



GLOBAL ORGANIC TEXTILE STANDARD

ECOLOGY & SOCIAL RESPONSIBILITY



Ajna-Design



Band of Rascals



Promotexx



Gardeur



Grüne Erde



Turati Idrofilo



Skunkfunk



Loud + Proud



Ulla Popken



Sportsmen



Skunkfunk



von Erika



Band of Rascals



Grüne Erde

Annual Report 2014

OUR VISION
IS THAT ORGANIC TEXTILES
WILL BECOME A SIGNIFICANT PART OF EVERYDAY LIFE,
ENHANCING PEOPLE'S LIVES AND THE ENVIRONMENT.
OUR MISSION
IS THE DEVELOPMENT,
IMPLEMENTATION, VERIFICATION, PROTECTION
AND PROMOTION OF THE
GLOBAL ORGANIC TEXTILE STANDARD

from: GOTS Vision and Mission



EXECUTIVE SUMMARY 2014

- ➔ GOTS Version 4.0 was released on 1st of March 2014.
- ➔ In 2014 the number of GOTS certified facilities worldwide increased by a staggering 18 % to a total of 3.663. The top locations were India, Turkey, Germany, Turkey, China, Pakistan and Hong Kong.
- ➔ 17 Certification Bodies were entitled to provide independent third party GOTS certification.
- ➔ GOTS successfully continued certifier training seminars with a focus on relevant changes in GOTS Version 4.0 and their implementation. A short video was released outlining the new criteria and specifications or clarifications of differences between GOTS Version 3.0 and 4.0.
- ➔ Seven regional GOTS Representatives worldwide actively promoted GOTS in their respective regions.
- ➔ GOTS launched the new "Simple Show" clip, an entertaining four minute video made by Simple Show explaining with simple and engaging story line graphics.
- ➔ GOTS continued successful partnerships with leading trade fairs: Messe Frankfurt in China, Germany and France, Messe München, Biofach India and Japan.
- ➔ Three „Why GOTS“ fact sheets were created outlining how companies benefit from GOTS certification, how official bodies, organizations and institutions support GOTS, and how consumers benefit from GOTS.
- ➔ Following up on the successful joint Soil Association/GOTS „Cottoned On“ campaign GOTS released a new consumer flyer "Compare - From Field to Fashion" based on the Cottoned On infographic, highlighting the benefits of GOTS processing and labelling.
- ➔ GOTS joined the International Federation of Organic Agriculture Movements (IFOAM). IFOAM formally recognizes and endorses GOTS, and appeals to governments to refrain from establishing own national organic textile processing standards.
- ➔ GOTS joined the German "Partnership for Sustainable Textiles" initiated by the German Federal Minister for Economic Cooperation and Development. GOTS is one of the standards included in the Plan of Action.



DEVELOPMENT

GOTS Version 4.0 and the corresponding Manual were released 1st of March 2014.

Beside the member organizations of the GOTS International Working Group and the approved Certifiers, 20 international stakeholder organizations (with expertise in the field of organic production, textile processing, textile chemistry and social criteria, and representing the industry, NGOs and consumer interests) were invited to contribute to the revision process and more than 200 individual contributions were received. This transparent revision process and the integrative stakeholder input procedure were again acknowledged by numerous market participants.

Most changes in the revised documents received positive feedback,

including the use of environmentally improved man-made fibres in the permitted non-organic share of the fibre composition. The introduction of special criteria for personal care products and further specification and strengthening of the social criteria and audit protocol were equally welcomed by relevant stakeholders. Various challenges in the practical application of GOTS, reported by certifiers and certified entities, were addressed in a number of standard provisions and the Manual, which was appreciated by certified entities and certifiers. IFOAM welcomed that GOTS 4.0 explicitly recognises all farming standards contained in the IFOAM Family of Standards for the certified organic raw fibre material.

Language versions of GOTS 4.0 and the Manual are available on the GOTS website in English, Chinese, French, German, Japanese and Spanish. In order to ease perception of the changes in GOTS Version 4.0 and the Manual especially for certified entities, relevant stakeholders and other interested parties, we introduced, beside the document 'list of significant changes', a 20 minute animated clip developed by Indian based expert consultancy company Nimkartek. In this clip, a virtual GOTS expert explains the significant changes, their meaning and background, chapter by chapter to the management of a textile company in an understandable but still scientifically based manner. List of changes and clip are available on the GOTS website.



