“Audit Checklist and Methods: Ecological and Social Compliance”.

22 May 2015
Mumbai, India
TOPICS

• How an audit checklist is prepared and methods of auditing?

• How has auditing developed throughout the years?

• What opportunities and challenges does auditing face?

• Auditing: what has to change?

• Ecological and social auditing
Benefits of auditing & Auditing Checklist

• Adds value to products
• Consumer trust – recognition
• Validation and Assurance of sustainability claims on product (organic, recycled, sustainable)

• Auditing checklist- Standard reference Vs Checklist
• Interpretations for questions asked
• Documents concerned for verification
• Testing- Physical, chemical, biological & social
• Guidelines
• Training on checklist
• Evaluation procedures/ criterias
• Quality and Programme manual
Methods of auditing

• Methods depend upon time and type of auditing
• Announced Vs Unannounced audit
• Incidence audit (Audit due to calamity/ accidents /happenings)
• Addition and deletion of units- linked audit
• Standard version change audit
• Desktop audit

Basic Skeleton:
1. Pre-audit documents
2. Inspector documents
3. Opening and closing meeting
4. Scopes audit onsite & Documents audit- Inputs, labeling, linked source documents)

1. Checklist and Standard reference for checklist
2. Non conformity and Observations
Textile Certification Programs

**Agriculture**

![Certification logos]

**Processed Product**

![Certification logos]
Textile Process

Natural Fibers

growing
harvesting

Processor

ginning
spinning
knitting mill
weaving mill
dyeing mill
finishing

Retailer/Brands

dyeing mill
finishing

end product
Basic Features

Organic Fibres

Environmental and Social Criteria

Concerns all Processing Stages

Testing for Harmful Substances

GOTS • slide 8 • 05/06/2015
CERTIFICATE OF COMPLIANCE
(Scope Certificate)

No. [xxxx]

[Certifier X] declares that

NAME OF CERTIFIED COMPANY
Address

has been inspected and assessed according to the

Global Organic Textile Standard (GOTS)
- Version 3.0 -

and that products of the categories as mentioned below (and further specified in the annex) comply with this standard:

Product categories: [Terminology for basic product category terms as provided for in the policy, for specificiations prefixes and terminology following the samples of the provided excel list can be used]

Processing steps / activities carried out under responsibility of the above mentioned company (by the operations as detailed in the annex) for the certified products:

[List of processing steps / activities, terminology to be used from provided list]

This Certificate is valid until: dd / Month / yyyy

Place and Date of Issue
Stamp of the issuing body

GOTS Logo

Name of the authorised person

This certificate cannot be used as a transaction certificate.
The issuing body can withdraw this certificate before it expires if the declared compliance is no longer guaranteed.

[Optional: A sentence that references the certificate to stipulations of the contract with the licensee and/or clauses of certifier's scope specific stipulations]

Accredited / Licensed by: [name of accreditation body]. Accreditation No.: [coax]

[If applicable: This electronically issued document is the valid original version]
Basic Key criteria for fiber use

Organic Fibers, Composition and Labeling Guidelines
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fibres Allowed</td>
<td>Natural Fibres like Cotton, Bast, Silk, Wool, Other Animal Fibres (Certified Organic &amp; Inconversion)</td>
</tr>
<tr>
<td>Fibres Not Allowed</td>
<td>GMO Fibres &amp; Asbestos</td>
</tr>
<tr>
<td>Fibres Restricted</td>
<td>Synthetic &amp; Regenerated (Max 10%)</td>
</tr>
<tr>
<td>Special Conditions (Restricted fibres)</td>
<td>For socks, &amp; Sportswear etc. (Max 25%)</td>
</tr>
</tbody>
</table>
Criteria for processing

• General criteria for all processing stages (e.g. separation, record keeping, environmental policy, social criteria)
• General ban on harmful substances in all processing stages (e.g. formaldehyde, toxic heavy metals, GMOs)
• General criteria for the assessment of chemical inputs (meeting limits on human and environmental (aquatic, fauna, flora and soil) toxicity as well as on biodegradability / eliminability)
• Specific criteria for the different processing stages (e.g. functional waste water treatment plant for wet processing plants, limitations on materials for accessories and finishing methods)
**Processing Stages**

- Chemicals/ enzymes used at various stages
- Inputs should conform to GOTS Version 4.0
- Positive lists available with CB’s.
- Social and Environment criteria
Meeting social minimum criteria based on the ILO key norms is compulsory for all processing and manufacturing stages. The requirements include e.g.:

- No child labor
- Payment of living wages
- Working hours must not be excessive
- Safe and hygienic working conditions
- No discrimination, no harsh or inhumane treatment
- Operators must establish social compliance management tools that support the implementation and monitoring of the social minimum Criteria along with local legislation.
Environment Criteria

- Energy & Water Consumption Data
- Waste & Discharges
- Chemical & Sludge Disposal

Testing Criteria for Discharged water:

Local Legislations
Storage, Packing and Transport

- Contamination with non organic products is prohibited
- PVC in packing materials is prohibited
- Pesticide/ Biocide use in storeroom/ transportation has to be in accordance with International/ National Organic Production Standard
Dual system for quality assurance

Certification
• On-site inspection of the entire processing chain up to the import level
• Annual inspection cycle
• Organic product flow, environmental and social criteria subject to inspection

Residue Testing
• Orientation values for residues
• Risk assessment of contamination
• Analysis in ISO 17025 accredited labs
An auditor’s daily work
Natural fibers that are;

Certified organic or in-conversion organic fibers

International or national organic farming standard e.g. EU, NOP, NPOP etc.

