



**RESPONSIBLE  
BUSINESS**

# Standard

## OEKO-TEX® RESPONSIBLE BUSINESS

Edition 01.2022

OEKO-TEX®  
International Association for Research and Testing in  
the Field of Textile and Leather Ecology  
Internationale Gemeinschaft für Forschung und Prüfung  
auf Gebiet der Textil- und Lederökologie

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## Terms and definitions

- **Adverse impact:**  
A negative incident that harms people (e.g., violation against human rights, bribery, employment relations) or the environment.
- **Business enterprise:**  
A legal entity that is applying for OEKO-TEX® RESPONSIBLE BUSINESS, this covers Brands, Brand Groups, Retailers and Traders.
  - **Direct suppliers:** An individual or organization with whom the business enterprise has a direct contractual relationship for the purchase of goods.
- **Downstream supply chain:**  
The movement of finished goods from a business enterprise to its customers. Processes include distribution, order fulfillment and delivery.
- **Indirect suppliers:**  
An individual or organization within the supply chain who contributes to the final purchased good but with whom the business enterprise has no direct contractual agreement.
- **Exclusion criteria:**  
Basic principles that are most important in determining the suitability for OEKO-TEX® RESPONSIBLE BUSINESS Certification. All exclusion criteria must be fulfilled to be eligible for Responsible Business Certification (see annex 3).
- **Grievance mechanism:**  
Any routine process through which a complaint can be raised. It can be government or non-government based; judicial or non-judicial; national, regional, or international; operational or project level. It is a synonym for complaint mechanism.
- **National contact points (NCPs):**  
Set up by governments to further the effectiveness of the OECD Guidelines, NCPs undertake promotional activities, handle enquiries and help resolve issues that may arise from alleged non-observance of the guidelines. NCPs assist enterprises and their stakeholders in observing of the Guidelines. They provide a mediation and conciliation platform for resolving practical issues that may arise while implementing of the Guidelines.
- **Non-conformity:**  
An irregularity against the OEKO-TEX® RESPONSIBLE BUSINESS Standard identified or detected during an OEKO-TEX® RESPONSIBLE BUSINESS Audit. This could be any problem related to a critical process and/or procedure (not only exclusion criteria).
- **Principles:**  
Scale that guides the action or implementation.
- **Responsible Business:**  
Responsible Business is an approach to obligate business enterprises to use their leverage on their supply chains in order to reduce human rights and environmental risks. This approach was first defined in the United Nations Guiding Principles on Business and Human Rights and further developed by the OECD. More and more lawmakers adopt this approach into legislation.



- **Shall:**  
The use of “shall” in this standard indicates a requirement.
- **Should:**  
The use of ‘should’ in this standard indicates a recommendation for following the diligence Guidelines and further improving performance.
- **Stakeholder:**  
A person or organization that can - affect, be affected by or perceive itself to be affected by - a business enterprises’ decision or activity - directly or indirectly - at present or in the future.
- **Supply Chain:**  
A multi-stage, upstream and downstream connection between different companies involved in value creation.  
A network from the extraction of raw materials, through the refinement stages, to the end consumer.
- **ToU:**  
OEKO-TEX® Terms of Use



# 1. Purpose

The OEKO-TEX® RESPONSIBLE BUSINESS standard is one of the testing, certification and licensing products offered by the International Association for Research and Testing in the Field of Textile and Leather Ecology, represented by OEKO-TEX Service GmbH (OEKO-TEX®). Further information on the product portfolio and a list of the institutes approved by OEKO-TEX® (according to Annex 1) can be found on the OEKO-TEX® website [www.oeko-tex.com](http://www.oeko-tex.com).

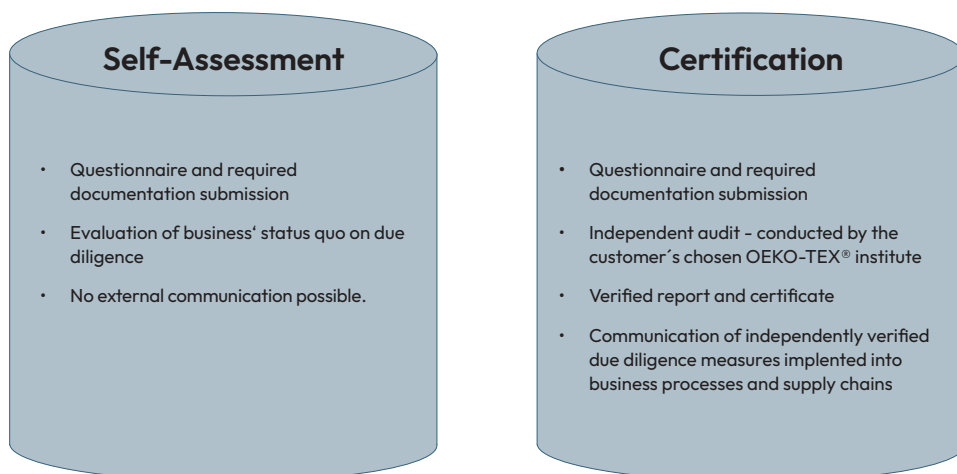
The OEKO-TEX® RESPONSIBLE BUSINESS standard is a normative document that defines the technical conditions for obtaining the OEKO-TEX® RESPONSIBLE BUSINESS certification and for the licensing of the OEKO-TEX® RESPONSIBLE BUSINESS trademark. The Terms of Use (ToU) for all OEKO-TEX® products (standards) defined in Annex II also apply.

The objective of the OEKO-TEX® RESPONSIBLE BUSINESS is to provide companies a tool to achieve RESPONSIBLE BUSINESS conduct. All textile and leather supply chains are subjected to due diligence on social and environmental aspects. Knowing supply chains and individual suppliers, especially those with high risk, enables businesses to identify, understand, mitigate and prevent risks. The results are documented and proof of compliance is provided.

The OEKO-TEX® RESPONSIBLE BUSINESS certification also enables companies to communicate credible information and responsible action to consumers and other stakeholders.

OEKO-TEX® RESPONSIBLE BUSINESS offers two different options:

- OEKO-TEX® RESPONSIBLE BUSINESS Certification provides full, third-party certification and enables business enterprises to publicly communicate their certification (see 5.4.1). It includes a self assessment, verification and audit.
- Self-Assessment with unverified report enables business enterprises to understand their status quo on supply chain on social and environmental performance. Results are permitted for internal company use only (see 5.4.2).



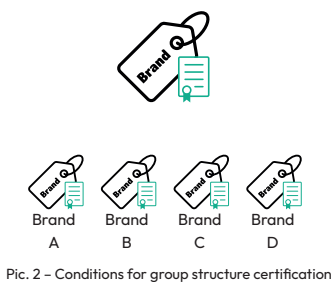
Pic.1 Modular Set Up of the OEKO-TEX® RESPONSIBLE BUSINESS product

## 2. Applicability

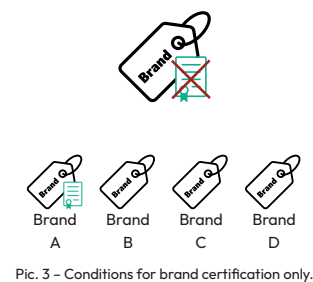
Any business enterprise in the textile and leather industry that conducts business as a brand, brand group, retailer or distributor of finished textile and leather goods can apply for OEKO-TEX® RESPONSIBLE BUSINESS certification.

OEKO-TEX® RESPONSIBLE BUSINESS applies to all business processes for products of brands, wholesalers, retailers that are within the scope of the textile and leather sector. If a brand, brand group, retailer or trader produces or distributes products of other economic sectors, OEKO-TEX® RESPONSIBLE BUSINESS shall not apply to those products. OEKO-TEX® RESPONSIBLE BUSINESS refers exclusively to the due diligence measures that the business enterprise implements in its management processes and that apply for their textile and leather supply chains.

If a brand group produces or distributes products within the textile and leather sector by means of a brand, OEKO-TEX® RESPONSIBLE BUSINESS shall apply to that specific brand and not to the entire brand group (see pic.2). Since OEKO-TEX® RESPONSIBLE BUSINESS focuses also on management structure, the certification is only possible if the brand is organizationally independent from the group. If a brand group applies for certification, any textile and leather supply chain within the relevant business enterprise(s) must be considered.



In the case of a group structure, OEKO-TEX® RESPONSIBLE BUSINESS can only apply to the group if every independent business unit has been certified by OEKO-TEX® RESPONSIBLE BUSINESS.



If a brand group distributes products in the textile and leather sector under one brand and seeks OEKO-TEX® RESPONSIBLE BUSINESS certification for this brand, the certification applies exclusively to this specific brand, not to the entire group.

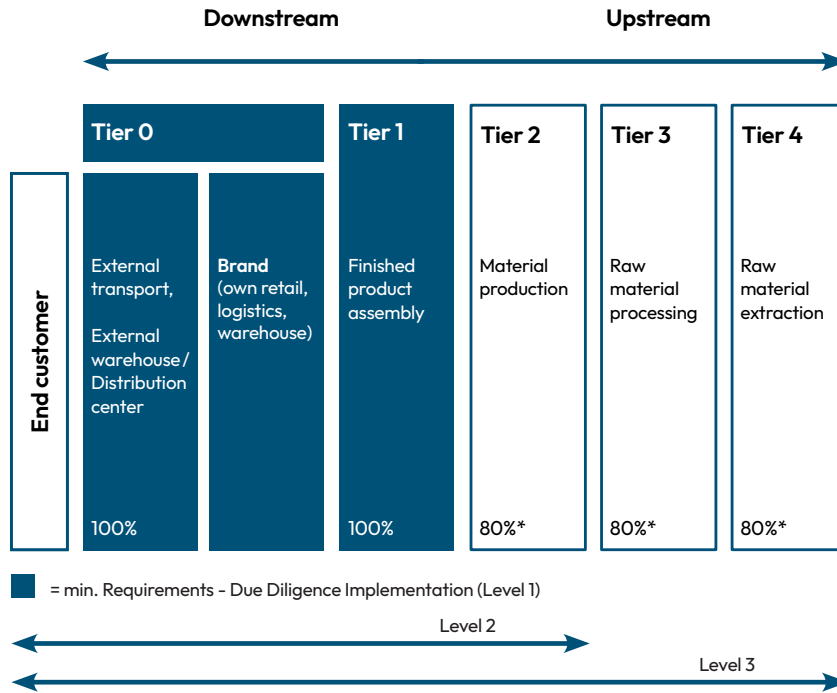
OEKO-TEX® RESPONSIBLE BUSINESS is applicable and focuses exclusively on the textile and leather supply chains and to transportation related to the business enterprises activities. Unrelated economic sectors used by the business enterprise shall not be considered in the OEKO-TEX® RESPONSIBLE BUSINESS application process.

OEKO-TEX® RESPONSIBLE BUSINESS refers exclusively to the due diligence measures that the business enterprise implements for textile and leather supply chains, related to:

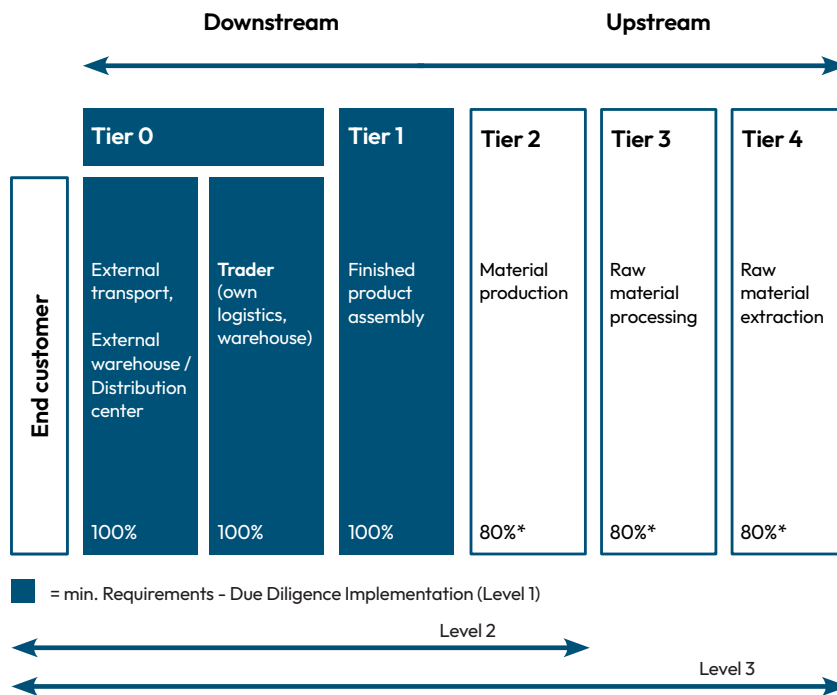
- its own business enterprise
- its own retail and distribution centers
- transport
- transport through the end customer
- its supply chain, including all finished production assembly facilities (Tier 1) as a minimum requirement . Detailed requirements are indicated below.



