## WWW.SANE-STANDARD.COM

# = SANE

SANESTANDARD



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#### 

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## PRINCIPLES

# = SANE

## WHAT IS SANE

SANE STANDARD is a set of requirements and characteristics that a product must fulfill to be certified SANE.

The certification guarantees the consumers the highest level of sustainability during the making of a product from the fiber to the sewing of the last button.

## WHAT SUSTAINABILITY MEANS TO US

Sustainability does not have a universal and established definition. In fact, producing clothes or footwear will never be 100% sustainable, because it will always require the use of water and energy along with other resources and will inevitably generate some waste.

The baseline to set up this standard was to define the threshold under which a production process causes irrevocable damages to either the environment, the workers, or the consumers' health.

Certified products must meet this threshold in all areas covered by our standard because we believe that it is not sane to only protect the planet while at the same time exploiting people or vice versa.

## WHAT OUR STANDARD COVERS

Our requirements cover the life cycle phases of a product where the environmental or human impacts are the most harmful and where single brands or factories are required to implement more sustainable processing methods where technically feasible.

Our standard specifically focuses on the choice of low-impact fibers, the environmental footprint of the processing stages, the chemical content of final products, and the working conditions and remuneration of workers.

We have also based our standard on what would be achievable on a large scale for fashion brands. For this purpose, we have taken profitable and successful brands following the highest sustainable standards in the market as a benchmark.

## SANE SCOPE

Our standard is designed for products made and sold around the world.

The final certified products may be garments, fashion accessories, footwear, and home textiles. This list may be extended in the future.

Our certification is suitable for small, medium, and large companies from both a practical and financial point of view.

Certain requirements apply to the entire production facility where a certified product is processed, whereas other criteria apply only to the specific product being certified. To ensure the credibility of our standard, production facilities need to be certified by an authorized third-party auditor.

When local regulations in place have higher sustainability standards, those shall prevail, in other cases SANE requirements apply.

To avoid unnecessary duplication of audits, SANE recognizes and accepts selected credible existing standards.

It has taken 5 years of research and consultations with hundreds of the industry's stakeholders to set our first standard version. This second version had been released following the learning of the first product certifications. Our standard will be reviewed on a regular basis in order to always meet the highest achievable level of sustainability.

## SANEREQUIREMENTS

# = SANE

## 1. MATERIAL CHOICE

#### 1.1. USE OF APPROVED MATERIAL

#### CORE CONCEPT

Material choice accounts for up to two-thirds of a fashion brand's environmental footprint<sup>1</sup>. The production of fibers can have severe impacts in terms of water, energy, and land use as well as air emissions and waste. Choosing sustainable fibers significantly reduces the environmental footprint of a product.

#### SANE REQUIREMENT

To be certified, a minimum of 90% of the total weight of a product, including accessories, must be made of Approved Material (see Annex 1).

#### SCOPE

- This requirement applies equally to products made of blended material or/and made of several materials.
- There should be an adequate system of traceability, identification, and storage of SANE Approved Material in audited facilities.

#### OTHER STANDARDS ACCEPTED

See the Approved Material table in Annex 1

#### CERTIFICATION PROCESS

Companies are expected to provide valid proof of material content (i.e. transaction certificate, purchasing documents, other certifications, etc).

<sup>&</sup>lt;sup>1</sup> Global Fashion Agenda and Boston Consulting Group (2018). Pulse of the Fashion Industry 2018

# 1.2. LIMITATIONS RELATED TO THE 10% OF NON-APPROVED MATERIALS

### CORE CONCEPT

SANE is mindful of the actual market reality and technical constraints. We understand that sometimes fibers need to be blended to add some elasticity, strength, or aesthetic component to a product.

#### SANE REQUIREMENT

The use of non-approved materials is permitted for use of up to 10% of the total weight of a product. The 10% of non-approved material shall not contain any percentage of the below material.

MATERIAL FROM THREATENED ANIMALS, PLANT AND TIMBER

ANGORA HAIR

MULESED WOOL

#### SCOPE

This requirement applies equally to products made of blended material or/and made of several materials.

#### OTHER STANDARDS ACCEPTED

N/A

#### **CERTIFICATION PROCESS**

Companies will be requested to submit the exact product composition prior to each product certification..

