

ANNUAL REPORT 2016/17

Vision. Dedication. Confidence.



Confidence in Textiles. Ambition becomes reality.



Dear readers,

For the first time, the OEKO-TEX® Association is publishing a report regarding its activities and

aims. With this, we hope to attend to our corporate responsibilities, substantiate our claim of transparency and inform our stakeholders and interested members of the public.

Sustainability is fundamental to the OEKO-TEX® Association. We deliberately chose a holistic approach for the issue of sustainability. The triad of environment, society and economy is part of this approach. We also wish to depict the complexity of the textile supply chain in its entirety and diversity, from

textile production to the finished product, and make this even more transparent for the end consumer. For this reason, we have dedicated ourselves to process-oriented sustainability, instead of focusing on natural fibres. We consistently implement these ideas in product development. An example of this is DETOX TO ZERO by OEKO-TEX® – an assessment tool for waste water and sludge.

Yet sustainability is not only a subject with a tradition at the OEKO-TEX® Association but also one that I have supported for many years during my professional life. From my own experience, I can say that sustainability can also financially benefit a company. Therefore, it is only logical to talk about the vision of sustainable production and to discuss the potential and success that sustainable production can offer a company.

I wish you an interesting and informative reading and I look forward to your inspiration, suggestions and requests.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'G. Dieners', written in a cursive style.

Georg Dieners

Secretary General | OEKO-TEX® Gemeinschaft

Confidence in Textiles. Ambition becomes reality.



Dear Sir or Madam,

The textile and clothing industry is a business sector with strong international links. The supply chains are complex and about 90% of production takes place in emerging and developing countries. Regrettably this production does not always meet internationally defined environmental and social standards. In 2013, we were made painfully aware of this with the tragic collapse of the Rana Plaza textiles factory in Bangladesh. This tragedy, which resulted in over 1,100 casualties, confirmed that things cannot go on as before. Since then, an atmosphere of change has prevailed in the textile industry and in politics. Further accidents of this

type must be prevented. In the Partnership for Sustainable Textiles the German Federal Government and over 150 companies, associations, unions, non-governmental organisations and standard organisations, are committed to improving safety in textile production as well as, moving beyond building safety, working towards humane working conditions, fair wages, reduced chemical usage and sustainable fibres.

OEKO-TEX® supports the Partnership for Sustainable Textiles as an industry insider and member. Together we strive for the implementation of standards and greater transparency. The awards from OEKO-TEX® offer helpful guidance to consumers who consciously want to choose sustainable textiles. The Federal Ministry for Economic Cooperation and Development (BMZ) shares

a common vision with OEKO-TEX®: to make sustainable textiles a matter of course.

In this regard, I look forward to continuing the excellent cooperation.

Yours faithfully,

A handwritten signature in blue ink, reading "Gunther Beger". The signature is fluid and cursive.

Gunther Beger

Director General BMZ

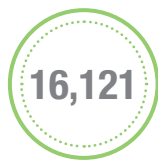
Dept. 1: Policy issues of development co-operation; Civil society; churches and private sector; Rural development

The main points. At a glance.



25 YEARS OF OEKO-TEX®:

2017 was a special year for the OEKO-TEX® Association. 25th birthday – a quarter of a century of STANDARD 100 and Confidence in Textiles. We thank all those who have made this possible through their enduring loyalty. Special thanks go to our customers and consumers who trust our labels. Thank you.



CERTIFICATES IN 2016/17:

STANDARD 100 by OEKO-TEX® had a growth rate of 7.4 % from the previous year.



DETOX TO ZERO – A NEW OEKO-TEX® PRODUCT:

DETOX TO ZERO by OEKO-TEX® enables manufacturers in the textile chain to assess the status of their chemical management and the quality of their waste water and sludge. This may be documented through independent verification. The result of DETOX TO ZERO by OEKO-TEX® is a status report that confirms compliance with the Greenpeace Detox campaign.



33% OF PROFITS ARE REINVESTED INTO QUALITY ASSURANCE:

The OEKO-TEX® Association invested more than a third of all earnings into quality assurance and verification audits in 2016 and 2017.



FIGURES FOR THE YEAR: 3,290 COFFEE CAPSULES SAVED:

With the aim of being a climate neutral company by 2020, the OEKO-TEX® Association is also working towards making office life more sustainable. For example, switching to coffee beans from a local roasting house.



WORKING TOGETHER WITH ZDHC:

Since June 2017, certifications according to ECO PASSPORT by OEKO-TEX® have been recognised by the Zero Discharge of Hazardous Chemicals initiative.



GREATER PRODUCT SAFETY FOR LEATHER:

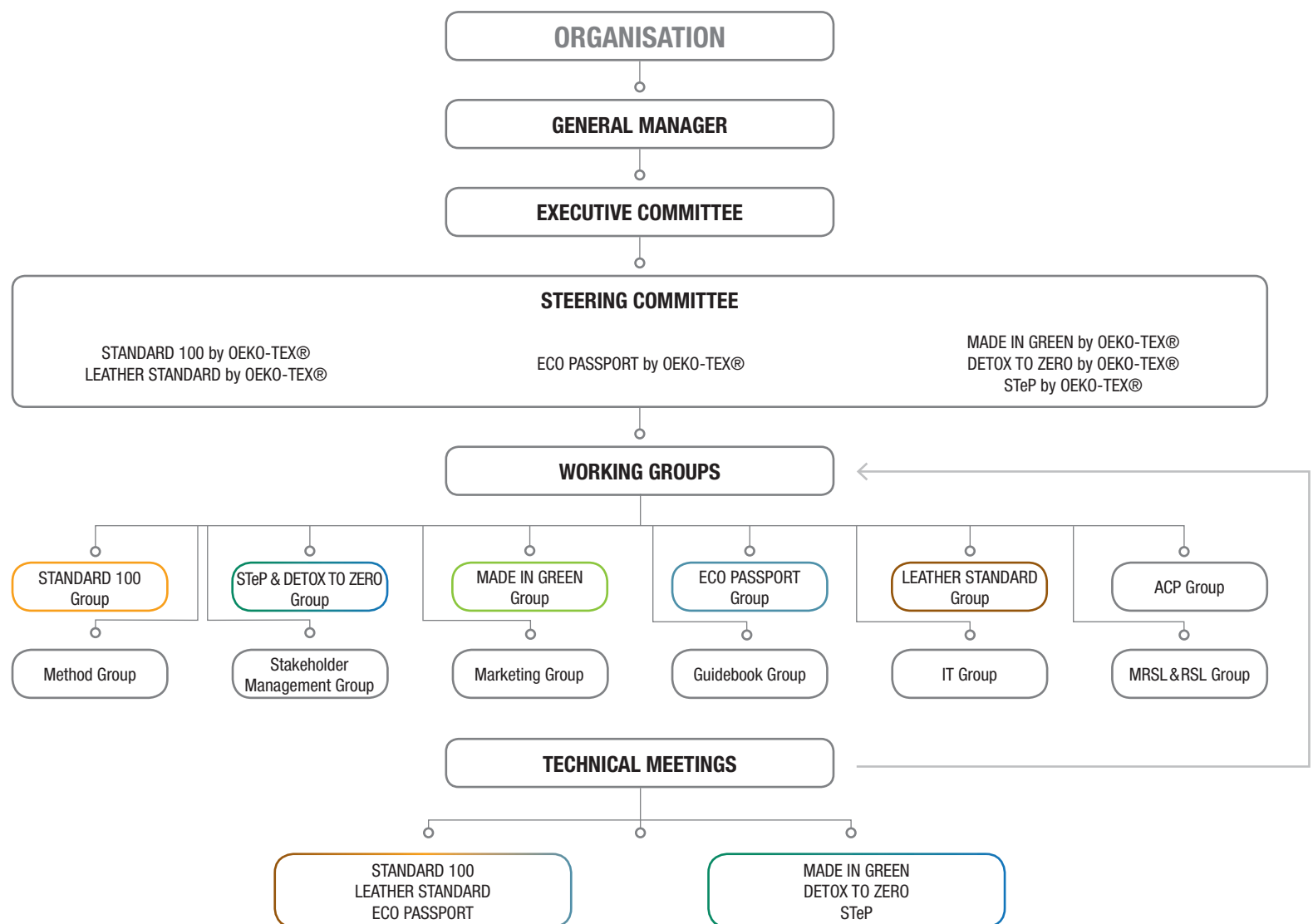
In January 2017 the LEATHER STANDARD by OEKO-TEX® was introduced – a global standard and independent product label for leather items tested for harmful substances. The standard is applicable for unfinished leather goods, finished leather and made-up leather articles.

Cooperation and drive. For a better world.

The OEKO-TEX® Association consists of 18 independent textile and leather institutes in Europe, Japan and their global contact offices. The central focus of the Association is the development of the OEKO-TEX® standards. The testing and audits are carried out by the institutes. Central overarching tasks are undertaken in the OEKO-TEX® office in Zurich.

Number of institutes: 18

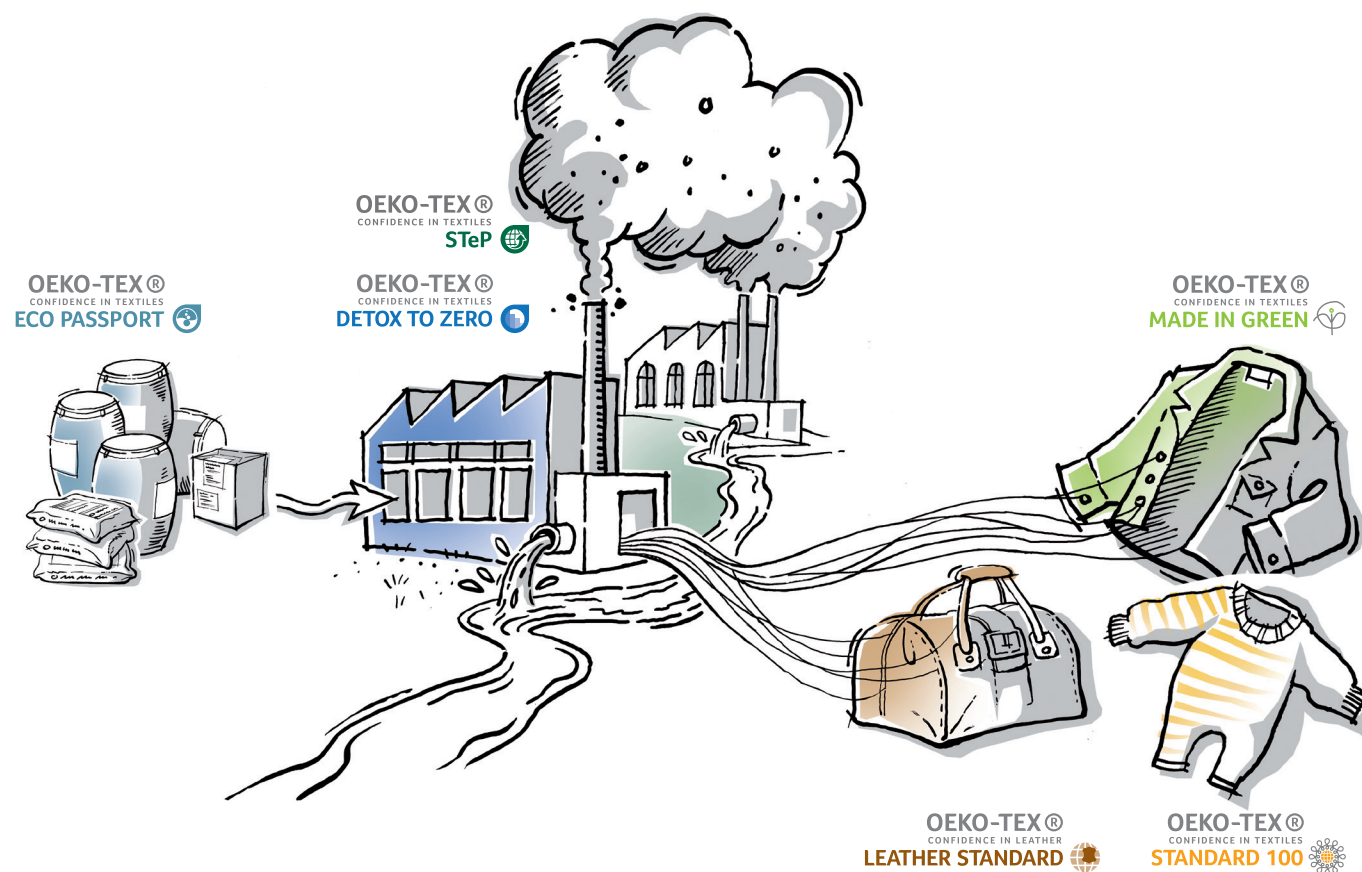
Number of employees in Zurich: about 10



Responsibility. As a central focus.

