# STILL MUCH TO DO

## A report on the ecological and social labelling of footwear and leather

aktiveforbrugere

CHANGE YOUR SHOES

# How labelling can improve social and ecological standards in the global footwear and leather industry

One way for companies to work on improving the social and ecological standards in their supply chain is through joining existing labelling and monitoring organisations who are working on such issues in leather and shoe production.

Labels on ecologically and socially responsibly produced leather and shoes already exist in Europe. To assess the quality of these labels, a ‘label check’ was conducted on the different label standards common in European countries. This should not only help EU citizens in their purchasing decisions, but should also act as a guideline for European brands as to which is the best labelling initiative or monitoring organisation to join.

This report also examines relevant multi-stakeholder initiatives that work more generally towards improving and monitoring working conditions in the global footwear supply chain.

*By Kenneth Rasmussen,*
*et. al. Aktive Forbrugere Danmark, 2017*
*In collaboration with the Change Your Shoes Project.*

*Aktive Forbrugere, Frederikssundsvej 162, DK-2700 Broenshoej, Denmark*
*Web. www.aktiveforbrugere.dk · Email: mail@aktiveforbrugere.org*

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## SUMMARY


The global footwear and leather industry suffers from a long history of extensive violations of workers' rights and disregard for environmental standards, as well as for the health of workers and consumers.
The most frequently occurring problems are: poverty wages, persecution of trade unions, dangerous working conditions, and the use of hazardous and polluting chemicals and metals such as azo dyes and chromium.

A number of existing European labels on ecologically and socially responsibly produced leather and footwear each address these complex problems in their own way. This report assesses and rates 12 labels – used in throughout or in parts of the EU – according to social and ecological criteria, as well as on independence and transparency.


**Lables**

- **A** EU Ecolabel / EU Flower
- **B** The Nordic Swan Ecolabel
- **C** Žirafa – Zdravotně nezávadná obuv – bota pro Vaše dítě / Czech Republic
- **D** Ekologicky šetrný výrobek / Czech Republic
- **E** Česká kvalita – Czech Made / Czech Republic
- **F** Eco 5 / Poland
- **G** Österreichisches Umweltzeichen UZ 65 (Austrian Ecolabel on Shoes – UZ65) / Austria
- **H** Blauer Engel / Germany
- **I** IVN Naturleder / Germany
- **J** ECARF-Qualitätssiegel / Germany
- **K** SG SchadstoffGeprüft / Germany
- **L** The Leather Standard by Oeko-Tex

| | A | B | C | D | E | F | G | H | I | J | K | L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Social criteria (max 18 points)** | 0 | 4 | 0 | 0 | 0 | 0 | 16 | 4 | 8 | 0 | 0 | 0 |
| **Ecological criteria (max 36 points)** | 16 | 20 | 0 | 11 | 3 | 5 | 22 | 15 | 19 | 3 | 3 | 7 |
| **Independence and Transparency (max 14 points)** | 7 | 8 | 2 | 4 | 5 | 1 | 5 | 5 | 3 | 2 | 4 | 6 |
| **Total (max 68 points)** | 23 | 32 | 2 | 15 | 8 | 6 | 43 | 24 | 30 | 5 | 7 | 13 |

## Summary of assessment and recommendations

None of these twelve labels are perfect and none address the manifold problems in the footwear supply chain, especially regarding social sustainability. However, in their own way, these labels guarantee a better and more sustainable product, helping to drive the industry towards improved working conditions, higher environmental standards, and consumer safety.
By comparing the twelve labels with relevant multi-stakeholder initiatives that work more generally on improving and monitoring working conditions in the global footwear supply chain, the following main recommendations can be made:

- Most of the labels are much too weak on social criteria. They must be much more detailed and precise and better include practical guides/tools on how to achieve the goals in their standards, as well as especially a clear definition and criteria for a living wage.
- None of the labelling schemes directly involve workers in developing the criteria and none include follow-up activities on measures to improve working conditions. It is important to find a practical way to directly involve workers and workers' rights organisations, as well as local and international trade unions.
- The labels are generally good on ecological criteria but the majority should rework their criteria regarding chromium, wastewater, air pollution, and packaging.
- There is much room for improvement on transparency. With particular regard to open supply chains, this should be a "no-brainer" for the labels and also in terms of monitoring.
- In general, a broader and more holistic approach is recommended, with criteria that address more, if not all, of the major problems in the industry.

### Conclusion

It is clear that the footwear and leather products produced under the labelling schemes described and assessed in this report have a positive impact on workers, consumers, and the environment.
Taking into consideration the ever-increasing awareness among European consumers, labelling schemes have the potential to be important drivers for better and more socially and ecologically sustainable conditions in the global footwear and leather supply chain.
However, there is still much work to be done. The labelling schemes must develop better criteria, especially with regard to social issues like the living wage and better transparency in the supply chain. Environmental criteria are clearly above the average for conventional products, but also need improvement.
In a market where multi-stakeholder initiatives and conventional brands and products are moving towards more sustainability and transparency, it is vital that labelling schemes move and develop quickly to ensure that they truly become and remain lighthouse projects both for brands and for consumers.

### Methodology

Data on the 12 labels was collected as desktop research and condensed in the form of a questionnaire (Annex 1). The main sources were the labels' (labelling schemes) own websites and criteria documents. Other sources were used as part of the assessment of the labels (labelling schemes).

# THE GLOBAL LEATHER AND FOOTWEAR INDUSTRY

The scale of the footwear industry is immense, with over 23 billion pairs of footwear produced in 2016 alone, equating to three pairs per person on earth. 87% of all shoes made worldwide are produced in Asia. Moreover, consumer demand is increasing in Europe and the USA, as well as in producer countries such as India and China. Among the major footwear manufacturing countries, China is the clear leader, producing 64.6% of the world's footwear. Other producing countries include India, Vietnam, Indonesia, Pakistan, and Bangladesh. Although Asia plays a major role in the global market, European production remains central for European consumption. Almost 90% of shoes and footwear produced in Europe are also consumed in Europe. Italy is responsible for 50% of EU production, followed by Spain (13%), Portugal (12%) and Romania (8.2%). In terms of worldwide consumption, the European market represents 17%, making it the second largest player in this respect. While Asia has 57% of the global market, this still remains below the 60% share that Asia represents in terms of world population.[1]

## Low wages and human rights violations

One of the main characteristics of the footwear industry, as well as the textile, clothing and leather industries, as identified by the International Labour Organisation (ILO), is the common pattern of subcontracting production to suppliers in different countries. According to ILO, this can lead to fierce competition that drives costs down. Additionally, the sector remains among the most labour-intensive industries, with generally very low wages. These are insufficient to meet the basic needs of workers and their families and to provide discretionary income.[2] [3]

The low wages in the industry contradict the ILO definition of a living wage as a basic human right under ILO conventions (Conventions 95 and 131, ILO Recommendations 131 and 135) and in the UN Universal Declaration of Human Rights (Article 23).

Systematic human rights abuses are endemic in the global footwear industry, from long working hours and denial of trade union rights to significant risks to workers' health and the environment through harmful chemicals and dyes.[4] [5] The footwear industry, very much like the clothing industry, operates under a veil of secrecy. Homeworkers are an integral part of modern production patterns. Their employment is precarious and they earn even less than their formally-employed colleagues in factories. Homeworkers are often not directly employed by the factories but receive their supply of work from an intermediary, who in turn gets the work from a direct supplier or a subcontractor of the main factory. [6] [7]

## Health and ecological problems

The use of and exposure to a number of problematic chemicals and toxins in tanneries constitute the main health and ecological problem of leather production and footwear manufacturing. These chemicals and toxins include chromium VI, azo dyes, cadmium compounds, cobalt, copper, antimony, barium, lead, selenium, mercury, zinc, arsenic, PCB, nickel, formaldehyde resins, and pesticide residues.

The highly toxic chromium VI results from the tanning process of raw hides when conducted without the proper regulations and safety equipment in place. The residue of this transfers to the wastewater, causing harmful pollution to the environment and serious impacts on human health, including cancer, blindness, eczema, and asthma.

### Chrome-tanned leather

It is estimated that today more than 80%–85% of the leather in the world is chrome tanned.

Chromium commonly occurs in two forms: chromium III, a naturally occurring element that is relatively stable and generally does not cause any health problems, and chromium VI. The latter is known to be highly toxic,

1 World Footwear Yearbook 2017.

2 Living Wage In Asia, Clean Clothes Campaign and Asia Floor Wage Alliance 2014.

3 Labour on a Shoestring – The realities of working in Europe's shoe manufacturing peripheries in Albania, Bosnia-Herzegovina, Macedonia, Poland, Romania and Slovakia. By Christa Luginbühl and Dr Bettina Musiolek

4 Walk a mile in their Shoes – Workers' Rights Violations in the Indian Leather and Footwear Industry. By Vaibhav Raaj, Sahshi Kant Prasad and Anton Pieper, Published by SÜDWIND e.V.– Institut für Ökonomie und Ökumene, 2016.