## 2. CHEMICAL CONTENT AND HANDLING

#### 2.1. CHEMICAL CONTENT

#### CORE CONCEPT

Chemicals are used in almost every step throughout the production of a garment and are often extremely harmful to the consumers, the workers, and the environment.

#### SANE REQUIREMENT

The substances listed in the ZDHC's Manufacturing Restricted Substance List<sup>2</sup> have been proven to be dangerous and should not be used during the processing stages, including printing and finishing.

#### SCOPE

This requirement applies to each certified product, during any step of the production.

#### OTHER STANDARDS ACCEPTED

Blue sign; GOTS; REACH compliance; Green Screen®; ECO PASSPORT by OEKO-TEX®; GRS; EU Ecolabel; Cradle to Cradle - Textiles - Platinum; Nordic Swan.

#### **CERTIFICATION PROCESS**

Production units should either provide valid documentation or certification proving their compliance with SANE requirements or undergo a detailed audit of the exact chemicals used.

<sup>&</sup>lt;sup>2</sup>https://mrsl.roadmaptozero.com

#### 2.2. WASTEWATER

#### CORE CONCEPT

Water pollution is one of the major environmental damages caused by the fashion industry. It is estimated that 20% of industrial water pollution comes from textiles treatment plants<sup>3</sup>. It is essential for SANE to make sure that the production of certified articles does not contribute to this pollution which is extremely harmful to aquatic life and the health of millions of people living by those river banks.

#### SANE REQUIREMENT

Wastewater from all wet processing facilities shall be treated before being released into the environment. The applicable local regulations shall be fulfilled. Where local requirements are lower, the limit values of the Foundational Level of ZDHC's Wastewater Guidelines<sup>4</sup> shall prevail.

#### SCOPE

This requirement applies to the production units handling chemicals and/or wet processing on site.

#### OTHER STANDARDS ACCEPTED

Blue sign; GOTS; GRS; Cradle to Cradle - Textiles - Platinum; Nordic Swan.

#### **CERTIFICATION PROCESS**

Production units working with chemicals on-site should either provide valid documentation or certification proving their compliance with SANE requirements on wastewater treatments or undergo a detailed audit.



<sup>&</sup>lt;sup>3</sup> Source: World Bank - How Much Do Our Wardrobes Cost to the Environment? 2019

 $<sup>^4\,</sup>https://www.roadmaptozero.com/output\#guidelines$ 

## 3. SOCIAL REQUIREMENTS

#### 3.1. DECENT WORKERS' REMUNERATION

#### CORE CONCEPT

" There is no beauty in the finest cloth if it makes hunger and unhappiness." said Mahatma Gandhi.

#### SANE REQUIREMENTS

- Wages and benefits paid for a standard working week shall, as a minimum, meet national legal standards<sup>5</sup> or industry benchmark standards<sup>6</sup>, whichever is higher.
- Deductions from wages as a disciplinary measure shall not be permitted.
- The hourly rate of workers paid per task, per piece, or under other non-regular employment contracts, shall not be lower than the hourly rate of workers under regular employment doing similar tasks.

#### SCOPE

These requirements are applicable to units applying for SANE scope certification at <u>all stages of the supply chain.</u>

#### OTHER STANDARDS ACCEPTED

SAI/SA8000; Fairtrade Textile Standard; Fair Wear Foundation; Fair Labor Association; Oeko-tex Made In Green; GOTS; WFTO

#### **CERTIFICATION PROCESS**

Wages and benefits related records of the audited facility will be reviewed by the auditor.

<sup>&</sup>lt;sup>5</sup> "National legal standard" also called" minimum legal wage": As per ILO definition is "the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract". This amount is defined by the local authority.

<sup>&</sup>lt;sup>6</sup> "Industry benchmark standards" also called "market wage": is the remuneration paid to workers in a specific geographical area for specific tasks. The market wage is different to the minimum wage. It is usually the wage rate that brings the demand and supply of labour into equilibrium.

#### 3.2. PAYMENT OF A LIVING WAGE

#### CORE CONCEPT

Fair working conditions are a crucial part of the SANE concept, and we decided to take it one step further. Because decent working conditions only make a difference when remuneration of labor allows workers to fulfill their basic needs, our requirements impose the payment of a living wage to garment workers.

SANE requirements take into consideration the fact that in some regions the Minimum Wage and the Market Wage\* for garment workers are lower than a Living Wage<sup>7</sup>. Where it is not economically sustainable for an employer to pay a Living Wage to the workers, a compensation mechanism can be accepted.

