



Content

General information on the Green Button	4
Requirements for corporate due diligence processes	7
Requirements for products and production processes (meta-label approach)	11
Joint communication	15
Costs for Green Button certification	17



Dear readers.

For three years now, consumers have been able to recognise sustainable textiles more easily when shopping: by the Green Button. The Green Button has arrived in wardrobes, football stadiums, hospitals, and hotels - consumers can dress from head to toe with the Green Button. Public procurers are also increasingly using the Green Button, e.g., for the railways, the police, or in hospitals.

What is special about the Green Button? With the Green Button, a company can prove that it takes responsibility for the supply chain and thus fulfils its corporate due diligence obligations. In addition, there are requirements for the production of the product: credible certification labels are used as evidence of sustainable production. The Green Button serves to identify sustainable textiles and provides orientation directly on the product.

Corporate due diligence processes aim for continuous improvement. With this in mind, the Green Button Standard has been further developed to protect people and the environment even more comprehensively. The Green Button Standard 2.0 came into force on 1 August 2022. The changes in brief: In the new standard version, due diligence processes are embedded even better. The risk analysis now covers the entire supply chain, and the first steps towards living wages are being taken. The label-related requirements for the products' production processes are now directed at the raw material level in addition to manufacturing and wet processes. Furthermore, products consist exclusively of approved fibres and materials.

We are pleased that you also want to make an active contribution to more sustainable textile supply chains.

In this document, we have summarised the most important information on the Green Button 2.0 and the evaluation process for you. Please do not hesitate to contact us if you have any questions. We look forward to exchanging information with you.

Your Green Button Team



General information on the Green Button

What is the Green Button?

The Green Button is a government-run textile certification label and marks textiles that have been produced in a socially and ecologically sustainable manner and that are sold by responsible companies. The Green Button thus combines requirements for corporate due diligence processes with requirements for sustainable production. The latter are verified via recognised certification labels.

Who is behind the Green Button?

The German Federal Ministry for Economic Cooperation and Development (BMZ) owns the Green Button certification scheme. It stipulates the criteria and requirements for Green Button certification.

The Green Button Secretariat is the central contact point for all stakeholders. It coordinates and supports the activities of the scheme owner, the issuing body, the expert advisory council, and the certification bodies. In addition, the Secretariat advises companies on the evaluation process and, after successful licensing, on communication activities for the Green Button.

The issuing body, represented by RAL gGmbH, assists companies interested in applying for a Green Button licence during the application process and supports them through the subsequent certification process. It also conducts an initial eligibility assessment and is responsible for managing the Green Button logo and licences.

Who evaluates the Green Button requirements?

Independent auditors evaluate compliance with the Green Button Standard's requirements. The audits are conducted by authorised certification bodies, which are assessed for suitability by the Green Button Secretariat by means of an approval procedure and must undergo an intensive and comprehensive training programme on the Green Button requirements. The Green Button Secretariat also accompanies audits on a random basis. The approval of the certification bodies takes place in close coordination with and under the supervision of the German Accreditation Body (DAkkS).

Which companies can apply for Green Button certification?

The Green Button label is aimed at all companies that produce and/ or sell textiles. This includes manufacturing companies and those that sell third-party products under their own brand name. The certification scheme is not open to companies that merely act as agents for third-party products. For any questions concerning eligibility, please feel free to contact the issuing body.

What requirements does the Green Button place on companies and production?

As a government-run certification label, the Green Button places requirements both on the company and on production. Companies must demonstrate that they take responsibility for their actions in their supply chains and that sustainability criteria have been met in the production of textile products. To do this, the company as a whole must demonstrate compliance with its due diligence obligations



in its textile supply chains. These due diligence requirements are based on the UN Guiding Principles on Business and Human Rights and on the sector-specific recommendations of the Organisation for Economic Co-operation and Development (OECD). Existing, credible certification labels that are recognised by the Green Button are used to establish whether the requirements for the sustainable production of products have been fulfilled (meta-label principle, more information below).

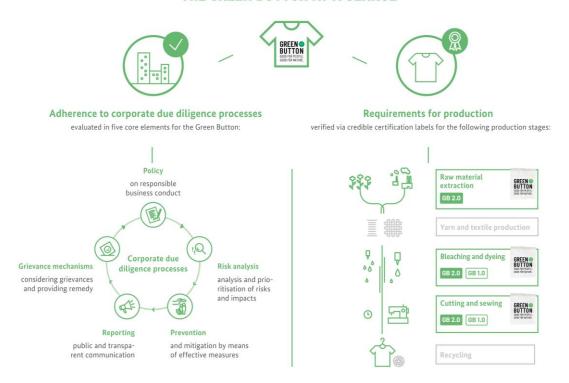


Which parts of the supply chain does the Green Button cover?