5 Tricky Footwork The Struggle for Labour Rights in the Chinese Footwear Industry, By Anton Pieper and Felix Xu. Published by Globalization Monitor (Hongkong), SÜDWIND e.V.– Institut für Ökonomie und Ökumene, INKOTA, 2016.

6 No excuses for homework – Working Conditions in the Indonesian leather and footwear sector. By Anton Pieper and Prashasti Putri, Published by SÜDWIND e.V, INKOTA and Trade Union Rights Centre (TURC), 2017.

7 Stitching Our Shoes – Homeworkers in South India, Joint report by Homeworkers Worldwide, Labour Behind the Label and Cividep. March 2016.

mutagenic, and carcinogenic to humans and animals. Its negative health effects depend on how one is exposed to it. Inhaling chromium VI, for instance, can cause damage to the respiratory system, whereas dermal exposure generally does not, but may cause severe skin irritation. Usually, chromium III is used for the tanning of leather. Chromium VI is not intentionally used in the process, but may be formed under certain conditions, such as an indirect oxidation route or through the use of an intermediate chemical. It can also be formed through ageing or UV irritation.

### Environmental problems with chromium

Chromium emissions may result from chromate reduction, handling basic chromic sulphate powder, and from the buffing process. At tanneries that purchase chromic sulphate in powder form, dust containing chromium III may be emitted during the storage, handling and mixing of the dry chromic sulphate.
Due to chromium pollution, tannery operations are ranked the fourth worst polluting industry by Pure Earth.[8] South Asia, and in particular India and Pakistan, have the highest number of tanning industries, with South America also at risk of large populations being exposed to chromium contamination. Pure Earth estimate the 'population at risk' at identified sites to be 1.5 million people.
Processing one metric ton of raw hide generates 200kg of final leather product (containing 3kg of chromium), 250kg of non-tanned solid waste, 200kg of tanned waste (containing 3kg of chromium), and 50,000kg of wastewater (containing 5kg of chromium).
Chromium VI can therefore be present in tannery wastewater and solid waste with a considerable impact on the environment. Unfortunately, the higher cost associated with the treatment of effluents sometimes leads to illegal dumping to save costs.
In addition to that, manipulation waste is produced during the production of leather goods, and especially of leather footwear. This manipulation waste amounts to about 15–20% of the entire leather material.

### Impact of chromium VI on the tannery and footwear workers

Chromium VI compounds are considered carcinogenic to workers. The risk of developing lung, nasal and sinus cancer increases with the amount of chromium VI inhaled and the length of time the worker is exposed to it. Certain chromium VI compounds produced lung cancer in animals that had the compounds placed directly in their lungs.

8 Pure Earth (2016). The World's Worst Toxic Pollution Problems.

Direct eye contact with chromic acid or chromate dusts can cause permanent eye damage. Eye contact with dusts, fumes, smoke, liquids, mists, and aerosols containing chromium VI should be avoided.
Chromium VI can irritate the nose, throat, and lungs. Repeated or prolonged exposure can damage the mucous membranes of the nasal passages and result in ulcers. Some workers become allergic to chromium VI. Inhaling the chromate compounds can cause asthma symptoms such as wheezing and shortness of breath. Prolonged skin contact with chromium VI can result in dermatitis and skin ulcers. Some workers develop an allergic sensitisation to chromium. On sensitised workers, contact with even small amounts can cause a serious skin rash.

### Consumers and Chromium VI

Chromium VI can cause allergic contact dermatitis. Contact allergy to chromium VI is the third most common metal allergy after nickel and cobalt, affecting approximately 1–3% of the general adult population[9]. The main route of exposure is skin contact – therefore all consumers across the EU are at risk of exposure to chromium VI through wearing leather.
Eczema and other skin irritations are primarily related to the direct cytotoxic properties of chromium VI, while allergic contact dermatitis is an inflammatory response caused by the immune system. Sensitised individuals exhibit allergic skin reactions when exposed to chromium above a certain threshold level. The symptoms for allergic dermatitis caused by chromium contact are dryness, erythema, fissuring, papules, scaling, small vesicles, and swelling[10]. Once an allergy develops, it remains for a lifetime and it only takes a tiny amount of chromate to result in inflammation. Clinical trials have shown that even a very small amount of chromium VI in leather products is enough to cause an allergic reaction in people who have been sensitised. Half of those sensitised experience allergic skin reactions (contact dermatitis) from only 5mg per kilo of leather. Those affected can only protect themselves from this type of skin disorder by avoiding all contact with products that contain chromium VI.[11]

9 Thyssen Jp, menné t. metal allergy – a review on exposures, penetration, genetics, prevalence, and clinical implications. Chem res toxicol. 2010;23:309–318.

10 www.atsdr.cdc.gov/csem/csem.asp?csem=10&po=10 macKie, r. m. (1981). Clinical dermatology. Oxford Univers

11 BfR [Bundesinstitut für Risikobewertung] (2007): Chrom (VI) in Lederbekleidung und Schuhen problematisch für Allergiker!.

Given its potentially hazardous effects on consumers, the EU introduced a common threshold of 3mg/kg (0.0003% by weight) of chromium VI for all leather articles and articles containing leather, which came into effect on May 1st, 2015.[12]

**Wastewater and tanning**

Tanning processes also use large quantities of water, which in itself is a strain on the environment.
The wastewater contains large amounts of pollutants. Besides chromium, the water often contains sulphide, volatile organic compounds, large quantities of solid waste, and suspended solids such as animal hair and trimmings.[13]

Kanpur in India, is a prime example of how tannery chemicals and wastewater can negatively affect health and ecosystems. The city is a large exporter of leather. About 80% of the wastewater is untreated and dumped straight into Kanpur's main water source, the river Ganges. Farmland is swamped with blue-tinted water which is poisoned with chromium, lead, and arsenic. Decades of contamination in the air, water, and soil have caused a variety of diseases affecting the people living in the area. Health problems include asthma, eyesight problems, and skin problems, for example, contact dermatitis, urticaria, hand eczema, fungal infection, and atopic eczema.[14]

12 Commission regulation (eU) No 301/2014 of 25 march 2014 amending Annex XVII to regulation (eC) No 1907/2006 of the european parliament and of the Council on the registration, evaluation, Authorisation and restriction of Chemicals (reACH) as regards chromium VI compounds text with eeA relevance.

13 Ayaliew Werkneh, Adhena: Tannery Waste Water Treatment: A Review, 2014

14 I-Hassan KE, El-Kordofani YM, Mithani A, Diab TEE, Babikir ZAA, A.Imeer AT, Elhassan GO, Alfarouk KO, Bashir. AHH. The Prevalence of Occupational Dermatosis among Workers in Khartoum State's Tanneries.American Journal of Dermatology and Venereology 2014; 3(5): 81-83 doi:10.5923/j.ajdv.20140305.01

## CONSUMERS AND SUSTAINABLE CONSUMPTION IN EUROPE

The European market has a huge selection of better and more sustainable products, ranging from organic food like flour and apples to convenience food such as premade pizza and instant soups. There are thousands of ecolabelled products on the market, from toilet paper and shampoo to lawnmowers, footwear, and clothes. Fairtrade products like cocoa, bananas, and coffee can be found in most supermarkets.
European consumers are increasingly demanding better and more sustainable products. Retail sales of organic food in the European Union account for more than 27.1 billion euros. The largest markets are Germany (8.620 million euros), France (5.534 million euros), and the United Kingdom (2.604 million euros). In some European countries, the organic market share is approaching double digits: Denmark (8.4%), Switzerland (7.7%), and Luxembourg (7.5%). The growth in retail sales of organic food from 2014 to 2015 in the European Union was 12.6%, with countries like Spain at 24.8%, Ireland at 23.0%, and Sweden at 20.3%.[15]

The EU Ecolabel, which was launched in 1992 by the European Commission as a Europe-wide voluntary environmental labelling scheme, now has 38,760 products and services covered by 1,998 licences, as of September 2016.[16]
A regional ecolabel like the Nordic Swan, covering Denmark, Sweden, Norway, Finland, and Iceland, has criteria for more than 63 product categories and more than 2,000 licences covering more than 23,000 different products.[17]
The Nordic Swan and EU Flower ecolabelled products are sold in virtually all Nordic supermarkets. In some product categories like paper and personal care products for children, Nordic Swan, and EU Flower ecolabelled products are the market leaders.
In 2015, there were 1.6 million Fairtrade farmers and workers across 75 countries. The same year saw a strong growth of 12% in global sales of Fairtrade Bananas, led by sales in EU countries France, Germany, and Sweden.[18] In recent years, there has been record growth for German Fairtrade products.[19]