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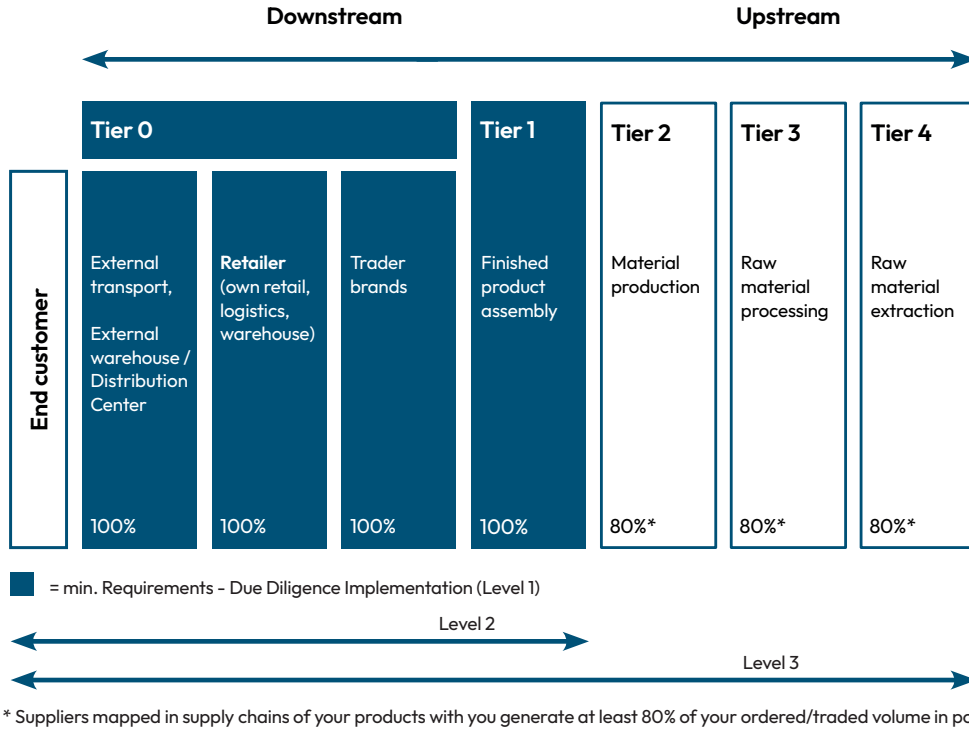


\* Suppliers mapped in supply chains of your products with which you generate at least 80% of your ordered/traded volume in pcs.



\* Suppliers mapped in supply chains of your products with which you generate at least 80% of your ordered/traded volume in pcs.





OEKO-TEX® considers the following supply chain levels and definitions:



**Tier 0**  
Office, retail,  
distribution centers,  
etc.



**Tier 1**  
Finished production  
assembly



**Tier 2**  
Material production



**Tier 3**  
Raw material  
processing



**Tier 4**  
Raw material  
extraction



## 3. OEKO-TEX® RESPONSIBLE BUSINESS Trademark

### 3.1 Trademark Protection

Registration of OEKO-TEX® RESPONSIBLE BUSINESS as a trademark on a worldwide basis is pending. To strengthen its legal protection, the word and figurative mark are being registered, in addition to separate protection of the word marks OEKO-TEX®, OEKOTEX and ÖKO-TEX and various design elements such as the logo and globe.

### 3.2 Trademark Licensing

The OEKO-TEX® RESPONSIBLE BUSINESS Trademark may be used only by those authorised in compliance with the OEKO-TEX® Terms of Use (ToU). Issuing of a certificate is a prerequisite for licencing. The licence and certificate are issued to the customer by the OEKO-TEX® institute.

The conditions for issuing a certificate are based on the OEKO-TEX® RESPONSIBLE BUSINESS standard, the OEKO-TEX® ToU (see Annex II) and the Declaration of Conformity (see Annex I).

With an unverified self assessment report, no certificate is issued. Therefore, no licence to use the OEKO-TEX® RESPONSIBLE BUSINESS Trademark or any other OEKO-TEX® trademarks is granted.

### 3.3 Trademark use

To use the OEKO-TEX® RESPONSIBLE BUSINESS Trademark, the regulations contained in the ToU and the Labelling Guide must be complied with. The use of the trademark in any other type or form is explicitly prohibited.

Since OEKO-TEX® RESPONSIBLE BUSINESS certifies business enterprises and not products, using the OEKO-TEX® RESPONSIBLE BUSINESS Trademark on products is forbidden.

The OEKO-TEX® RESPONSIBLE BUSINESS Trademark can be used on marketing materials and websites to signal that the business enterprise has been certified by OEKO-TEX® RESPONSIBLE BUSINESS.

It is essential to comply with the principles for advertising defined in paragraph 11 of the ToU. Furthermore, ToU paragraph 12 requires the customer to contractually bind their business partners to the ToU and to inform them about the OEKO-TEX® labelling rules. OEKO-TEX® only permits the use of OEKO-TEX® trademarks by third parties in compliance with the ToU and the OEKO-TEX® labelling guide.

The omission of individual elements of the respective OEKO-TEX® label is strictly forbidden. In particular, the details regarding the certificate number and the Institute are mandatory and must match the corresponding certificate.

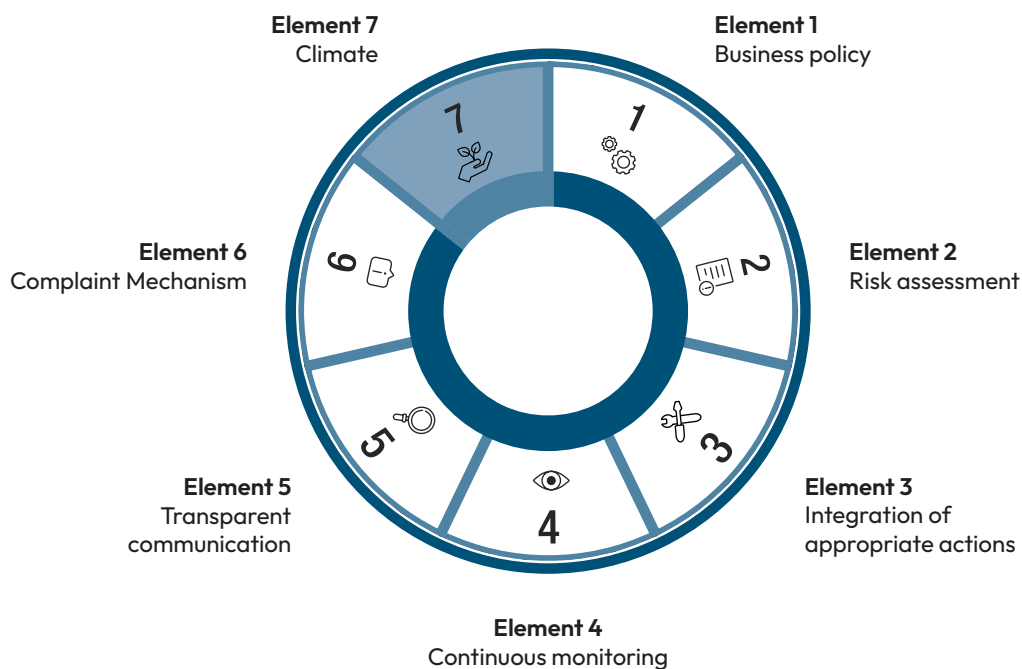
These obligations are essential. Violations may result in the withdrawal of the certificate and of the licence to use the trademark.

## 4. Corporate Due Diligence: The 6 Responsible Business Principles:

According to the OECD Guidelines for Multinational Enterprises, to fulfill due diligence obligations, Multinational enterprises shall identify, prevent or mitigate existing and potential negative impacts of their operations within their own business activities, their supply chains and in their wider business relationships, and account for how they address them. Embedding Responsible Business Conduct into management systems supports the effectiveness of due diligence and enables companies to address negative impacts of their business activities.

The Responsible Business Process is structured in 6 sections. 6 sections cover the due diligence approach based on the UN Principles and the OECD Guidelines. Section 7 is in relation to Climate:

1. Responsible Business Policy
2. Risk assessment
3. Integration of appropriate actions
4. Continuous monitoring
5. Transparent communication
6. Access to remedy
7. Climate related strategies





## 4.1 Responsible Business Policy

In order to fulfil the corporate due diligence on human rights and the environment, Responsible Business Conduct (responsible business) shall be embedded into the business enterprises policy and management systems.

The business enterprise shall adopt a policy with the commitment to responsible business in its own operations and in its supply chains. Responsible Business Conduct shall be anchored in management systems through the strategic level of the business enterprise so that an effective and efficient due diligence analysis is made possible at all levels of the business enterprise. In the following the commitments shall be described.

Furthermore the business policy shall contain the description of a management system which describes how the due diligence core elements shall be anchored in the business enterprise (please see picture 4).

### 4.1.1 Principles of the Responsible Business Policy:

- The goal is a public commitment by the business enterprise to take responsibility for direct and indirect impacts of the business enterprise on human rights, the environment and other risks in the supply chains that arise through direct or de facto control of the business enterprise.
- The following commitments and content shall be included into the Responsible Business Policy:
  - Commitment to
    - Human rights and environmental risks as defined in Article 2 of the German Supply Chain Act (see Annex 6)
    - responsible business:
      - In its own business enterprise, including own distribution centers and own retail
      - In transport through the end customer
      - For supply chain business partners and their subcontractors, including a statement as to whether subcontracting is authorized.
    - Applicable laws and international agreements according to risks (chapter 4.2.2.1)
      - International Bill of Human Rights:
        - Universal Declaration of Human Rights
        - International Covenant on Civil and Political Rights
        - International Covenant on Economic, Social and Cultural Rights
      - ILO's eight fundamental conventions
      - Minamata Convention on Mercury
      - Stockholm Convention on Persistent Organic Pollutants
      - POPs Convention
      - Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
      - Respect OECD garment and footwear sector risks (chapter 4.2.2.1 Risk Assessment Scope).



- (Optional: The goals set in the Paris Agreement for Climate Change)
  - The five freedoms of animal welfare:
    - Freedom from hunger, malnutrition and thirst
    - Freedom from fear and distress
    - Freedom from heat stress or physical discomfort
    - Freedom from pain, injury and disease
    - Freedom to express normal patterns of behaviour
  - Due diligence on the business enterprise's most significant risks in its own operations and supply chains
  - Responsible sourcing practices to avoid adverse impacts through procurement
  - Meaningful engagement with affected stakeholders
  - Hear and address all complaints against the business enterprise, including its own operations, and to take appropriate measures
- Content
- List of all identified risks, subject to regular updates, according to regular risk analysis
  - Description of the Responsible Business Management system describing how the due diligence core elements shall be anchored in the business enterprise
    - The business enterprise's management is responsible for implementing the due diligence commitments in the Responsible Business Policy by defining processes and responsibilities. The goal is to ensure:
    - The impact of the Responsible Business Policy in its own operations (ie. due diligence is incorporated into decision-making processes throughout the business enterprise)
  - The impact of the Responsible Business Policy in the whole supply chain (as defined downstream and upstream)
  - Description of the buying practices, subject to regular updates, according to regular risk analysis



## 4.1.2 Implementation of the Responsible Business Policy

To implement processes that anchor responsible business in the business enterprise, the following aspects shall be considered:

### 4.1.2.1 Embedding the Responsible Business Policy into the Business:

- The Responsible Business Policy shall be adopted and must be recognized and approved by the highest corporate level.
- The Responsible Business Policy may consist of a single policy, several stand-alone policies or be integrated into other governance documents of the business enterprise (e.g., the code of conduct).
- The Responsible Business Policy shall be publicly available and easily accessible to ensure full transparency.
- The Responsible Business Policy shall be communicated to all employees, suppliers and other relevant third parties to ensure awareness.
- To ensure that the Responsible Business Policy, grievance mechanism and supplier code of conduct are communicated to the supply chain, the company shall include a pass-on clause (chapter 4.1.2.3) in its contractual documents that regulates the transfer of documents to the deeper supply chain.
- The Responsible Business Policy shall be developed with, and informed by, relevant internal and external expertise.
- The Responsible Business Policy and affected supply chain shall be reviewed annually, as potential harms, operational risks and the supply chain may evolve.

### 4.1.2.2 Embedding the Responsible Business Management System into the Business:

- The company shall implement responsible business as an integral part of regular business processes, integrating Responsible Business Conduct into all relevant decision-making processes. The business enterprise shall define, provide and maintain the necessary infrastructure for ensuring an effective responsible business:
  - The business enterprise shall designate internal and/or external expertise that is responsible for carrying out the corporate due diligence (employees, team, external parties, etc.)
  - A responsible business responsible person (ideally internal, although an external person is possible for small business enterprises), who has expert knowledge in this area, shall be appointed. This person is referred to as the “responsible business responsible”. Responsible business does not have to be the only task of this person, but adequate time to work on supply chain due diligence shall be secured. Depending on the size of the business enterprise, additional responsible persons shall be appointed at the various management levels and across teams and business units.