IMPLEMENTATION

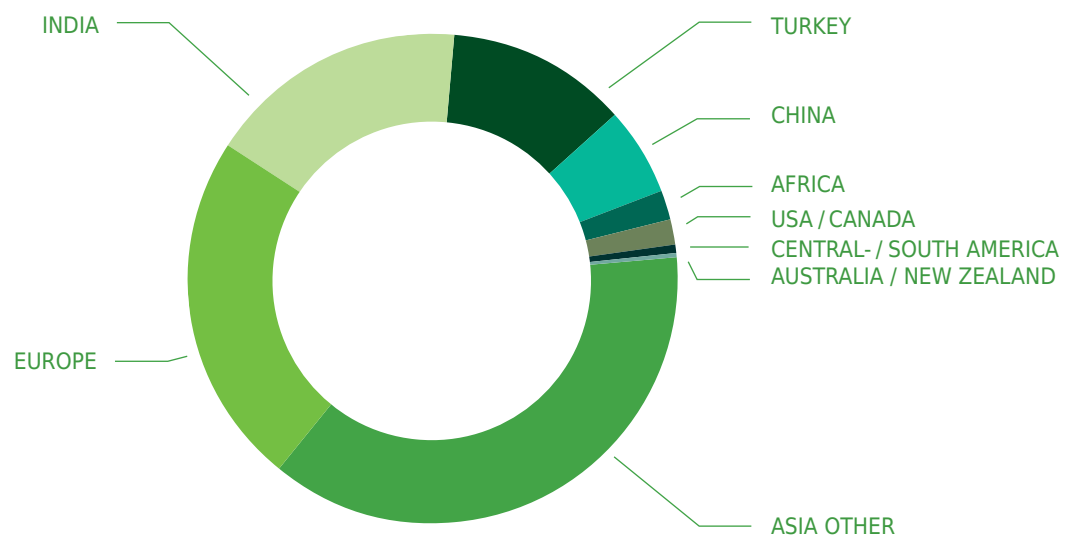
Development of businesses

The number of facilities becoming certified to GOTS grew from 3085 facilities in 2013 to 3663 - an increase of more than 18%.

The Top Fifteen countries in terms of the total number of GOTS-certified facilities are: India, Turkey, Germany, China, Bangladesh, Pakistan, Italy, South Korea, Portugal, Japan, France, USA, UK, Austria and Hongkong.

GOTS certified facilities are now located in 64 countries around the world. Countries with the greatest increase in 2014 were India (+338), Bangladesh (+89), Germany (+32) and Turkey (+21). A main reason for this growth is that many certified entities worldwide received more orders and more diverse orders for GOTS, so they applied for certification relating to ad-

ditional production lines. Accordingly certification was needed for more sub-contracted processing and manufacturing facilities. The growth covers all market segments including the mass market, where big brands have a strong pull effect on the supply chain.





VERIFICATION

Third Party Certification

17 certification bodies are entitled to work as GOTS-approved certifiers. All Certifier Contracts lapsed by the end of 2014 and were renewed, valid until 2017. The new contracts contain more detailed instructions for providing data to the public data base, provisions for reporting of impact data and more flexibility to ban companies from the certification system because of fraudulent activities, misuse of

GOTS identification or other transgressions.

After a series of trainings related to the GOTS social criteria had been provided in 2012 and 2013 by external experts, the trainings in 2014 focused on the changes in the new Version 4.0 and the Manual and their consistent interpretation and implementation. Huge interest was demonstrated by more than 90 certifiers' staff and au-

ditors participating in the webinars. In addition, a 'question & answer' page for certifiers was introduced in order to further ensure consistent interpretation of the standard and its quality assurance system. Auditors and office staffs of all certifiers have access now to all relevant interpretation advice at any time.



PROTECTION

Our Complaint Procedure continued to serve as a well-functioning and valuable tool formalising and structuring complaints.

58 complaint cases were handled in 2014 (following 43 complaint cases in 2013, 57 cases in 2012 and 42 cases in 2011). As in the past years, by far most of the complaints claimed unauthorised use of our logo (trademark violations), false references to GOTS (certification) and fraudulent pretensions that companies or products were GOTS certified.

Most cases of unauthorised trademark use or false references were still based on ignorance of traders and retailers about the GOTS labelling system. Accordingly these removed the GOTS logo and/or incorrect statements from their advertising material after our invention. Some companies could subsequently be convinced to apply for correct certification to rectify the situation.

In two cases we required the assistance of attorneys in order to enforce compliance (Germany, Hong Kong).

In four cases of fraudulent activities (chemical suppliers handed in forged data making believe their or their suppliers' inputs would comply with the relevant GOTS criteria) the management imposed a ban for two years in which the certifiers must not approve any inputs of these companies. Another certification ban was imposed on textile trader for misuse of the GOTS logo and misleading claims and references to GOTS certification.



