The Audit Charade: What Impact Do Social and Environmental Certifications Have on Workers and Surrounding Communities?

Evaluation and analysis of the study ***„Assessing the Impact of Social and Environmental Certifications programs with respect to improvement of working conditions and a better environment of the community"*** and of the findings from worker- and community-based monitoring carried out within the project „*Multi-Actor Partnership for Improved Due Diligence Implementation in the Textile Sector*" in Bangladesh.[1]

1. Introduction: Watch the Watchdogs

Despite individual areas of progress, global textile supply chains continue to be marked by serious social and environmental grievances. These include, among other things, restrictions on freedom of association, unpaid overtime, gender-based discrimination, and considerable environmental and health burdens for workers and nearby residents. Against this backdrop, certifications, and memberships in volontary initiatives claim to reliably ensure compliance with specific social and/or environmental criteria and thus make minimum standards verifiable.

Audits are the central instrument of these private governance systems. They are intended to check whether the respective requirements are being met, where shortcomings exist, and what corrective measures are necessary. The initiatives examined in this evaluation were deliberately selected to reflect a wide range of approaches: they include product labels, social standards, environmental criteria, and corporate certifications or memberships. The focus is therefore not on assessing a single certification or a specific due diligence approach in isolation, but rather on how the system of private control through audits functions overall, and where its limits lie.

This also better reflects realities on the ground: supplier factories usually hold a wide range of certificates and memberships whose claimed effects often overlap. Yet if serious grievances persist despite repeated inspections, initiatives and certifications, responsibility cannot be attributed to one instrument alone. What can be shown, however, is that none of the existing instruments guarantees sufficient improvement.

Against the backdrop of ongoing grievances, this evaluation therefore asks what promises certifications and initiatives can actually fulfill, what effects audits really produce in practice, and what changes would be necessary to make private control mechanisms

[1] See https://femnet.de/en/what-we-do-en/our-focus-areas/corporate-social-responsibility-csr-supply-chain-regulations/multi-stakeholder-partnership-in-bangladesh.html.

more effective. For if audits capture reality only inadequately, these control mechanisms themselves must also be critically scrutinized.

2. Approach and Scope of the Research

This evaluation draws, first, on the study conducted by the Bangladesh Institute for Labour Studies (BILS), which examined the impact of five of the largest private governance systems. These include the certifications

- Global Organic Textile Standard (GOTS),
- Global Recycled Standard (GRS) and
- OEKO-TEX STeP-Standard,

as well as the volontary initiatives

- amfori BSCI as busines initiative and
- Fair Wear (FW) as multi-stakeholder initiative.

In addition, findings from worker- and community-based monitoring (WBM, CBM), carried out in Savar within the framework of the multi-actor partnership *"Improved Due Diligence Implementation in the Textile Sector"*, are incorporated and evaluated.

The BILS study is based on both quantitative and qualitative methodology: it combines in-depth interviews with 384 textile workers from 25 factories in Savar, Bangladesh, with focus group discussions involving auditors, factory management, trade union leaders, government officials, and residents of the surrounding communities. All 25 factories are certified by GOTS, GRS, and amfori BSCI; 21 of the factories supply FW member companies; 23 of the factories hold OEKO-TEX certifications, six of them specifically OEKO-TEX STeP (see Annex I). All certifications and memberships were cross-checked with the respective factory management teams.

The WBM is based on a regular survey of around 1,600 workers from 54 factories[2] (Savar, Bangladesh), including the 25 factories covered by the BILS study, whose workers were interviewed in a safe setting outside the factories.[3] The CBM combines the results of various scientific samples as well as self-assessments by residents living in the immediate vicinity of the textile factories.[4]

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[2] 18 of the 25 factories examined in the BILS study are already part of the WBM. Regular data collection is now being carried out in 54 factories. All factories are export-oriented, have a workforce of more than 1,000 workers – with the exception of a single production site – and all hold at least one certification or MSI membership mentioned here.