Due diligence processes relate to a company's entire supply chain(s) - as is the case with the Green Button. For example, a risk analysis must cover all stages of the textile supply chain. The Green Button requirements for production were expanded for the Green Button 2.0: In the introductory phase, the Green Button applied to the production stages "cutting and sewing" (manufacturing) and "bleaching and dyeing" (wet processes). With the Green Button Standard 2.0, requirements for sustainable raw material extraction have now been added. In future, products may only be made from approved fibres and materials.



THE GREEN BUTTON AT A GLANCE



The Green Button requirements are described in more detail below, divided into the two pillars of requirements for corporate due diligence processes and production requirements.



Requirements for corporate due diligence processes

Corporate due diligence describes the processes that a company has implemented to identify, prevent, and mitigate risks and adverse impacts on human rights, the environment, and integrity in its own company and in its supply chains. This approach does not focus unilaterally on individual production sites but encompasses the company's entire supply chains as well as its business model and purchasing practices.

The approach is particularly relevant when production takes place in countries where human rights and legal principles are not or insufficiently enforced. Here it is particularly important that companies live up to their responsibility for people and the environment. The Green Button Standard always examines the entire company to determine whether it assumes responsibility for its textile supply chain. Only a company that meets these requirements can receive the Green Button.

These requirements are divided into five core elements, each of which is substantiated by criteria and indicators.





The five core elements underlying the Green Button Standard are:

- 1. Aligning corporate policy (Policy on responsible business conduct); The corporate policy requirements refer to a public commitment by your company to take responsibility for its conduct in relation to the direct and indirect impacts of its business activities on human rights and the environment in textile supply chains. This public commitment informs employees as well as business partners and suppliers about your company's expectations. It also commits the company to improving sustainability in its own operations and in textile supply chains. Most companies have documents that address their own operations as well as one or more documents that describe requirements for business partners and suppliers. So, if your company does not have only one central document, the Green Button understands "policy" also as a collective term for several documents that complement each other.
- 2. Identifying and prioritising risks (Analysis and prioritisation of risks and adverse impacts); Knowing what risks and adverse impacts for people and the environment are associated with business activities in textile supply chains is the first step and prerequisite for fulfilling your own due diligence obligations. Therefore, your company is expected to systematically identify, analyse, and prioritise risks and adverse impacts of its own business activities as well as within the entire textile supply chains on a regular basis. This is done by means of a risk analysis.
- 3. Taking effective action (Prevention and mitigation); You should integrate the findings from the risk analysis into all relevant company processes in order to effectively counter potential and actual adverse impacts on people, the environment, and integrity in the supply chains. This includes, for example, clear responsibilities as well as the monitoring of your own purchasing practices and the consideration of social and ecological aspects in product development. But also training for your own employees on social and environmental risks or supporting suppliers in the implementation of measures. The measures taken should be risk-based, regularly evaluated, and adjusted if necessary. They should also be developed and implemented together with your partners.
- 4. Reporting transparently (Public reporting and communication); As part of public reporting, your company is expected to systematically present how you are meeting your voluntary commitment to corporate due diligence and what progress you have made in achieving the goals you have set for yourself. This includes, among other things, communication on your sourcing countries and regions as well as the most severe risks identified. It is also important to report on the prevention and mitigation measures you are taking to address risks and violations. It is important to report on your interaction with potentially affected stakeholders or their representatives, as this plays a key role in exercising due diligence.
- 5. **Considering grievances** (Grievance mechanisms and remedy);



Effective human rights grievance mechanisms are an essential contribution to strengthening the rights of workers in textile supply chains. In principle, companies are required to provide effective grievance mechanisms for all those who may be directly affected by adverse impacts related to their own business relationships or operations or products. Within the framework of the Green Button, the requirements for grievance mechanisms are concretised at the manufacturing level. In addition to specific requirements for the grievance mechanisms themselves, the necessary internal requirements must be in place to respond appropriately to grievances received and to provide adequate remediation in the event of adverse impacts. After developing corrective actions and consulting with affected stakeholders/ legitimate representatives, suppliers and possibly other stakeholders, your company must ensure that the actions are implemented on the ground.

After submitting your application, you will receive a detailed list of the five core elements with the associated criteria and indicators. You will also receive a guide with additional descriptions of the requirements and practical examples of their implementation.

The Secretariat will be happy to provide you with advice. The Partnership for Sustainable Textiles can also support you in implementing the requirements for corporate due diligence processes.