PROMOTION

Development cooperation and environmental protection

In 2014 we continued to concentrate our promotion efforts on those companies with the greatest pull effect on the supply chain. We emphasized the processing aspect, the added value of GOTS beyond organic fibres, namely the certification of the entire supply chain and communicated that only a product which is labelled with the GOTS Logo is reliable.

We developed three 'Why GOTS'-Factsheets to summarize information and advantages of GOTS at a glance: Why GOTS? How Consumers Benefit from the Global Organic Textile Standard: This one explains what GOTS and organic is and what the GOTS Logo on the product means.

Why GOTS? How Companies Benefit with GOTS certification: This one

emphasizes the benefits of GOTS certification following our Marketing Concept: Risk Reduction, Credibility, Efficiency, Productivity

Why GOTS? How official bodies, organisations and institutions support the Global Organic Textile Standard: This is a supportive document for reputation management and intends to provide motivation for other official bodies to follow this example.

We developed the cottoned on campaign-infographic further by adding the GOTS processing and labelling.

This new infographic „Compare - from field to fashion“ shows the content

from the Why GOTS fact sheet for consumers on the back.

For the first time we used QR-Codes to link directly to the Simple Show Clip.

We continued our successful partnerships with leading trade fairs: Messe Frankfurt in China, Germany and France, Messe Munich, Biofach India and Japan.

The work on the "GOTS Monitor Water/Energy" went on throughout the whole year. More active promotion is planned after we have analysed the feedback from a survey started at the end of 2014.

Our web analysing tool recorded 159.000 visitors (2013: 135.000) with more than 724.000 page-views (2013:

390.000), which means a page-views' increase of more than 85%. 154.095 page-views were counted on the GOTS Database alone.

The Retailers Database for German speaking countries, developed last year, went online and the first retailers are listed.

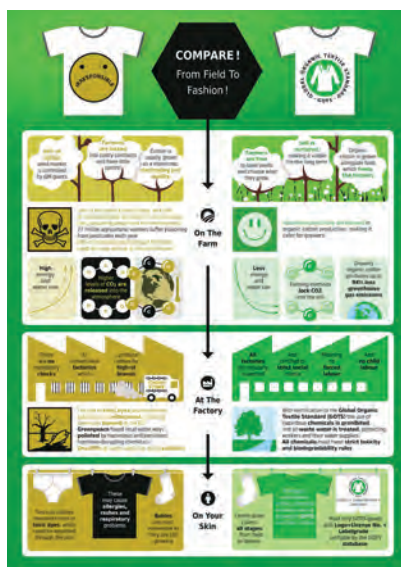
Seven regional Representatives were working on GOTS promotion. We were pleased to introduce Felicia Shi as the new regional representative in Greater China, taking over this position from Shirley Han, who had to resign for personal reasons in November. Sumit Gupta serves now also as representative for Bangladesh in addition to India.

The Representatives: Sumit Gupta (India and Bangladesh), Shirley Han (China, January-November), Claudia Kersten (Germany, Austria, Switzerland), Sandra Marquardt (USA), Satoko Miyoshi (Japan), Felicia Shi (China, November-December) and Christopher Stopes (United Kingdom).

Highlights of the GOTS Representatives' activities are summarized below.

MEDIA

The number of inquiries from consumer and professional media (print, radio and television) remained high in 2014. The annual press release documenting GOTS successes in 2013 again received considerable trade media interest, among others from Apparel, EcoTextile News, Fiber2Fashions Just-style.com, Organic-Market.info, Sustainable Food News, Textile World, and Women's Wear Daily (USA), as well as OTA's fiber list serve and quarterly magazine. "Outlook Business", the Indian consumer magazine with one of the highest circulation, published a three page report showing how big brands jump into the organic apparel market in India. GOTS was featured in this article with comments by GOTS Representative Sumit Gupta. The article "Sustainability management: A cost or a way to increase profits- The Business Case for Sustainability" was published in the "Colourage" magazine with GOTS Marketing Director Claudia Kersten being the main author. GOTS was included in several shopping guides from private or govern-



mental publishers such as „Buying fair“ issued by Nord-Süd-Forum Bremerhaven e.V. or "Tips for green textiles", published by the Federal Ministry for Agriculture, Forestry, Environment and Water Management of Austria, „Wäsche wechseln“ („Change Sheets“), published by Bund für Umwelt und Naturschutz Deutschland e.V. (BUND) Friends of the Earth Germany. The partnership with the Ethical Fashion Forum (UK) provided continued exposure to the textile and fashion oriented media. A total of 37 news items mentioned GOTS in EcoTextiles News, the leading UK print and online news service for the textile sector with a global reach. The stories covered included the GOTS standard revision version 4.0 and the growth in the number of GOTS certified facilities worldwide.