- A responsible person shall be nominated, who:
  - Has a comprehensive understanding of the international treaties on:
    - Human rights
    - Environment and climate
  - Coordinates all responsible business activities, especially if delegation of tasks is established
  - Manages the operational implementation of Responsible Business Processes and ensures that responsible business is implemented in all areas of the business enterprises activities. This includes the development and implementation of appropriate procurement strategies and purchasing practices. This authority should be given to employees who increase or decrease a certain risk through their decisions. Communication, information sharing and documentation regarding certain risks and decisions play an integral part and shall be made possible.
  - Ensures that employees receive appropriate training and incentives to comply with the business enterprise Responsible Business Policy.
  - Is responsible for ensuring that supply chains can be mapped (e.g. must ensure that systems or methods are put in place that allow the supply chain to be mapped transparently, etc.)
  - Is in contact with suppliers and other business partners to ensure the business enterprise's responsible business expectations and policies are met. The Responsible Business Policy shall be communicated to the suppliers and other relevant business partners and included in written agreements. Training shall be provided to ensure that the Responsible Business Policy is understood and installed.
  - Has a regular reporting obligation (e.g. biannually) to the executive board and meets regularly with the heads of any departments with supply chain responsibility (e.g. purchasing depts, product management, quality management, etc.)
  - Ensures that the risk analysis is properly carried out (chapter 4.2)
  - Makes recommendations for appropriate actions (chapter 4.3) by creating a report on which sourcing decisions are based. The report shall include defined goals, timetables, milestones and the risk assessment results. Management settles any conflicts, considering all relevant information. If management decides against the recommendation of the responsible person, the reason for the decision shall be documented.
  - Coordinates the establishment of a supplier code of conduct and inclusion of responsible business in contractual agreements (chapter 4.3)
  - Oversees the continuous monitoring process (chapter 4.4).
  - Ensures transparent communication of the responsible business-related actions to all stakeholders (chapter 4.5)
  - Establishes and/or oversees the complaint process (chapter 4.6)
- The business enterprise shall develop an information system to support due diligence that collects information and supports decision making
- The business enterprise shall provide appropriate training and incentives to implement the business enterprise's Responsible Business Policy and supplier code of conduct.

#### 4.1.2.3 Embedding the Responsible Business Policy into the Upstream + Downstream Supply Chain through the Pass-On-Clause:

##### Direct Supplier

The Pass-On clause is a contractual obligation in which the following is agreed upon between the business enterprise and the direct supplier:

- **Compliance with the Responsible Business Policy statement**
- **Compliance with the supplier code of conduct**
  - The supplier code of conduct shall contain the human rights and environmental risks in article 2 of the German Supply Chain Act, the commitment made in the business and the requirements defined for subcontracting:
    - If subcontracting is not authorized by the Responsible Business Policy of the business enterprise it shall be prohibited throughout the whole supply chain.
    - If sub-contracting is authorized by the Responsible Business Policy of the business enterprise the following shall be adhered to by the direct supplier:
      - Any purchasing, outsourcing or subcontracting of goods, materials or services shall be controlled to ensure that all purchased goods/services meet the Responsible Business Policy regarding human rights and environmental risks
      - The supplier who is subcontracting shall, therefore, contractually bind their subcontractors to this supplier code of conduct and obligate their subcontractors to comply with this supplier code of conduct
      - The supplier who is subcontracting shall communicate their subcontracting partners to the ordering business enterprise.
- **Contractual training measures**
  - The business enterprise shall conduct initial and future trainings with the direct supplier to ensure compliance with the contract
- **Grievance mechanism information & implementation**
  - The following information shall be publicly available:
    - Contact information for the grievance mechanism
    - Contact information for the person responsible for the grievance mechanism at the certified business enterprise
    - Description of the complaint process
    - Obligation of each supplier to take note of the information and access points of the grievance mechanism (as outlined in the pass-on clause) and to make the grievance mechanism known to the relevant stakeholders of the business partner

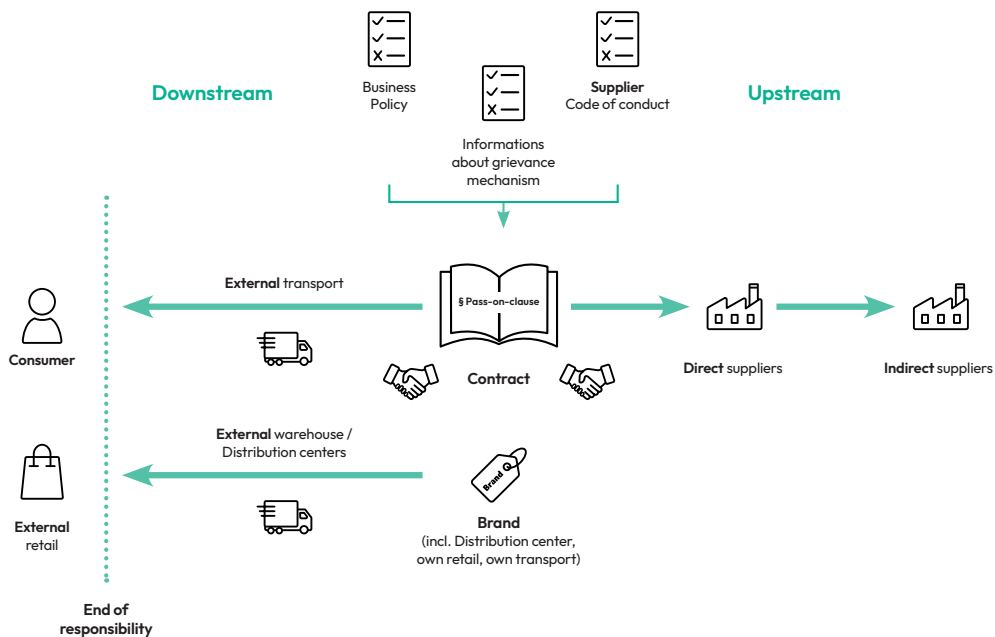


**Contractual Obligation to Pass-On & Acknowledgement**

- The pass-on clause includes the obligation that the business policy, supplier code of conduct and grievance mechanism shall be contractually passed on to the suppliers of the direct supplier (indirect suppliers to the business enterprise)
- This obligation is only fulfilled when the direct supplier submits the indirect supplier’s acknowledgement to the business enterprise
- The indirect supplier’s written acknowledgment declares compliance with the obligations (see also acknowledgement template)
- The pass-on clause includes this obligation to be passed through all tiers of the whole supply chain, in a cascading manner

**Indirect Supplier**

- The pass-on clause obligates each supplier to pass this obligation (to comply with the original business policy statement and supplier code of conduct) on to the next indirect supplier (tier 2 to tier 3, etc.). The pass-on clause shall also contain the obligation of the direct supplier to inform their indirect suppliers about the grievance mechanism. Indirect suppliers shall be obliged to make the grievance mechanism accessible to their relevant stakeholders, especially workers. The grievance mechanism shall be made accessible in locations at their discretion (e.g. restrooms).
- The pass-on clause shall include the obligation of the indirect supplier (tier 2, etc.) to pass on:
- The original business policy statement
- The supplier code of conduct
- Obligation and pass-on clause for their suppliers (tier 3, etc.) regarding relevant information about the grievance mechanism and further pass-on clauses to their suppliers (tier 4, etc.)



Pic. 7 – Illustration of Pass-on Clause

## 4.2 Risk Assessment

Based on a formalised process, the business enterprise shall identify and prioritise potential risks, adverse impacts and actual impacts of its own operations and its supply chain. This is the cornerstone of all due diligence activities.

### 4.2.1 Risk Assessment Principles

- As an initial step, the business enterprise shall conduct an exercise to identify the most significant risks of harm in the business enterprise's own operations and its supply chain. This scoping exercise should enable the enterprise to prioritise the most significant risks and areas for further assessment
- Identified risks shall be evaluated according to severity, likelihood and ability for remediation. They shall be prioritized accordingly
- The risk analysis shall be conducted at least once a year
- Additional risk analyses shall be conducted if a risk situation is significantly changed or expanded. Any changes of purchasing practices, country risks, product changes, etc. shall be considered
- The risk analysis results shall be communicated in a timely manner to the relevant decision-making employees, and management
- The risk analysis shall ensure that business activities comply with internationally recognized human rights
- Any purchasing, outsourcing or subcontracting of goods, materials or services shall be controlled to ensure that all purchased goods/services meet the business enterprise policy regarding human rights and environmental risks
- The business enterprise shall prevent adverse impacts by not causing or contributing to them
- Stakeholder engagement and transparent communication based on the risk assessment is crucial to due diligence

**Risk shall be prioritised taking the following points into consideration:**

- Where it is not practical to address all identified risks immediately and simultaneously, a business enterprise shall prioritise the sequence of actions depending on the likelihood and severity of the negative effect
- Once the most serious negative effects have been identified and addressed, the business enterprise moves on to less serious risks
- The business enterprise shall provide an explanation of why some risks are prioritised over others

## 4.2.2 Risk Assessment Implementation

### 4.2.2.1 Risk Assessment Scope

The scope of the risk assessment shall include the business enterprise itself and the supply chain (chapter 2). The scope of risks shall include human rights impacts, as well as principles for sustainable growth.

General and garment/footwear-sector-specific risks shall be considered:

- **Human Rights / Social**
  - Child labour and worst forms of child labour
  - Sexual harassment and sexual and gender-based violence in the workplace
  - Forced labour
  - Slavery
  - Torture
  - Working time
  - Occupational health and safety
  - Trade unions and collective bargaining
  - Unequal treatment in employment
  - Wages
  - Bribery and corruption
  - Responsible sourcing from homeworkers
  - Land grabbing
- **Environmental Risks**
  - Hazardous chemicals
  - Water
  - Greenhouse gas emissions
  - Soil degradation
  - Air pollution
  - Harmful noise emissions
  - Deforestation
  - Animal welfare
  - Risks arising from the manufacture, handling of mercury added products or mercury compounds (German Supply Chain Act, Article 2, 3/1,2)
  - Mercury waste treatment (contrary to the provision of Article 11 (3) of the Minamata Convention), (German Supply Chain Act, Article 2, 3/3)
  - Production and use of persistent organic compounds (Stockholm Convention) (German Supply Chain Act, Article 3, 3/4)
  - Handling, collection, storage and disposal of waste (German Due Diligence Act, Article 2, 3/5)
  - Export of hazardous wastes (Basel Convention) (German Supply Chain Act, Artikel 2, 3/6)
  - any breach beyond the named risks and the unlawfulness of which is obvious upon reasonable assessment.

#### 4.2.2.2 Complexity

The complexity of the risk analysis is determined by the complexity of the business enterprise (size, operational context, product complexity, supply chain and structure).

Risk analysis is made more complex with higher levels of human rights and environmental impacts. The more complex a company is and the more serious identified human rights and environmental risks are, the more extensive and detailed the documentation must be (chapter 4.2.2.3).

#### 4.2.2.3 Risk Assessment Documentation

Human rights violations, environmental violations and other textile and leather industry risks shall be identified along the supply chain. This is done through a systematic assessment of countries and suppliers or producers (hereinafter: suppliers) as well as of products.

##### Documentation of countries in which sourcing is done or considered

Countries and regions of current or potential sourcing partners shall be assessed according to applicable laws and regulations. For example, if labour laws diverge from the core ILO conventions and if sourcing partners from these countries and regions are to be considered, specific focus shall be put on suppliers from these countries or regions. This shall be done through contracts with clauses that address certain issues. Audits carried out by the business enterprise can further strengthen due diligence.

##### Documentation of the supplier list

- All direct suppliers shall be listed.
- All indirect suppliers, through raw material production, shall be listed based on available information and the risk analysis. The business enterprise can use external mapping tools or create its own. The key is transparent documentation.
- The documentation shall include current suppliers as well as suppliers considered in the future
- The business enterprise shall structure direct supplier relationships in a proper manner. It shall be forbidden to circumvent due diligence obligations regarding direct suppliers. For a comprehensive overview of the supply chain levels and the requirements on implemented due diligence obligations, see chapter 5.1

##### Documentation of products

- All articles containing textiles and leather are to be considered in the risk analysis. Appropriate measures for the elimination and reduction of risks are to be assessed and defined by the business enterprise.
- Products and their raw materials shall be assessed according to their human rights and environmental risks. For example, overtime, high water consumption and energy requirements for a wide variety of production processes are typical risks in the textile and leather supply chain, to name a few.
- Systematic documentation shall be conducted, including all findings regarding products and their raw materials.

#### Documentation of buying practices

- The business enterprise shall document its responsible purchasing practices.
- This documentation shall consider that the business enterprise's sourcing model has a significant impact on the risk of harm in the enterprise's supply chain. The existence of many suppliers may increase potential risks. Indirect sourcing may decrease effective influence and control possibilities. Frequently changing suppliers may hinder the business enterprise's ability to identify, prevent or mitigate harm in its supply chain

#### 4.2.2.4 Stakeholder Involvement

The risk assessment shall be done under consultation with

- Multi-stakeholder initiatives (e.g. Partnership for Sustainable Textiles, OECD Forums, etc.)
- Enterprise's advisory board
- Potentially affected and most vulnerable stakeholders

#### 4.2.2.5 Risk Assessment Analysis

A comprehensive risk analysis shall be conducted based on the documented risks in the business enterprise's own operations and in its supply chain.