#### SANE REQUIREMENT

- Wages and benefits paid should always be sufficient in meeting the basic needs of workers and their families, including some discretionary income.
- The local Living Wage shall be calculated based on the Anker Methodology<sup>8</sup> to quantify concretely the concept of "basic needs".
- Any gap between the Living Wage and the Workers' Remuneration<sup>9</sup> will have to be compensated to fill the "Wage Gap"<sup>10</sup>. This compensation cannot lead to the reduction of workers' remuneration.

#### SCOPE

This requirement applies to <u>production facilities where fabric marking, cutting, assembling, stitching, ironing, and embroidery are handled.</u>

#### OTHER STANDARDS ACCEPTED

Fair Wage Certified



<sup>&</sup>lt;sup>7</sup> As per the Global Living Wage Coalition definition: "A Living Wage is the sufficient remuneration received for a standard workweek by a worker to afford a decent standard of living. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including a provision for unexpected events".

 $<sup>^{8}</sup>$  Anker methodology: www.globallivingwage.org/about/anker-methodology

<sup>&</sup>lt;sup>9</sup> Worker remuneration: The total compensation received by a worker. It includes not only base salary but any bonuses, commission payments, overtime pay, or other financial benefits that an worker receives from an employer.

<sup>&</sup>lt;sup>10</sup> See definition in Annex 3

#### **CERTIFICATION PROCESS**

See Annex 2 for more details on Living Wage calculation methods and compensation mechanisms.

The auditor will request evidence that the unit is either paying a living wage to all workers or has implemented a mechanism to compensate for the Wage Gap between current remunerations and the local Living Wage.

The auditor will request details about the calculation method of the comparison between workers' remuneration and the local living wage.

When applicable, the auditor will also verify the mechanism in place to compensate for the wage gap.

#### 3.3. DECENT WORKING CONDITIONS

#### CORE CONCEPT

Unfortunately, the fashion industry has long been infamous for its abuse of worker rights. A SANE certified item must be produced respecting the rights and the dignity of the people making it.

#### SANE REQUIREMENT

Our requirements for working conditions follow the International Labour Organization conventions and recommendations.

To be certified, a product must have been made in a production facility fulfilling the below requirements:

#### CONTRACTING AND EMPLOYER RELATIONSHIP

- All workers shall be provided with a written and comprehensive contract in a language understandable for them outlining their wage conditions, social benefits, and method of payment before entering employment.
- Obligations to employees under international conventions, national law, and regulations
  concerning regular employment shall not be avoided through the use of short-term contracting
  (such as contract labour, casual labour or day labour), subcontractors, or other labour
  relationships.

#### NO FORCED LABOUR

- There shall be no forced, bonded, or involuntary prison labour.
- The employer shall not retain any deposit, property, or document such as identity papers of the workers and workers shall be free to leave their employer after reasonable notice.

#### NO DISCRIMINATION OR VIOLENCE

- There shall be no discrimination at the workplace concerning hiring, compensation, access to training, promotion, termination, or retirement based on ethnic background, caste, religion, age, disability, gender, marital status, sexual orientation, pregnancy, childbirth, family responsibility, disease, social origin union membership, political opinions or other similar factors.
- The company shall treat all personnel with dignity and respect. The organization shall not
  engage in or tolerate the use of corporal punishment, mental or physical coercion, sexual and
  other harassment or verbal abuse of personnel. No harsh or inhumane treatment shall be
  allowed.

#### **NO CHILD LABOUR**

• The minimum age for workers shall not be less than 15 and comply with the national minimum age for employment, or the age of completion of compulsory education, whichever of these is

higher. If the local minimum is set at 14 years in accordance with developing country exceptions under ILO Convention 138, this lower age may apply.

• No person under the age of 18 shall be engaged in labour that is hazardous to their health, safety, or morals, including night work.

#### FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

- Workers, without distinction, shall have the right to join or form trade unions of their own choosing and bargain collectively. The employer shall not interfere with or obstruct the formation of unions or collective bargaining.
- Workers' representatives shall not be discriminated against and shall have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and/or collective bargaining is restricted under law, the employer shall facilitate, and not hinder, the development of alternative forms of independent and free workers representation and negotiations.