We gave interviews to several magazines and online blogs, such as EVE, a leading consumer magazine for organic lifestyle ("3 Questions regarding GOTS 4.0"), and "Sportswear International", a Denim and Fashion Trends Magazine and many others.

APPROACHING RELEVANT TEXTILE OPERATORS:

In 2014 we attended and contributed to numerous international meetings, conferences and fairs in order to present GOTS and establish and strengthen contacts with the industry and further stakeholders. We held seminars or were panellists at several relevant events and meetings in various countries: UNFSS-SSI-COSA sustainability standards policy discussion, Landmark Cotton Conference in Bremen, CEN WG32 meeting on environmental labelling in Porto, ISEAL Sustainable Standards Comparison Tool Workshop in Amsterdam, Fair Wear Foundation International Stakeholder Meeting in Amsterdam, Global Sustainability Standards Conference, London; Meetings for German Partnership for Sustainable Textiles, Public OTA / Textile Exchange Webinar on the changes in GOTS Version 4.0, Fair Trade Consultation German Ministry BMZ, Participation in Working Groups of the „Partnership for Sustainable Textiles“ initialised by the German Federal

Ministry for Economic Cooperation and Development, Meeting of the EU Commission Expert Group on Textile Names and Labelling, Brussels; Trade for Sustainable Development Forum, Geneva; Global Organic Cotton Community Platform, Istanbul; IFOAM World Congress 2014, Istanbul; Public Procurement dialog meeting of the German Federal State Niedersachsen for work clothes; Intertextile Shanghai Apparel Fabrics and GOTS Forum; Textile Exchange Integrity Meeting, Portland; Textile Exchange Annual Conference.

The GOTS representatives participated with booths in:

China: Interstoff Hongkong,
Europe: Ethical Fashion Show (EFS) in Berlin during Berlin Fashion Week, Munich Fabric Start (MFS), Innatex. We combined the trade fair participation in Berlin and Munich with lectures on „Ecology and social responsibility Opportunities and limits from fiber to consumer using the example of GOTS and IVN standards“; „Can sustainability be certified? Standards from the ecological, social and economic point of view. Background and specific examples for textile companies.“; „GOTS - Global Organic Textile Standard - for greenies only or for the mass market?“ Texworld Paris, EFF Source, Source Summit London, Source Expo India: National Garment Fair, Biofach India

Japan: Biofach Japan

USA: Natural Products Expo East,

And GOTS representatives attended, among others, The World Green Design Forum & World Green Design Exposition, China; Dalian Design Festival, China; CSR working group German Fashion, the Association of the German Apparel Industry and fashionnetwork, Germany; Green Fashion Conference, India; TextChem 2014, India; National Conference, India; 8th Asian Textile Conference (ATEXCON), India; ASSOCHAM's 4th National Conference on Organic Farming, India; SCAP Supporters Roundtable, UK; the International Wool Trade Organisation (IWTO) stakeholder meeting, Brussels.



INITIAL CONSULTANCY FOR GOTS CERTIFICATION

Beyond the consultancy during numerous trade fairs, the GOTS Representatives continued to host webinars - a sustainable (cost effective and environmentally friendly) way for the management of companies and also for GOTS.

We made or intensified contact with several big brands and/or retailers (e.g. C&A, H&M, Esprit, Ulla Popken, Aldi). As a result of consultancy activities last year, Tchibo became the second largest retail chain in Germany with an own GOTS certification, following dm-Drogeriemarkt. We maintained contact with the second biggest German retailer REWE continuing participation on behalf of GOTS in the REWE sustainability label „Pro Planet“ revision process, where GOTS is one of the chosen textile criteria, and the revision of the REWE sustainability report. We led to „Ernsting's family“ (retailer with 1717 stores in Germany and Austria) launch of their first GOTS certified products, the Topomini Pure Collection.

ADDITIONAL ACTIVITIES UNIVERSITY AND SCHOOL EDUCATION

There is ongoing interest in GOTS in many educational fields: University teachers and students, scientists and researchers, teachers and editors of education material for primary and high schools. In Germany, the GOTS Representative gave lectures or workshops at ESMOD, Berlin, an international fashion college, and at Hochschule Niederrhein - University of Applied Sciences Department of Textile and Clothing Technology. Ongoing interest of students led to interviews relating to choice of bachelor and master theses or examination papers with a wide range of issues from lists of pollutants to sustainable competitive strategies. Raabe Verlag in Stuttgart, well known in Germany as a publisher of education material, included GOTS in material for teachers under the topic „Wirtschaften jenseits aller Grenzen - die global Player der Weltwirtschaft“ („Business beyond borders and limits - global players of world economy“).