“OEKO-TEX® understands that sustainability is a process. This process is the equal interaction of environment, social responsibility and business practice. The aim is to preserve life and economies for future generations.”

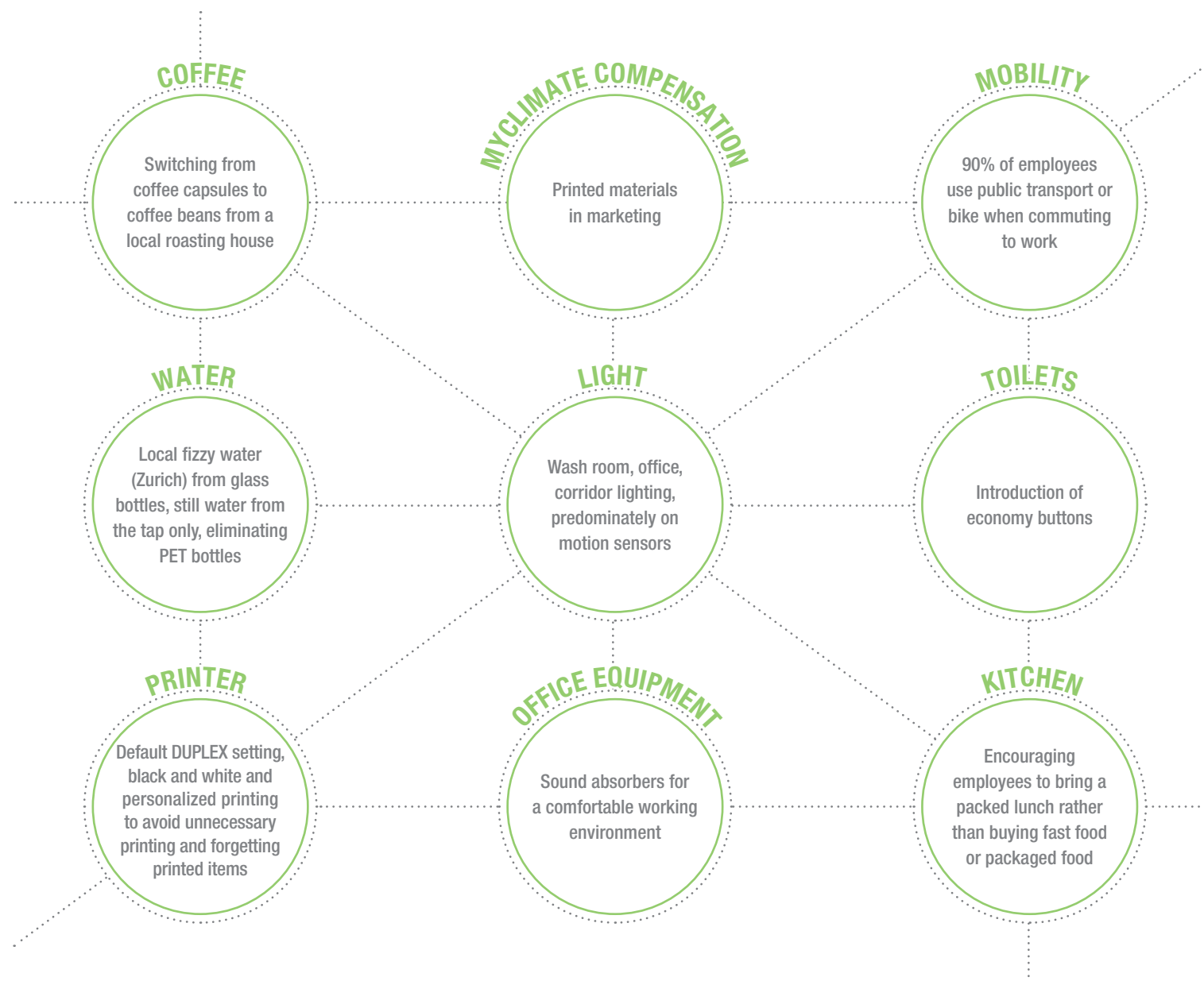
Our central focus is the creation of transparency, reliability and confidence inside the supply chain. The OEKO-TEX® labels also enable an easy and valid communication between retail and consumers. On this basis, we help consumers to make responsible decisions.



Sustainable. Step by Step.

Our sustainability requirements go beyond our product portfolio as we place high value on our own corporate responsibility as well. Hence we are working step by step to convert our daily office life to sustainable resources and behaviour.

➔ **The aim is to be a climate neutral company by 2020.**



OEKO-TEX® is growing. With innovations for manufacturers and consumers.

DETOX TO ZERO by OEKO-TEX®

A new tool helping producers to fulfil the Detox aims.

DETOX TO ZERO by OEKO-TEX® enables manufacturers in the textile chain to assess the status of their chemical management and the quality of their waste water and sludge and to have these documented through independent verification. The result of DETOX TO ZERO by OEKO-TEX® is a status report which can confirm compliance with the Greenpeace Detox campaign.

The core points of DETOX TO ZERO by OEKO-TEX® are the analysis and evaluation of:

1. Waste water and slurry conformity in accordance with the DETOX TO ZERO by OEKO-TEX® Manufacturing Restricted Substance List (MRSL)
2. Conformity of chemicals stored in the company as per DETOX TO ZERO by OEKO-TEX® MRSL
3. Company organisation

Performance is presented in a DETOX TO ZERO status report. The DETOX TO ZERO status report offers a company the option to improve performance with regard to the DETOX TO ZERO criteria by providing specific corrective actions.



OEKO-TEX® is growing. With innovations for manufacturers and consumers.

LEATHER STANDARD by OEKO-TEX®

New certification for leather products tested for harmful substances.

With the LEATHER STANDARD product label, OEKO-TEX® has been labelling leather items that strongly conform to the strict requirements of the criteria catalogue since January 2017. Manufacturers of leather products at all production stages can label their certified items tested for harmful substances. This offers consumers a reliable decision-making tool when purchasing leather products. The LEATHER STANDARD thus contributes to effective and high quality product safety.

