

The Green Button - Questions and Answers

AN OVERVIEW

What is the Green Button?

The Green Button is the government-run certification label for sustainable textiles. What makes it special: it systematically evaluates whether companies take responsibility for respecting human rights and environmental standards in their textile supply chains. This is referred to as requirements for corporate due diligence processes. In addition, the Green Button sets requirements for sustainable production processes that are verified via recognised, credible certification labels. These labels carry out on-site evaluations.



The Green Button is continuously being developed further. In August 2022, the first final revision, the Green Button 2.0 version of the standard, was introduced. The requirements differ from the Green Button 1.0 version and have increased in their level of ambition for the Green Button 2.0 version.

Who is behind the Green Button?

The scheme owner is the German Federal Ministry for Economic Cooperation and Development (BMZ). The scheme owner defines the criteria and conditions for the Green Button. Independent auditors monitor the fulfilment of and compliance with the criteria.

The government-run German Accreditation Body (DAkKS) accredits the certification bodies from the

Green Button 2.0 version of the standard and acts as the "auditor of auditors".

What is the importance of sustainability in the textile industry?

Three quarters of consumers find sustainable fashion important. Sustainability is also a top priority for three quarters of manufacturers, who declare it to be the "most urgent project of our time" according to the trade magazine TextilWirtschaft.

Aren't there enough certification labels already?

That is precisely the problem. On the German market alone, there are over 40 different textile certification labels with very different requirements. Some labels focus on fair working conditions, others on strict environmental standards.

The Green Button provides guidance for consumers. When a product carries the Green Button, the company must demonstrate that it takes responsibility for its actions and meets its due diligence obligations for its own textile supply chain.

In addition, the product must have credible certification labels recognised by the Green Button in the production stages covered by the standard: The production steps covered are cutting and sewing, bleaching and dyeing, and in the latest version, raw material extraction. In the Green Button 1.0 version of the standard, the BMZ recognises eleven credible certification labels for meeting the requirements for production processes.

Is the Green Button only awarded to clothes?

No. The Green Button applies to almost all textiles, such as clothing, backpacks, or bed linen. Workwear is also included. This is because the protection of people and the environment is important for all products. You can find a detailed overview of the labelled goods at www.green-button.de.

Is the Green Button limited to Germany?

No, the Green Button is an international certification label. The label can be used as Grüner Knopf or under the English name Green Button outside of Germany.

The Green Button complies with EU and WTO law, and testing takes place on the basis of harmonised international standards.

What is the basis of the Green Button?

The Green Button is registered as a national certification mark at the German Patent and Trademark Office - the first ever certification mark in Germany. In addition, the Green Button is registered with the European Union Intellectual Property Office as a European certification mark.

The Green Button certification programme is also based on the international standard ISO 17065 and is validated by the German Accreditation Body (DAKKS). On this basis, the DAKKS evaluates the certification bodies and these in turn evaluate the companies.

What distinguishes the Green Button from the Partnership for Sustainable Textiles?

The Green Button and the Partnership for Sustainable Textiles complement each other.

The Textiles Partnership is the most recognised German platform for expert dialogue and "real laboratory" for more sustainability in textile supply chains. Here, the approximately 130 members implement around 1,000 concrete measures in their supply chains every year:

- 160 toxic chemicals are banned.

- The share of sustainable cotton has been increased to 35% by 2020 and will be increased to 70% by 2025.
- Water consumption is significantly reduced in many factories.

The Green Button is awarded to products from companies that take responsibility for people and the environment in their supply chains. It thus provides orientation for consumers.

Will the Green Button also be needed when the Supply Chain Due Diligence Act (LKSG) comes into force?

Yes. Voluntary initiatives like the Green Button will remain important in the future. The government-run Green Button certification label goes beyond the legal minimum standards in various ways. Both with the requirements around living wages, as well as through the label's more explicit requirements regarding sustainable materials. In addition, some topics, such as the embedding of sustainability goals in the company through, for example, bonus payments and the inclusion of potentially affected stakeholders as well as the policy are addressed more specifically.

The Green Button can also be awarded to smaller companies that are not affected by the law. Moreover, voluntary instruments usually offer more scope for further development.

The basis of the requirements for corporate due diligence processes are the United Nations Guiding Principles on Business and Human Rights and the OECD recommendations for the textile sector.