[3] The WBM findings can be found here: https://www.textile-incidents.info/images/pdf/DWC-Booklet_Result.pdf; the second round of data collection will be published soon.

[4] There is a high correlation between community residents and textile workers in the so-called textile hubs: around 75% of the people living in Ashulia (Savar) are also employed in textile factories. Both communities comprise roughly 10,000 people. All findings can be viewed here: https://www.textile-incidents.info/images/pdf/reports/2026-MAP-Chemicals-testing-report.pdf.

Methodological clarification
Fair Wear does not conduct traditional compliance audits or issues certifications; instead, it uses its own assessment approach, which differs methodologically from traditional social audits. The critical notes on audit methodology listed below therefore apply less to FW assessments. Nevertheless, FW was included in the research to examine the extent to which this approach is effective on the ground. Following receipt of the draft report, however, Fair Wear informed the authors that only ten of these factories appeared in its supplier database and that none of the factories included in this study had undergone a Fair Wear assessment. These 10 factories have a relationship with Fair Wear member brands and might have been audited by one or more other certifications or initiatives. The findings of the BILS study therefore cannot be interpreted as an assessment of the effectiveness of Fair Wear's methodology. At the same time, the serious labour rights and environmental concerns identified in these factories highlight the need for further scrutiny and effective remediation.

As noted above, the large number of different instruments makes it impossible to draw robust conclusions about individual approaches. In addition, working conditions and environmental issues are shaped by other factors such as wage policy, freedom of association, and market pressure. Nevertheless, the findings allow robust conclusions to be drawn about the aggregate effect of private control mechanisms and the structural limits of audit-based systems.

3. Summary of Findings

Although slight improvements in working conditions were identified in some areas, serious deficiencies in chemical and waste management were found even in the large, export-oriented factories examined. Persistent shortcomings were also identified across the different studies in more complex areas such as freedom of association, gender-based discrimination, and the payment of minimum wages. Criticism is directed most clearly at the audit practice itself: *"However, the efficacy of social and environmental certifications in improving actual working and environmental conditions remains questionable. Audit processes have often fallen short, contributing little to on-the-ground improvements. Rights holders, including workers, are frequently overlooked or interviewed under restrictive conditions. Additionally, the broader environmental and health impacts of production outside factory premises are rarely assessed. Many of the relevant national and international stakeholders have continued to criticize environmental and social certifications as green washing only."* [5] In many cases, audits have become a costly, repetitive, and bureaucratic routine that primarily secures formal compliance rather than addressing shortcomings effectively. At the same time, the system is vulnerable to manipulation, conflicts of interest, and corruption.

[5] BILS (2026): Assessing the Impact of Social and Environmental Certification programs with respect to improvement of working conditions and a better environment of the community, p. 15f.

Overview of the findings:

Methodology and audit practice

- The high number of parallel audits (8–9 audits per month), differing standards, and high certification costs create a considerable audit burden without reliably producing better results.
- Audits/assesments are often understood primarily as a formal requirement of brands and certification systems, rather than as an instrument for actually improving working and environmental conditions.
- Audits/assessments are insufficiently transparent and participatory.
- Checklists and methods often remain static and are not adequately adapted to real conditions.
- Audits/assessments are prepared and staged: once an auditor's visit has ended, follow-up checks by the purchasing company are often lacking.

Environmental criteria

- Environmental certifications show significant shortcomings, particularly in chemical management and wastewater management.
- Untreated liquid waste and chemically contaminated wastewater therefore remain a central environmental problem and are not effectively prevented by existing control systems.

Social criteria

- In the social sphere, there are isolated improvements, for example in the working environment, wages, child labour, and occupational safety and health.
- At the same time, it remains unclear to what extent these improvements can actually be attributed to certifications and initiatives.
- There has been little progress in workloads, overtime, and freedom of association.