Third-party documentation from international organisations, multi-stakeholder initiatives and NGOs shall also be taken into account (e.g. annual reports on the OECD Guidelines for Multinational Enterprises, UNICEF, IUTC Global Rights Index, etc.).

The risk analysis is first carried out by country, then by supplier, followed by product and buying practices:

- Does the business enterprise cause or could it cause adverse impacts?
- Does the business enterprise contribute to adverse impacts?
- Are adverse impacts directly linked to the business enterprise's operations, products or services?
- Are there potential or existing adverse impacts related to the business model or buying practices?

Identified risks shall be categorised according to their severity, likelihood and ability for remediation. Based on these criteria, the risks shall be prioritised.

After the risks are prioritized, SMART (specific, measurable, achievable, realistic and achievable within a set timescale) objectives shall be defined.

The integration of appropriate actions (chapter 4.3) shall be based on the SMART objectives.

#### 4.2.2.6 Frequency and "Evolving" Nature of Risk

The business enterprise shall implement the general risk assessment as an ongoing and continuous process that reflects the evolving nature of industry. Changing circumstances (e.g., new suppliers, emerging risks in a particular country, etc.) shall be immediately assessed in the responsible business process. The existing effects of the business activities are evaluated through an annual compliance audit as well as an as-needed basis.

## 4.3 Integration of Appropriate Actions

Following risk analysis, the information from the grievance process (chapter 4.6) shall be transferred to, and handled by, the applicable business areas and the connected processes. This includes actions to prevent, mitigate and cease adverse impacts. SMART objectives shall be implemented to continuously reduce any negative impact of the business – within the business enterprise and the complete supply chain.

### 4.3.1 Action Principles

- Business enterprise and direct suppliers:
  - The business enterprise shall take immediate action to end any past, current or imminent risk detected within its own operations or by direct suppliers
  - If the risk violation by a direct supplier cannot be fixed in foreseeable future, the business enterprise must implement a plan for ending or minimising the violation without delay
  - The concept shall be developed in cooperation with the non-compliant supplier. The following criteria shall be considered:
    - The plan shall include a clear timeframe
    - Influence and pressure on the supplier should be leveraged by joining forces with other enterprises and/or using industry initiatives and standards
    - The business relationship should be suspended until risk reduction efforts are implemented
  - A termination of the business relationship with the violating supplier shall only be considered if:
    - The violation is defined as very serious
    - The measures do not remedy the situation according to the defined timetable
    - The business enterprise has already fully leveraged all options to end the adverse impact
    - The influence pressure has no prospect of success
- Indirect suppliers:
  - Indirect suppliers shall adopt due diligence obligations in the same manner as the business enterprise and direct suppliers
  - Whether detected through the risk analysis, the grievance mechanism or substantiated knowledge, risks with indirect suppliers shall be handled according to the prioritisation
- In general:

Independent of any risks detected in the business enterprise or with direct and indirect suppliers, SMART objectives and actions shall be defined to avoid or mitigate risks. The following principles shall be considered when developing appropriate measures:

  - Decision-making, resource allocation and oversight processes: The responsible person(s) shall have competence, authority and resources to implement the defined measures

- Responsibilities of the designated person(s) regarding the supply chain include:
  - Define the implementation levels and appropriate actions in the business enterprise, direct business partners, (downstream and upstream) supply chain (chapter 2).
  - Continuously work toward deeper implementation
  - Define a code of conduct for business partners regarding human rights and environmental requirements
  - Communicate requirements to business partners/producers according to the implementation level
  - Obtain verification regarding all requirements, from all business partners/producers:
    - Receipt
    - Understanding
    - Approval
- Take action regardless of the cause, contribution or involvement of the violation
- Act based on ability to influence the supply chain and eliminate the adverse impacts
- Use qualitative and quantitative indicators for decisions on operational implementation

The effectiveness of SMART objectives / remedial actions shall be reviewed on an annual basis (chapter 4.4).  
If the business enterprise expects a significantly expanded risk situation in its own operations or with direct suppliers, ad-hoc reviews shall be added.

### 4.3.2 Action Implementation

Implementation of chosen measures shall be established and verified (chapter 4.4), wherever applicable:

The implementation of measures shall be conducted through direct business partners. Any measures for indirect suppliers shall be implemented in coordination with direct suppliers. Regarding the review of indirect suppliers, the focus should be on strategically relevant intermediaries and suppliers.

- The business enterprise's influence on the supply chain shall be solidified through tier 1 contractual agreements between the business enterprise and the direct supplier, ensuring the supplier complies with the human rights and environmental requirements (business policy, supplier code of conduct)
- The business enterprise shall establish a supplier code of conduct
- The supplier shall address these requirements with all other suppliers along its supply chain via a pass-on clause. To provide evidence, as a minimum requirement, the direct and indirect suppliers and/or contractors shall sign the business enterprise's Responsible Business Policy (pic. 1)
- The business enterprise shall:
  - Conduct training sessions with relevant staff
  - Incentivise producers to comply with the requirements
  - Align purchasing practices, considering risk assessment findings and identified impacts
  - Regularly collect internal procurement data and analysis to align purchasing practices
  - Implement appropriate actions to avoid negative impacts from purchasing practices
  - As last resort, break off business relations

## 4.4 Continuous Monitoring

The business enterprise shall monitor the implementation of measures to cease, prevent and mitigate the negative impacts of the company's business activities throughout the supply chain.

An impact measurement shall evaluate the effectiveness of the measures and the support for remediation of negative impacts.

### 4.4.1 Continuous Monitoring Principles

The following indicators shall be considered when evaluating the SMART objectives:

- Qualitative and quantitative examination of the measures (e.g., through surveys, audits, etc.)
- Assessment of business relationships regarding the supplier code of conduct and pass-on clauses
- Engagement or consultation of potentially affected stakeholders (e.g., trade unions)
- Engagement in multi-stakeholder initiatives
- 

### 4.4.2 Continuous Monitoring Implementation

Depending on the measures to be implemented, their effects shall be reviewed:

- In purchasing practices
- In the supply chain (downstream and upstream, as defined in chapter 2)

For both areas of action, uniform documentation shall be provided:

- Assessment of the SMART objectives
- Data collection of the improved measures



## 4.5 Transparent Communication

To ensure transparent communication, the business enterprise shall publicly communicate their due diligence process (including risk analysis, complaints and measures taken to address potential and actual negative impacts) to stakeholders. The documentation shall be ongoing and continuous, at least annually.

### 4.5.1 Communication Principles

Reporting on the implemented due diligence measures shall include:

- Overview of the risks analysed through the risk assessment that are most significant to the business enterprise, how the prioritisation process was done and how those risks are handled by the business enterprise (detailed list of risks see 4.2.2)
- Overview of any human rights or environmental violations and what the enterprise has done to fulfil its due diligence obligations
- Overview of incidents or risks received through the grievance mechanism and how each has been handled
- Documentation of how SMART objective was assessed for impact and effectiveness
- Implications for future measures
- Overview of the business enterprise's Responsible Business Management system and explanation of how its due diligence process is incorporated into decision-making
- Explanation of how the business enterprise plans to prevent or mitigate harm in its own operations and the supply chain (downstream and upstream, see chapter 2)
- Explanation of the business enterprise's grievance mechanism and remediation process
- Information on the enterprise's stakeholder engagement
- Any communication shall be anonymised and shall not contain details concerning stakeholders, employees or confidential business areas. Affected stakeholders must not be exposed). It can contain specific examples and cases handled by the business enterprise

### 4.5.2 Communication Implementation

- The communication shall take place on an annual basis and must be available within four months of the financial year end
- It must be stored and available for 7 consecutive years, free of charge
- The report shall be available on the business enterprise's webpage
- The communication shall be accessible to anyone interested
- The form shall be precise, comprehensible and reader-friendly through sufficient information (e.g., actual examples)
- It can be a standalone communication or published as an integral part of other business enterprise channels (e.g., sustainability report, )
- Anonymity of vulnerable stakeholders shall be respected and ensured

If the business enterprise has not detected or analysed any human rights or environmental risks/violations, this shall be plausibly documented. Protection of business and trade secrets shall always be considered.

## 4.6 Access to Remedy

The business enterprise must provide for, or cooperate in, remedial action for any adverse impact it has caused or contributed to. For this purpose, the company shall establish a grievance mechanism. The grievance mechanism ensures that violations of human rights or environmental obligations can be reported.

### 4.6.1 Grievance Mechanism Principles

- The business enterprise shall establish its own (internally developed) grievance mechanism or cooperate with an external grievance mechanism that covers the effectiveness criteria for non-state based, non-judicial grievance mechanisms of the UNGPs (e.g., mechanisms of industry associations)
- The business enterprise can also combine both mechanisms to cover possible gaps
- To meet the core criteria of the OECD guidelines (see OECD Due Diligence Guidance Textile and Footwear, Table 8: Core criteria of operational-level grievance mechanism and example components), the grievance mechanism shall:
  - Legitimate: The processes shall be fair, transparent, accessible and anonymous. The grievance mechanism is developed and updated under consultation of all relevant stakeholders
  - Accessible: The grievance mechanism shall be accessible to all those affected by the enterprise's sphere of influence. Adequate assistance shall be provided for those who may face barriers to access (e.g. illiteracy, language barriers, etc.)
  - Predictable: The business enterprise shall define the internal process for the grievance mechanism and shall make it transparent (e.g. organisational requirements, contact person, processing, timetable)
  - Equitable: The business enterprise shall be mindful of any power imbalances and ensure equal access to the grievance mechanism
  - Transparent: The business enterprise shall publicize the existence of the mechanism and a publicly available, formalised procedure for dealing with complaints. The mechanisms and processes shall be communicated to employees and all potentially affected stakeholders (e.g., suppliers, sub-suppliers, etc.)
  - Rights-compatible: The business enterprise shall ensure that outcomes and remedies accord with internationally recognized human rights
  - A source of continuous learning: The business enterprise shall define key indicators for use of new knowledge in continuously improving the grievance mechanism
  - Dialogue-based: Solutions should be developed in mutual agreement instead of top-down
- If the business enterprise participates in an external grievance mechanism, they shall define the interface process (e.g., responsible person, communication flow, etc.)
- The business enterprise shall implement appropriate measures for the internal and external grievance mechanism to remediate justified complaints (chapter 4.3) and continuously monitor its efficiency (chapter 4.4)

### 4.6.2 Grievance Mechanism Implementation

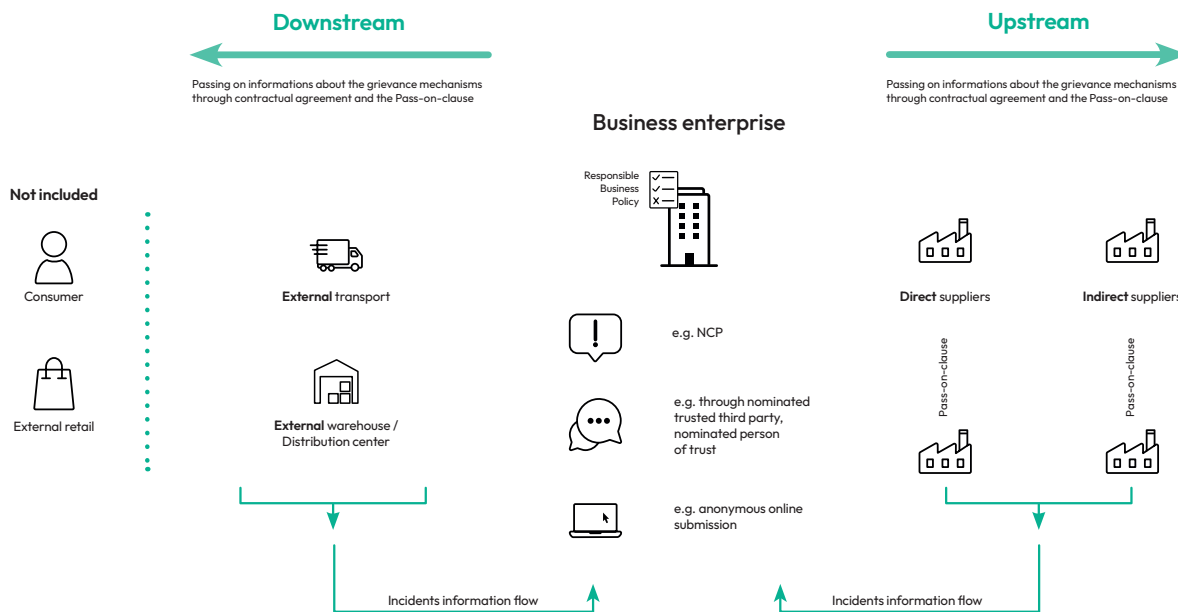
The grievance mechanism ensures that violations of human rights-related or environmental-related obligations can be reported. The grievance mechanism shall enable adversely affected persons along the supply chain to report to the business enterprise about human rights or environmental risks.