#### **WORKING HOURS**

- The company must comply with applicable legal and industry standards regarding working hours. In any case, workers should not be asked to work more than 48h per week on a regular basis.
- Workers shall be provided with at least one day off for every 7-day period.
- Overtime must be voluntary; paid at a premium rate no less than 125% of the regular rate per hour; not used on a regular basis and not exceeding 12h per week.

#### **HEALTH AND SAFETY**

- The working environment shall be safe and hygienic, bearing in mind the prevailing knowledge of the industry and of any specific hazards.
- Systems shall be in place to detect, assess, avoid, and respond to potential threats to the health and safety of workers. Effective measures shall be taken to prevent workers from having accidents, injuries, or illnesses, arising from, associated with, or occurring during work.
- Where hazards remain after effective minimization or elimination of the causes of all hazards in the workplace environment, the organization shall provide personnel with appropriate personal protective equipment as needed at its own expense. In the event of a work-related injury, the organization shall provide first aid and assist the worker in obtaining follow-up medical treatment.
- Hazardous chemicals and other substances shall be managed appropriately.
- Workers shall receive regular and documented health and safety training, and such training shall be repeated for new or reassigned workers.
- All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the organization.

 Access to clean toilet facilities and potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

 Accommodation, where provided, shall be clean, safe, and adequately ventilated, and shall have access to clean toilet facilities and potable water.

#### WORKERS COMPLAINT MECHANISM

• There should be an anonymous complaint mechanism in place to allow workers to be heard without putting their job at risk.

#### SCOPE

These requirements are applicable to units applying for SANE scope certification at <u>all stages of the supply chain.</u>

#### OTHER STANDARDS ACCEPTED

SAI/SA8000; Fairtrade Textile Standard; Fair Wear Foundation; Fair Labor Association; Oeko-tex Made In Green; GOTS; WFTO (World Fair Trade Organization)

#### CERTIFICATION PROCESS

To audit this part of the supply chain, a third-party auditor will conduct documentation review, management, and responsible staff interviews and worker's consultations.

## 4. MANAGEMENT SYSTEM

#### CORE CONCEPT

SANE requirements and certification process are rigorous in order to be credible. The involvement of key company personnel is a critical success factor.

#### SANE REQUIREMENT

- There should be a system in place to monitor performance in view of SANE requirements and corrective action when necessary.
- The management should identify the risks related to the unit operations and the subcontractors.
- The employees and subcontractors should be informed of SANE requirements.
- Sufficient documentation should be available to prove compliance.
- At least one employee of the company shall be designated as a contact person for SANE compliance-related matters.

#### SCOPE

These requirements are applicable to units applying for SANE scope certification at all stages of the supply chain, as well as to fashion brands applying for product certification.

#### OTHER STANDARDS ACCEPTED

N/A

#### **CERTIFICATION PROCESS**

Proofs of compliance will be requested during the third-party audit.

## 5 SUPPLY CHAIN TRANSPARENCY

#### CORE CONCEPT

The lack of transparency and the complexity of the supply chain are often pointed out to be the major obstacles to improving the sustainability of the fashion industry.

Transparency is a key element of our certification process.

#### SANE REQUIREMENT

- The company shall know and be able to disclose all subcontractors and sub-sub-contractors involved in their operation.
- Subcontractors involved in the manufacturing of certified products shall comply with SANE requirements and shall also be audited if required.

#### SCOPE

The requirement applies to any subcontractor involved in any stage of the production.

#### OTHER STANDARDS ACCEPTED

N/A

#### CERTIFICATION PROCESS

During the audit process, all agreements, product flows, and documents relevant to ensuring transparency between a production unit and the subcontractor will be examined.

Any subcontracting agreements shall be declared and subcontractors shall be audited if necessary.

## 6. LOGO AND CLAIMS USE

The purpose of this section is to clarify how, where, and when the SANE logo can be used and which claim can be made about the certification.

#### SANE LOGO

SANE logo means the following:

# SANE

SANE claims mean any statement related to SANE STANDARD, certification process, or a certified product.

#### PRODUCTION UNITS

Production units that have been granted a SANE Scope Certificate by an Authorized Certifier can communicate about their certification and use the SANE logo and claims for marketing purposes. The logo design file will be provided by the Authorized Certifier issuing the certificate.

#### MATERIAL

Material included in a Scope Certificate Material List of a production unit can be promoted as "certified SANE" by the Scope certificate holder.