Governance and incentive structures

- The system is vulnerable to manipulation, including information leaks, document falsification, double or triple bookkeeping, and auditable reports that can be influenced.
- Auditors often work under precarious conditions and do not always have sufficient technical, methodological, or gender-sensitive expertise.
- Overall, audit and certification systems fall short of their own claims and fail to capture key grievances at all or only inadequately.

4. Social Certifications – Limited Progress, Structural Deficiencies

Certifications for social working conditions are intended to assure purchasing companies that a minimum level of social standards is being met, such as compliance with the ILO core labour standards or the payment of minimum wages. Depending on the initiative, these requirements vary in scope. Here, too, however, the findings show that while some improvements can be seen in individual areas, the central shortcomings remain systemic.

Some improvements in working conditions were mentioned in the interviews, including better lighting, ventilation, lower noise levels, and improved medical care. Slight improvements were also documented with regard to forced and child labour, maternity protection, and wage levels. However, it cannot be clearly established whether these improvements were causally linked to certifications and initiatives. Rather, they appear to be the result of specific government measures, including the statutory wage increase and further adjustments introduced by the interim government under Muhammad Yunus, or of the ACCORD[6].

WBM findings:

The WBM findings also confirm that there have been improvements in the areas identified by the study.

- Forced and child labour: the majority of respondents report that there is no forced labour (89%) and no child labour (99%).
- Maternity protection: 96% of respondents confirm that legal requirements regarding maternity protection are being met.
- Health: 99% of respondents report that ventilation and temperatures can be regulated.

Working Hours, Wages and Work Intensity

Basic power and control structures nevertheless persist and are not broken by certifications and initiatives. Closely linked to this are extreme workloads and inadequate pay, despite the statutory increase in the minimum wage.[7] 89% of the workers surveyed stated that they regularly work more than ten hours a day. Although overtime represents a considerable burden, it is often accepted in order to compensate for the low basic wage, as the vast majority of workers (more than 82%) are in debt and remain dependent on loans.[8]

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[6] See https://internationalaccord.org/countries/bangladesh/.

[7] In the context of the Bangladeshi minimum-wage debates in 2024, BILS called for 23,000 BDT, around 10,000 BDT more than the minimum wage ultimately adopted (12,500 BDT), see BILS (2023): Mind the Gap. A study on garment workers in Bangladesh, https://femnet.de/images/downloads/textilbuendnis/Mind-the-Gap_Decent-Work-Report-on-RMG-workers-in-Bangladesh_26-6-23.pdf.

[8] Ibid., p. 15.

Even where wages rise, this is often offset by a simultaneous increase in workload: *"More specifically, when wages and benefits increase, so does the workload. Social certifications do not consider this. 'The salary has increased, so the workload has increased too. They are forcing us to do double the work. Even if we go to the toilet or drink water, we have to keep track of the time', says a group of workers in an FGD."*[9] Certifications capture this dynamic only inadequately. Formal improvements on paper are thus accompanied by unchanged or even increased pressure on workers: *"Even in green-certified companies, terms of employment are initially agreed verbally. They might say that your salary is this much, but your working hours are 12, even though it will be written as 8. These conditions are given at the beginning of the job."*[10]

WBM findings:

- Working hours: 31% of respondents regularly work more than 60 hours per week.
- Minimum wages: overall, 12% of respondents reported that they do not receive minimum wages. At the factory level, five factories stand out in particular, where around a quarter of respondents confirm that they do not receive the statutory minimum wage.
- Social security / compensation: 38% do not receive payments in the event of workplace accidents.
- Timely payment: 12% of respondents receive their wages late. In five factories, the figure is even between 17% and 27%.

Freedom of association remains severely restricted structurally

Substantial progress is particularly lacking with regard to freedom of association. The BILS study shows that in 87% of factories there is either no trade union or no functioning one. In 15%, freedom of association is effectively denied altogether; there are neither trade unions nor participation or safety committees. Although the surveys indicate some increase in these committees, it is also noted that they are often influenced and controlled by management rather than representing workers' interests. From the perspective of trade unions, they therefore do not constitute a substitute for independent organizing.

