→ over the next few year

Growing natural fibres such as cotton consumes very large quantities of water and accounts for 25 per cent of global insecticide use. Cotton growing often relies on exploitative child labour as well.

Manufacturing synthetic fibres involves the use of oil and chemicals and releases toxic substances.

SPINNING AND WEAVING

→ next phase

In the spinning mills, the fibres are processed into yarn before being woven into fabric. Compliance with social standards is a particularly serious challenge at this stage in the production process: child labour, forced labour, long working hours and below-minimum wages are not uncommon.

DYEING AND BLEACHING

Bleaching, dyeing and impregnation of textiles involve the use of chemicals, some of which are toxic. Heavily polluted wastewater seeps into the drinking water supply and groundwater, endangering the health of workers and local residents.

CUTTING AND SEWING

In many cases, working conditions in garment cutting and sewing do not comply with international standards: problems include piecework in hot and airless factories, 16-hour shifts, a lack of protective clothing, and dismissal of pregnant workers. Safety is often inadequate in the garment factories, tragically demonstrated by the collapse of the Rana Plaza building.

Many products already meet all the criteria from cotton field to clothes hanger. However, the Green Button label will not cover the upstream stages – spinning and weaving, and fibre production – until later. This is because the relevant standards, particularly for synthetic fibre production, are still being finalised.

NEXT STEPS

- Launch of the QR code: Consumers can scan the Green Button's QR code on each product and see at a glance where and how a garment – a T-shirt or a pair of trousers, for example – was manufactured.
- Establishment of an independent advisory board to support the ongoing development of the Green Button scheme.
- Expansion of criteria, including payment of living wages instead of minimum wages.
- Expansion of Green Button scheme to additional production stages.

Cooperation with the BMZ's partner countries

The Federal Ministry for Economic Cooperation and Development (BMZ) works with more than 80 developing countries and emerging economies. In countries where the textiles industry is a key sector of the economy, the BMZ and national government have identified this sector as a priority area of cooperation.

In Asia's major textile-producing countries alone – such as Bangladesh, Pakistan, Cambodia, Myanmar and Viet Nam – the BMZ has spent around 70 million euros on delivering projects since 2014. Through local programmes, we build the capacities of workers, businesses, public authorities and trade unions to enforce labour, social and environmental standards. Among other things, advice is provided to the national governments on developing labour laws and environmental legislation.

IMPROVING WORKING CONDITIONS AT THE LOCAL LEVEL

With a view to enhancing compliance with ILO core labour standards in the textiles sector, Germany is supporting worker-employer dialogues

and the establishment of trade unions and business associations. We have run training sessions for around 150,000 workers in Pakistan, Bangladesh, Cambodia, Myanmar and China to inform them about their workplace rights (see Box).

BANGLADESH

Since 2010, 250,000 garment workers, managers and factory owners have benefited from basic and advanced training.

PAKISTAN

With Germany's support, water consumption has been reduced by 2.5 billion litres a year.

CAMBODIA

Germany and the ILO have established a fair wage-setting system involving workers, employers and the government. The minimum wage was raised to 182 US dollars, more than twice the wage level in competitor countries such as Myanmar, Bangladesh and Pakistan.

→ EMPOWERING GARMENT WORKERS

The Asian textiles industry is still a female-dominated sector. In some countries, such as Bangladesh, 55–60 per cent of garment workers are women, and in Cambodia, the figure is as high as 90 per cent. In Bangladesh and Myanmar, German development cooperation therefore supports women's cafés where female garment workers can relax and talk after a hard day's work. Since the Rana Plaza disaster, the women's cafés have reached 125,000 women in these two countries and informed them about their rights.

- **550 labour inspectors** in Bangladesh, Cambodia and Pakistan have undergone training to reduce safety risks.
- **Local fire stations** were established in densely populated industrial areas in Bangladesh. More than 200,000 female workers are protected, and damage totalling around 4.1 million euros has already been avoided.
- In Ethiopia, **18 companies** have received assistance in integrating social and environmental standards into their production processes. This has improved working conditions for 14,000 employees.
- In Myanmar, 11,000 female workers are kept informed about their **workplace rights and safety** via an app.



↑ A labour inspector monitors working conditions in a textile factory.



↑ Textile workers prepare chemicals for fabric finishing.



↑ Fire prevention measures in a textile factory in Bangladesh.



↑ Female garment workers can come to women's cafés to relax and talk after work.

- In 60 factories in Cambodia, Myanmar and Pakistan, **working conditions have improved for 25,000 employees.** The accident rate has fallen by one third.
- Our **FABRIC** project (Promoting Sustainability in the Textile and Garment Industry in Asia) is a **regional initiative** which supports intensive knowledge-sharing among Asian textile-producing countries. Via the initiative, environmental management systems for wastewater and chemicals were rolled out successfully in Cambodia and Myanmar.
- In Bangladesh, support was provided to **515 survivors of the Rana Plaza disaster**, enabling them to earn a living again.
- In Pakistan, around 9,000 workers benefited from workplace training on **occupational health and safety, including chemicals management.**
- → With support from the ILO's **Better Work Programme**, working conditions have improved for 1.8 million workers in Bangladesh, Viet Nam, Indonesia, Cambodia, Jordan, Haiti and Nicaragua. Better Work collaborates with 180 companies and 1,500 factories.

Cooperation with the private sector – strengthening corporate responsibility

Germany and its economy benefit greatly from globalisation and therefore have a particular responsibility

to protect the rights of the people who work at the start of the global supply chains.