#### FINAL PRODUCTS

Any type of representation of the SANE logo, part of the SANE logo, or claim about the SANE STANDARD in relation to a product can exclusively be related to a fully certified SANE product. This means products included in a SANE Product Certificate.

SANE provided one hangtag for each certified product with an individualized QR code and product reference.

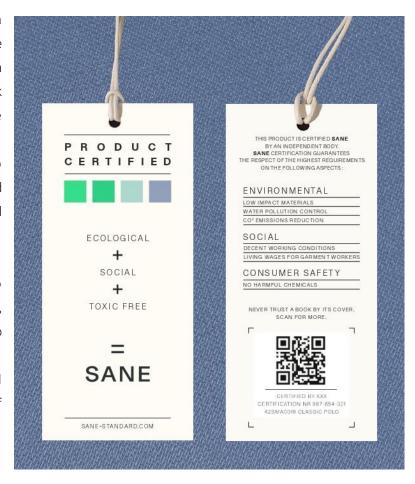
Products fully certified SANE must be labeled with SANE individualized hangtag. (See certification process section)

The QR code brings consumers to a product page on the SANE website showing all product details. On each SANE product page, there is a link redirecting consumers to the corresponding brand e-shop page.

An option to see an interactive map of the production, who made it, and what is the product's environmental impact is also available.

Brands can also use the SANE logo and claims on their own hang tags, exclusively on tags attached to certified products.

The logo design file will be provided by the SANE to brand owners of products certified SANE.



#### LOGO ON CLOTHES

SANE's core concept started from the assessment that the fashion industry would benefit from brands and consumers showing their effort to be more sustainable. SANE encourages brands to feature the SANE logo on the outside of the product so that it becomes a recognizable sign of conscious production and consumption.

However, SANE also respects those who wish to remain discreet and don't want to show their commitment externally. Therefore, there are 3 different levels of visibility of the SANE logo on clothes.

#### LEVELS OF VISIBILITY

#### **HIDDEN** > INSIDE LABEL







The SANE label can be placed inside the product. Alternatively, the SANE logo can be placed on the brand's labels. SANE label and logo design files will be provided by SANE after certification.

**DISCREET** > = SIGN DISPLAYED EXTERNALLY





SANE "=" sign can be used on the outside of certified products in any colour or size. The only restriction is to use the exact "=" sign as in the design file provided by SANE.

CLEAR > SANE LOGO DISPLAYED EXTERNALLY





The SANE logo can be used on the outside of certified products in any colour or size. The only restriction is to use the exact logo as in the design file provided by SANE.

#### PRODUCTS PACKAGING

The SANE logo or any statement related to SANE certification shall not be printed on or affixed to any reusable packaging material (e.g. box, bag, hangers).

### COMMUNICATION MATERIAL (WEBPAGE, ADVERTISING, SOCIAL MEDIA...)

The SANE logo or claim shall always be associated with specific certified products, materials, or units and not with the entire brand.

If the SANE logo or claim appears in a general communication about the brand, (i.e. sustainability section, about us, certifications), it must be clearly specified whether only certain products or all products are certified SANE.

The SANE logo or claim shall not be associated with another brand logo.

#### MISUSE OF CLAIM

All claims or use of the SANE logo shall be honest, shall not be misleading, and can be proved through certification documents.

SANE will use legal action to stop and remedy unauthorized or misleading claims related to SANE.

## CERTIFICATION PROCESS

# = SANE

#### CERTIFICATION PROCESS

To be fully certified SANE, a product needs:

• To be made in a production unit holding a valid SANE Scope certificate, and

- To be made of at least 90% of SANE Approved Materials, and
- Hold a SANE Product Certificate.

#### STEPS TO FOLLOW

#### **STEP 1 > ONLINE QUESTIONNAIRE**

The applicant can fill in our quick and free <u>ONLINE QUESTIONNAIRE</u> to check if a product is eligible. Alternatively, in case of doubt applicant can contact SANE at info@sane-standard.com

#### **STEP 2 > CERTIFICATION REQUEST**

The applicant shall send a <u>CERTIFICATION REQUEST</u>. SANE will send back a list of local authorized third-party auditors.

The auditors will determine which production units of the supply chain need to be audited based on the existing approved certifications held by those production units.

The auditors will then prepare an audit plan and a checklist to prepare for the audits.