[9] See BILS (2026): Assessing the Impact of Social and Environmental Certification programs with respect to improvement of working conditions and a better environment of the community, p. 43.
[10] Ibid., p. 41.

WBM findings:

- Freedom of association performs worst in the WBM findings. What is particularly striking is that most respondents did not want to answer or were unable to answer. This suggests that fear of reprisals is very high and/or that not everyone is aware that they have a labour right to freedom of association.

Percentages (including "I don't know" responses):

- Freedom of association: 82% of respondents state that they are not allowed to form trade unions.
- Discrimination: 83% of respondents state that there is discrimination on the basis of trade union membership.
- Right to strike: only 24% of respondents confirm that strikes are tolerated in their factories.

Complaint mechanisms and monitoring gaps

The absence of functioning complaint and monitoring structures is particularly evident. Issues such as gender-based violence, discrimination, outstanding wage payments, or the lack of adequate forms of representation are therefore not addressed, even though they point to deeply embedded structural inequalities and power asymmetries. According to the BILS study, audits/assessments are likewise unable to close these gaps, even though Corrective Action Plans are supposed to verify whether improvements have been implemented and what progress can be achieved.

WBM findings

- Harassment: 15% of respondents state that complaints about sexual harassment have been filed in their factories.
- Wage payments for rest days and public holidays: 25% of respondents do not receive adequate compensation for work on those days.
- Employment contracts: 22% confirm that they are given fixed-term contracts even though they hold permanent positions.

Both purchasing companies and producers lack accountability once auditors have completed their investigations. As a result, the changes observed are often only temporary or purely cosmetic. One group of workers summed up this cycle succinctly:

"Change only lasts as long as the auditors are present. Once they leave, everything returns to how it was before."[11]

5. Environmental certification vs. environmental reality

Environmental certifications in the garment industry create the impression that binding ecological criteria not only reduce environmental burdens but also improve the safety and health of workers. The available findings, however, paint a much more ambivalent picture. Although limited progress can be seen in some areas, such as water-use efficiency and in-factory waste management, the overall environmental impact of certifications remains weak, selective, and insufficient in key problem areas. This is particularly evident in the handling of wastewater, chemicals, and the environmental consequences outside factory premises. The CBM findings confirm this assessment.

Wastewater management:

Many large factories formally have effluent treatment plants (ETPs), but their effectiveness is often limited. The plants are frequently underutilized, switched off to save costs, or completely bypassed through the outsourcing of water-intensive processes to smaller subcontractors. Reports from government representatives and trade unions indicate that untreated wastewater continues to be deliberately discharged into drains, canals, or rivers. An inspector from the government oversight body, the Department of Inspection for Factories and Establishments (DIFE), vividly described the seriousness of this gap between theory and practice: *"It was a large factory comprising four units. I went to inspect it. They use 250,000 litres of water every day. However, the ETP capacity is only 150,000 litres. At night, they discharge a large quantity of untreated water into the drain."* [13] This pattern is also well known from a trade union perspective. At a consultation meeting, an NTUC representative put it succinctly: *"The factory that has ETP is not using the ETP properly. Water is being dumped elsewhere."* [14] That these are not isolated cases is also evident from workers' perspectives: almost two thirds (63.6%) of the workers surveyed in the RMG sector reported that their factory discharges untreated wastewater and liquid waste into drains, nearby canals, or rivers. Overall, wastewater treatment remains a structural problem, with palpable consequences for the environment and nearby residents, such as flooding with contaminated water.

Liquid waste dumping[12]	**No.**	**%**
Don't Know	87	22.7 %
Specific Place	16	4.2 %
Tank	44	11.5 %
Drain	241	62.8 %
Cannel/River	3	0.8 %

[11] Ibid., p. 54.
[12] Ibid., p. 36.
[13] Ibid., p. 31.
[14] Ibid.

