

Case Study:
STeP Certification by OEKO-TEX®
REWE Group Detox Program

Sustainability | February 2017



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1 / INTRODUCTION

Abstract: REWE Group aims to eliminate restricted hazardous chemicals from the production process of private label textiles like apparel, home textiles and shoes by 2020. In order to learn more about the substitution of hazardous chemicals together with a service provider, REWE Group develops case studies with different suppliers from its textile supply chain. The following case study shows how we supported two of our suppliers (a garment manufacturer and a dyeing factory in China) by providing them with an audit of OEKO-TEX® that leads to a STeP by OEKO-TEX® certification and furthermore offers specific suggestions for improvement.

Involved suppliers: Garment producer and dyeing factory in China

Aim of the project: Increase the understanding of chemical management in both factories and ensure the STeP by OEKO-TEX® certification of the garment manufacturer and the dyeing mill.

Project period: Feb 2015 – Nov 2016

2 / BACKGROUND INFORMATION

REWE Group Detox Program

The REWE Group takes its responsibility for society and the environment very seriously. That is why REWE Group initiated its own program for a safer use of chemicals in the textile production and also joined the Greenpeace Detox Campaign in 2014. The objective of the REWE Detox Program is to assure the use of safer and less hazardous chemicals in the whole lifecycle and production procedures of textiles such as apparel, footwear products, and home textiles for private label products by no later than 2020.

REWE Group supports its suppliers with information and training in managing chemicals aiming at a toxic free textile supply chain. The following link could provide further information about our Detox Program:

<https://www.rewe-group.com/en/nachhaltigkeit/gruene-produkte/unsere-detox-programm>

Wet processes

With our REWE Group Detox Program, we focus on the crucial stages in which toxic chemicals could be used during the main wet processes. The individual wet processes are analyzed and a risk assessment is carried out, thereby enabling the evaluation of risks regarding contamination with restricted substances.

The common wet processes include bleaching, dyeing, washing, printing and impregnation.

3 / ABOUT STEP BY OEKO-TEX®

OEKO-TEX® is an international association that ensures an independent verification of brands, spinning mills, manufacturers or any other production facility along the textile supply chain.

The certificate issued by OEKO-TEX® is called **STeP** (Sustainable Textile Production). STeP has as objective a permanently **environmentally friendly production** combined with **socially acceptable working conditions**. To ensure a comprehensive analysis and assessment, all production steps in the factory are taken into account and several requirements are part of the final rating, including:

- Chemicals and their use (Chemical Management)
- Environmental Protection
- Environmental Management
- Social Responsibility
- Health and Safety
- Quality Management



The certificate is updated annually and **valid for three years**. Three different levels can be achieved.

- Level one is reached as soon as all **entry requirements** are complied with.
- Level two is reached if **good overall implementation** has been shown.
- Level three stands for **exemplary implementation** and is only reached by best practice companies.

4 / GARMENT MANUFACTURER IN CHINA

Both factories are sub-suppliers of our Chinese supplier.

- **Garment producer:** Employs 227 people and has the ability to produce 150,000 pieces of clothing per month. In the factory, cutting, sewing, processing, inspection and packing processes are conducted.
- **Dyeing factory:** Employs 350 people. Processes include bleaching, dyeing and finishing.



Fig. 1 Garment Producer



Fig. 2 Dyeing Factory

5 / PROJECT OVERVIEW

Procedures of certification:

1. **Completion of electronic questionnaire:** The producers complete a questionnaire regarding the social and ecological situation in their facilities provided by auditing company.
2. **Third-party on-site audit:** The questionnaire survey is followed by a third-party on-site audit to validate the statements made.
3. **Certification:** OEKO-TEX® creates a detailed report based on the results of the audit and – if the required criteria have been met – issues a STeP certificate to the requesting company.
4. **Correction actions:** After the assessment of both factories, OEKO-TEX® provides recommendations to the garment producer and dyeing factory.