#### STEP 3 > AUDIT

The applicant shall set up the audit with an Authorized Certifier. The audit can be on-site, virtual, or based on documentation depending on the facility's specificities.

If the production unit complies with SANE requirements, the unit will be granted a **SANE Scope certificate.** A SANE Scope Certificate proves that the holder is authorized to produce SANE-certified products. It doesn't mean that all goods produced in its facilities are automatically certified SANE.

Trade Certificates can be further released for materials included in a production unit Scope Certificate Material List.

Following the COVID-19 crisis and the travel and meeting restrictions, we have introduced a fully secured 100% digital audit option to our certification process.

SANE Scope Certificate is valid for one year. After 12 months, a control audit shall take place to reassess SANE requirements.

For facilities already certified by other approved standards, a simplified process may be sufficient.

#### **STEP 4 > PRODUCT CERTIFICATION**

Once the production unit is certified, the product information, including the material composition, proofs of the material origin, and the quantities to be certified shall be entered on the SANE online platform. SANE will verify the compliance of the material with SANE requirements in order for the product to be fully certified and obtain a **SANE Product Certificate**.

Once this last step is completed and the payment of the corresponding fee is made, SANE will send a **Certification Hangtag** for each certified product with an individualized QR code and product reference.

This certificate is valid for the quantity mentioned in the Annex Certificate.

The Product Certificate provides no proof that any goods delivered by its holder are SANE certified. Proof of certification of goods delivered is provided by the SANE Certification Hangtag. SANE Certification Hangtags are exclusively supplied by SANE and are printed with a unique product certificate number and QR code.

Additional Product Certificates can be released for further production of the listed products after verification that they have been made with the same material composition, the material has been provided by the same material supplier, and made in the same production unit.

For products made of material certified by other approved standards, a simplified process may be sufficient.

#### CERTIFICATION COST

#### **AUDIT COST**

The audit cost will be paid by the applicant directly to the selected authorized certifier. This cost is determined by the certifier based on location, unit size, existing certifications, and if the audit is onsite or online.

#### **CERTIFICATION HANGTAGS COST**

SANE Certification Hangtags are charged 0.50 €/ 0.50 USD per unit + shipping cost.

SANE Certification Hangtags are exclusively supplied by SANE and are printed with a unique product certificate number and QR code.

SANE Product Certificates are only released after the payment of the corresponding Certification Hangtags.

## ANNEX

ANNEX 1 - SANE APPROVED MATERIAL LIST

ANNEX 2 - LIVING WAGE CALCULATION AND COMPENSATION

**ANNEX 3 - DEFINITIONS** 

## ANNEX 1 - SANE APPROVED MATERIAL



RECYCLED DOWN

INATURAL FIDERS	
APPROVED MATERIALS	APPROVED STANDARDS OR TRADEMARK <sup>6</sup>
RECYCLED COTTON	GRS
ORGANIC COTTON	GOTS, OCS
ORGANIC LINEN	GOTS, OCS
LINEN	-
ORGANIC HEMP	GOTS, OCS
HEMP	-
ORGANIC RAMIE	GOTS, OCS
RAMIE	
NATURAL RUBBER	FSC
PLANT-BASED LEATHER ALTERNATIVES	Piñatex®, cork
ANIMAL FIBERS  APPROVED MATERIALS	APPROVED STANDARDS OR TRADEMARK <sup>6</sup>
RECYCLED WOOL	GRS
APPROVED WOOL	RWS
ORGANIC WOOL	GOTS, OCS
ALPACA	-
APPROVED CASHMERE	NOVA Fibera, CHOTAINIADI F CACHMEDEO
SILK	NOYA Fibers, SUSTAINABLE CASHMERE®
	- INOYA FIDEIS, SUSTAINABLE CASHIMERE®
APPROVED LEATHER	LWG approved traders, Ecolife™ by Green Hides, Leather Standard by Oeko-tex
APPROVED LEATHER RECYCLED LEATHER	- LWG approved traders, Ecolife™ by Green Hides,