The OEKO-TEX® Association gained the Forschungsinstitut für Leder und Kunststoffbahnen (FILK) (Research institute for leather and plastic), Freiberg and the testing and research institute Prüf- und Forschungsinstitut Pirmasens e. V.(PFI) as additional partners for leather product testing, all of which enjoy high recognition in their specialised fields within the leather industry. Together with six long-established OEKO-TEX® institutes, the two new institutes FILK and PFI have also performed testing and certifications as per the LEATHER STANDARD by OEKO-TEX® since 2017.

“We are pleased that our network of 18 OEKO-TEX® institutes is continuing to grow and that we could partner with such long-established and renowned experts from the leather industry. In the end, the guarantee of consumer protection and environmentally friendly production in all areas of textile and leather processing are our biggest concerns”, says Georg Dieners, Secretary General and Managing Director of OEKO-TEX®.



Ongoing growth. The certificates in numbers.



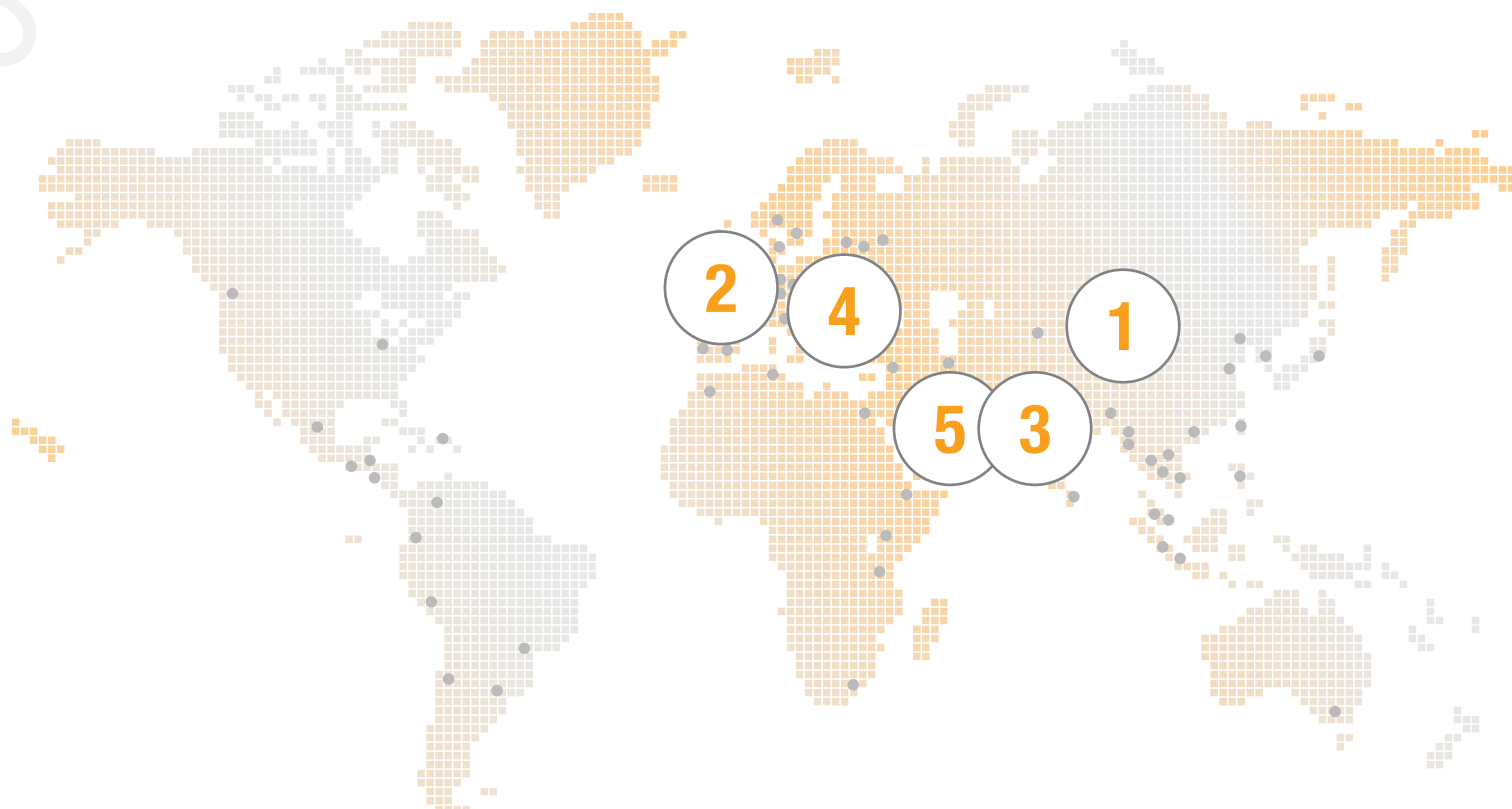
Compared with the previous year

Financial year	2015/16*	2016/17*
Total OEKO-TEX® certificates and reports	14,694	16,121

Growth rate in %	
STANDARD 100.....	7.4 %
MADE IN GREEN.....	57.6 %
STeP.....	74 %
ECO PASSPORT.....	362.9 %

* Financial year 01/07/2016 - 30/06/2017

Setting global standards. With the STANDARD 100 by OEKO-TEX®.