15 The 2017 edition of The Organic World of Agriculture (Research Institute of Organic Agriculture FiBL)

16 European Commission Facts and Figures, Enviroment,

17 The Nordic swan turnover and products figures and Nordic Ecolabel Annual report 2015.

18 Fair Trade International Annual Report 15–16,

19 Record growth for German fair trade products Euractiv 13-05-2015,

### Sustainable footwear and labelling

With this growing demand for better and more sustainable products in Europe, there is huge market potential for sustainable footwear products.
A European Nielsen survey among 10,000 consumers in 20 European countries found that 85% of respondents would be prepared to pay at least a little more for environmentally-friendly produced footwear. One quarter would pay at least 25% more. On the issue of regulations for goods entering the European market: safeguarding human and workers' rights together with protecting consumer rights are seen as the highest priorities. Transparency and labelling which provide information on the ecological and social aspects of goods were also found to be important for the consumers.[20]

However, European consumers need the right tools. There is a requirement for good reliable labels. As this report shows, there are already a number of Pan-European, regional, and national labels on the European market. European consumers must be better informed about these labels, and the labels must be developed to better address all of the problems in the global footwear industry – especially regarding social sustainability and the rights of workers in the industry.

20 The Nielsen Company, Change Your Shoes. Issues for the European Union. Overall Results for 20 countries, June 2015.

## PRESENTATION OF LABELS

Data was collected on twelve international and European labels and labelling schemes by Aktive Forbrugere (Denmark) and 'Change Your Shoes' partner organisations from the Czech Republic, Finland, Sweden, Poland, Austria, and Germany.
Information was gathered on the international label The Leather Standard by Oeko-Tex, the EU ecolabel (EU Flower) covering all of the EU, the Nordic Swan Ecolabel covering EU member states Denmark, Sweden, Finland, and non-member states Norway and Iceland, as well as on 9 national labels from the Czech Republic, Poland, Austria, and Germany.
Data on the 12 labels was collected as desktop research and condensed in the form of a questionnaire (Annex 1). The main sources were the labels' (labelling schemes) own websites and criteria documents. Other sources were used as part of the assessment of the labels (labelling schemes).

**Labels**

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## Europe

### EU Ecolabel / EU Flower

EU Ecolabel / EU Flower is a voluntary ecolabel scheme which was established by the European Commission in 1992.

The functioning of the EU Ecolabel is set through a regulation by the European Parliament and Council (Regulation (EC) No 66/2010 on the EU Ecolabel by the European Parliament and Council on November 25th 2009). Its daily management is carried out by the European Commission together with bodies from the Member States and other stakeholders.

The European Union Ecolabelling Board (EUEB) is composed of the representatives of the Competent Bodies of the European Union, the Competent Bodies of Iceland, Liechtenstein and Norway, and the representatives of the following organisations:

- European Environmental Bureau (EEB)
- Bureau Européen des Unions de Consommateurs (BEUC)
- European Confederation of Associations of Small- and Medium-Sized Enterprises
- Business Europe
- EUROCOOP
- European Association of Craft, Small- & Medium-Sized Enterprises (UEAPME)
- EUROCOMMERCE

The EUEB contributes to the development and revision of EU Ecolabel criteria and to any review of the implementation of the EU Ecolabel scheme. It also provides the Commission with advice and assistance in these areas and, in particular, issues recommendations on minimum requirements for environmental performance.

This life cycle approach guarantees that the products' main environmental impacts are reduced in comparison to similar products on the market.

Member fees are charged to cover the costs of the competent bodies in the EU. These include an application fee and an annual fee. Operators must meet the costs of testing and assessment of conformity with EU Ecolabel criteria. Operators may be charged for travel and accommodation costs where an on-site verification is needed outside the Member State in which the competent body is based.

The EU Ecolabel meets the ISO 14020 Type 1 requirements for ecolabels.

The EU Ecolabel is part of a broader EU Action Plan on Sustainable Consumption and Production and Sustainable Industrial Policy adopted by the European Commission on July 16th, 2008, which also links the EU Ecolabel to other EU policies such as green public procurement (GPP) and the eco-design of energy-using products.

*Website: http://ec.europa.eu/environment/ecolabel/index_en.ht*

*Data collected by SÜDWIND-Institute (Germany) and Aktive Forbrugere (Denmark)*

## Nordic countries

### Nordic ecolabel / The Nordic Swan

Founded by the Nordic Council of Ministers. Consisting of the Nordic countries Sweden, Denmark, Finland, Norway, and Iceland.

The criteria are the same in all of the Nordic countries. The choice of criteria is made by the Nordic Ecolabelling Board with representatives from each country. A product or service that has been granted the Nordic Swan Ecolabel in one of the countries can be marketed in the other Nordic countries without an additional application process. However, a small administration process is necessary to register the product in each country.

The label is financed through state-financed grants, licence, and application fees.

Before the licence is granted, Nordic Ecolabelling performs an on-site inspection to ensure that the requirements have been fulfilled. Nordic Ecolabelling may check that the licensee fulfils the Nordic Ecolabel requirements after the licence has been awarded. This may involve a site visit, or random testing. An annual follow-up of the Ecolabel criteria shall be performed based on a checklist supplied by Nordic Ecolabelling. The label is usually valid for three years, after which the criteria are revised and the company must reapply for a licence.

The Nordic Swan Ecolabel is an ISO 14024 Type 1 Ecolabelling system and is a third-party controlling body.

The Nordic Ecolabel has criteria on leather, not on shoes.

*Website: www.ecolabel.se*

*Data collected by Pro Ethical Trade (Finland), Fair Action (Sweden) and Aktive Forbrugere (Denmark).*

## Czech Republic

### Žirafa – Zdravotně nezávadná obuv – bota pro Vaše dítě

Label of the Czech Footwear and Leather Association. Introduced as a voluntary certification in 1997, the label mainly deals with hygienic and technical specifications and health aspects for users.

*Website: http://www.coka.cz/detska-obuv-se-zirafou*

*Data collected by NaZemi (Czech Republic)*

### Česká kvalita – Czech Made

The program is part of the National Quality Policy and was created by the government of the Czech Republic in 2002. The system is financed by contributions from members of SOK Sdružení pro oceňování kvality (Association for the Awarding of Quality) and fees that applicants are obligated to pay.

Water usage during production, water emission standards, and air emission standards are all taken into account in the assessment of a labelled product.

*Website: http://ceskakvalita.cz/*

*All data collected by NaZemi, Czech Republic*

### Ekologicky šetrný výrobek

Ekologicky šetrný výrobek (The Eco-friendly Product) is the Ecolabel of the Czech Republic used in the National Environmental Labelling Program.

The label is owned by CENIA, the Czech Environmental Information Agency and monitored by the Agency for Environmentally Friendly Products, which also prepares guidelines for eco-friendly products.

For the awarding of this label, a set of selection criteria are established, which define the environmental parameters of the products both in their operation (e.g. emissions, energy consumption, release of chemicals) and during their life cycle.  Packaging is also considered. The manufacturer must ask for the label and pay a fee. Use of the label on a product requires certification by an independent third party.

This ecolabel is used on over 400 products from more than 90 companies in the Czech Republic and abroad.

*Website: http://www1.cenia.cz/www/ Data collected by NaZemi, Czech Republic, and Aktive Forbrugere, Denmark*

## Poland

### Eco 5

The owner of the label is the private Institute of Textile Technologies CERTEX Ltd. The standards are financed by the buyer – the client company – but the certification is independent, as it is authorised by the Ministry of Economy of Poland (Polskie Centrum Akredytacji).

Before issuing the “eco5” certificate, a certification process must confirm the following environmental criteria:

- Manufacturing takes place in accordance with working environment law, ensuring reasonable working conditions,
- The manufacturer takes efforts to reduce the negative impact on the environment,
- Products have good functional properties and do not contain any harmful substances in prohibited amounts.

*Website: http://eco5.pl/eco5-en*

*Data collected by Buy Responsible Foundation, Poland*

## Austria

### Österreichisches Umweltzeichen UZ 65 (Austrian Ecolabel on Shoes – UZ65)

Label owned by the Austrian government (Ministry of Ecology). The controlling authority is the VKIN consumer organisation. NGOs and consumer organisations have a say in defining the standards and making decisions on companies being labelled. Companies must submit reports from certified bodies who comply with the standards set. There is no financial engagement from the labelled companies. This is the most ambitious and elaborate standard for shoes in Austria.