GRS



## SEMI NATURAL FIBERS / CELLULOSIC FIBERS

APPROVED MATERIALS	APPROVED STANDARDS OR TRADEMARK <sup>6</sup>	
LYOCELL	Tencel®	
APPROVED VISCOSE	ENKA®, Eastman Naia™, ECOVERO™	
SEAWEED FIBER	SeaCell™	
SEMI NATURAL FIBERS / RECYC	CLED CELLULOSIC	
APPROVED MATERIALS	APPROVED STANDARDS OR TRADEMARK <sup>6</sup>	
RECYCLED TEXTILE FIBERS	Circulose®; NuCycl™, Liva Reviva, Textloop™	
ORGANIC WASTES FIBERS	Orange Fiber S.R.L., Refibra™, Cupro	
SYNTHETIC		
APPROVED MATERIALS	APPROVED STANDARDS OR TRADEMARK <sup>6</sup>	
RPET - RECYCLED POLYESTER (mechanically and chemically)	GRS	
RECYCLED POLYAMIDE (recycled nylon)	GRS	
UP-CYCLED MATERIAL		
APPROVED MATERIALS	APPROVED STANDARDS OR TRADEMARK <sup>6</sup>	
PRE-CONSUMER WASTE	-	
POST-CONSUMER WASTE	-	

The SANE Approved Material List shall not be shared or circulated without the accompanying SANE logo.

The SANE Approved Material List has been elaborated by sustainability experts throughout 5 years of research on the measured environmental impact of fibers and materials most commonly used in the fashion industry. It takes into account prevailing benchmarks<sup>12</sup> and scientific studies<sup>13</sup>, industry recognition, availability, and scalability of each material as well as credible certifications and laboratory testing when relevant.

Our Approved Material List is designed to evolve together with the market sustainability standards and to be submitted to multi-stakeholders periodic reviews. New or other fibers can be submitted to be included in the list.

<sup>&</sup>lt;sup>13</sup> Studies of reference: Rex, D., Okcabol, S. and Roos, S., RISE, 2019. Possible sustainable fibers on the market and their technical properties. "Fiber Bible" part 1 Report., Stockholm, Sweden; Sandin, G., Roos, S. & Johansson, M., 2018. Environmental impact of textile fibers – what we know and what we don't know. "Fiber Bible" part 2. D2.1.2.1 Report., Stockholm, Sweden; Laitala, K., Grimstad Klepp, I., Henry, B., 2018. Does Use Matter? Comparison of Environmental Impacts of Clothing Based on Fiber Type; Department for Environment, Food and Rural Affairs, 2010. The role and business case for existing and emerging fibres in sustainable clothing, London, UK



<sup>&</sup>lt;sup>11</sup> GRS: Global Recycle Standard; GOTS: Global Organic Textile Standard; OCS: Organic Cotton Standard; FSC: Forest Stewardship Council; RWS: Responsible Wool Standard; LWG: Leather Working Group; RCS: Recycled Claim Standard; RDS: Responsible Down Standard

<sup>&</sup>lt;sup>12</sup> Benchmark of reference: Kompass Nachhaltigkeit; Siegel Klarheit; Textile Exchange. Preferred Fibers Market Reports 2013 to 2019 and Portfolio Options; Made-By. 2018. Environmental Benchmark for fibres; Higg Index MSI

#### ANNEX 2 - LIVING WAGE CALCULATION AND COMPENSATION

#### HOW TO ENSURE COMPLIANCE WITH SANE LIVING WAGE REQUIREMENT

The first step to follow is to compare the Workers' Remunerations with the local Living Wage calculation.

### How to know the local living wage

The costs of basic needs are different in every region, therefore the living wage must be calculated locally. The calculation will usually be different in a rural, peri-urban, or urban location of the same country. It will also differ according to the social services provided by the states.

#### Benchmarks and Calculation Methodologies accepted by SANE:

The calculation reference shall be for "typical family".

Option 1	Using data from the Global Living Wage Coalition (The data is free but there is a limited number of regions available) <a href="https://www.globallivingwage.org/">https://www.globallivingwage.org/</a>
Option 2	Getting data from Wage indicator (Very large amount of data available - not free) <a href="https://wageindicator.org/salary/living-wage/list-of-country-region-living-wages-data-availability">https://wageindicator.org/salary/living-wage/list-of-country-region-living-wages-data-availability</a>
Option 3	The living wage can be calculated by the employer or by the worker associations following the following methodology with example <i>Amfori</i> calculation table: (requires time and competence to do) <a href="https://www.amfori.org/sites/default/files/Template%205%20Living%20Wage.pdf">https://www.amfori.org/sites/default/files/Template%205%20Living%20Wage.pdf</a>
Option 4	If none of the above options are suitable, contact SANE team to get guidance. (info@sane-standard.com)

### How to determine if workers are paid a living wage

SANE approach follows the Anker methodology (www.globallivingwage.org/about/anker-methodology)

"To determine if a worker receives a living wage, the methodology takes into account how workers are paid.