The GOTS Representative in India gave lectures to students at B.D. Somani Institute of Art & Fashion Technology, Mumbai; Veermata Jijabai Technological Institute (VJTI), Mumbai; Centre for Textile Functions, MPSTME, Shirpur; INIFD, Pune.

In Japan the GOTS Representative joined a project of JOCA starting a series of lectures for the "Organic Cotton Sales Advisor" and gave two lectures to students. This project will continue in 2015. She organized a workshop at Earthnic café about organic labelling including GOTS.

POLITICS

GOTS became Member of the International Federation of Organic Agriculture Movements (IFOAM – Organics International). IFOAM, in a public GOTS endorsement letter, formally recogni-

sed GOTS and requests governments to refrain from establishing own national organic textile processing standards.

In Germany, on the initiative of the Federal Ministry for Economic Cooperation and Development, a 'Partnership for Sustainable Textiles' was founded. In the intense preparation phase high level social and environmental standards and implementation requirements with deadlines for continuous improvement have been prepared for cotton production and for processing and manufacturing of textiles made from any kind of fibres. The GOTS Representative (elected to represent all participating standard organizations as member of the steering committee) was prominently involved in the development of these criteria

where GOTS was listed as a reference standard. GOTS and IVN signed up as founding members of the partnership.

In Europe, we approached the IFOAM EU Group for support of our attempts (previously reported on) to have the EU Commission provide for protection of the term "organic" for textiles by amending the EU Textile Regulation.

We continued to participate in the European Norming Organisation's working Group CEN WG 32 which aims at releasing requirements for environmental selfclaims in the textile sector in 2015.

FINANCIAL INFORMATION

Our organisation maintains a flat structure and aims to minimise administrative costs. The GOTS programme is self-financed. All income is used to reach our objectives. Accordingly the operating unit has legal non-profit status (Global Standard gemeinnützige GmbH).

INCOME

Annual Fee

30 Euro per facility inspected and/or certified 83.281,72 €

License Fee

120 Euro per facility inspected for a certified entity 348.083,18 €

Registration Fee

15 Euro per approved trade name of an auxiliary input 43.560 €

Interests and Currency Conversion 771 €

Total 475.696 €

EXPENSES

● Standard and Quality Assurance System 88.160,72 €

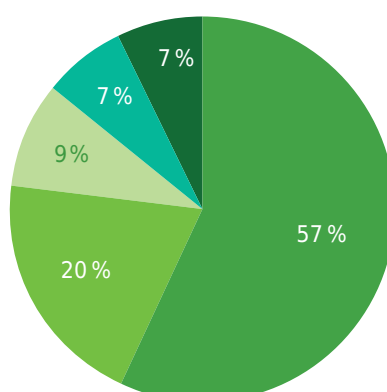
● System Protection 30.655,72 €

● Promotional and Marketing Tools 30.570,65 €

● Promotional Activities, GOTS Representatives 255.573,45 €

● General Administration 41.271,82 €

Total 446.232,36 €





GLOBAL ORGANIC TEXTILE STANDARD

ECOLOGY & SOCIAL RESPONSIBILITY

GOTS is recognised as the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along the entire supply chain of organic textiles and requires compliance with social criteria as well. GOTS was developed by leading international standard setters in order to define globally recognised requirements that ensure the organic status of textiles – from harvesting of the raw materials through environmentally and socially responsible manufacturing all the way to labelling – in order to provide credible assurance to the consumer. Supported by the growth in consumption of organic fibres and by the remarkable demand for standardised processing criteria from the industry and retail sector, GOTS has already gained universal recognition. It enables processors and manufacturers to supply their textiles made from organic fibres with one certification accepted in all major selling markets. The Global Organic Textile Standard International working Group is comprised of four well-respected member organisations: Organic Trade Association (OTA), USA, International Association of Natural Textile Industry (IVN), Germany, Soil Association, UK and the Japan Organic Cotton Association (JOCA), Japan. Together with international stakeholder organisations and experts, they contribute their respective expertise in organic farming and environmentally and socially responsible textile processing to GOTS. The monitoring system is based on on-site inspection and certification performed by independent, specially accredited bodies. This assures the integrity of GOTS-certified textiles. The GOTS licence entitles to participate in the GOTS programme, including use of the GOTS logo on its respective GOTS goods.