*Website: www.umweltzeichen.at*

*Data collected by Südwind, Austria*

## Germany

### Blauer Engel

The German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety owns the Blue Angel ecolabel. It is verified by RAL gGmbH and awarded on the basis of criteria developed by the Federal Environment Agency and the Independent Environmental Label Jury. The Federal Environment Agency sets specific standards for products and services and continually adapts them to technical progress, as all Basic Award criteria are valid for a specified, usually, 3-to-4-year period. This period can be shortened for product groups where more rapid technological advance is expected. It is supported in this process by environmental and consumer organisations as well as manufacturers, to ensure that only the best environmental performers can carry the Blue Angel ecolabel. The criteria both for the leather standard and the shoe standard are currently (December 2017) under revision. Companies have to pay a fee in order to be tested under this standard.

*Website: www.blauer-engel.de*

*Data collected by Südwind-Institute, Germany*

### IVN Naturleder

Label for leather owned and controlled by the International Association of Natural Textile Industry (IVN).
The quality seal Naturleder specifies a number of basic requirements for all businesses pursuing certification. All manufacturing plants must, for example, have access to a wastewater treatment plant, regardless of whether their wastewater is fed directly (without treatment) or indirectly into surface water via a wastewater treatment facility.
GMOs or modified substances should be avoided. As it is not possible to monitor these substances, they cannot be expressly forbidden. All chemicals used must meet predetermined specifications.
The raw material for leather is animal skin. It is important that the animals from which these skins derive are held primarily for meat. Before tanning, the skins are preserved and cleaned. This is done through cooling and salting; chemical preservatives are expressly forbidden. If tenside solutions and detergents are used, these must be biodegradable.
The leather production stage that is most environmentally detrimental and hazardous to health is tanning.
The use of chrome tanning or processes using mineral tanning agents are forbidden. Naturleder promotes the use of vegetable-based tanning, that is, tanning based on plant-based agents, or so-called chamois leather. As the latter traditionally uses whale oil, a certification of species preservation must be provided. Tanning using aluminium, zirconium, or titanium is only allowed for parts of the tanning process and only if predefined limits specified in Naturleder guidelines are not exceeded.
In terms of those used for textiles, leather dyestuffs must be free of AOX and heavy metals and conform with EU ordinances.
There are strictly defined limits for hazardous substances in the finished product as there are for textiles. These limits, as well as strictly formulated quality standards including fastness to rubbing and tensile strength, are equal to or exceed DIN or ISO norms.

*Website: www.naturtextil.com/en/ivn-quality-seals/about-naturleder-ivn-zertifiziert/*

*Data collected by Südwind-Institute, Germany*

### ECARF-Qualitätssiegel

Label owned by the ECARF Institute. The ECARF Institute is a 100% subsidiary of the non-profit ECARF Foundation. Profits generated by the ECARF Institute are channelled entirely into the non-profit work of the ECARF Foundation.

This label is explicitly for allergy friendly products only. It does not include any criteria other than those intended for bringing about measurable improvements in daily life for people with allergies.

ECARF Institutes, external quality control institutes, carry out the first assessment toward the certification of products. These institutes continue to carry out further random sample monitoring to verify that the necessary criteria continue to be met after certification.

The label is funded through the ECARF Foundation and donations. The seal does not carry a licencing fee. An administration fee is charged for processing the seal application, including issuing the seal, and extending its validity.

*Website: www.ecarf-institute.org/*

*Data collected by Südwind-Institute, Germany*

### SG SchadstoffGeprüft

The label “SG – SCHADSTOFFGEPRÜFT” is awarded to shoes or shoe materials that have certain limits on pollutants. The label only defines standards for the finished product.

The label is owned and monitored by TÜV Rheinland LGA Products GmbH/Prüf- und Forschungsinstitut Pirmasens e.V.  Companies bear the costs for the labelling. The labelling organisation meets the costs of monitoring/controlling.

The criteria of the label are continually updated. For example, they were updated in 2011 to reflect new EU directives and the current state of research. The limit values for pollutants, such as carcinogenic dyes, formaldehyde, pesticides, PCP, heavy metals, etc. must not be exceeded. These limits are often stricter than the legal requirements. Products must not emit strong odours or lose their colour due to friction or sweat.

To be certified with the label, products must be examined in the laboratory. Only products that comply with the limits are certified. End products bearing the label can also be taken at random from the shelves and tested.

*Data collected by Südwind-Institute, Germany*

## International

### The Leather Standard by Oeko-Tex

The Leather Standard is issued by the International Association for Research and Testing in the Field of Textile Ecology (Oeko-Tex), which is headquartered in Zurich (Switzerland). It currently comprises 15 neutral testing and research institutes in Europe and Japan with contact offices in over 70 countries around the world.

The Leather Standard by Oeko-Tex is an independent product label for all kinds of leather articles tested for harmful substances like heavy metals, pesticides, and chlorinated phenols – from semi-finished leather products, finished leather, or leather fibre material to ready-made articles: shoes, garments of all types, accessories, leather gloves, leather handbags, leather covers, and much more.

The central focus of The Leather Standard is the development of test criteria, limit values and test methods on a scientific basis. Based on its comprehensive and strict catalogue of measures for harmful substances, with several hundred individual substances regulated, The Leather Standard takes account of:

- Important legal regulations, such as banned azo colourants, chromium (VI), formaldehyde, pentachlorophenol, cadmium, nickel release, PFOS, etc.
- Numerous harmful chemicals, even if they are not yet legally regulated.
- Requirements of Annexes XVII and XIV of the European Chemicals Regulation REACH as well as of the ECHA SVHC Candidate List
- Requirements from the US Consumer Product Safety Improvement Act (CPSIA) regarding lead
- Numerous environmentally relevant substance classes.

The Leather Standard tests for harmful substances are fundamentally based on the respective purpose of the leather materials or leather articles/products. The more intensive the skin contact of a product and the more sensitive the skin, the stricter the human-ecological requirements that need to be complied with.
For leather materials the conditions and criteria of the latest valid criteria of The Leather Standard are applied, while for non-leather components contained (e.g. textile materials, metallic accessories etc.) the requirements of the latest valid Standard 100 by Oeko-Tex must be met. The internationally standardised criteria catalogue for testing for harmful substances is regularly modified and expanded.

*Website: www.oeko-tex.com*

*Data collected by Aktive Forbrugere (Denmark)*

## ASSESSMENT OF LABELS

**Assessment rankings**

- **0** No criteria or information
- **1** Relevant criteria e.g. reference to UN resolutions, limits on hazardous chemicals
- **2** Criteria that go beyond the basics, e.g. full ban on chemicals beyond REACH, more specific and detailed social criteria

**Labels**

- **A** EU Ecolabel / EU Flower
- **B** The Nordic Swan Ecolabel
- **C** Žirafa – Zdravotně nezávadná obuv – bota pro Vaše dítě / Czech Republic
- **D** Ekologicky šetrný výrobek / Czech Republic
- **E** Česká kvalita – Czech Made / Czech Republic
- **F** Eco 5 / Poland
- **G** Österreichisches Umweltzeichen UZ 65 (Austrian Ecolabel on Shoes – UZ65) / Austria
- **H** Blauer Engel / Germany
- **I** IVN Naturleder / Germany
- **J** ECARF-Qualitätssiegel / Germany
- **K** SG SchadstoffGeprüft / Germany
- **L** The Leather Standard by Oeko-Tex

### Social Criteria

| | A | B | C | D | E | F | G | H | I | J | K | L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Social Criteria** | | | | | | | | | | | | |
| **Freedom of Association** | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 0 |
| **Ban on Child labour** | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 0 |
| **Ban on forced labour** | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 0 |
| **Anti-discrimination** | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 0 |
| **Health protection** | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 0 |
| **Living Wages** | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 0 |
| **Reasonable working hours** | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 0 |
| **Ban on informal work** | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 0 |
| **Span (harvest, prod., shipping)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total social criteria** | **0** | **4** | **0** | **0** | **0** | **0** | **16** | **4** | **8** | **0** | **0** | **0** |