↑ A worker packs cotton into sacks ready for onward transport.

“The same rules must apply to all companies. Respect for human rights should not be a competitive disadvantage!”

FEDERAL MINISTER DR GERD MÜLLER

DEVELOPMENT PARTNERSHIPS WITH THE PRIVATE SECTOR

When it comes to enforcing environmental and social standards, the private sector is an important partner. The BMZ therefore works with committed textile industry companies in a multitude of ways.

Through its public-private partnership programme (develoPPP.de), the BMZ currently supports 26 corporate initiatives to improve working and environmental conditions in the textile supply chain.

develoPPP.de



The BMZ works with companies to promote sustainable cotton production in sub-Saharan Africa. The Cotton made in Africa (CmiA) sustainability standard, for example, was established in collaboration with the Aid by Trade Foundation. The BMZ also provided funding for the Competitive African Cotton Initiative (COMPACI) from 2008 to 2016. Almost one million smallholder families in 12 sub-Saharan African countries thus benefited from training in sustainable farming practices.

As a result, they were able to increase their household incomes by an average of 65 per cent. Revenue from the licence fees from Cotton made in Africa products is invested in the provision of training for more smallholder farmers.



NATIONAL ACTION PLAN FOR BUSINESS AND HUMAN RIGHTS

The German government adopted the National Action Plan for Business and Human Rights at a cabinet meeting on 21 December 2016. In the National Action Plan, the German government lays down German companies' responsibility to respect human rights in a clearly defined framework for the first time and thus helps to improve the human rights situation worldwide.

A monitoring process is currently being conducted until 2020 to determine to what extent companies based in Germany are meeting their due diligence obligations under the National Action Plan. All companies with more than 500 employees will be surveyed as part of this process.

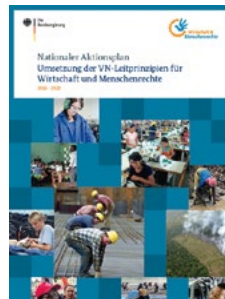
If the monitoring process concludes that the majority of companies are not fulfilling their responsibilities in their



EXCERPT FROM THE CURRENT COALITION AGREEMENT (P. 156)

"We are working for the systematic implementation of Germany's National Action Plan for Business and Human Rights, to include public procurement.

Should the effective and comprehensive review of the NAP to 2020 conclude that enterprises' voluntary commitments do not go far enough, we will bring forward national legislation and will continue to move towards regulation at the European level."



← National Action Plan for Business and Human Rights



WHAT IS CORPORATE DUE DILIGENCE?

*In 2011, the United Nations called on all enterprises – regardless of their size – to take responsibility for working conditions in their supply chains and to respect human rights. The UN Guiding Principles on Business and Human Rights define **five core elements of due diligence in the field of human rights**: with the aid of a policy statement,*

enterprises should state publicly that they are meeting their responsibility to respect human rights; they should identify potentially adverse effects of their corporate activity on human rights; adopt appropriate counter-measures if necessary; communicate to internal and external recipients how they are managing risks; and establish an effective grievance mechanism.

supply chains, the coalition agreement makes provision for a regulatory solution.

Binding rules and voluntary commitments are not mutually exclusive – quite the contrary. In many cases, pioneering voluntary initiatives such as the Partnership for Sustainable Textiles go further than the statutory

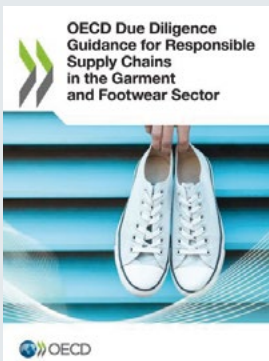
minimum standards and involve additional stakeholders. Legislation sets minimum standards and creates a level playing field and legal certainty for companies.

The BMZ will engage more intensively for EU-wide regulation of corporate due diligence obligations during Germany's EU Council Presidency in 2020.



DUE DILIGENCE ACCORDING TO THE OECD

The Organisation for Economic Co-operation and Development (OECD) has issued Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. The following key issues and risk factors are identified for the textiles industry:



*Human rights risks/
ethical business practices*

- Child labour
- Forced labour
- Discrimination
- Occupational health and safety
- Trade unions and collective bargaining
- Minimum wages
- Living wages
- Bribery and corruption

Environmental risks

- Hazardous chemicals
- Water consumption
- Water pollution
- Greenhouse gas emissions

← OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

Public procurement

Germany's federal, state and local authorities spend around 350 billion euros a year on purchasing products and services. So when it comes to sustainable procurement, the government must lead by example.

The German government has therefore set itself the goal of purchasing 50 per cent of textile products on the basis of social and environmental criteria by 2020. It is currently developing a roadmap for this process.



↑ Textile products are used for many different purposes across a wide range of occupations.



↑ Camouflage jackets for the German armed forces.

The BMZ already takes environmental and social standards into account in its public procurement policy.

The Green Button, too, will facilitate sustainable public procurement of textile products such as lab coats for doctors, hospital bed linen and uniform shirts for the police and armed forces.

The Green Button is aligned to EU law and WTO rules; audits are conducted in accordance with harmonised international standards. The Green Button can therefore be used to support sustainable public procurement in the European Union.

The *Kompass Nachhaltigkeit* website (www.kompass-nachhaltigkeit.de) supports federal, state and municipal procurement officers in their efforts to make procurement more sustainable.

The Guidelines on Sustainable Textiles Procurement for the Federal Administration establish environmental and social criteria for textiles procurement for the first time. Market dialogues are held to inform interested companies about these new sustainability requirements.



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