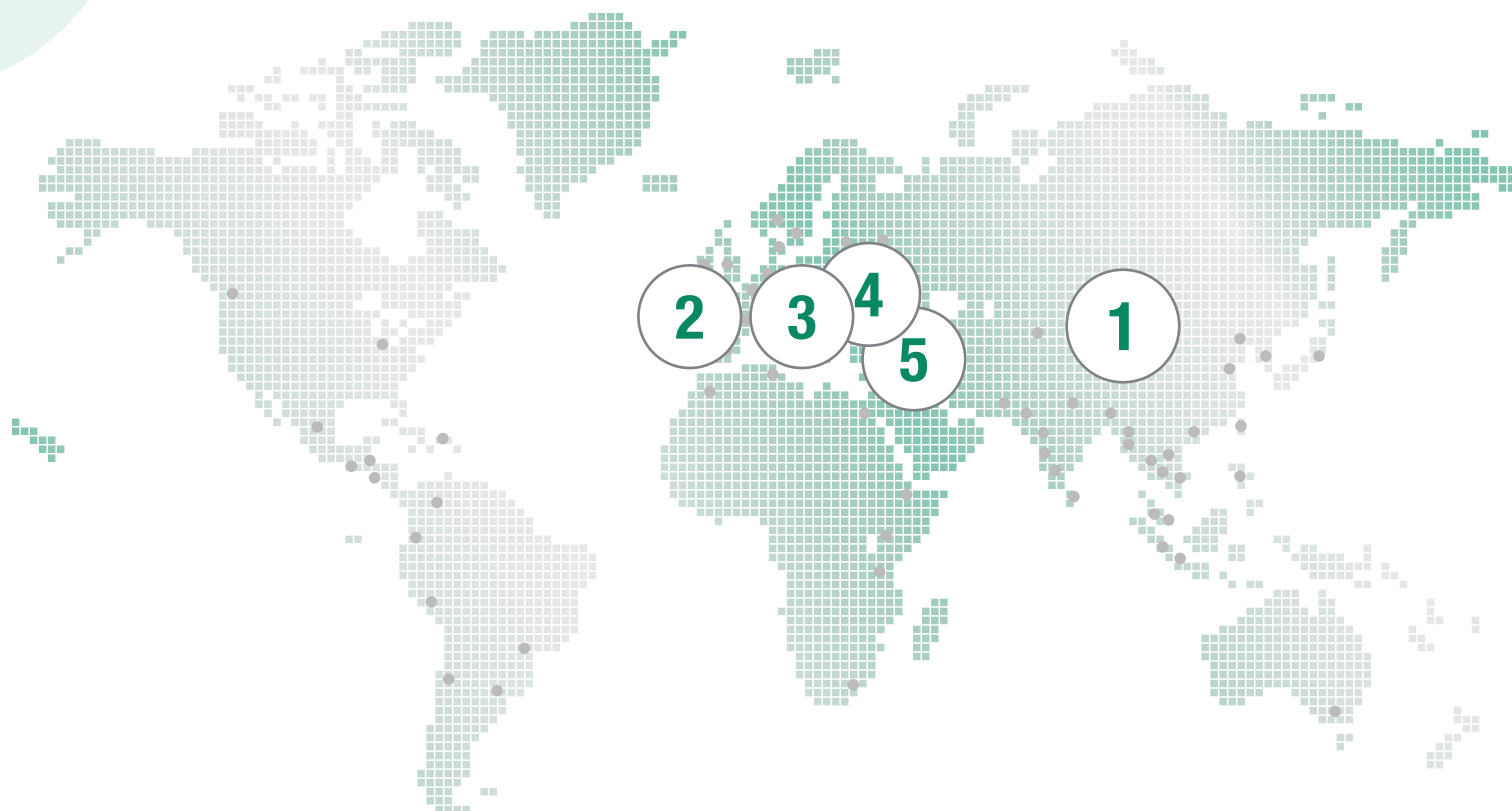
STANDARD 100 by OEKO-TEX® Certificates in the TOP 5 countries:

2016/17

Country	%
1 China	24.88 %
2 Germany	8.95 %
3 Bangladesh	8.04 %
4 Turkey	7.39 %
5 India	7.38 %

The STANDARD 100 by OEKO-TEX® is a globally uniform and independent testing and certification system for textiles, raw, interim and end products at all processing stages and all accessory materials used.

Improving production conditions globally. With STeP by OEKO-TEX®.



STeP by OEKO-TEX®

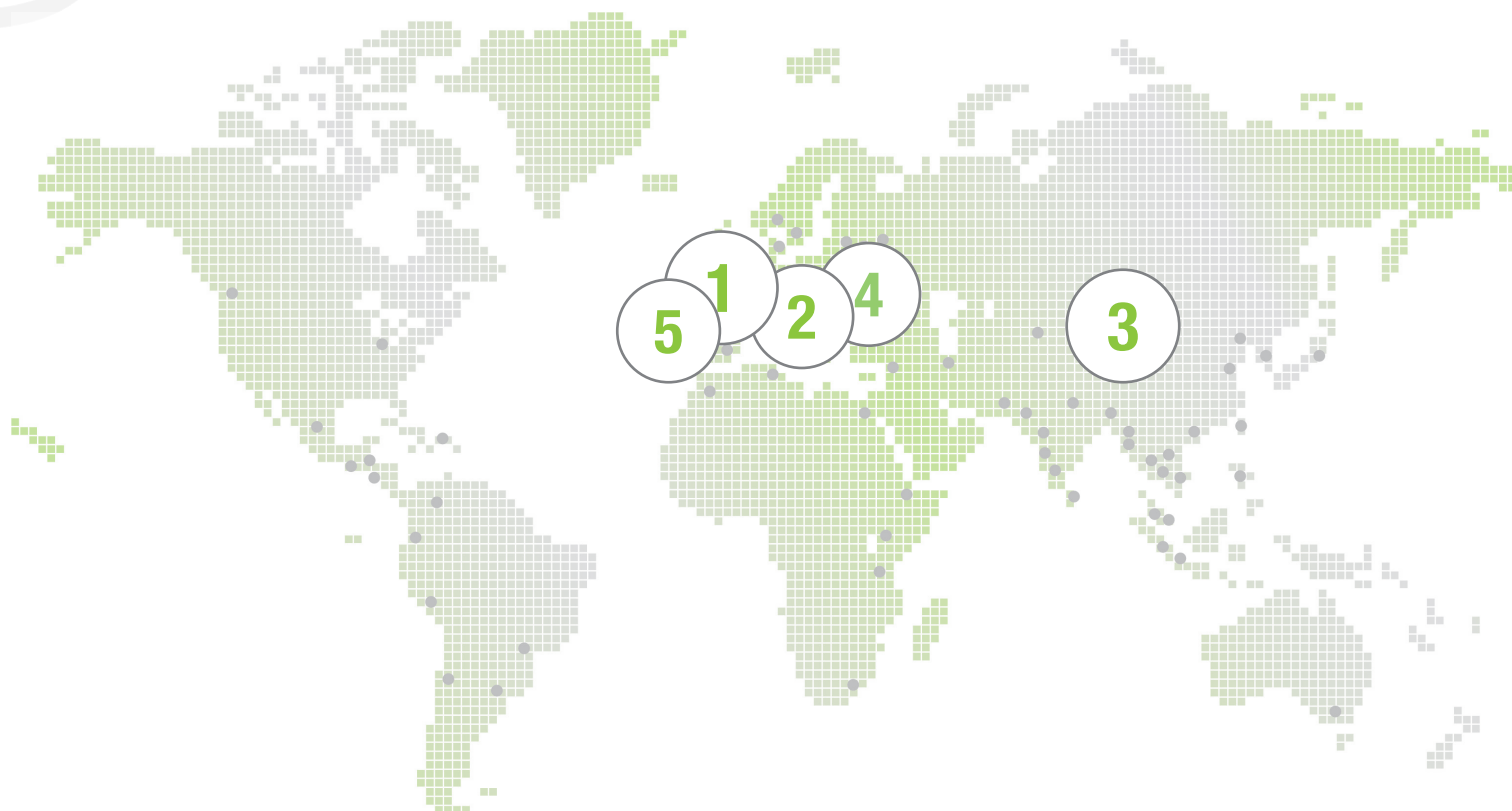
Certificates in the TOP 5 countries:

2016/17

Country	%
1 China	15.38 %
2 Portugal	8.46 %
3 Switzerland	7.69 %
4 Austria	6.92 %
5 Hungary	6.92 %

STeP by OEKO-TEX® is a certificate for all production facilities across the textile supply chain that wish to communicate their performance concerning sustainable production conditions in a transparent, credible and easily comprehensible way.