Partnership for Sustainable Textiles

Like the Green Button, the Partnership for Sustainable Textiles (Textiles Partnership) was initiated by the German Federal Ministry for Economic Cooperation and Development (BMZ), and its Secretariat is also run by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. As a multi-actor partnership, the Textiles Partnership brings together representatives from business, politics, civil society, trade unions, and standard organisations to jointly improve conditions in global textile production. Supporting its corporate members in exercising corporate due diligence is a central component of the Textiles Partnership. It offers a broad network and support, and has developed, for example, a sector-specific implementation framework and reporting format. In joint Partnership Initiatives in production countries, Partnership members engage on issues such as living wages, wastewater management, and grievance mechanisms.

On the website of the Textiles Partnership, you can find additional information and helpful materials on corporate due diligence. A membership application is also available there: https://www.textilbuendnis.com/en





Requirements for products and production processes (meta-label approach)

Only products that come from the certified due diligence process <u>and</u> meet all the following conditions can be labelled with the Green Button:

- They consist only of approved fibres and materials
- There are recognised certification labels for
 - o the fibres and materials used or their raw material extraction (where necessary)
 - the wet processes
 - the manufacturing stage

"Meta-label" principle

The Green Button does not replace existing certification labels but builds on them as a meta-label. Through the recognition of these labels, the value of the preliminary work done by the companies and particularly credible certification labels is recognised. Double auditing is avoided.

This means that proof of compliance with the requirements for products and production processes is provided by recognised, credible certification labels. To be recognised, the certification labels must fulfil government-defined minimum requirements in the area of credibility. In addition, the certification labels would have to include requirements for the production steps of manufacturing and wet processes. In the latest standard version, the Green Button 2.0, the product must also meet requirements for the fibres and materials used in order to be awarded the Green Button. In addition, the evaluated company must fulfil the application requirements (producer or own brand).



What are the product and production process requirements based on?

The requirements are based on the conventions and recommendations of the International Labour Organisation (ILO) as well as the requirements for building safety and fire protection that have come into focus in the wake of the Rana Plaza factory disaster. They are also derived from EU-wide legal requirements (REACH Regulation), the Globally Harmonised System for hazard labelling (GHS), and sector-wide guidelines (ZDHC Wastewater Guidelines, OECD methods for biodegradability testing). In addition, requirements apply to the fibres used (e.g., EU-organic production-regulation, residue measurement according to the Stockholm and Rotterdam Conventions, cellulose fibres according to FAO guidelines for sustainable forestry).



Overview of recognised certification labels

Currently, an independent procedure (benchmarking process) is evaluating which labels will be recognised to fulfil the requirements of the Green Button 2.0. The labels recognised under the Green Button 1.0 will continue to be recognised provisionally for two years, i.e., until 31 July 2024, after the Green Button 2.0 came into force. In addition, new labels will be added, including those covering the fibre/ material level. As soon as the results of the assessment procedure are available, they will be published via the Green Button portal and website.

The following labels have been approved for the Green Button 1.0 and can thus be provisionally submitted until 31 July 2024:



If you need or are interested in certification with one of the recognised labels, you can request an overview with the contact details of the contact persons from the issuing body.

^{*} The Global Recycled Standard meets the requirements for wet processes only in combination with a simultaneous certification of the end product according to the Standard 100 by Oeko-Tex

^{**} Fair Wear takes a supply chain approach, prioritises human rights due diligence, and requires members to have a coherent monitoring and remediation system. Fair Wear assesses the performance of all member brands related to the implementation of the Fair Wear Code of Labour Practices. Fair Wear does not work with product criteria and does not certify products. Fair Wear members that have achieved Leader status have demonstrated that almost all of their tier-1 suppliers are under Fair Wear monitoring (> 90%). The Green Button recognises Fair Wear as one of the most effective and credible monitoring systems for social and labour standards worldwide .



Which products can be labelled with the Green Button?

In principle, all textiles or textile products that consist of approved fibres and materials and have been awarded the required recognised certification labels can be labelled with the Green Button. However, products such as toys and fabrics are excluded.

Examples:



 Garments: Women's clothing, men's clothing, unisex clothing, children's and baby clothing, underwear, socks and stockings, sportswear and outdoor clothing, swimwear, workwear.



 Home and household textiles: Bedding (bed linen, mattresses, pillows), bathroom textiles (bath mats), kitchen textiles, table linen, curtains.



 Technical textiles: Textiles for medicine and hygiene (dressings, bandages), automotive technology (airbags, seat belts), shipping, transport, and storage technology, occupational safety.



• Textile shoes and accessories: Textile shoes, bags and backpacks, headwear and face coverings, scarves and shawls, gloves.

You can find a detailed list of the product groups here.



How does the certification process work?

1. Information and application - Issuing body

Your company sends the issuing body an enquiry or an application for certification. The issuing body will provide you with additional information and answer your questions about the certification process. It also checks your eligibility to apply.