IN DETAIL: THE CRITERIA AND FURTHER DEVELOPMENT OF THE GREEN BUTTON

Which criteria must be met?

First, the applying company is examined to see whether it fulfils its due diligence obligations in its textile supply chain. For this purpose, the United Nations Guiding Principles on Business and Human Rights adopted in 2011 were translated into auditable criteria. The company must prove that it takes responsibility for its textile supply chain: Does it know the environmental and social risks in the supply chain? Are there grievance mechanisms for local garment workers? Does the company take measures to remedy grievances? Does it report publicly?

The five core elements of corporate due diligence, are:

- Policy
- Risk analysis
- Prevention and mitigation
- Public reporting
- Grievance mechanisms and remedy

In addition to the requirements for corporate due diligence processes, there are also requirements for production processes, compliance with which is verified via recognised certification labels. These labels carry out on-site inspections at the production facilities.

Examples of the requirements for the production processes

- Prohibition of child and forced labour in manufacturing
- Right to freedom of association and collective bargaining for garment workers
- Occupational safety and health
- No use of hazardous chemicals and cutting of CO₂ during bleaching and dyeing

Is the entire supply chain covered by the Green Button?

Here, a distinction must be made between due diligence requirements and production process requirements, which are demonstrated via the meta-label approach.

As part of the requirements for corporate due diligence processes, the applying company must have its entire textile supply chains, including risks, in view. Exceptions are: steps towards living wages and grievance mechanisms. Both relate to the manufacturing level.

With regard to the requirements for production processes, the Green Button relies on existing certification labels as a meta-label. In the Green Button Standard 1.0 version, the production stages "cutting and sewing" (manufacturing) and "bleaching and dyeing" (wet processes) are covered. At these production stages, the social and ecological challenges are particularly great:

- 75 million people work at these stages.
- All 100 billion garments produced each year go through these production steps.
- Day after day, dye works discharge an average of 2.5 t of chemicals into the wastewater, often untreated.

In the Green Button 2.0 version of the standard, companies must also cover the raw material extraction step and the use of fibres and materials in order to meet the requirements for production processes.

What criteria apply to companies that produce exclusively in the European Union (EU)?

To prevent abuse, the entire company and its actions in the textile supply chains are always audited, even if it produces exclusively in the EU.

Every company that produces in the EU must

- demonstrate compliance with environmental standards,
- Know and analyse the risks in EU production countries and take effective countermeasures.

Only a company that meets these requirements can receive the Green Button. There is no such thing as an "EU free pass".

The so-called "EU exemption" does not apply to the Green Button 2.0. According to this, companies must also prove compliance with social standards in the production step "cutting and sewing" in Europe. This means that even if production takes place in Europe, label-related requirements must be met for all covered areas: Manufacturing, wet processes, raw material extraction. This decision was made due to the increasing number of abuses in Eastern European supplier facilities.

Does the Green Button apply to all of a producer's products?

No. So if a garment carries the Green Button, then both the requirements for corporate due diligence processes and the presence of a recognised certification label, based on the label-related requirements, have been evaluated. In addition, only select fibres and materials may be used. Only if all requirements are met can individual products of the company be labelled with the Green Button certification label.

How did the further development of the certification label proceed?

Every three to five years, quality labels must undergo a revision process (according to ISEAL - Code of good practice). After the introduction of the Green Button in September 2019, the Green Button 2.0 is being introduced after three years, in August 2022. The new version can already be found at www.green-button.de.

Extensive public consultations took place as part of the further development of the certification label. The process was accompanied by an independent advisory board of experts.

Who was represented on the advisory board?

The advisory board for the further development of the label consisted of representatives from business, science, and civil society. The mandate ended with the publication of the Green Button 2.0.

- Michael Windfuhr, Deputy Director Deutsches Institut für Menschenrechte (German Institute for Human Rights) (Chair)
- Achim Lohrie, Consultant (Vice Chair),
- Prof Stefanie Lorenzen, Berlin School of Economics and Law,
- Philipp von Bremen, Head of Consumer Policy, Verbraucherzentrale Bundesverband (Federation of German Consumer Organisations),
- Dr Raoul Kirmes, Head of Department German Accreditation Body.

What is new with the Green Button 2.0?