Helping consumers make responsible choices. With MADE IN GREEN by OEKO-TEX®.



MADE IN GREEN by OEKO-TEX® Certificates in the TOP 5 countries:

2016/17

Country	%
1 Germany	26.92 %
2 Switzerland	13.46 %
3 China	7.69 %
4 Austria	11.54 %
5 Portugal	7.69 %

MADE IN GREEN by OEKO-TEX® is an independent textile label highlighting consumer and semi-finished products at all levels of the textile supply chain that are made from materials tested for harmful substances and have been manufactured using environmentally friendly processes and under safe and socially responsible working conditions.

An important step for chemicals certification. With ECO PASSPORT by OEKO-TEX®.



ECO PASSPORT by OEKO-TEX® Certificates in the TOP 5 countries:

2016/17

Country	%
1 China	28.18 %
2 India	9.62 %
3 Germany	6.19 %
4 Indonesia	5.50 %
5 USA	4.81 %

ECO PASSPORT by OEKO-TEX® is a comprehensive testing and certification system for textile chemicals, dyes and auxiliaries. ECO PASSPORT is aligned with the other OEKO-TEX® products, STeP and STANDARD 100.

Investing in quality. As a matter of principle.

We demand high quality – from ourselves and from the goods and production facilities that we certify. To continuously guarantee a high level of quality, we have established various control mechanisms.

1 Institute audits

- Every three years, OEKO-TEX® performs internal audits together at its 18 accredited, independent textile and leather institutes.
- The aim of these audits is to maintain a high level of quality and to determine and rectify possible hindrances in the certification process.
- The accuracy of the certification processes and the test programmes performed

in the institutes and the internal network procedures are verified.

2 Round robin test

- A round robin test between the OEKO-TEX® member institutes is carried out annually.
- This is used to verify the accuracy of testing methods by measuring several parameter sets.
- The results are consolidated and discussed.
- The institutes take appropriate countermeasures in case of deviating results.

3 Control testing

- About 25% of all certified STANDARD 100 products are subject to product inspections.
- Samples are purchased from shops or taken during audits.
- Certified samples are subject to laboratory tests to ensure the conformity of products.

4 Audit for STANDARD 100 and STeP

- Announced and unannounced audits for certified STANDARD 100 customers and STeP certified production facilities.
- Review of the quality management system, labelling and chemical management,

technical data sheets, documentation of raw material procurement.

- STeP audits also review working conditions and environmental impact.

5 STeP internal training

- Annually, the OEKO-TEX® Association holds internal training to ensure that the auditors have the required knowledge and competence.

Our consumer labels. For safety and confidence

When the OEKO-TEX® Association was founded in 1992, consumer protection within textiles was our aim. That is why we have developed a standard for the industry and a label for consumers: STANDARD 100. At the time, we already recognised that we could only instil the necessary producer and consumer confidence in the standard and label if we operated transparently. For our customers, this means that the standard, criteria and requirements as well as the testing methods are publicly accessible. Using the label, we want to inform consumers about the certification and give them the opportunity to verify the information. This equally applies for MADE IN GREEN and LEATHER STANDARD.

A few years ago, we specifically and systematically expanded our horizon from simple product testing to a holistic view of production and products. Here, sustainability is the key value. This is why we consistently aspire to combine environmental protection, social responsibility and product safety within MADE IN GREEN. In addition, we increase transparency through traceability of supply chains. We help manufacturers build confidence in a product and in its production.



Responsible purchasing. With the highest possible transparency.

With MADE IN GREEN, consumers purchase products that have been sustainably produced and tested for harmful substances. Each MADE IN GREEN label has a unique product ID or QR-Code. Consumers can directly trace the production stages of a product in the store using a smartphone. A quick scan of the QR-Codes provides answers to questions such as: In which production facilities was this item produced? And: In which countries did production take place? With only one label, MADE IN GREEN offers consumers a degree of transparency that was previously unattainable.

Product brand logo

Promise

OEKO-TEX®
CONFIDENCE IN TEXTILES
MADE IN GREEN

000000000 Institute

Tested for harmful substances and produced
sustainably in accordance with OEKO-TEX®
guidelines. www.madeingreen.com