Chemical management and waste disposal

The picture is even more critical with regard to chemical management. The BILS study notes that the use of hazardous chemicals in production facilities has not declined in recent years: *"Chemical wastes reportedly have been one of the main reasons for serious environmental degradation in the Ashulia region. Environmental certifications have failed measurably to control chemical usage, treatment and discharge."*[15]

This is further confirmed and scientifically substantiated by samples collected as part of the CBM in the immediate vicinity of the textile industry: the contamination of agricultural land and groundwater, the pollution of drinking water sources, river ecosystems such as the Turag River, and livestock, as well as the increase in acute and chronic illnesses among workers and local residents, are directly linked to the accumulation of toxic substances used in the textile industry. Taken together, these findings illustrate the scale of the systematic failure of chemical management within production facilities.

CBM findings confirm significantly elevated levels of the following substances:

1. 1. PFAS: 500–700 times higher than the U.S. Environmental Protection Agency (EPA) drinking water limits.
2. 2. Short-chain chlorinated paraffins (SCCPs): 65.83 µg/l – almost three times the ZDHC wastewater limit.
3. 3. Nonylphenol (NP), octylphenol (OP), and NPEO: legal limits exceeded by 6 to 250 times.
4. 4. Lead content in soil: 114.64 ppm (100 ppm permitted under Bangladeshi law).
5. 5. Other detected or suspected pollutants: phthalates, carcinogenic dyes, chromium, arsenic, and antimony.

Workers interviewed by BILS also describe the illegal disposal of industrial waste as common practice: *"The contaminated water is drained away and flows into the Turag River."*[16] They further reported suffering from allergies, asthma, skin diseases, and gastrointestinal illnesses, which is also consistent with the CBM findings. The threat to workers' health as well as to public health due to severe environmental pollution raises fundamental doubts about the consistent monitoring and implementation of the ecological criteria set by the standards and by applicable regulations.

With regard to the disposal of solid waste within factories, some initial progress has been made, but the lack of effective external disposal structures continues to create major environmental problems. A large share of factory waste is still disposed of improperly outside the factories, and textile residues remain clearly visible around the factories and in residential areas. One trade union leader reports: *"If you go to Ashulia, you can see that there is no waste management, particularly solid waste. They are dumping it wherever they can. It is constantly getting worse."*[17]

All of this also has serious consequences for surrounding communities. It becomes clear that environmental certifications take insufficient account of environmental impacts outside factory premises. Both solid waste and inadequately treated water from factories pollute the environment so heavily that food crops such as rice, drinking water, and even

[15] Ibid., p. 33.
[16] Ibid., p. 34.
[17] Ibid., p. 35.

products from livestock become highly toxic for local residents. One inspector from DIFE states: *"The fish we eat, we are eating poison."*[18]

Overall, it is clear that, despite strict ecological criteria, environmental certifications display considerable weaknesses in wastewater treatment, chemical management, and external waste disposal, weaknesses that audits have so far failed to address effectively.

6. Verification of criteria and standards through audits:

Compliance with the standards claimed by the above-mentioned certifications and volontary initiatives is demonstrated through audits/assessments, most of which are announced in advance. With regard to audit methodology, the BILS study identifies the following points in particular as problematic:

1. **Audit fatigue – quantity instead of quality:** the factories examined are inspected eight to nine times per month. This multitude of parallel checks leads to a general "audit fatigue" and ties up significant human and financial resources without necessarily producing improvements. According to factory owners, the cost per audit ranges from USD 2,000 to USD 8,000 and is borne primarily by the factories themselves – an arrangement that creates an obvious conflict of interest. At the same time, purchasing companies tend to prefer precisely those factories that can show labels or memberships in industry initiatives. The result is a system geared toward the constant reproduction of inspections rather than their effectiveness. *"There is no end to the audits. Someone is coming to see the windows. Someone is coming to see the adjusted fan. Someone is coming to see the box inside the toilet […]."*[19] In addition, many audits take place under intense time pressure, involve only limited presence on the production floor, and are not coordinated with one another.