## Ecological criteria

| | A | B | C | D | E | F | G | H | I | J | K | L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ecological criteria– Raw materials** | | | | | | | | | | | | |
| Origin of leather | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 0 |
| Origin of other materials (cork, etc.) | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 |
| Origin of cotton or fibres | 0 | 2 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 0 | 0 | 0 |
| **Ecological criteria – Production** | | | | | | | | | | | | |
| Water usage during production | 2 | 2 | 0 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 |
| Water emission standards | 2 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 0 | 0 | 0 |
| Air emission standards | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| Tanning criteria | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| Volatile organic compound limits | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Ban on chemicals (REACH) | 1 | 2 | 0 | 1 | 0 | 0 | 2 | 1 | 2 | 0 | 0 | 0 |
| Standards for colouring | 1 | 1 | 0 | 1 | 0 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |
| Standards for tendering | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| **Ecological criteria – Conservation** | | | | | | | | | | | | |
| Conservation Chemicals Standards | 0 | 1 | 0 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 0 | 0 |
| **Ecological criteria – Finished products** | | | | | | | | | | | | |
| Heavy metals thresholds | 2 | 1 | 0 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Chrome threshold | 1 | 2 | 0 | 2 | 0 | 0 | 2 | 1 | 1 | 1 | 1 | 2 |
| Other thresholds | 1 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 2 |
| Odour Testing | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 1 |
| Standards for sustainability / durability | 1 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Standards on packaging | 2 | 1 | 0 | 1 | 0 | 0 | 2 | 2 | 1 | 0 | 0 | 0 |
| **Total ecological criteria** | **16** | **20** | **0** | **11** | **3** | **5** | **22** | **15** | **19** | **3** | **3** | **7** |

### Label organisation and control mechanism

| | A | B | C | D | E | F | G | H | I | J | K | L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Independence and Transparency** | | | | | | | | | | | | |
| Government control of label? | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 2 | 1 | 0 | 0 | 0 |
| Are workers involved in the standard? | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 |
| Traceability of materials | 0 | 2 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 0 | 0 | 0 |
| Detailed description of standards | 2 | 2 | 0 | 1 | 1 | 1 | 1 | 0 | 1 | 0 | 0 | 0 |
| Detailed description of control | 2 | 1 | 0 | 1 | 1 | 1 | 1 | 1 | 2 | 0 | 0 | 0 |
| CSR report for label organisation | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| Efforts to improve standards | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| **Total Independence and Transparency** | **1** | **1** | **0** | **1** | **0** | **0** | **1** | **0** | **0** | **0** | **0** | **0** |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Score** | **23** | **32** | **2** | **15** | **8** | **6** | **43** | **24** | **30** | **5** | **7** | **13** |

## ADDITIONAL RELEVANT MULTI-STAKEHOLDER INITIATIVES AND LABELS

In addition to the labelling schemes in the 'label check', this report examines a number of other general multi-stakeholder initiatives (MSI) that work to improve and monitor the conditions of workers in the globalised industry – including the footwear industry. Some garment labels and initiatives are also relevant for the footwear industry, since materials like rubber, plastic and textile are used more often in footwear than traditional leather. Many fashion brands also produce both garments and footwear.

Overall, MSIs have emerged to address complex issues and resolve circumstances that involve a range of stakeholders and require coherent and collaborative solutions. There are a huge variety of different types of MSIs, covering a wide range of responsibilities and types of work – which indeed function within the global supply chain. MSIs began emerging in the 1980s in response to the rise of globalisation and the increasing attention given to labour and human rights abuses in manufacturing and other industries. They have also grown in part as a response or solution to the resistance from companies (and many governments) to legislating company behaviour and creating binding regulations on 'corporate social responsibility'. Some MSIs consist of brands and NGOs, others involve government actors, while others still place value in a tripartite structure involving companies, NGOs, and trade unions/work representatives. Of these types, the tripartite model is generally considered to be the most successful in effective change from the workers' perspective, while some business-led MSIs' remit and scope can be extremely limited.

Data on the MSIs was collected as desktop research. Main sources were the multi-stakeholder initiatives' own websites, policy documents, and reports. Other sources were used in the assessment of the MSIs.

### Fair Wear Foundation

Fair Wear Foundation (FWF) is a European multi-stakeholder initiative working with brands, factories, trade unions, NGOs and sometimes governments to verify and improve workplace conditions in 11 production countries in Asia, Europe, and Africa. FWF is governed by trade unions, NGOs, and business associations.

FWF's more than 80 member companies represent over 120 brands – mostly garments, but also shoe brands. The members' products are sold in over 20,000 retail outlets in more than 80 countries around the world.

FWF keeps track of the improvements made by the member companies and through sharing expertise, social dialogue, and strengthening industrial relations, FWF increases the effectiveness of the efforts made by the member companies.

Member brands commit to implement the FWF Code of Labour Practices in their supply chain and improve working conditions for workers in factories where their production takes place. This includes setting up a monitoring system for production locations, adapting company policies to support the implementation of the Code of Labour Practice and remediating problems found in their supply chains through audits or complaints.

The FWF Code of Labour Practice is made up of eight labour standards derived from ILO Conventions and the UN's Declaration on Human Rights and includes: Employment is freely chosen; no discrimination in employment; no exploitation of child labour; freedom of association and the right to collective bargaining; payment of a living wage; reasonable working hours; safe and healthy working conditions; and a legally binding employment relationship.

Only FWF member brands with the most innovative practices for improving working conditions are allowed to use the customised FWF leader logo in communications. However, FWF does not certify products or brands as 100% fair. Supply chains are complex and fragmented – no FWF members are close to being perfect. No single factory, brand, or government can improve things alone and this kind of change takes time and happens in a step-by-step process. FWF member brands must commit to working hard to reach these goals.

FWF has high social standards and a comprehensive approach to improving the social conditions in sewing factories. The FWF works closely with local organisations to verify the purchasing practices of companies. The FWF demands the payment of a living wage and measures the progress. The consistent implementation of a living wage in factories of the member companies is still pending.[21]

Despite its good intentions, FWF and its member companies are not always among the "first movers". For example, they were not among the first signatories of The Accord on Fire and Building Safety in Bangladesh.

*Website: www.fairwear.org*

### The Global Organic Textile Standard

The Global Organic Textile Standard (GOTS) is a worldwide textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain. Only textile products that contain a minimum of 70% organic fibres can become GOTS-certified. The final products may include, but are not limited to, fibre products, yarns, fabrics, clothes, and home textiles. The standard does not set criteria for leather products.

The organic certification of fibres takes place on the basis of recognised international or national standards (IFOAM family of standards, EEC 834/2007, USDA NOP). All chemical inputs in the products used, such as dyestuffs and auxiliaries, must meet certain environmental and toxicological criteria including a ban on azo dyes and pesticides. A functional wastewater treatment plant is mandatory for any wet processing unit involved.

All processors must comply with social criteria, including the following: Employment is freely chosen; freedom of association and the right to collective bargaining are respected; working conditions are safe and hygienic; the Child Labour Convention; living wages; working hours are not excessive; no discrimination is practised; regular employment is provided; and harsh or inhumane treatment is prohibited.

GOTS-certified products are registered and traceable throughout the whole supply chain. It is, however, voluntary for brands to make this information public.

GOTS has a high social and ecological standard. The

21 Public Eye (Switzerland): Orientierung im Label-Dschunge

credible verification of compliance with social criteria (which are also only applied in processing but not in raw material production) would require greater involvement of local players, trade unions, and NGOs.[22]

*Website: www.global-standard.org*

### Fair Labor Association

Fair Labor Association (FLA) is a multi-stakeholder organisation where universities, civil society organisations, and companies work to protect workers' rights around the world.

FLA places the responsibility on companies to voluntarily meet internationally recognised labour standards where their products are made. This includes a collaborative approach allowing civil society organisations, universities, and socially responsible companies to sit at the same table and find effective solutions to labour issues; innovative and sustainable strategies and resources to help companies improve compliance systems; transparency and independency assessments, the results of which are published online; and a mechanism to address the most serious labour rights violations through a third party complaint process.

The FLA covers companies producing products from coffee and electronics to apparel and footwear.

The FLA Workplace Code of Conduct defines labour standards that aim to achieve reasonable and humane working conditions. The Code's standards are based on ILO standards and internationally accepted good labour practices. The FLA Workplace Code of Conduct includes: employment relationship; non-discrimination; protection from harassment or abuse; no forced labour; no child labour; rights to freedom of association and collective bargaining; the provision of a safe and healthy workplace setting by employers; and the right of every worker to compensation for a regular working week (48 hours) that is sufficient to meet the worker's basic needs and provide some discretionary income.

Companies affiliated with the FLA are expected to comply with all relevant and applicable laws and regulations of the country in which workers are employed, and to implement the Workplace Code in their applicable facilities. Where differences or conflicts in standards arise, affiliated companies are expected to apply the highest standard.