If a risk or violation is reported, the business enterprise shall:

- Provide a procedure of amicable settlement
- Make information about the grievance publicly available and describe the grievance process in clear detail
- Publicize the responsibilities of the entrusted persons at every stage of the complaint
- Confirm receipt of the reported information to the complainant
- Discuss the facts with the complainant
- Guarantee anonymity of the complainant at every stage and ensure the complainant does not fear retaliation or other negative consequences
- Appoint a person from outside the business enterprise to conduct the proceedings. The person shall be impartial, independent and not bound to instructions. They shall be obliged to maintain confidentiality about the complaint
- Review the effectiveness of the grievance mechanism at least annually and whenever a change in risk assessment is expected (e.g. when a new product is introduced)

Whenever informed of a risk or violation concerning an indirect supplier, the business enterprise shall:

- Immediately conduct a risk assessment for that indirect supplier (chapter 4.2).
- Implement preventive measures
- Create a plan to cease business relationships if the risk cannot be mitigated or the violation remediated
- Update the Responsible Business Policy to include this risk



Pic. 8 – Grievance Mechanism

## 4.7 Climate-related Strategies

Module 4.7 allows business enterprises to map their progress toward CO2 emission targets – strategy development, implementation and goal achievement.

Where “supply chain levels” in chapters 4.1 to 4.6 refers to the depth of implementation into the supply chain, module 4.7 tracks the degree of development and implementation of a climate strategy for the overall business enterprise.

OEKO-TEX® RESPONSIBLE BUSINESS certificate is not dependent upon achievement of a certain level within module 4.7. Module 4.7 is an internal benchmark representing progress toward implementation.

This independent module will help business enterprises with the voluntary development and implementation of climate strategy in relation to the Paris Climate Agreement.

To achieve the goals of the Paris Climate Agreement and limit global temperature rise to well below 2°C, business enterprises should reduce their greenhouse gas emissions by 45% by 2030 (based on the UN) and to net zero by 2050.

Signing the United Nations Fashion Industry Charter for Climate Action enables business enterprises to collaborate with other Charter signatories in working groups, benefit from exchanges with stakeholders and experts and make greater progress towards the targets.

This chapter and the related assessment questions are based on the:

- Paris Agreement
- United Nations Fashion Charter for Climate Change
- Climate Action Playbook of the UN Fashion Industry Charter for Climate Action
- Climate Protection Road Map of the Alliance for Sustainable Textiles
- Corporate Standard of the GHG Protocol
- Science Based Target Guideline for Apparel and Footwear
- Carbon Disclosure Project (CDP)

The listed documents should be referenced for definitions of emission reduction targets and the development and implementation of a climate strategy.

- **GHG Emission Scope 1,2,3**

In the development of a climate strategy and the definition of measurement points, different scopes of GHG emissions are considered and defined. The “Climate-related Strategies” module refers to the definition of the GHG emission scopes of the Greenhouse Gas Protocol – Corporate Standard:

- Scope 1 emissions (direct GHG emissions)
- Direct GHG emissions from sources owned or controlled by the business enterprise (e.g. from vehicles, process equipment, boilers, etc.)
- Scope 2 emissions: (indirect emissions from consumption of electricity)
- All emissions caused by the generation of electricity purchased and consumed by the business enterprise
- Scope 3 emissions: (indirect emissions)
- Originate from all sources not owned or controlled by the business enterprise, related to the upstream and downstream value chain. Scope 3 reflects the emissions caused in scope 1&2 emissions of the producers in the supply chain

- **Setting the baseline:**

First, define a reporting framework to view and measure emissions. To ensure comparability over time, the chosen approach should not be changed.

- Equity-share approach:
  - Emissions are considered and measured in relation to the share that a company operates or owns in a facility. For example, if a company owns 50% of a facility, only 50% of the total emissions are counted
- Control approach:
  - All emissions from operations for which the company is responsible or over which the business enterprise has control are always considered

- **Responsibility:**

Assign and empower a responsible person. To avoid errors, one person should determine all operational data. If necessary, define other necessary responsibilities in the business enterprise. **Measuring:**

The Corporate Accounting and Reporting Standard of the GHG Protocol provides guidance on how to determine GHG emissions inventories for all three scopes

- Choose which scope(s) on which to focus. The main focus differs by company type, for example:
  - Brands and retailers - Scope 3 (supply chain)
  - Making-up (cut and sew) facilities - Scope 1 and 2
- Ensure supply chain transparency and cooperation – vital to determining emissions in total and on the product and scope levels. Realistic emissions data can be mapped and used as a reference point for reducing GHG emissions
- Measure GHG emissions monthly (at least quarterly).
- Use the data, measured over a 12-month period, as a basis for comparison with subsequent 12-month periods

### Scopes 1 & 2: Define, Identify, Measure:

- Appoint the responsible person
- Determine all sites for which emissions need to be measured
- Identify operational data for all sites
  - What is consumed?
  - Natural gas, oil, electricity, coolant, etc. -> see also purchase receipts, account for loss quantity (e.g. for coolants)
  - Which CO2 factor must be considered per energy source?
  - Size / Square meters of the site, office, warehouse, etc.
- Determine period of data collection
- Set up management systems and tools for data collection

### Scope 3 identify and measure

In addition to all upstream and downstream activities, scope 3 includes, for example, the transport of finished products to the end customer, the product's use phase and end-of-life treatment. The data to be included for this scope are extensive and relevant data is determined differently than for Scope 1 and 2.

The business enterprise can choose from four ways to calculate the emissions for purchased goods and services:

- **Supplier-specific:**  
Collect product-level data across all process steps involved; from raw material extraction to the finished product
- **Hybrid:**  
Use a combination of different data collection methods and sources: Collect the known data (for example, per process step), then add missing data from Life Cycle Assessment databases to complete
- **Averaged:**  
Use average data. For example, evaluate emissions by the mass (or other relevant unit) of the purchased goods or services by using external sources (such as Quantis WALDB)
- **Spend-based:**  
Use data on emission factors from external data sources (e.g. Quantis WALDB). However, the basis for this is the economic value of the purchased goods and services, which is multiplied by the emission factor of the respective material/process used

### Reporting

Depending on whether a company has signed the UN Fashion Charter for Climate Action, there are different reporting options.

- Charter signatories commit to reporting on their baselines and progress, aligned with the Carbon Disclosure Project (CDP)
- If a business enterprise is not a Charter signatory, it should still report publicly on its targets and progress through its sustainability report and/or corporate website. The CDP or the Global Reporting Initiative (GRI) can be used to guide reporting

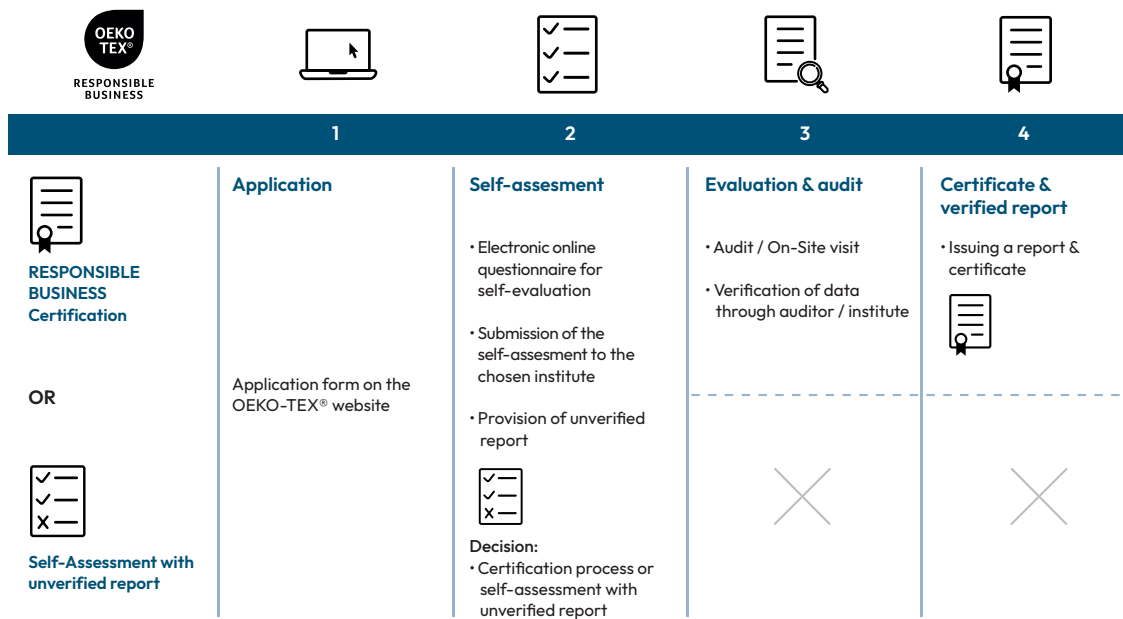
# 5 Verification and Certification Process

The OEKO-TEX® RESPONSIBLE BUSINESS process depends on the goal: full certification or conducting a self assessment for un-verified report.

## 5.1 OEKO-TEX® RESPONSIBLE BUSINESS Certification

During the certification process, the auditor will check which supply chain tier the business enterprise has credibly reached with their documented and integrated due diligence obligations. Accordingly, the certification will reflect the obtained certification level:

## 5.2 Application



Pic. 12 – Application process

- OEKO-TEX® RESPONSIBLE BUSINESS applications and self assessments are made through the application form available on the OEKO-TEX® website
- With the submission of the application form and signed ToU, the applicant accepts the fees for assessment tool usage and, if applying for certification, the evaluation and audit costs
- When the application is received, the chosen OEKO-TEX® institute will send the offer
- Once offer is accepted by the customer, the OEKO-TEX® institute will supply the login for self assessment on the platform.



## 5.3 Self Assessment

- The information provided in the assessment by the business enterprise is the basis of the verified or unverified assessment and potential certification
- Assessment question types:
  - Basic: mandatory questions to be answered by the Business enterprise
  - Exclusion criteria: Minimum requirements to be eligible for OEKO-TEX® RESPONSIBLE BUSINESS certification. If the exclusion criteria are not met, the report will highlight that certain exclusion criteria are not met
- After self assessment is completed and documents received, the institute will provide an unverified report. Based on the unverified report, the business enterprise may decide to implement further due diligence obligations or proceed with the certification process (including audit and data verification)

## 5.4 Audit and Verification

- The audit and data verification will only be conducted if the business enterprise applies for OEKO-TEX® RESPONSIBLE BUSINESS certification
- The audit and certification process includes:
  - Verification of data provided by the customer
  - Further obligations and recommendations identified by the auditor and communicated within the report
- The conditions for the rights of the auditors and the audit procedure are based on the Terms of Use
- As the certification shall be validated annually, the chosen institute carries out a compliance audit every 12 months. For the compliance audits, the business enterprise must update any existing assessment data on the dedicated data platform and remove any invalid documents and add new documents, if necessary.



## 5.5 Final Report and Certificate

Depending on whether the customer chose the Responsible Business Certification (chapter 5.4.1) or the self assessment only (chapter 5.4.2), the business enterprise will receive a verified report and certificate or an unverified report only.

### 5.5.1. Verified Report and Certificate

- After successful completion of the audit, OEKO-TEX® creates a verified report and certificate
- The conditions for the validity period, renewal and possibly withdrawal of the certificate are based on the Terms of Use
- When a Responsible Business Certificate is issued, the certificate holder receives a license to use the corresponding OEKO-TEX® label. With the license, the business enterprise is granted the right to use the OEKO-TEX® RESPONSIBLE BUSINESS label for communication (chapter 3.3)
- The certificate will reflect the obtained level per due diligence obligation
- The certificate will reflect if and what climate strategy level (module 4.7) has been achieved



Pic. 13 – Example Certificate

### 5.5.2 Unverified Self Assessment Report

- A business enterprise choosing to perform only the self assessment will receive an unverified report
- The unverified self assessment report can be used for self evaluation only. It will clearly state that the report was not verified by OEKO-TEX® and OEKO-TEX® therefore does not ensure correctness of data
- The business enterprise must not perform any communication with this report (chapter 3.3)

## 6 Legal Relationship between Customer and OEKO-TEX®

### 6.1 OEKO-TEX® RESPONSIBLE BUSINESS Document and ToU

The OEKO-TEX® Terms of Use (ToU) apply for all OEKO-TEX® products (Annex II). The ToU can be found at [www.oeko-tex.com/ToU](http://www.oeko-tex.com/ToU). The customer shall sign the ToU.

### 6.2 Application

The basis for the legal relationship between the business enterprise and OEKO-TEX® is an application request (ToU section 4). The business enterprise submits their application to an OEKO-TEX® institute of their choice (Annex 1) – a request to certify their business enterprise in accordance with the OEKO-TEX® RESPONSIBLE BUSINESS standard.

### 6.3 Code of Conduct and Declaration of Conformity

By submitting the application, the business enterprise agrees to comply with the OEKO-TEX® Code of Conduct (ToU section 6.2). The business enterprise shall sign the OEKO-TEX® Code of Conduct.