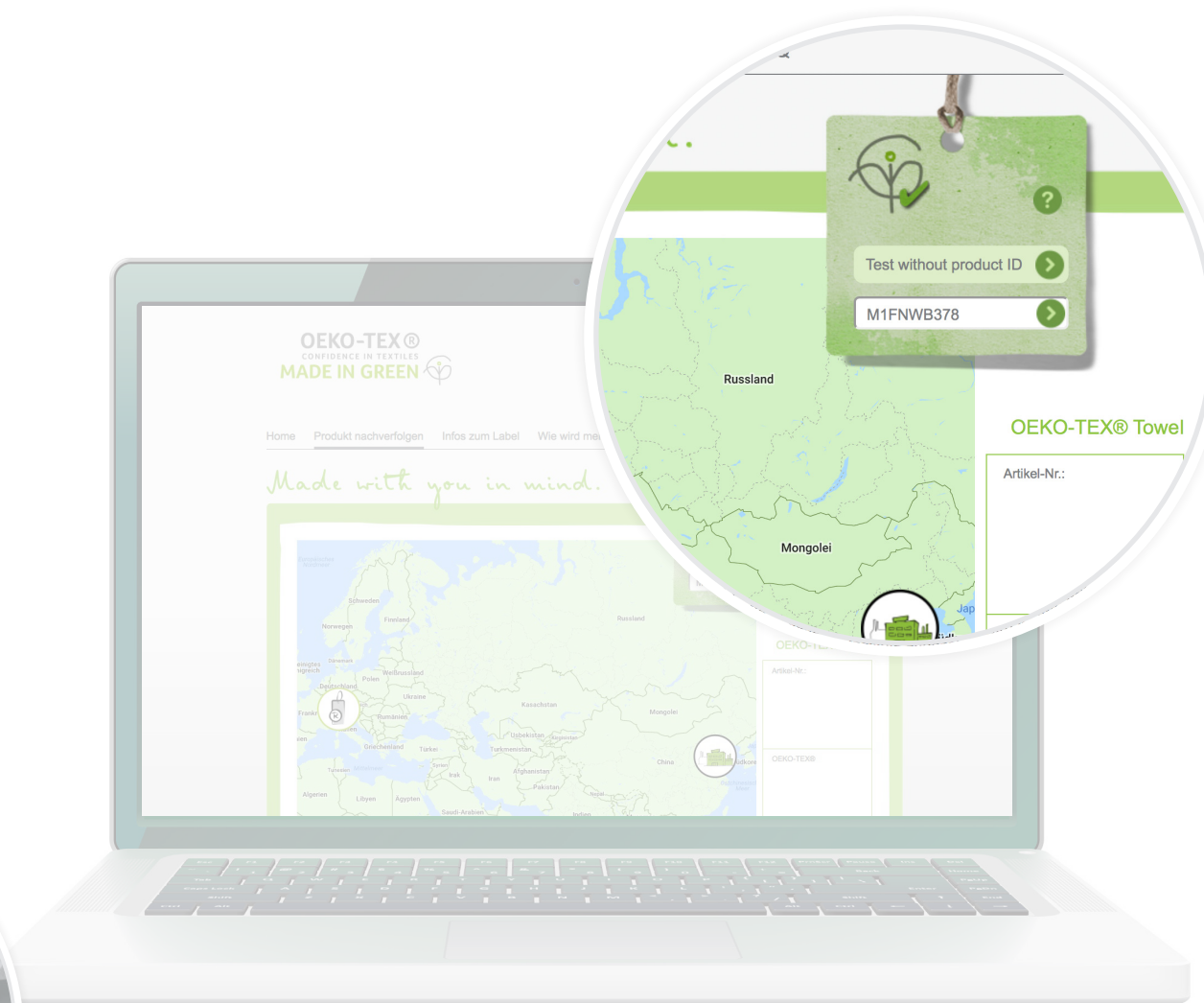
Product ID and institute

Website

Optional QR-Code

Transparency.

Every textile product awarded with MADE IN GREEN has a unique product ID and/or QR-Code that allows the production of the item to be traced. Each product ID shows the production stages and the countries in which the textiles were produced.



"QR-Code" is a registered trademark of DENSO WAVE INCORPORATED.

Tested for harmful substances. For more than 25 years.

The STANDARD 100 Label has set standards for transparency. Since the first label in 1992, every OEKO-TEX® label has been assigned an individual certificate number. The central focus of the STANDARD 100 by OEKO-TEX® is the development of testing criteria, limit values and testing procedures on a scientific basis. Thanks to its extensive and strict list of measures, the STANDARD 100 by OEKO-TEX® takes several hundred regulated single substances into account.

Product brand logo

Promise

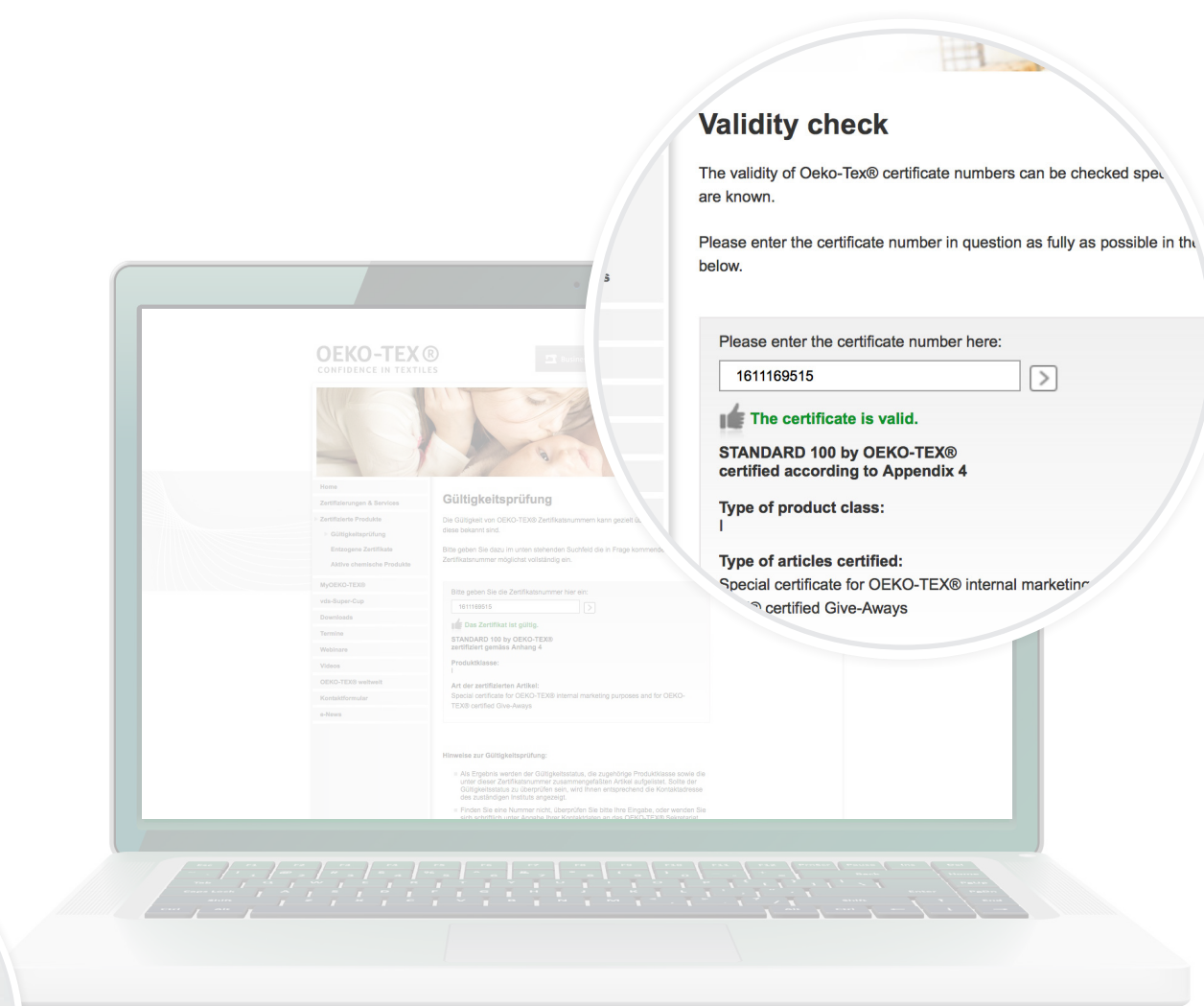


Certificate number
and institute

Website

Validity check.