2. Consultation - Secretariat

After a positive review of your application, helpful documents for audit preparation and implementation of the Green Button requirements are available to you in the online portal, so that you can prepare for the certification audit independently. These include, for example, a guideline with implementation examples, a template for risk analysis, and the "Self-assessment" document, in which you can record your company's fulfilment of the requirements. The Green Button Secretariat will also be happy to advise you in a confidential and non-binding meeting.



3. Certification audit - Certification body

Your company arranges an audit appointment with one of the approved certification bodies. You make a contract with the certification body to carry out the audit. The audit usually takes place at your company's headquarters and the duration is determined by the size of the company, usually comprising one to two days. The certification body checks the fulfilment of all of the Green Button Standard's requirements. If the audit is passed, a certificate is issued.



4. Licensing- Issuing body

After issuing the certificate, your company makes a licencing agreement with the issuing body. During the term of the licencing agreement (3 years), it entitles your company to label approved products with the Green Button. Details on labelling and advertising can be found in the Green Button Logo Manual. You can register further textile products for labelling at any time. At the end of the three-year period, recertification is required to renew the licencing agreement. A surveillance audit takes place annually.



Details on the certification process can be found in the overview "The evaluation process in simple terms", which is available to you in the online portal.



Joint communication

With your help, we would like to inform consumers about sustainable consumption and explain to them how they can find sustainable products. For this purpose, the Green Button Secretariat runs a variety of press and public relations measures and regularly involves companies in various measures.

- We will exchange ideas with you in order to support you in your communications about the Green Button. Various Green Button **communication materials** will be made available to you, such as online banners, share-pics, hangtags, and much more.
- Wherever possible, companies will be invited to participate in **public appearances**, at trade fairs, panel discussions, and many other events.
- In the context of the communication campaign, there will also be opportunities to get involved in **cooperation arrangements with the media**.
- The licensed companies also receive information via a regular **newsletter**.
- In addition, the Green Button office addresses different target groups through its own channels, such as the **website**, **Instagram**, **or LinkedIn**, in order to make sustainable textiles and the Green Button even more visible to the public.

If you have ideas for further joint communication opportunities, please feel free to contact us!



SEEK, July 2022



International Green Week, January 2020







Poster Share-pic





Online banner Hangtag



Costs for Green Button certification

A wide range of services are available to you free of charge in connection with your certification. These include, for example, **consultation services** by the Green Button Secretariat, the provision of **communication material** on the Green Button as well as the **integration in communication measures** by the Green Button Secretariat.

During the one-year transition phase from Green Button 1.0 to Green Button 2.0 (until 31 July 2023) the scheme owner **provides funds to cover certification costs**. The assumption of costs comprises the following items:

- Audit costs for the initial certification are covered for all new companies
- Audit costs for recertification according to the Green Button Standard 2.0 will only be covered for small companies (i.e. less than 50 employees and less than 10 million euros annual turnover)

The issuing body will charge a **processing fee** for its services for the Green Button 2.0. These costs of €400.00 are incurred when a licence agreement is concluded for each company and cover the three-year contract period. This means that there are no costs for you before the licence agreement is concluded.

Additional costs may arise for you as a licensed company at the following points, without claim to completeness:

- Audit costs for surveillance audits, which must be carried out every 12 months.
- Costs for recertification after the end of the transition period, if applicable.
- Any special audits, if ordered by the certification body.
- If applicable, further services by certification bodies, such as a certificate extension.

Detailed information on the costs can be obtained from the approved certification bodies. There is no legal entitlement to admission to free initial certification and recertification according to the Green Button 2.0.

Disclaimer: The information provided in this document is without guarantee and does not claim to be complete. We reserve the right to make changes.



Contact

Green Button Secretariat

Potsdamer Platz 10 10785 Berlin, Germany

Phone: +49 (0) 30 33 84 24-777 info@gruener-knopf.de www.green-button.de

Issuing Body (RAL gGmbH)

Fränkische Straße 7 53229 Bonn, Germany

Phone: +49 (0) 228 68895 0 <u>vergabestelle@gruener-knopf.de</u> <u>https://vergabestelle.gruener-knopf.de/</u>

Published by

German Federal Ministry for Economic Cooperation and Development (BMZ) Unit 121: Sustainable textile supply chains, sustainable consumption RL121@bmz.bund.de

As of

Version 4.0 January 2023

Address of the BMZ offices

BMZ Bonn

Dahlmannstr. 4 53113 Bonn, Germany Phone: +49 (0) 228 99 535-0 Fax: +49 (0) 228 99 535-3500 BMZ Berlin in the Europahaus

Stresemannstr. 94 10963 Berlin, Germany Phone: +49 (0) 30 18 535-0 Fax: +49 (0) 30 18 535-2501