The OEKO-TEX® RESPONSIBLE BUSINESS applicant shall sign a declaration of conformity (ToU Section 6). This form is provided by OEKO-TEX® and submitted to the responsible testing institute.

### 6.4 Quality Assurance

OEKO-TEX® quality assurance measures shall apply (ToU section 13). The quality of each OEKO-TEX® RESPONSIBLE BUSINESS label is assured by an internal validation process.

### 6.5 Misuse and Withdrawal of Licence

Withdrawal and misuse of certificates (ToU section 7.5), licenses and regulations for the use of the OEKO-TEX® trademarks (ToU section 11) shall apply. Access to the OEKO-TEX® RESPONSIBLE BUSINESS dashboard can be revoked if a customer fails to meet the OEKO-TEX® RESPONSIBLE BUSINESS requirements in an orderly manner.

### 6.6 Third Parties

The certificate holder shall contractually bind its partners to the labelling rules and other regulations (ToU section 12.2) related to the use of the OEKO-TEX® brands as well as to the OEKO-TEX® ToU. In case contract partners violate the labelling rules, the certificate holder shall require the partner to comply with the labelling rules.

### 6.7 Disclaimer

According to the OEKO-TEX® RESPONSIBLE BUSINESS STANDARD, it is checked whether companies recognize the UN Guiding Principles on Business and Human Rights (“UN Guiding Principles”) as well as the OECD Guidelines for Responsible Corporate Conduct (OECD Guidelines) as a benchmark in the production, transport and financing of their products, also with reference to their supply chains. Certification does not guarantee that a certified company actually complies with these guidelines. The audit is carried out on the basis of the information provided by the certified company and only concerns the functionality of the company’s processes in place to ensure compliance with these guidelines. Therefore, OEKO-TEX® does not warrant that the certified company has in fact complied with the UN Guiding Principles, the OECD Guidelines and/or any national or international due diligence regulations, and/or that specific products of the certified company have in fact been manufactured in compliance with these guidelines or regulations. OEKO-TEX® accepts no liability in this respect. In addition, the General Terms and Conditions of Use of OEKO-TEX® apply, in particular Section 17 (Liability).

## Annex 1: OEKO-TEX® Institutes

### **Hohenstein Textile Testing Institute**

Schlosssteige 1  
74357 Bönningheim  
Germany

E-Mail: [info@hohenstein.com](mailto:info@hohenstein.com)

Tel. +49 7143 271-0  
Fax +49 7143 271-51

<https://www.hohenstein.com/en/>

### **Testex AG**

Schweizer Textilprüfinstitut  
Gotthardstrasse 61  
8002 Zürich  
Switzerland

E-Mail: [zuerich@testex.com](mailto:zuerich@testex.com)

<https://www.testex.com/en>

## Annex 2: Exclusion Criteria

Question	Chapter	Exclusion Criteria
11_x	4.1 Responsible Business Policy	To fulfil corporate due diligence on human rights and the environment, Responsible Business Conduct (responsible business) shall be embedded into the business enterprises policy and management systems.
14_x, 16_x, 17_x, 14_x		The business enterprise shall adopt a policy with the commitment to responsible business in its own operations and in its supply chains.
13_x		The business enterprise shall anchor Responsible Business Conduct in management systems, at the strategic level, so that effective and efficient due diligence analysis is possible at all levels of the enterprise.
n/a		The commitments made in the Responsible Business Policy shall be described. <ul style="list-style-type: none"> <li>The following commitments and content shall be included into the Responsible Business Policy: Commitments to:</li> </ul>
19_x		<ul style="list-style-type: none"> <li>Human rights and environmental risks as defined in Article 2 of the German Supply Chain Act</li> </ul>
18_c_x		<ul style="list-style-type: none"> <li>Responsible business: <ul style="list-style-type: none"> <li>In its own business enterprise, including distribution centers and retail</li> <li>In transport through the end customer</li> <li>For supply chain business partners and their subcontractors, including a statement as to whether subcontracting is authorized.</li> </ul> </li> </ul>
20_x		<ul style="list-style-type: none"> <li>Applicable laws and international agreements according to risks (chapter 4.2.2.1) <ul style="list-style-type: none"> <li>International Bill of Human Rights: <ul style="list-style-type: none"> <li>Universal Declaration of Human Rights</li> <li>International Covenant on Civil and Political Rights</li> <li>International Covenant on Economic, Social and Cultural Rights</li> </ul> </li> <li>ILO's eight fundamental conventions</li> <li>Minamata Convention on Mercury</li> <li>Stockholm Convention on Persistent Organic Pollutants</li> <li>POPs Convention</li> <li>Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal</li> </ul> </li> </ul>
20_x		Respect OECD garment and footwear sector risks (chapter 4.2.2.1 Risk Assessment Scope).
20_b		The goals set in the Paris Agreement for Climate Change



Question	Chapter	Exclusion Criteria
19_x		<ul style="list-style-type: none"> <li>The five freedoms of animal welfare:                             <ul style="list-style-type: none"> <li>Freedom from hunger, malnutrition and thirst</li> <li>Freedom from fear and distress</li> <li>Freedom from heat stress or physical discomfort</li> <li>Freedom from pain, injury and disease</li> <li>Freedom to express normal patterns of behaviour</li> </ul> </li> </ul>
19_x		<ul style="list-style-type: none"> <li>Due diligence on the business enterprise's most significant risks in its own operations and supply chains</li> </ul>
20_a_x		<ul style="list-style-type: none"> <li>Responsible sourcing practices to avoid adverse impacts through procurement</li> </ul>
20_a_x		<ul style="list-style-type: none"> <li>Meaningful engagement with affected stakeholders</li> </ul>
20_a_x		<ul style="list-style-type: none"> <li>Hear and address all complaints against the business enterprise, including its own operations, and to take appropriate measures</li> </ul>
19_x		<ul style="list-style-type: none"> <li>List of all identified risks, subject to regular updates, according to regular risk analysis</li> </ul>
18_a_x		<ul style="list-style-type: none"> <li>Description of the Responsible Business Management system describing how the due diligence core elements shall be anchored in the business enterprise</li> </ul>
18_b_x		<ul style="list-style-type: none"> <li>Description of the buying practices, subject to regular updates, according to regular risk analysis</li> </ul>
13_x		<ul style="list-style-type: none"> <li>Embedding the Responsible Business Policy into the business enterprise:                             <ul style="list-style-type: none"> <li>The Responsible Business Policy shall be adopted and must be recognized and approved by the highest corporate level.</li> </ul> </li> </ul>
107_x		<ul style="list-style-type: none"> <li>The Responsible Business Policy shall be publicly available and easily accessible to ensure full transparency</li> </ul>
14_x, 15_x, 34_x		<ul style="list-style-type: none"> <li>It shall be communicated to all employees, suppliers and other relevant third parties to ensure awareness</li> </ul>
12		<ul style="list-style-type: none"> <li>The Responsible Business Policy shall be developed with, and informed by, relevant internal and external expertise</li> </ul>
102		<ul style="list-style-type: none"> <li>The Responsible Business Policy and affected supply chain shall be reviewed annually, as potential harms, operational risks and the supply chain may evolve</li> </ul>



Question	Chapter	Exclusion Criteria
n/a		Embedding the Responsible Business Management system into the business enterprise:
32_x		<ul style="list-style-type: none"> <li>The company shall implement responsible business as an integral part of regular business processes, integrating Responsible Business Conduct into all relevant decision-making processes</li> </ul>
21_x		<ul style="list-style-type: none"> <li>The business enterprise shall define, provide and maintain the necessary infrastructure for ensuring an effective responsible business:</li> <li>The business enterprise shall designate internal and/or external expertise that is responsible for carrying out the corporate due diligence (employees, team, external parties, etc.)</li> </ul>
21_x		<ul style="list-style-type: none"> <li>A responsible business responsible person (ideally internal, although an external person is possible for small business enterprises), who has expert knowledge in this area, shall be appointed. This person is referred to as the “responsible business responsible”. Responsible business does not have to be the only task of this person, but adequate time to work on supply chain due diligence shall be secured. Depending on the size of the business enterprise, additional responsible persons shall be appointed at the various management levels and across teams and business units.</li> </ul>
(21_x), 26_x		<ul style="list-style-type: none"> <li>A responsible person shall be nominated, who:                             <ul style="list-style-type: none"> <li>Has a comprehensive understanding of the international treaties on:                                     <ul style="list-style-type: none"> <li>Human rights</li> <li>Environment and climate</li> </ul> </li> </ul> </li> </ul>
28_x		<ul style="list-style-type: none"> <li>Coordinates all responsible business activities, especially if delegation of tasks is established</li> </ul>
28_x, 32_x		<ul style="list-style-type: none"> <li>Manages the operational implementation of responsible business processes and ensures that responsible business is implemented in all areas of the business enterprises activities. This includes the development and implementation of appropriate procurement strategies and purchasing practices. This authority should be given to employees who increase or decrease a certain risk through their decisions. Communication, information sharing and documentation regarding certain risks and decisions play an integral part and shall be made possible.</li> </ul>
17_x		<ul style="list-style-type: none"> <li>Ensures that employees receive appropriate training and incentives to comply with the business enterprise Responsible Business Policy.</li> </ul>
32_x, 25_b_x, 25_f_x		<ul style="list-style-type: none"> <li>Is in contact with suppliers and other business partners to ensure the business enterprise's responsible business expectations and policies are met. The Responsible Business Policy shall be communicated to the suppliers and other relevant business partners and included in written agreements. Training shall be provided to ensure that the Responsible Business Policy is understood and installed.</li> </ul>
22_x		<ul style="list-style-type: none"> <li>Has a regular reporting obligation (biannually) to the executive board and meets regularly with the heads of any departments with supply chain responsibility (e.g. purchasing depts, product management, quality management, etc.)</li> </ul>



Question	Chapter	Exclusion Criteria
28_x, 28_a_x		<ul style="list-style-type: none"> <li>Ensures that the risk analysis is properly carried out (chapter 4.2)</li> </ul>
92, 93_x, 95x, 96		<ul style="list-style-type: none"> <li>Makes recommendations for appropriate actions (chapter 4.3) by creating a report on which sourcing decisions are based. The report shall include defined goals, timetables, milestones and the risk assessment results. Management settles any conflicts, considering all relevant information. If management decides against the recommendation of the responsible person, the reason for the decision shall be documented.</li> </ul>
33_x, 34_x, 35_x		<ul style="list-style-type: none"> <li>Coordinates the establishment of a supplier code of conduct and inclusion of responsible business in contractual agreements (chapter 4.3)</li> </ul>
27, 102		<ul style="list-style-type: none"> <li>Oversees the continuous monitoring process (chapter 4.4)</li> </ul>
27, 108		<ul style="list-style-type: none"> <li>Ensures transparent communication of the responsible business-related actions to all stakeholders (chapter 4.5)</li> </ul>
(27), 29x		<ul style="list-style-type: none"> <li>Establishes and/or oversees the complaint process (chapter 4.6)</li> </ul>
100_a_x		<ul style="list-style-type: none"> <li>The business enterprise shall develop an information system to support due diligence that collects information and supports decision making.</li> </ul>
99_x, 2_C-G_7, 81_x		<ul style="list-style-type: none"> <li>The business enterprise shall provide appropriate training and incentives to implement the Responsible Business Policy of the business enterprise.</li> </ul>
51,	4.2 Risk Assessment	<ul style="list-style-type: none"> <li>Based on a formalised process, the business enterprise shall identify and prioritise potential risks, adverse impacts and actual impacts of its own operations and its supply chain. This is the cornerstone of all due diligence activities.</li> </ul>
56_x		<ul style="list-style-type: none"> <li>As an initial step, the business enterprise shall conduct an exercise to identify the most significant risks of harm in the business enterprise's own operations and its supply chain. This scoping exercise should enable the enterprise to prioritise the most significant risks and areas for further assessment.</li> </ul>
59_x, 61_x		<ul style="list-style-type: none"> <li>Identified risks shall be evaluated according to severity, likelihood and ability for remediation. They shall be prioritized accordingly.</li> </ul>
52_x		<ul style="list-style-type: none"> <li>The risk analysis shall be conducted at least once a year.</li> </ul>
77_a_x		<ul style="list-style-type: none"> <li>The risk analysis results shall be communicated in a timely manner to the relevant decision-making employees and management.</li> </ul>