Certification /accreditation IFOAM or internationally recognized standard (ISO 65 or EN45011)
Reception check

• Packaging
• Labeling
• Quantity
• Quality
• Documentation
• Record keeping
Processing:
Clean machines, containers store areas before start organic process
Separation of organic products

All stages through the processing chain

• ensure that organic and conventional fibers are **not commingled**

• organic fibers are **not contaminated** by contact with prohibited substances.

• All organic raw materials must be **clearly labeled** and identified as such at all stages through the processing chain.
Separation

Meaning of separation?

Contamination prevention between organic / non-organic products as well as other prohibited substances
Output Storage

Finish products should be packed, labeled and sealed properly.
Lack of details in the label

Non Compliance
Transportation

Transport certified claimed products with proper labels & accompanying transport documents

Compliance
Traceability

any processing stage to the origin of certified fiber
Traceability via documentation

Tracing back any processing stage to the origin via lot numbers on documentation and record keeping.

All the chemical consumption and stock records
Chemical Use

- Must use approved Chemicals by an certification body accredited by GOTS.
- Store properly to avoid contamination
- Assurance of correct recipe and ratio
- Record keeping of receipt and issuance.

- Textile processing unit which doesn’t have chemical manufacturing process cannot obtain the approval alone.
Accessory use

- Allowances
- Prohibitions
- Restrictions

when using accessories

Requires proof of:
- labels
- MSDS
- Test reports
- Supplier’s material specification sheets

*No separate approval program
Environmental criteria

All operators must have
  • an environmental policy including target goals
  • procedures to minimize waste and discharges

The waste water from all wet processing units must be treated in a functional waste water treatment plant

Wet processing units must keep full records of the
  • use of chemicals,
  • energy
  • water consumption
  • waste water treatment
  • disposal of sludge.
Correct Chemical Handling

Proper Chemical Storage

Instructions of chemical handling

Access Control to GOTS chemicals

Control issue of chemicals

PPE
Incorrect Waste Disposal and Chemical Handling
Regular Audit (onsite/desk)
Incidence Audit
Surprise/ Unannounced Audit
How has auditing developed throughout the years?
International Working Group
Voluntary organization
Government
Private organization/ Advisory Boards/ Experts

ISO Guidelines
Various Reference
Guidance Documents

Preparation of standards
Policy and procedure
Manual for implementation
Labeling guidelines
Technical
- Material Composition
- Packaging
- Input evaluation
- Quality Control
- Quantity Control
- Record Keeping
- Internal Inspection
- Technical risk assessment (Physical, Chemical, Biological)

Social
- ILO
- Country Regulation (both production & import regulation)
- State Legislation
- Local legislation
- Social risk assessment

Environmental
- Policy statement
- Waste Disposal
- Energy Conservation
- Water Conservation
- Discharge point
- Quality evaluation
- Environmental risk assessment
Onsite Audit vs Desk Audit

**Pre-audit**
- Project (process, scope)
- Quality management
- Programme management with standard
- Site to be audited (area assessment on the basis of risks)

**Audit**
- Follow the policy of the company if suitable
- Review the information (opening, closing)
- Cover the check list
- Collect the evidence, incidence and sample
- Follow safety guidelines
- Conduct Interviews
- Follow the audit plan and timeline

**Post Audit**
- Report the facts
- Complete the assessment
- Raise the non-conformities if any
- Report to team
- Report to your certifier
- Send the sample and report by mail/courier
- Follow up Non conformity
What opportunities and challenges does auditing face?
Opportunities and Challenges
Consciousness & Knowledge

Bribes/ Gifts
<table>
<thead>
<tr>
<th>Version</th>
<th>Year</th>
<th>Key Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1.0</td>
<td>2005</td>
<td>Basic regulations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inputs (restricted/prohibited)</td>
</tr>
<tr>
<td>Version 2.0</td>
<td>2008</td>
<td>More focused on chemicals/accessories</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fibre specified</td>
</tr>
<tr>
<td>Version 3.0</td>
<td>2011</td>
<td>Assessment criteria</td>
</tr>
<tr>
<td></td>
<td></td>
<td>All process specified, packaging focused</td>
</tr>
<tr>
<td>Version 4.0</td>
<td>2014, March 1st</td>
<td>Fibre, chemicals, accessories more redefined</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GMO and analysis instructions will be enhanced</td>
</tr>
</tbody>
</table>
Auditing: what has to change?
What kind of improvement does the factory obtain from standards/certification?

**TECHNICAL IMPROVEMENT**
- All raw materials are screened
- Fibres, social & environment are well addressed
- Time, space, people management with traceability

**SOCIAL**
- Workers confidence

**Economically viable**
- Consumer assurance
- Buyers credibility
- Economically viable
Public Data Base

You can search for GOTS certified entities, their fields of operation and certified products according to individual parameters

Further Information


• GOTS and related documents available for download

• Public data base containing the GOTS certified entities, their products and fields of operation

• News and latest developments, subscribe to our newsletter.

• [www.cottonedon.org](http://www.cottonedon.org)

• [https://www.facebook.com/sumit.gupta.3517](https://www.facebook.com/sumit.gupta.3517)
Questions?
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