Central innovations:

- Important steps towards living wages
- Successive expansion of risk analysis to the entire supply chain
- Stronger embedding of due diligence obligations in the company
- Greater involvement of local people
- Extending the supply chain stages to raw material extraction and requirements for fibres and materials

Is there a transitional phase in which licensing is carried out according to both the Green Button 1.0 and Green Button 2.0 versions of the standard?

Yes, the Green Button 2.0 version was introduced in August 2022. From this date onwards, companies that are new must comply with the requirements for corporate due diligence processes according to Green Button 2.0. By 31st July 2023 at the latest, already licensed companies must also have completed a recertification audit in accordance with the Green Button 2.0. After that, audits will be carried out exclusively according to the Green Button 2.0.

In the area of certification label-related requirements, there is a two-year transition period. These requirements according to Green Button 2.0 will become binding for all companies after 31st July 2024. Until then, products can continue to be produced and labelled according to Green Button 1.0. The

deadline was extended in January 2023 to 31st July 2024.

Why doesn't the Green Button 2.0 demand the payment of living wages?

Achieving living wages is not done by a textile company paying its supplier more money for an order. In order to achieve systematic solutions, supplier companies must be able to guarantee their employees the required living wage level in the long term. This requires long-term orders and the fullest possible utilisation of production capacity. In most cases, a purchasing textile company cannot achieve both on its own, which is why cooperation and extensive complex negotiation processes are necessary. That is why the only standard on the German market that requires the payment of living wages - the Fairtrade Textile Standard - sets an implementation timeframe of six years. Currently, however, there is only one textile company that even fulfils the necessary basics to meet this requirement. This shows how complex the concrete and long-term payment of living wages is.

A company's Green Button 2.0 certification will be valid for three years. Enough time to demand and consider a solid basis for the introduction of living wages, but not enough time to demand actual implementation. That is why the Green Button 2.0 calls for important steps towards the payment of living wages.

As part of the corporate due diligence processes, an analysis of the wage gap between paid and living wages in the production stage "cutting and sewing" (manufacturing) must be available, a sound strategy to promote higher wages must exist, and initial implementation steps must be initiated. The surveillance audit after two years must show progress in implementation.

These requirements correspond, for example, to those of the OECD on this topic. The BMZ uses the label to achieve concrete commitment from companies on this key issue. A further revision of the label will build on this basis and demand more concrete implementation successes.

The BMZ also promotes the engagement of the Textiles Partnership and the International Labour Organization (ILO) on this issue.

Why are companies not obliged to communicate their suppliers publicly?

Companies of different sizes have received Green Button certification. Especially for medium-sized companies that serve a specialised segment, the publication of supplier companies is difficult because they fear strategic displacement. Against this background, the addresses of the supplier facilities must be submitted to the auditors, but only the regions are published.

What role does circular economy play in the Green Button?

For the first time, Green Button 2.0 also sets requirements for the fibres that may be used in Green Button products. The approved fibres were selected according to whether they are recycled or can in principle be recycled as new fibres.

With a few exceptions, synthetic fibres are only permitted if they are recycled. The use of recycled fibres is supported by the fact that recycled polyester has a significantly better CO₂ balance than newly produced, so-called virgin polyester. The Green Button 2.0 sees a clear sustainability gain in this CO₂ reduction.

Exemptions are applied, for example, in the area of certain technical textiles or if this can increase the durability of the products. Newly manufactured polyester fibres must also comply with a limit value for antimony, a toxic heavy metal used in polyester production.

Are there any requirements regarding the waste from which new fibres may be obtained?

Not yet. A large part of the recycled polyester fibres on the market currently come from PET bottles. In the long term, recycled fibres must be obtained not from bottles but from textile fibres through so-called fibre-to-fibre recycling. For the duration of the Green

Button 2.0 (certification is valid for three years), bottle-to-fibre recycling is still recognised because the CO₂ balance of polyester recycled in this way is significantly better than that of new polyester. This provision will be discussed again if fibre-to-fibre recycled materials are available in sufficient quantity and quality by then.

The use of new PET bottles for recycled polyester must be ruled out. Therefore, sustainability standards, such as the Textile Exchange Standards a) Global Recycled Standard and b) Recycled Claim Standard, must be presented, which check that the materials actually come from waste.

Only sustainable cotton is allowed in the Green Button 2.0. What does that mean exactly?