**Annex 2:  
Exclusion Criteria**



**RESPONSIBLE  
BUSINESS**

Question	Chapter	Exclusion Criteria
40_x		<ul style="list-style-type: none"> <li>The risk analysis shall ensure that business activities comply with internationally recognized human rights.</li> </ul>
43_a_x		<ul style="list-style-type: none"> <li>Any purchasing, outsourcing or subcontracting of goods, materials or services shall be controlled to ensure that all purchased goods/services meet the business enterprise policy regarding human rights and environmental risks.</li> </ul>
44_x, 45_x		<ul style="list-style-type: none"> <li>The business enterprise shall prevent adverse impacts by not causing or contributing to them.</li> </ul>
44_x,		<ul style="list-style-type: none"> <li>Risk shall be prioritised, considering:</li> <li>Where it is not practical to address all identified risks immediately and simultaneously, a business enterprise shall prioritise the sequence of actions depending on the likelihood and severity of the negative effect.</li> </ul>
60_x		<ul style="list-style-type: none"> <li>The business enterprise shall provide an explanation of why some risks are prioritised over others.</li> </ul>
50_x, 70_x		<ul style="list-style-type: none"> <li>The scope of the risk assessment shall include the business enterprise itself and the supply chain (chapter 2). The scope of risks shall include human rights impacts, as well as principles for sustainable growth.</li> <li>General and garment/footwear-sector-specific risks shall be considered:</li> </ul>
58_x	4.2.2.3 Documentation	<ul style="list-style-type: none"> <li>Human rights violations, environmental violations and other textile and leather industry risks shall be identified along the supply chain. This is done through a systematic assessment of countries and suppliers or producers (hereinafter: suppliers).</li> </ul>
67_x	Documentation of countries in which sourcing is done or considered	<ul style="list-style-type: none"> <li>The business enterprise shall provide appropriate training and incentives to implement the Responsible Business Policy of the business enterprise.</li> </ul>
74_x	Documentation of countries in which sourcing is done or considered	<ul style="list-style-type: none"> <li>For example, if labour laws diverge from the core ILO conventions and if sourcing partners from these countries and regions are to be considered, specific focus shall be put on suppliers from these countries or regions.</li> </ul>
75_x	Documentation of countries in which sourcing is done or considered	<ul style="list-style-type: none"> <li>This shall be done through contracts with clauses that address certain issues. Audits carried out by the business enterprise can further strengthen due diligence.</li> </ul>
46, 47_x, 48_x, 49_x	Documentation of suppliers	<ul style="list-style-type: none"> <li>All direct suppliers shall be listed. All indirect suppliers, through raw material production, shall be listed based on available information and the risk analysis. The business enterprise can use external mapping tools or create its own. The key is transparent documentation.</li> <li>The documentation shall include current suppliers as well as suppliers considered in the future.</li> <li>The business enterprise shall structure direct supplier relationships in a proper manner. It shall be forbidden to circumvent due diligence obligations regarding direct suppliers. For a comprehensive overview of the supply chain levels and the requirements on implemented due diligence obligations, see chapter 5.1.</li> </ul>





Question	Chapter	Exclusion Criteria
77_x	Documentation of products	<ul style="list-style-type: none"> <li>• Products and their raw materials shall be assessed according to their human rights and environmental risks. For example, overtime, high water consumption and energy requirements for a wide variety of production processes are typical risks in the textile and leather supply chain, to name a few.</li> </ul>
77_x	Documentation of products	<ul style="list-style-type: none"> <li>• Systematic documentation shall be conducted, including all findings regarding products and their raw materials.</li> </ul>
38_x	Documentation of buying practices	<ul style="list-style-type: none"> <li>• The business enterprise shall document its responsible purchasing practices.</li> </ul>
39_x	Documentation of buying practices	<ul style="list-style-type: none"> <li>• This documentation shall consider that the business enterprise's sourcing model has a significant impact on the risk of harm in the enterprise's supply chain. The existence of many suppliers may increase potential risks. Indirect sourcing may decrease effective influence and control possibilities. Frequently changing suppliers may hinder the business enterprise's ability to identify, prevent or mitigate harm in its supply chain.</li> </ul>
64_x, 65	4.2.2.4 Stakeholder Involvement	<ul style="list-style-type: none"> <li>• The risk assessment shall be done under consultation with:                             <ul style="list-style-type: none"> <li>• Multi-stakeholder initiatives (e.g. Partnership for Sustainable Textiles, OECD Forums, etc.)</li> <li>• Enterprise's advisory board</li> <li>• Potentially affected and most vulnerable stakeholders</li> </ul> </li> </ul>
50_x	4.2.2.5 Analysis	<ul style="list-style-type: none"> <li>• A comprehensive risk analysis shall be conducted based on the documented risks in the business enterprise's own operations and in its supply chain.</li> </ul>
62_x		<ul style="list-style-type: none"> <li>• Third-party documentation from international organisations, multistakeholder initiatives and NGOs shall also be taken into account (e.g. annual reports on the OECD Guidelines for Multinational Enterprises, UNICEF, IUTC Global Rights Index, etc.).</li> </ul>
61_x		<ul style="list-style-type: none"> <li>• Identified risks shall be categorised according to their severity, likelihood and ability for remediation. Based on these criteria, the risks shall be prioritised.</li> </ul>
92_x		<ul style="list-style-type: none"> <li>• After the risks are prioritized, SMART (specific, measurable, achievable, realistic and achievable within a set timescale) objectives shall be defined.</li> </ul>
96, 97_x		<ul style="list-style-type: none"> <li>• The integration of appropriate actions (chapter 4.3) shall be based on the SMART objectives.</li> </ul>
54	4.2.2.6 Frequency and "evolving" nature	<ul style="list-style-type: none"> <li>• The business enterprise shall implement the general risk assessment as an ongoing and continuous process that reflects the evolving nature of industry. Changing circumstances (e.g., new suppliers, emerging risks in a particular country, etc.) shall be immediately assessed in the responsible business process. The existing effects of the business activities are evaluated through an annual compliance audit as well as an as-needed basis.</li> </ul>
82_x	4.3 Integration of Appropriate Actions	<ul style="list-style-type: none"> <li>• Following risk analysis, information from the grievance process (chapter 4.6) shall be transferred to, and handled by, the applicable business areas and the connected processes. This includes actions to prevent, mitigate and cease adverse impacts.</li> </ul>



Question	Chapter	Exclusion Criteria
84_x, 92_x		<ul style="list-style-type: none"> <li>SMART objectives shall be implemented to continuously reduce any negative impact of the business – within the business enterprise and the complete supply chain.</li> </ul>
78, 80_x	4.3.1 Action Principles	<ul style="list-style-type: none"> <li>The business enterprise shall take immediate action to end any past, current or imminent risk detected within its own operations or by direct suppliers.</li> </ul>
80_a_x		<ul style="list-style-type: none"> <li>If the risk violation by a direct supplier cannot be fixed in foreseeable future, the business enterprise must implement a plan for ending or minimising the violation without delay.</li> <li>The concept shall be developed in cooperation with the non-compliant supplier. The following criteria shall be considered: The plan shall include a clear timeframe.</li> <li>Influence and pressure on the supplier should be leveraged by joining forces with other enterprises and/or using industry initiatives and standards.</li> <li>A termination of the business relationship with the violating supplier shall only be considered if: <ul style="list-style-type: none"> <li>The violation is defined as very serious</li> <li>The measures do not remedy the situation according to the defined timetable</li> <li>The business enterprise has already fully leveraged all options to end the adverse impact</li> <li>The influence pressure has no prospect of success</li> </ul> </li> </ul>
94_x, 98_x 59_x 60_x		<ul style="list-style-type: none"> <li>Indirect suppliers: <ul style="list-style-type: none"> <li>Indirect suppliers shall adopt due diligence obligations in the same manner as the business enterprise and direct suppliers.</li> </ul> </li> <li>Whether detected through the risk analysis, the grievance mechanism or substantiated knowledge, risks with indirect suppliers shall be handled according to the prioritisation</li> </ul>
82_x, 92_x		<ul style="list-style-type: none"> <li>In general: Independent of any risks detected in the business enterprise or with direct and indirect suppliers, SMART objectives and actions shall be defined to avoid or mitigate risks.</li> </ul>
96_a_x, 102_x		The effectiveness of SMART objectives / remedial actions shall be reviewed on an annual basis. If the business enterprise expects a significantly expanded risk situation in its own operations or with direct suppliers, ad-hoc reviews shall be added.
35_x	4.3.2 Implementation	Implementation of chosen measures shall be established and verified (chapter 4.4), wherever applicable: The business enterprise's influence on the supply chain shall be solidified through tier 1 contractual agreements between the business enterprise and the direct supplier, ensuring the supplier complies with the human rights and environmental requirements . (business policy, supplier code of conduct)
33_x		The business enterprise shall establish a supplier code of conduct.
99_x		The business enterprise shall: Conduct training sessions with relevant staff
81_x		Incentivise producers to comply with the requirements
104_x 84_x		Align purchasing practices, considering risk assessment findings and identified impacts

Question	Chapter	Exclusion Criteria
83_x, 84_x		Regularly collect internal procurement data and analysis to align purchasing practices
80_a_x		As last resort, break off business relations
102_a_x	4.4 Continuous Monitoring	The business enterprise shall monitor the implementation of measures to cease, prevent and mitigate the negative impacts of the company's business activities throughout the supply chain.
102_x, 102_a_x, 103		An impact measurement shall evaluate the effectiveness of the measures and the support for remediation of negative impacts.
102_a_x	4.4.1 Principles	The following indicators shall be considered when evaluating the effectiveness of the measures: Qualitative and quantitative examination of the measures (e.g., through surveys, audits, etc.)
102_a_x		Assessment of business relationships regarding the supplier code of conduct and pass-on clauses
102_a_x		Engagement or consultation of potentially affected stakeholders (e.g., trade unions)
102_a_x		Engagement in multi-stakeholder initiatives
102_a_x		Integration of the obtained results into the due diligence process structure.
103	4.4.2 Implementation	Depending on the measures to be implemented, their effects shall be reviewed: <ul style="list-style-type: none"> <li>• In purchasing practices</li> <li>• In the supply chain (downstream and upstream, as defined in chapter 2)</li> </ul>
97_x		The implementation of measures shall be conducted through direct business partners.
98_x		Any measures for indirect suppliers shall be implemented in coordination with direct suppliers. Regarding the review of indirect suppliers, the focus should be on strategically relevant intermediaries and suppliers.
106_a_x		For both areas of action, uniform documentation shall be provided: <ul style="list-style-type: none"> <li>• Assessment of the SMART objectives</li> <li>• Data collection of the improved measures</li> </ul>
107_x, 110	4.5 Transparent Communication	To ensure transparent communication, the business enterprise shall publicly communicate their due diligence process (including risk analysis, complaints and measures taken to address potential and actual negative impacts) to stakeholders. The documentation shall be ongoing and continuous, at least annually.
108_x	4.5.1 Principles	Reporting on the implemented due diligence measures shall include: Overview of the risks analysed through the risk assessment that are most significant to the business enterprise, how the prioritisation process was done and how those risks are handled by the business enterprise (detailed list of risks see 4.2.2)
109_x		Overview of any human rights or environmental violations and what the enterprise has done to fulfil its due diligence obligations.

Question	Chapter	Exclusion Criteria
108_x 109_x		Overview of incidents or risks received through the grievance mechanism and how each has been handled.
110_a_x		Documentation of how SMART objective was assessed for impact and effectiveness.
110_b_x		Implications for future measures.
110_c_x		Overview of the business enterprise's Responsible Business Management system and explanation of how its due diligence process is incorporated into decision-making.
110_d_x		Explanation of how the business enterprise plans to prevent or mitigate harm in its own operations and the supply chain (downstream and upstream, see chapter 2)
109_x		Explanation of the business enterprise's grievance mechanism and remediation process.
114_x		Information on the enterprise's stakeholder engagement.
110_x		Any communication shall be anonymised and shall not contain details concerning stakeholders, employees or confidential business areas. Affected stakeholders must not be exposed). It can contain specific examples and cases handled by the business enterprise.
118_x	4.6 Access to Remedy	The business enterprise must provide for, or cooperate in, remedial action for any adverse impact it has caused or contributed to. For this purpose, the company shall establish a grievance mechanism.
120_x	4.6.1 Principles	The business enterprise shall establish its own (internally developed) grievance mechanism or cooperate with an external grievance mechanism that covers the effectiveness criteria for non-state based, non-judicial grievance mechanisms of the UNGPs (e.g., mechanisms of industry associations).
n/a	4.6.2 Implementation	To meet the core criteria of the OECD guidelines (see OECD Due Diligence Guidance Textile and Footwear, Table 8: Core criteria of operational-level grievance mechanism and example components), the grievance mechanism shall:
121_x until 130_x		Legitimate: The processes shall be fair, transparent, accessible and anonymous. The grievance mechanism is developed and updated under consultation of all relevant stakeholders.
131_x until 137_x		Accessible: The grievance mechanism shall be accessible to all those affected who fall into the enterprises sphere of influence. adequate assistance is provided for those who may face particular barriers to access (e.g. illiteracy, language barriers, etc.)
138_x until 140_x		Predictable: The business enterprise shall define the internal process of the grievance mechanism and shall make it transparent (e.g. organisational requirements, contact person, processing, timetable)
141_x until 144_x		Equitable: The business enterprise shall be mindful of any power imbalances and ensures equal access to the grievance mechanism.
145_x until 147_x		Transparent: Procedures shall be communicated. The existence of the mechanism is well publicised and a formalised procedure for dealing with complaints is made publicly available to employees and all potentially affected stakeholders (e.g., suppliers, sub-supplier) by the business enterprise.