Expected outcomes:

1. Increased understanding and improved skills for chemical compliance management
2. Updated chemical inventory
3. Substitution of non-compliant chemicals, if possible
4. Improvements with regard to social standards and environmental management

Source: STeP by OEKO-TEX: More details about Step certifications

Online available: https://www.oeko-tex.com/en/business/certifications_and_services/step_by_oeko_tex/step_start.html

6 / CERTIFICATION AND FINDINGS (1/2)

Garment producer

The garment producer scored an average of 60% and received a level 2 certification. Yet, improvements are needed for each performance area within the audit scope, especially in the area of environmental performance. The recommended improvements include:

Performance area	Recommendations
Chemical Management	A risk assessment for the chemicals used should be performed, and the procedures to comply with the buyers RSL (Restricted Substances List) should be written down.
Environmental Management	The policy, objectives and trainings regarding environmental management should be documented. A sustainability report should be issued and a manual should be written.
Environmental Performance	The production waste should be sorted so to generate a reusable share. Consumption should be monitored and waste avoided. Furthermore, the steam in the ironing section should be considered for reuse.
Social Responsibility	Hygienic conditions in the sanitary and kitchen installations should be monitored and a system to adress workplace harassment and abuse shall be installed.
Health and Safety	The facility safety must be improved, by keeping the emergency equipment operational and all escape routes properly signed. Furthermore, illumination of the work places shall be improved.
Quality Management	More training for the workers should be provided. The vision, mission and a sustainability report shall be published to inform stakeholders.

Source: OEKO-TEX STeP Report 15000107/1, 26.11.2015

6 / CERTIFICATION AND FINDINGS (2/2)

Dyeing factory

The dyeing factory did not pass the first audit. After implementing corrective actions, it passed the second audit, and received a level 3 certification and scored an average of 77%. Recommendations are suggested after re-audit to further improve social and environmental performance of the factory, including:

Performance area	Recommendations
Chemical Management	The chemical inventory should always contains all chemicals used in the factory.
Environmental Management	The factory should establish procedures to communicate with external interested parties.
Environmental Performance	All newly added parameters concerning the waste water quality shall be tested on a yearly basis. Print-outs of MSDS should be displayed for reading. Exhausted air emissions from singeing machines and stenters should be tested.
Social Responsibility	The factory should get a certified social compliance system on top of the internal social compliance system. Code of Conduct should cover the factory's supply chain.
Health and Safety	Assessment of different kinds of risks like noise and concentration in the air of workplaces are needed. Illumination at the workplace should be tested by the third party testing company.
Quality Management	The factory should improve the documentation of the laboratory instruments calibration.

Source: OEKO-TEX STeP Report 15000118/2 24.11.2016 & OEKO-TEX STeP Report 15000118/1 08.11.2015

7 SUMMARY

This case study demonstrates that OEKO-TEX® audit not only leads to a possible STeP by OEKO-TEX® certification based on the three levels rating system, but also provide specific recommendations to factories for further development and continuous improvement in their social and environmental performance.

Although both factories still have room for improvement, the final results of the two participating factories are proved to fulfill the minimum requirements in all six STeP by OEKO-TEX® modules. More importantly, they have both implemented further measures and established systems for continuous improvement.

Main Challenges

The certificate cannot be issued in the first audit of the dyeing factory, because exclusion criteria are not met in three modules – health and safety, environmental performance and social responsibility.

STeP by OEKO-TEX® report provided recommendations but the corrective actions implementation is voluntary and it depends on the factory's willingness to follow up. Fortunately, after the communications and understanding between REWE Group and suppliers, both factories are devoted to improve social and environmental performance. The corrective action plans(CAP) were established with the support of REWE Group to estimate the resources and time needed and the CAP were implemented accordingly.

Outlook

Both participating factories have been committed throughout the project. The certification audit raised their awareness on the current performance and made recommendations that they can implement to achieve further improvement before next audit.



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