Cotton is considered sustainable by the Green Button 2.0 if it is either recycled, comes from controlled organic cultivation, or meets 16 minimum criteria for sustainable agriculture. The 16 minimum criteria for sustainable cotton cultivation include both social criteria, such as the prohibition of child labour, and environmental criteria, such as the restriction of synthetic pesticides.

In addition, no genetically modified seeds may be used: Genetically modified seeds are widely used in cotton production but have severe consequences for the environment and the economic situation of the farmers. The reason for this is that many pesticides are often used for the modified seeds and the farmers have to buy the pesticides and the seeds again every year. The ban on the use of genetically modified seeds in Green Button 2.0 is therefore the first step towards sustainable agriculture and thus fundamentally paves the way for the most ecologically sustainable form of cotton cultivation, organic farming.

Does the Green Button ensure that there really is sustainable cotton in my product?

Cotton products labelled with the Green Button must be certified with a recognised sustainable agriculture or recycling label. However, the extent to which sustainably grown cotton is in the final product depends on the traceability approach of the recognised label.

For traceability, the labels use different methods: In the case of organic cotton, for example, the cotton can be traced back to the field by strictly separating it from conventional cotton along the entire supply chain. However, the demand for organic cotton is already higher than the supply.

In order not to restrict the use of natural fibres in favour of man-made fibres, the Green Button 2.0 accepts another common way of tracing: mass balancing. This is a criticised but so far widely accepted system, which allows smallholder farms in particular better conditions on the world market. At the same time, it prevents the detailed tracking of risks down to the cotton field. This is because mass balancing mixes certified cotton with non-certified cotton. As a result, it is no longer possible to prove exactly how much certified cotton is contained in a single product. In order to nevertheless ensure a minimum level of transparency, in order to be recognised by the Green Button, a certification label must require that a company does not label more cotton products as sustainable than it has actually purchased certified cotton.

IN DETAIL: REVIEW PROCESSES, RECOGNITION, AND APPLICATION PROCESS

How is the Green Button evaluated?

Independent certification bodies monitor compliance with the requirements for companies and their processes for taking responsibility. By means of an accreditation procedure, the Green Button Secretariat evaluates the suitability of the certification bodies and their auditors, trains them in particular on the requirements for corporate due diligence processes and takes part in audits on a random basis. In addition, regular calibration meetings are held with the auditors to ensure uniform quality.

These requirements for corporate due diligence processes were developed by the scheme owner (the German Federal Ministry for Economic Cooperation and Development) and differ in the two label versions Green Button 1.0 and Green Button 2.0. More detailed information can be found in the standard documents in the download section of our website.

How are the requirements for the production processes evaluated?

Proof of compliance with the requirements for production processes is provided via recognised, credible certification labels. In order to be recognised, the labels must meet government-defined minimum requirements in the area of credibility.

The Green Button sets its own label-related requirements in the areas of manufacturing, wet processes, and, in the 2.0 version of the standard, also for raw material extraction. If these are met by underlying, recognised certification labels, these can be used as proof of compliance with the requirements for production processes.

The certification labels recognised by the Green Button 1.0 can be found on the Green Button website. In order to fulfil the label-related requirements for the Green Button 2.0, an independent procedure, a benchmarking process by ITC, is currently evaluating which labels are recognised to fulfil the requirements.

This recognition of existing product certification labels puts a value on the preparatory work done by

companies in this respect and on particularly credible labels.

The Green Button does not replace any existing certification labels but builds on them as a meta-label.

Who evaluates the requirements for corporate due diligence processes?

Currently, the following independent certification bodies are approved to carry out Green Button evaluations: Control Union Certifications Germany, DIN CERTCO, evaluation service provider Hohenstein, PFI Pirmasens, as well as TÜV Nord.

How and how often are evaluations carried out?

Companies' compliance with the requirements is evaluated every three years. In addition, interim audits, so-called surveillance audits, take place every year.

Which companies can apply for the Green Button?

The Green Button is aimed at all companies that manufacture and / or distribute textile goods.

This includes both manufacturers of such goods as well as trading companies that sell third-party products under their own brands.

Can the Green Button be used for public procurement?

Yes, the Green Button can be used for sustainable public procurement in the EU. For example, hospitals, police forces, or municipalities can use the Green Button criteria to procure firefighters' clothing, shirts, and other textiles in a sustainable way.

The certification is based on internationally harmonised standards.

How can companies apply for the Green Button?

Any company can contact the issuing body for advice:

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53229 Bonn

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