Question	Chapter	Exclusion Criteria
148_x		Rights-compatible: ensures that outcomes and remedies accord with Internationally recognized human rights
149_x		A source of continuous learning: Key indicators shall be defined to allow gained knowledge to continuously improve the grievance mechanism
150_x		Dialogue-based: A solution should be developed in mutual agreement and not top-down.
118_x, 119_x		The grievance mechanism shall enable adversely affected persons along the supply chain to report to the business enterprise about human rights or environmental risks.
143_a_x		If a risk or violation is reported, the business enterprise shall: Provide a procedure of amicable settlement
126_x		Make information about the grievance publicly available and describe the grievance process in clear detail.
139_x, 140_x		Publicize the responsibilities of the entrusted persons at every stage of the complaint.
140_x		Confirm receipt of the reported information to the complainant.
139_a_x		Discuss the facts with the complainant
121_x, 123_x		Guarantee anonymity of the complainant at every stage and ensure the complainant does not fear retaliation or other negative consequences.
143_x		Appoint a person from outside the business enterprise to conduct the proceedings. The person shall be impartial, independent and not bound to instructions. They shall be obliged to maintain confidentiality about the complaint.
149_x 149_a_x		Review the effectiveness of the grievance mechanism at least annually and whenever a change in risk assessment is expected (e.g. when a new product is introduced)
45_x, 52_x, 54_x		Whenever informed of a risk or violation concerning an indirect supplier, the business enterprise shall: Immediately conduct a risk assessment for that indirect supplier (chapter 4.2).
45_x,		Implement preventive measures
80_a_x		Create a plan to cease business relationships if the risk cannot be mitigated or the violation remediated.
13_a_x		Update the Responsible Business Policy to include this risk

## Annex 3: Declaration of Conformity

See declaration of Conformity in STANDARD 100 or LEATHER STANDARD (oeko-tex.com).

## Annex 4: Terms of Use and Code of Conduct

The OEKO-TEX® Terms of Use (ToU) apply for all OEKO-TEX® products. The ToU can be found at [www.oeko-tex.com/ToU](http://www.oeko-tex.com/ToU) and the OEKO-TEX® Code of Conduct (CoC) at [www.oeko-tex.CoC](http://www.oeko-tex.CoC).

## Annex 5: Regulations and Conventions

The conventions taken into account in the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains:

1. Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II pp. 640, 641) (ILO Convention No. 29)
2. Protocol of 11 June 2014 to Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 2019 II pp. 437, 438)
3. Convention No. 87 of the International Labour Organization of 9 July 1948 concerning Freedom of Association and Protection of the Right to Organise (Federal Law Gazette 1956 II pp. 2072, 2071), as amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 87)
4. Convention No. 98 of the International Labour Organization of 1 July 1949 concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (Federal Law Gazette 1955 II pp.1122, 1123), as amended by the Convention of 26 June 1961 (Federal Law Gazette 1963 II pp. 1135, 1136) (ILO Convention No. 98)
5. Convention No. 100 of the International Labour Organization of 29 June 1951 concerning Equal Remuneration for Men and Women Workers for Work of Equal Value (Federal Law Gazette 1956 II pp.23, 24) (ILO Convention No. 1000)
6. Convention No. 105 of the International Labour Organization of 25 June 1957 concerning the Abolition of Forced Labour (Federal Law Gazette 1959 II pp. 441, 442) (ILO Convention No. 105)
7. Convention No. 111 of the International Labour Organization of 25 June 1958 concerning Discrimination in Respect of Employment and Occupation (Federal Law Gazette 1961 II pp. 97, 98) (ILO Convention No. 111)
8. Convention No. 138 of the International Labour Organization of 26 June 1973 concerning the Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202) (ILO Convention No. 138)
9. Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) (ILO Convention no. 182)
10. International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534)
11. International Covenant of 19 December 1966 on Economic, Social and Cultural Rights (Federal Law Gazette 1973 II pp. 1569, 1570)
12. Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention)
13. Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by the decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061)
14. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306/307).

The following section maps Section 2 of the German Act on Corporate Due Diligence for the Prevention of Human Rights Violations in Supply Chains of July 16, 2021

„...Section 2 Definitions

- (1) Protected legal positions within the meaning of this Act are those arising from the conventions on the protection of human rights listed in nos. 1 to 11 of the Annex. (2) A human rights risk within the meaning of this Act is a condition in which, on the basis of factual circumstances, there is a sufficient probability that a violation of one of the following prohibitions is imminent:
1. the prohibition of the employment of a child under the age at which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is not less than 15 years, except where the law of the place of employment so provides in accordance with Article 2 (4) and Articles 4 to 8 of Convention No. 138 of the International Labour Organization of 26 June 1973 concerning Minimum Age for Admission to Employment (Federal Law Gazette 1976 II pp. 201, 202);
  2. the prohibition of the worst forms of child labour for children under 18 years of age; in accordance with Article 3 of Convention No. 182 of the International Labour Organization of 17 June 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Federal Law Gazette 2001 II pp. 1290, 1291) this includes:
    - a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including the forced or compulsory recruitment of children for use in armed conflicts,
    - b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances,
    - c) the use, procuring or offering of a child for illicit activities, in particular for the production of or trafficking in drugs,
    - d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children;
  3. the prohibition of the employment of persons in forced labour; this includes any work or service that is required of a person under threat of punishment and for which he or she has not made himself or herself available voluntarily, for example as a result of debt bondage or trafficking in human beings; excluded from forced labour are any work or services that comply with Article 2 (2) of Convention No. 29 of the International Labour Organization of 28 June 1930 concerning Forced or Compulsory Labour (Federal Law Gazette 1956 II p. 640, 641) or with Article 8 (3) (b) and (c) of the International Covenant of 19 December 1966 on Civil and Political Rights (Federal Law Gazette 1973 II pp. 1533, 1534);
  4. the prohibition of all forms of slavery, practices akin to slavery, serfdom or other forms of domination or oppression in the workplace, such as extreme economic or sexual exploitation and humiliation;
  5. the prohibition of disregarding the occupational safety and health obligations applicable under the law of the place of employment if this gives rise to the risk of accidents at work or work-related health hazards, in particular due to:
    - a) obviously insufficient safety standards in the provision and maintenance of the workplace, workstation and work equipment;
    - b) the absence of appropriate protective measures to avoid exposure to chemical, physical or biological substances;
    - c) the lack of measures to prevent excessive physical and mental fatigue, in particular through inappropriate work organisation in terms of working hours and rest breaks; or
    - d) the inadequate training and instruction of employees;
  6. the prohibition of disregarding the freedom of association, according to which
    - a) employees are free to form or join trade unions,
    - b) the formation, joining and membership of a trade union must not be used as a reason for unjustified discrimination or retaliation,
    - c) trade unions are free to operate in accordance with applicable law of the place of employment, which includes the right to strike and the right to collective bargaining;



7. the prohibition of unequal treatment in employment, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief, unless this is justified by the requirements of the employment; unequal treatment includes, in particular, the payment of unequal remuneration for work of equal value;
  8. the prohibition of withholding an adequate living wage; the adequate living wage amounts to at least the minimum wage as laid down by the applicable law and, apart from that, is determined in accordance with the regulations of the place of employment;
  9. the prohibition of causing any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that
    - a) significantly impairs the natural bases for the preservation and production of food,
    - b) denies a person access to safe and clean drinking water,
    - c) makes it difficult for a person to access sanitary facilities or destroys them or
    - d) harms the health of a person;
  10. the prohibition of unlawful eviction and the prohibition of unlawful taking of land, forests and waters in the acquisition, development or other use of land, forests and waters, the use of which secures the livelihood of a person;
  11. the prohibition of the hiring or use of private or public security forces for the protection of the enterprise's project if, due to a lack of instruction or control on the part of the enterprise, the use of security forces
    - a) is in violation of the prohibition of torture and cruel, inhumane or degrading treatment,
    - b) damages life or limb or
    - c) impairs the right to organise and the freedom of association;
  12. the prohibition of an act or omission in breach of a duty to act that goes beyond nos. 1 to 11, which is directly capable of impairing a protected legal position in a particularly serious manner, and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question.
- (3) An environment-related risk within the meaning of this Act is a condition in which, on the basis of factual circumstances, there is a sufficient probability that one of the following prohibitions will be violated:
1. the prohibition of the manufacture of mercury-added products pursuant to Article 4 (1) and Annex A Part I of the Minamata Convention on Mercury of 10 October 2013 (Federal Law Gazette 2017 II pp. 610, 611) (Minamata Convention);
  2. the prohibition of the use of mercury and mercury compounds in manufacturing processes within the meaning of Article 5 (2) and Annex B Part I of the Minamata Convention from the phase-out date specified in the Convention for the respective products and processes;
  3. the prohibition of the treatment of mercury waste contrary to the provisions of Article 11 (3) of the Minamata Convention;
  4. the prohibition of the production and use of chemicals pursuant to Article 3 (1) (a) and Annex A of the Stockholm Convention of 23 May 2001 on Persistent Organic Pollutants (Federal Law Gazette 2002 II pp. 803, 804) (POPs Convention), last amended by decision of 6 May 2005 (Federal Law Gazette 2009 II pp. 1060, 1061), in the version of Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169 of 26 May 2019 pp. 45- 77), as last amended by Commission Delegated Regulation (EU) 2021/277 of 16 December 2020 (OJ L 62 of 23 February pp. 1-3);
  5. the prohibition of the handling, collection, storage and disposal of waste in a manner that is not environmentally sound in accordance with the regulations in force in the applicable jurisdiction under the provisions of Article 6 (1) (d) (i) and (ii) of the POPs Convention.





6. the prohibition of exports of hazardous waste within the meaning of Article 1 (1) and other wastes within the meaning of Article 1 (2) of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Federal Law Gazette 1994 II pp. 2703, 2704) (Basel Convention), as last amended by the Third Ordinance amending Annexes to the Basel Convention of 22 March 1989 of 6 May 2014 (Federal Law Gazette II pp. 306, 307), and within the meaning of Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste (OJ L 190 of 12 July 2006 pp. 1-98) (Regulation (EC) No 1013/2006), as last amended by Commission Delegated Regulation (EU) 2020/2174 of 19 October 2020 (OJ L 433 of 22 December 2020 pp. 11-19)
  - a) to a party that has prohibited the import of such hazardous and other wastes (Article 4 (1) (b) of the Basel Convention),
  - b) to a state of import as defined in Article 2 no. 11 of the Basel Convention that does not consent in writing to the specific import, in the case where that state of import has not prohibited the import of such hazardous wastes (Article 4 (1) (c) of the Basel Convention),
  - c) to a non-party to the Basel Convention (Article 4 (5) of the Basel Convention),
  - d) to a state of import if such hazardous wastes or other wastes are not managed in an environmentally sound manner in that state or elsewhere (Article 4 (8) sentence 1 of the Basel Convention);
7. the prohibition of the export of hazardous wastes from countries listed in Annex VII to the Basel Convention to countries not listed in Annex VII (Article 4A of the Basel Convention, Article 36 of Regulation (EC) No 1013/2006) and
8. the prohibition of the import of hazardous wastes and other wastes from a non-party to the Basel Convention (Article 4 (5) of the Basel Convention).
- (4) A violation of a human rights-related obligation within the meaning of this Act is a violation of a prohibition stated in paragraph (2), nos. 1 to 12. A violation of an environment-related obligation within the meaning of this Act is a violation of a prohibition referred to in paragraph (3), nos. 1 to 8.
- (5) The supply chain within the meaning of this Act refers to all products and services of an enterprise. It includes all steps in Germany and abroad that are necessary to produce the products and provide the services, starting from the extraction of the raw materials to the delivery to the end customer and includes
  1. the actions of an enterprise in its own business area,
  2. the actions of direct suppliers and
  3. the actions of indirect suppliers.
- (6) The own business area within the meaning of this Act covers every activity of the enterprise to achieve the business objective. This includes any activity for the creation and exploitation of products and services, regardless of whether it is carried out at a location in Germany or abroad. In affiliated enterprises, the parent company's own business area includes a group company if the parent company exercises a decisive influence on the group company.
- (7) A direct supplier within the meaning of this Act is a partner to a contract for the supply of goods or the provision of services whose supplies are necessary for the production of the enterprise's product or for the provision and use of the relevant service.
- (8) An indirect supplier within the meaning of this Act is any enterprise which is not a direct supplier and whose supplies are necessary for the production of the enterprise's product or for the provision and use of the relevant service. "German Act on Corporate Due Diligence for the Prevention of Human Rights Violations in Supply Chains. (2021, 16. Juli), bmas.de, accessed September 2, 2022, [https://www.bmas.de/SharedDocs/Downloads/DE/Internationales/act-corporate-due-diligence-obligations-supply-chains.pdf?\\_\\_blob=publicationFile&v=3](https://www.bmas.de/SharedDocs/Downloads/DE/Internationales/act-corporate-due-diligence-obligations-supply-chains.pdf?__blob=publicationFile&v=3)