The FLA monitors compliance with the Workplace Code by carefully examining adherence to the compliance benchmarks and the principles of monitoring. The compliance benchmarks identify specific requirements for meeting each code standard, while the principles of monitoring guide the assessment of compliance. The FLA expects affiliated companies to make improvements where code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance. The FLA makes sample-type verifications among the suppliers and publishes the results. The FLA is also working on a comprehensive implementation plan for the payment of livelihoods. However, FLA independence has been questioned over the last few years, as it is dominated by large companies, and unions no longer cooperate in protest.[23]

Among the participating companies are sports and footwear brands like Adidas and Nike, which have a history of problems in their supply chains.[24] [25]

*Website: www.fairlabor.org*

### The Ethical Trading Initiative

The Ethical Trading Initiative (ETI) is multi-stakeholder alliance of companies, trade unions, and NGOs that promotes respect for workers' rights around the globe. The ETI provides training and an exchange of information and collaboration between member companies and organisations to solve issues in the supply chain.

ETI covers a wide range of companies and products and its members include fashion, leather, and shoe brands, with some of the world's biggest fashion brands among them.

The ETI Base Code is founded on the conventions of the International Labour Organisation ILO and include: that employment is freely chosen; freedom of association; working conditions are safe and hygienic; child labour shall not be used; living wages are paid; working hours

22 Public Eye (Switzerland): Orientierung im Label-Dschungel

23 Public Eye (Switzerland): Orientierung im Label-Dschunge

24 adidas: Sweatshops and labour rights violations, Wikipedia 16.10.2017 https://en.wikipedia.org/wiki/Adidas#Sweatshops_and_labour_rights_violations

25 Nike: Controversy, Wikipedia 16.10.2017, https://en.wikipedia.org/wiki/Nike,_Inc.#Controversy

are not excessive; no discrimination is practised; regular employment is provided; and that no harsh or inhumane treatment is permitted.

The ETI is primarily a learning platform. Member companies commit to comply with the ETI Base Code. The ETI itself does not carry out controls and verifications, but recommends independent verification bodies to the member companies. ETI offers training to continuously improve operations.[26]

ETI member companies have been involved in a number of human rights violations in their supply chains. The ETI can (and does) suspend/terminate membership for member companies that do not abide by the ETI's Base Code of Labour Standards and its Principles of Implementation.

*Website: www.ethicaltrade.org*


**The Business Social Compliance Initiative**

The Business Social Compliance Initiative (BSCI) is a supply chain management system that supports companies in driving social compliance and improvements within the factories and farms in their global supply chains. The BSCI implements the principal international labour standards protecting workers' rights such as ILO conventions and declarations, the UN Guiding Principles on Business and Human Rights, and guidelines for multinational enterprises from the Organization for Economic Co-operation and Development (OECD).

The BSCI Code of Conduct is aimed at setting out the values and principles that BSCI participants strive to implement with their business partners along their supply chains. Each BSCI participant endorses the Code of Conduct when joining the initiative. The BSCI Code of Conduct includes:

The rights of freedom of association and collective bargaining; fair remuneration; a healthy and safe working environment; special protection for young workers; no bonded labour; ethical business behaviour; no discrimination; reasonable working hours; no child labour; no precarious employment; and protection of the environment.

BSCI is neither an auditing company nor an accreditation system: BSCI provides companies with a social auditing methodology and report as well as a network of external accredited, experienced, and independent auditing companies.

BSCI works with capacity building and strong relations with all stakeholders of the supply chain. BSCI thus supports companies towards embedding more responsible business practices which are shared with their business partners to gradually improve working conditions in their supply chain.

At the BSCI, responsibility for the implementation of basic standards rests predominantly with the suppliers. The pricing policy and purchasing practices of the clients are hardly taken into account. NGOs and trade unions are not equally entitled to participate in decisions. Local players are insufficiently involved. The BSCI relies primarily on commercial audits for controls – but these often do not adequately reflect factory realities.[27]

BSCI auditing methodology has been criticised for not addressing important problems in the supply chain and for insufficient follow-up on issues violating the BSCI Code of Conduct. Case in point is the collapse of the Rana Plaza building in 2013 with a death toll of 1,134 and approximately 2,500 injured.[28] The building was audited using BSCI auditing methodology but failed to address the safety issues that led to the collapse of the building. The problem was acknowledged by BSCI as early as 2006 but no action was taken.[29]

*Website: www.bsci-intl.org*


**SA8000 Standard**

The SA8000 Standard is a social certification standard for factories and organisations across the globe. It was established as a multi-stakeholder initiative by Social Accountability International (SAI) in 1997. SAI is a global non-governmental organisation promoting human rights at work. Over the years, the standard has evolved into an overall framework that helps certified organisations demonstrate their dedication to the fair treatment of workers across industries and in any country.

SA8000 measures social performance in areas important to social accountability in workplaces, including: child

26 Public Eye (Switzerland): Orientierung im Label-Dschunge

27 Public Eye (Switzerland): Orientierung im Label-Dschunge

28 2013 Savar building collapse, Wikipedia 27.09.2017, https://en.wikipedia.org/wiki/2013_Savar_building_collapse

29 European Commerce pushes for improvement of social, Press Release 10.04.2006 BSCI and FTA (Foreign Trade Agreement) and BSCI: Statement on the Rana Plaza Building Collapse in Bangladesh, 30.04.2013.

labour; forced or compulsory labour; health and safety; discrimination; disciplinary practices; working hours; remuneration. Their anchoring by a management system is key in their correct implementation, monitoring, and enforcement.

The Standard reflects labour provisions contained within the Universal Declaration of Human Rights and ILO conventions. It also respects, complements, and supports national labour laws around the world, and currently helps secure ethical working conditions for over two million workers.

Regular revisions every 3-6 years ensure the standard's continuing applicability in the face of new and emergent social and human rights issues.

In addition to publishing SA8000 and supporting documents, SAI offers a wide selection of resources to help organisations maintain and continually improve their social performance, including capacity building, stakeholder engagement, collaboration between buyers and suppliers, and the development of tools to ensure continued improvement. SAI views independent accredited certification to the SA8000 Standard as a critical element contributing to the company's broader objectives of improving global labour conditions.

The SA8000 is a system with high standards. The SA8000 certificate refers to the factory site – not all factories involved in the manufacture of a product need to be certified. The responsibility (and the cost) for complying with social standards lies with the factory. NGOs and local stakeholders are insufficiently involved in local implementation. Due to the fact that the behaviour of brand companies (especially regarding price structure and delivery times) can negatively affect working hours and wages, but is not taken into account by SA8000, the certificate cannot in itself solve the underlying problems like low wages and poor working conditions.[30]

*Website: www.sa-intl.org*


**Fairtrade Cotton**

Fairtrade International is a non-profit, multi-stakeholder association of 23 member organisations – three producer networks and 20 national Fairtrade organisations. The association has a central office in Bonn, Germany.

Fairtrade-labelled cotton is used as a component in footwear products.

Fairtrade is an alternative approach to conventional trade and is based on a partnership between producers and consumers. When farmers can sell on Fairtrade terms, it provides them with a better deal and improved terms of trade. This allows them the opportunity to improve their lives and plan for their future. Fairtrade offers consumers a powerful way to reduce poverty through their everyday shopping.

When a product carries the Fairtrade label it means the producers and traders have met Fairtrade Standards. The Fairtrade Standards are designed to address the imbalance of power in trading relationships, unstable markets, and the injustices of conventional trade.

Among the standards for cotton, the following applies for workers:

Living wage: The Fairtrade Textile Standard requires the implementation of living wages within six years. Fairtrade will determine living wages by drawing on existing wage agreements made by local unions within the textile sector and through applying approved methodology. Fairtrade International is part of the Global Living Wage Coalition together with the Forest Stewardship Council (FSC), GoodWeave, Sustainable Agriculture Network/Rainforest Alliance (SAN/RA), and UTZ Certified. The Global Living Wage Coalition recognises that living wage is crucial to their individual certification programmes and they have agreed to a shared approach for measuring living wage. The Global Living Wage.

Empowerment of workers: Securing their position and status within companies. The standard reduces barriers and offers workers support to unionise or become a member of an existing union, helping to secure their position and improve their status in the company. Worker engagement in compliance with the standard, contributing to their empowerment through the Compliance Committee.

Occupational health and safety: The Fairtrade Textile Standard sets requirements for workplace safety, including the use of protective clothing, proper handling of hazardous materials, and building safety.

Conditions of employment: It includes requirements related to working hours and overtime, employment contracts, and temporary employment.
A grievance procedure engages civil society to support workers in a grievance case, to supplement the company procedure if this is not satisfactory to the worker.

Training and capacity building: Training to raise the awareness of workers' rights.