The validity of any OEKO-TEX® certificate number on any product can be verified at www.oeko-tex.com by entering the certificate number in the search field.



Tried and tested quality. Now also for leather.

With the LEATHER STANDARD, a globally uniform and independent product label for leather items tested for harmful substances has been a part of the OEKO-TEX® portfolio since January 2017. The corresponding label helps consumers to purchase leather products with confidence.

Like all other OEKO-TEX® labels, the certificate validity for the LEATHER STANDARD can also be verified. The testing criteria and the standard are also publicly available.

Product brand logo

Promise



Certificate number
and institute

Website

More publicity. For sustainability.

One of our most important tools used to spread ideas about sustainability are exhibitions in different areas of the textile and leather industry, such as home textiles, children's clothing, fabric and accessories and workwear.

In Germany and Europe, these include, for example, the exhibitions Heimtextil, Munich Fabric Start, ITMA, Chemspec, Ethical Fashion Show Berlin, Kind+Jugend and A+A. Here, we participate in personal discussions at our exhibition booths and panel discussions as well as holding talks to pass on our expertise concerning sustainability. Other regions outside Europe are represented at trade exhibitions by the subsidiaries of the OEKO-TEX® institutes. They receive financial support from the Association for these exhibitions.



heimtextil



**ethical
fashion show**
BERLIN



ITMA 2019
www.itma.com

A strong network for sustainability.

Continuity and development are equally important to us. This is why we place great value on close cooperation with different national and international stakeholder groups. This includes, amongst others, non-governmental organisations (NGOs), initiatives and various local or national governments and authorities. These various organisations are an important part of our critical reflection, quality assurance and future orientation.



Member



Member

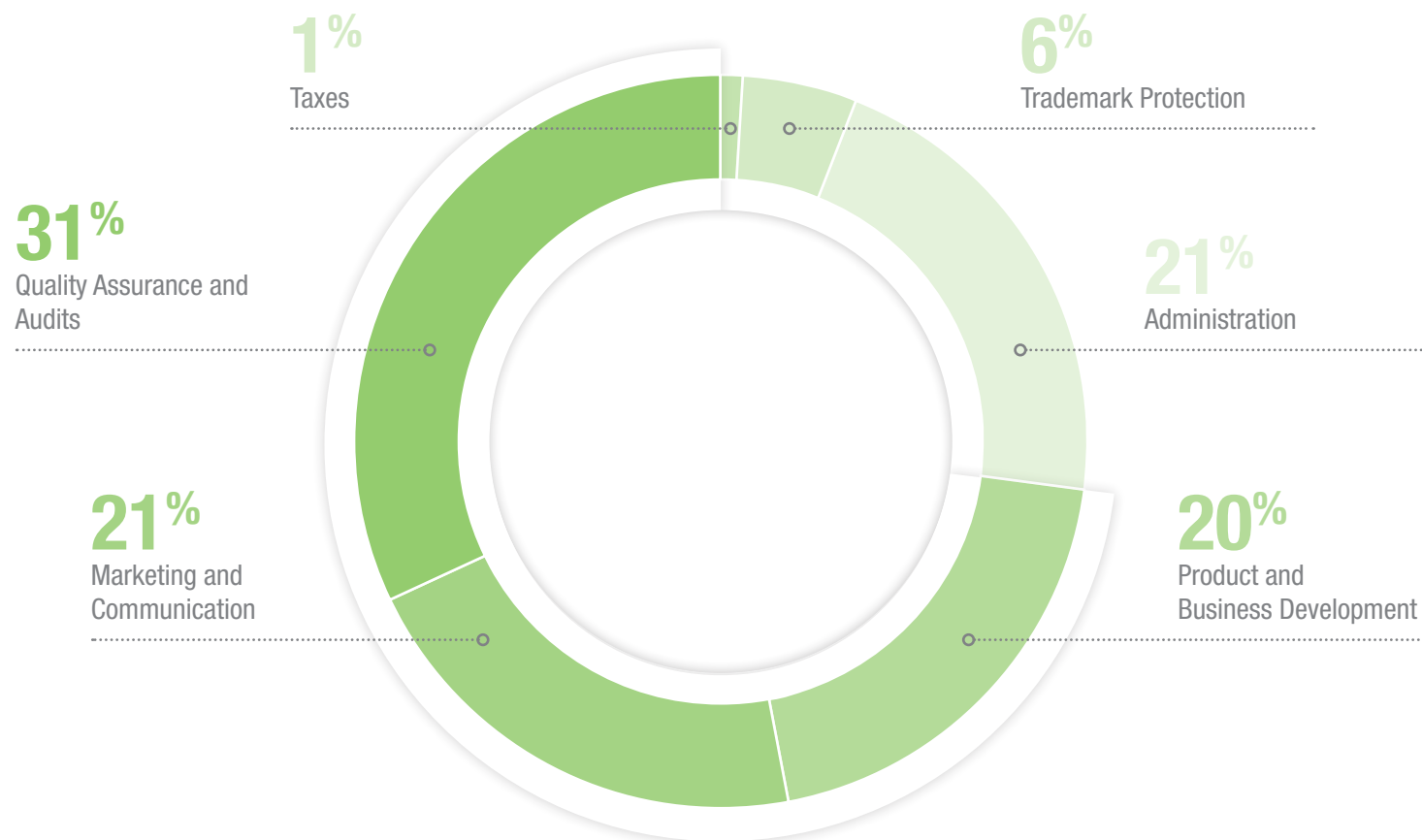


Member

Special mentions

Financial overview. Core activities in focus.

The OEKO-TEX® Association's financing is based on product licensing fees.



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