- (i) overtime pay is excluded because living wage needs to be earned in standard working hours;
- (ii) productivity bonuses and allowances are excluded unless they are guaranteed;
- (iii) mandatory taxes are taken into consideration [...]; and
- (iv) fair and reasonable value for in-kind benefits provided is taken into consideration, [...]"

Companies can use IDH tool for calculation: <a href="https://www.salarymatrix.idhtrade.org/">https://www.salarymatrix.idhtrade.org/</a>

Outcome of the comparison between worker remuneration and living wage

If all workers' wages are above the living wage, the company is complying with SANE requirement 3.2 and is eligible for the SANE Scope Certificate A.

If all or part of the workers' remuneration is complying with local regulation and industry-standard but is however **below the local living wage**, a **compensation mechanism must be implemented** to fill the "Wage Gap" in order for the unit to be eligible for **SANE Scope Certificate B**.

How to implement a compensation mechanism

The determination of the right mechanism to be implemented needs to be adapted to each specific situation. The aspects to take into account when establishing a compensation mechanism are the following:

- What is the Wage Gap to reach a living wage for all workers? (Companies can use the IDH tool mentioned above to calculate it)
- Who will be paying the Wage Gap? It can be the unit owner, or one or several buyers requesting SANE certification.
- Will the compensation be applied to the whole unit or be a pro-rata of the production for a specific buyer?
- How will the compensation be distributed to workers? Will it be an individual payment to each worker or a fund dedicated to social projects managed by a worker committee?
- Does the compensation take into account the correlation between wage and skills?
- What is the fiscal status of the compensation, for the payer and for the receiver(s)?

It can be a complex task for a company to work alone on those aspects. SANE recommends getting some professional advice in order to find the most sustainable mechanism and ensure both the company and the workers' benefit.

The organization Fair Wage (<a href="https://fair-wage.com/">https://fair-wage.com/</a>) is providing this kind of support to companies.

#### **CERTIFICATION PROCESS**

The auditor will request evidence that the unit is either paying a living wage to all workers or has implemented a mechanism to compensate for the wage gap between current remunerations and the local living wage.

The auditor will request details about the calculation method of the comparison between workers' remuneration and the local living wage.

When applicable, the auditor will also verify the mechanism in place to compensate for the wage gap.

#### **ANNEX 3 - DEFINITIONS**

## Authorized third-party auditor / Authorized Certifier

Both terms are used to designate a certification body authorized by SANE to execute an audit and grant certification under the SANE STANDARD.

## Approved Material

An Approved Material is a fiber with a low environmental impact as listed in Annex 1 of this document.

## Facility / Production unit

A building or site where a SANE certified product is processed, manufactured, or transformed.

## Industry benchmark standards / Market wage

The remuneration paid to workers in a specific geographical area for specific tasks. The market wage is different from the minimum wage. It is usually the wage rate that brings the demand and supply of labour into equilibrium.

## Living Wage

As per the Global Living Wage Coalition definition: "A Living Wage is the sufficient remuneration received for a standard workweek by a worker to afford a decent standard of living. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including a provision for unexpected events".

## National legal standard Wage / Minimum Legal Wage

As per ILO definition the national minimum legal wage is "the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract". This amount is defined by the local authority.

## Processing Stage

Any stage involving the production or conversion of textile fibers through a defined process of a product.

#### Subcontractor

Individual or entity providing processing or manufacturing services for another entity without taking legal ownership or the products.

## Substance

Chemical element and its compounds in its natural state or obtained by any manufacturing process.

## Wage Gap

Difference between the local Living Wage and actual workers' remuneration. Workers' Remuneration calculation shall include social benefits covering essential needs as per the Living Wage definition.

### Worker

All hired labour personnel, including temporary, sub-contracted and permanent workers.

## Worker Remuneration

The total compensation received by a worker. It includes not only base salary but any bonuses, commission payments, overtime pay, or other financial benefits that a worker receives from an employer.

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Feedback and suggestions about SANE STANDARD can be sent to <a href="mailto:info@sane-standard.com">info@sane-standard.com</a>. Our team will try to take them into account for the release of the next version of the standard.