30 Public Eye (Switzerland): Orientierung im Label-Dschungel

The label refers to cotton produced and traded according to Fairtrade principles. It places high demands on traceability and certain requirements for compliance with fundamental labour rights in the production chain. It is characterised by the fact that 100% Fairtrade cotton is included in the finished footwear (including guarantee of fair working conditions in cotton cultivation), but does not guarantee that the footwear is also sewn together "fairly".[31]
Fairtrade is better at improving social rather than environmental conditions. Research from Fairtrade International showed that the impacts of Fairtrade farming methods were notably lower for the social elements than for the environmental components studied.
Fairtrade cotton performed better than conventional for all environmental components, like water pollutants, water use, GHG emissions, and soil pollutants. However, for land use where Fairtrade cotton's environmental cost was a little higher, the yield for organic practices for cotton per acre was lower than conventional[32], despite having the edge on conventional cotton. However, there is most likely a gap between consumers' expectations and what Fairtrade cotton actually delivers for the environment.
Fairtrade Internationals approach to Living Wage has also been criticised for relying too much on certification and inspection and diverting responsibility for the supply chain away from the brands.[33]

FAIRTRADE COTTON PROGRAM®

**Fairtrade Cotton Program**

The Fairtrade Cotton Program is an initiative to promote fair trade cotton. It connects poor farmers mainly in West Africa and India with the growing number of companies seeking to make sustainable cotton a core part of their business. They want to use more Fairtrade cotton in the manufacturing of their clothing, textiles and footwear, rather than create a specific Fairtrade cotton range.
The following criteria must be met : ILO core labor standards, Fairtrade Standards, minimum prices and social premiums, no obligation to pay a living wage, promotion of organic cotton cultivation, ban on GMOs, resource-efficient production, ban on dangerous pesticides.
In contrast to the Fairtrade cotton label, part of the traceability at the level of the individual garment is omitted here. A company buys certain amounts of Fairtrade cotton, but then mixes it with other fibres or non-Fairtrade cotton.[34]
*Website: www.fairtrade.net*

31 Public Eye (Switzerland): Orientierung im Label-Dschungel
32 Fairtrade cotton has five times lower social and environmental footprint, Fairtrade International April 2017.
33 Clean Clothes Campaign Position on the new Fairtrade Textile Standard, March 2016
34 Public Eye (Switzerland): Orientierung im Label-Dschunge

## ASSESSMENT AND RECOMMENDATIONS

**Lables**

- **A** EU Ecolabel / EU Flower
- **B** The Nordic Swan Ecolabel
- **C** Žirafa – Zdravotně nezávadná obuv – bota pro Vaše dítě / CZ
- **D** Ekologicky šetrný výrobek / Czech Republic
- **E** Česká kvalita – Czech Made / Czech Republic
- **F** Eco 5 / Poland
- **G** Österreichisches Umweltzeichen UZ 65 (Austrian Ecolabel on Shoes – UZ65) / Austria
- **H** Blauer Engel / Germany
- **I** IVN Naturleder / Germany
- **J** ECARF-Qualitätssiegel / Germany
- **K** SG SchadstoffGeprüft / Germany
- **L** The Leather Standard by Oeko-Tex

### Assessment score

| | A | B | C | D | E | F | G | H | I | J | K | L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Social criteria (max. 18 points)** | 0 | 4 | 0 | 0 | 0 | 0 | 16 | 4 | 8 | 0 | 0 | 0 |
| **Ecological criteria (max. 36 points)** | 16 | 20 | 0 | 11 | 3 | 5 | 22 | 15 | 19 | 3 | 3 | 7 |
| **Independence and Transparency (max. 14 points)** | 7 | 8 | 2 | 4 | 5 | 1 | 5 | 5 | 3 | 2 | 4 | 6 |
| **Total (max. 68 points)** | **23** | **32** | **2** | **15** | **8** | **6** | **43** | **24** | **30** | **5** | **7** | **13** |

## Weak on social criteria

All labels except the 'Austrian Ecolabel on Shoes – UZ65' are weak on social criteria. The EU Ecolabel, Nordic Swan, and IVN Naturleder make reference to relevant EU conventions. 5 out of the 12 labels have no social criteria at all. This can be explained by the fact that the labelling schemes have generally focused on ecological criteria. However, considering the increasing focus on social sustainability in the clothing and footwear industry, especially since the Rana Plaza disaster in 2013, and increased consumers awareness in Europe, the labelling schemes would be well advised to start systematically working on developing stronger social criteria.
However, experience with sustainability demands and monitoring (audit) in the global clothing and footwear industry shows that it can be tricky to ensure that even well-defined social criteria are met. Case in point: The Rana Plaza building was audited numerous times without this leading to improvements that could have prevented the collapse.
Collaboration with workers and their organisations is essential to both develop social criteria that truly address the workers problems and to ensure that the criteria are met in full.
With this in mind, it is not encouraging to note that none of the labels involve workers directly in developing their standards/criteria. Some labels like the EU Ecolabel, Austrian Ecolabel on Shoes, and the Nordic Swan include NGOs in their standards/criteria development and thus make is possible to bring indirect worker input into the process. The labelling schemes must try to 'walk in the shoes' of the workers and start developing procedures to obtain worker input both on developing standards/criteria as well as on auditing methods. This could possibly be done in collaboration with relevant NGOs. Moreover, it is very important for the labelling schemes to make use of experiences of the many footwear companies that are already conducting socially sustainable programs e.g. with regards to a living wage or collaboration with trade unions.

## Good on ecological criteria

5 of the 12 labels have a reasonably good score on 'Ecological criteria'. Blauer Engel, Austrian Ecolabel on Shoes, IVN Naturleder and the Nordic Swan not only apply threshold limits, but also ban a number of hazardous chemicals and heavy metals. This approach is recommended for all labels both to reduce the use of chemicals to benefit workers, the environment, and consumers, but also to ensure that labelling schemes stay "well ahead" of legal requirements like REACH, so that sustainable consumers will continue to buy labelled products.
The EU Ecolabel, Austrian Ecolabel on Shoes, and Blauer Engel make an effort to ensure that the environmental effect of the packaging is as low as reasonably possible. This is especially important since packaging in general is a major environmental problem. Furthermore, packaging is the first thing that meets the consumer considering buying the product. Consumers would expect the sustainability of the actual product to be matched by the sustainability of the packaging.
A separate problem with packaging in general is that there is much double or even triple packaging, i.e. a product wrapped in plastic inside a box covered with plastic on the outside. None of the labelling schemes appear to address this issue. This represents potential for improvement of the criteria of all labels.
Water use in the tanning process and the pollutants in wastewater places a major strain on workers, the environment, and the communities living around the tanneries. The Nordic Swan, EU Ecolabel, and IVN Naturleder label are strict on water usage during production and water emission standards. There is room for improvement for a number of other labels.
Concerning air emission standards and limits on volatile organic compounds, the labels are generally rather weak. Considering the potential risk for workers and the surrounding communities, these issues should be addressed more strongly by the labelling schemes.

## Room for improvement on transparency

Regarding 'Independence and Transparency', the scores are somewhat mixed. Almost all labelling schemes have detailed descriptions of standards but much fewer have detailed descriptions of control procedures like audit design, a detailed description of follow-up procedures from audits, and statistics on violations of label criteria. Additionally, none of the labelling schemes/organisations publish a CSR report that would enable external parties to engage in a merely substantial discussion of the labelling scheme's overall impact.
Consumers are increasingly demanding more and better transparency from companies in the global clothing and footwear industry, and an increasing number of

global brands are delivering, and transparency is slowly becoming a competitive advantage in the industry. [35]
It is essential that labelling schemes do not fall behind on crucial issues such as transparency. This is also what consumers would expect. There is room for improvement and it is recommended that future criteria be very specific on the transparency of supply chains, wages, and the health and safety of workers.
Most labelling schemes do not work systematically to develop and improve standards. However, with a rapidly changing market and developments towards more sustainability and transparency among the companies in the global clothing and footwear industry, the question is whether the criteria are changing (improving) fast enough to keep up. 4–5 years between criteria changes are perhaps not enough to address the sustainability issues at hand and meet consumers'.

## Additional relevant multi-stakeholder initiatives and labels

The footwear and leather industry suffer from a long history of extensive violation of workers' rights and disregard for environmental standards. It is clear that the scope of problems makes it imperative that brands, factories, trade unions and workers, governments, and NGOs work together to improve work and environmental standards in the sector. The relative success of the Accord on Fire and Building Safety in Bangladesh to solve the huge safety problems in the Bangladeshi garment industry confirms this.[36]
However, multi-stakeholder initiatives with Codes of Conduct/standards and monitoring/auditing processes have existed in the garment industry for decades, without resulting in profound positive changes in the global supply chain. Often, the Codes of Conduct/standards seem to be much too general – especially on issues like living wages – to encourage decisive concrete action from the brands. There are exceptions like the Fair Wear Foundation which produces tools for the member brands on how to work towards a living wage in their supply chain. It is recommended that Codes of Conduct/standards be much more detailed and precise and include practical guides/tools on how to achieve the goals in the standards.
In addition, there seems to be a lack of proper follow-up on the problems found via monitoring/auditing. The general lack of transparency with regards to the findings and even to the question of where production sites are located contribute to an apparent lack of motivation among many brands to address the issues. The clothing and footwear business model with brands which only source from production sites without being involved in the actual production themselves, has also led to a one-sided focus on price in sourcing relationships. This leaves little room for actual improvements to work conditions, let alone the environmental impact of the production.
Joining a labelling scheme could be a useful tool for brands in their work to solve the problems in their supply chain. By all accounts, there is also a large and growing market among European consumers for better and more sustainable fashion and footwear.
As most shoes are produced from a combination of different materials, such as rubber, plastic, textile, and leather, brands must find inspiration in labels which take a more holistic approach like The Leather Standard by Oeko-Tex that – despite its narrow focus on harmful substances – has standards for all components within the footwear.
The rigorous traceability of the whole supply chain in the GOTS labels should also serve as inspiration for leather and footwear labels.

## Conclusion

It is clear that footwear and leather products produced under the labelling schemes described and assessed in this report have a positive impact for workers, consumers, and the environment.
Considering the ever-increasing awareness among European consumers, the labelling schemes have the potential to be important drivers for better and more socially and ecologically sustainable conditions in the global footwear and leather supply chain.
However, there is still much work to be done. The labelling schemes must develop better criteria, especially with regard to social issues like living wage and better transparency in the supply chain. Environmental criteria are clearly above that of the average conventional products but also have room for improvement.
In a market where multi-stakeholder initiatives and conventional brands and products are moving towards more sustainability and transparency, it is vital that the labelling schemes move and develop quickly to ensure that they truly become and remain lighthouse projects both for brands and for consumers.

35 Follow the Thread. The Need for Supply Chain Transparency in the Garment and Footwear Industry, IndustryAll, et. al. 2017

36 Accord on Fire and Building Safety: Znnual Report 2015.

# ANNEX 1 – QUESTIONNAIRE

| Questionnaire on existing labels for shoes and leather |
|---|
| **Purpose** |
| This data will result in an English label check for consumers to help them in their buying decisions |
| The most ambitious labels collected will be used as a benchmark to lobby labeling organisations to improve their standards or upgrade them for shoes |
| **Guidelines on how to fill out the questionnaire** |
| We only collect company independent labels |
| One example has been filled out to indicate which level of detail is asked. Please add as many columns as necessary. |
| Please specify empty fields with the reason why no data is available. |
| If labelling organisations have an English document, explaining their standard, please submit this, together with the questionnaire |
| Please send printable logos of labels as well. |

| Criteria | Example: Österreichische Umweltzeichen UZ 65 (Austrian Ecolabel on Shoes – UZ65) |
|---|---|
| **Social Criteria** | |
| Freedom of Association (ILO87,98) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Ban on Child labour (ILO, 138,182) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Ban on forced labour (ILO, 29, 105) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Anti-discrimination (ILO100,111,183) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Health protection (ILO 155) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Living wages (ILO 95,131) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Reasonable working hours (ILO 1) | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Ban on informal work | Yes, compliance with the Jo-In-Codex http://www.jo-in.org/pub/docs/JoIn-varns-in-codes-of-conduct.pdf |
| Span (harvest, production, shipping, etc.) | Just Production |
| **Ecological criteria – Raw materials** | |
| Origin of leather | Leather from animals bred for agricultural use (milk or meat) |
| Origin of other materials (cork, etc.) | yes, criteria or origin for cork, rubber and wood |
| Origin of cotton or fibres | yes, biological growth, no genetically modified organisms |
| **Ecological criteria – Production** | |
| Water usage during production | Yes, criteria for tanning water usage |
| Water emission standards | Yes, standards for emissions of tanning, rubber processing and textile finishing |
| Air emissions standards | yes, standards on air emissions for textile finishing |

| | |
|---|---|
| Tanning criteria | yes, only vegetable or non mineral tanning allowed |
| Volatile organic compound limits | yes, threshold limits according 1993/13/EG |
| Ban on chemicals (REACH Compliance) | Yes, a three page list is included in the standard criteria which chemicals are banned for production |
| Standards for colouring | yes, ban on certain pigments, heavy metals, benzol, etc. |
| Standards for tendering | yes, ban on defined products |
| **Ecological criteria – Conservation** | |
| Conservation Chemicals Standards | yes, avoiding chemical conservation wenn possible + a ban on certain toxic products for conservation |
| **Ecological criteria – Finished products** | |
| Heavy metals thresholds | Yes, 50 mg/kg for some defined heavy metals |
| Chrom thresholds | yes, no Chrom VI, Total Chron shall not exceed 250ppm |
| Other thresholds | – |
| Odour testing | Odor has to be weak and relate to raw materials . Tested by at least 7 certified persons |
| Standards for sustainability | Yes, standards on sustainability of soles, colors, bending abilities, etc. |
| Standards on packaging | Yes, 100% recycled cartonages when packed in cartonage, no halogynetic polymeres |
| **Independency of labelling organisation** | |
| Founders/Owners/Decision makers | Austrian government - Ministry of Ecology |
| Are workers involved in the standard? | No, but NGOS and consumer organisations have a voice in defining the standards and deciding about companies being labeled |
| How are the standard and controls financed? | Companies have to deliver reports from certified bodies who comply with the standards set. There is no financial engagement of the labeled companies. |
| **Transparency of labelling organisation** | |
| Traceability of materials | Not described |
| Detailed description of standards | Yes, ZU65 is a 44 pages described set of standards |
| Detailed description on control mechanisms | No description of controlling mechanisms after the label has been given – standards have to be proved before labeling by certified controlling instances |
| CSR Report needed for labels organisations? | Not needed |
| **Control Mechanism** | |
| Amount and periods of control | Labeled for 4 years, if no changes in the product have taken place - but annual samples of companies are controlled yearly |
| Controlling instances | Consumer organisation VKI |
| Efforts to improve the standard | There are regularly updates. Standard on shoes is quite new and very much ahead of all other labels in Austria |
| **Other Comments** | |
| Website | www.umweltzeichen.at |
| Logo send with form (yes/No) | Yes |
| English Label presentation send with form (Yes/No) | No |
| Other comments | This is the most ambitious and elaborate standard for shoes in Austria. Just one design-line of one company shoe complies to the standard |

## ANNEX 2 –

### CHANGE YOUR SHOES PROJECT

Change Your Shoes is a European initiative which stands up for an ethical, sustainable, and transparent shoe supply chain. The footwear sector is a key part of the broader fashion industry. However, in contrast to the textile sector, the grievances of the production processes of the leather and shoe industry are largely unknown. Change Your Shoes works with people as consumers and citizens to demand better working conditions for the makers of our leather shoes. We carry out research on the working and environmental conditions in the leather and shoe production as a basis for the dialogue with EU citizens, decision-makers, and shoe brands. We also collaborate with trade unions and labour rights groups and support their struggles for better working conditions in production countries.

Change Your Shoes believe that:

- Workers in the shoe supply chain have the right to a living wage.
- Workers in the shoe supply chain have the right to safe working conditions.
- Consumers have the rights to safe products and clear information about the production of their shoes.

Change Your Shoes is a partnership of 15 European organisations and 3 Asian organisations plus 20 associates.

**Partners**

- Südwind – AUSTRIA
- Federación SETEM (SETEM) – SPAIN
- INKOTA-netzwerk e.V. – GERMANY
- Gender Education, Research and Technologies foundation (GERT) – BULGARIA
- NaZemi – CZECH REPUBLIC
- Globalization Monitor – HONG KONG SAR CHINA
- Trade Union Rights Centre (TURC) – INDONESIA
- Buy Responsibly Foundation (BRF) – POLAND
- Fair Action – SWEDEN
- Slovak Centre for Communication and Development (SCCD) – SLOVAKIA
- SÜDWIND e.V. – GERMANY
- Clean Clothes Campaign Denmark (CCCDK) – DENMARK
- Labour Behind the Label (LBL) – UK
- Umweltschutzorganisation GLOBAL 2000 – AUSTRIA
- Pro Ethical Trade Finland (PETF) – FINLAND
- Society for Labour and Development (SLD) – INDIA
- CENTRO NUOVO MODELLO DI SVILUPPO (SNMS)- ITALY
- FAIR – ITALY

**IMPRESSUM**

**Authors:** Kenneth Rasmussen, et. al. Aktive Forbrugere Danmark

**Editors:** Anton Pieper, Charlie Aronsson, Stefan Grasgruber-Kerl, Elisabeth Schinzel

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www.suedwind.at, office@suedwind.at

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