2. **Staging instead of genuine involvement of rights holders:** a central problem lies in the systematic preparation for audits. Workers report being instructed before inspections on what they should say. They are expected to behave in a disciplined and restrained manner and to speak only positively. As a result, audits lose their character as independent control instruments and instead become staged performances. Where workers associate negative statements with the loss of their jobs or with sanctions, an honest assessment of working conditions is scarcely possible: *"You have to say everything is good. If you say something bad, you won't have a job. You will be punished."*[20] In this way, a considerable part of reality remains invisible, particularly on sensitive issues such as violence, discrimination, wage deductions, or hostility toward trade unions.

3. **Fraud as part of the system:** the study points out that factories systematically manipulate documentation, for example through double or triple bookkeeping, fictitious wage payments, or concealed overtime. *"I have seen a factory whose compliance report showed no overtime after 5 p.m. Yet in that factory, it is rare for*

[18] Ibid., p. 38.
[19] Ibid., p. 23.
[20] Ibid., p. 26.

work to end before 10 p.m. After 5 or 6 p.m., the doors and windows are closed. The lights remain on inside and production continues, but from the outside the factory appears shut. Sometimes, when the following day is a weekly holiday, production continues until 3 a.m."[21] Even unannounced audits are often circumvented because factories are informed in advance*: "Even if they arrive in a hurry, the factory management will find out that an audit is taking place. They have people on the inside."* [22] This creates a compliance façade that satisfies the logic of the audit system without addressing the underlying problems.

4. **Static checklists instead of root-cause analysis:** audits often rely on standardized checklists that are worked through under time pressure. Such an approach captures mainly visible or easily documentable facts but remains blind to structural problems. For supplier factories, audits thus serve primarily as a market requirement and reputational instrument, rather than as a starting point for deep-seated change. Certification becomes an end in itself: *"Certification is valued mainly for reputational reasons and because buyers demand it, which encourages companies to obtain certificates by any means rather than to address underlying problems."*[23]

5. **Lack of transparency and power imbalances:** audit reports are only rarely published or shared with workers, trade unions, or affected communities. As a result, precisely those whose rights and living conditions are the subject of the review often have no access to the findings. This weakens both the traceability of the assessments and the monitoring of corrective measures. *"Audits should not be a secret matter. The factory environment, compliance conditions, and the status of workers' rights have all been assessed. But does anyone actually know what is in the audit reports? The information contained in these reports is never made public."*[24] At the same time, auditors themselves are in a precarious position: they face economic pressure, do not always have sufficient labour-law, technical, gender-sensitive, or environmental expertise, and are structurally constrained in their independence.

7. Conclusion

„Despite their stated aim of improving compliance, the effectiveness of social and environmental certification schemes in achieving meaningful social and environmental improvements remains questionable. Audit processes have frequently fallen short and have contributed little to tangible changes on the ground.“[25]

The causes of this systemic failure are closely intertwined. Factories undergo a multitude of audits, sometimes spending considerable sums in order to secure market access and business relationships – but not primarily to achieve structural improvements in working conditions or environmental protection. At the same time, audit processes lack transparency, participation, and accountability: the perspectives of workers and their

[21] Ibid., p. 55.
[22] Ibid. p.54.
[23] Ibid., p. 57.
[24] Ibid., p. 56.
[25] Ibid., p. 58.

representatives are insufficiently included, while findings and follow-up measures are only rarely disclosed. Auditors themselves are also in a fragile position that can foster conflicts of interest. The multitude of standards and requirements on the market, imposed by purchasing companies, creates additional confusion, while the often static, checklist-based approach fails to do justice to the actual conditions in production facilities.

The study shows particularly clearly that actual violations of the standards' or codes' own criteria are often not captured by audits. These include the discharge of untreated liquid waste into water bodies, manipulated wage payments, unpaid overtime, and the denial of freedom of association. This "audit theatre" has serious consequences, not only for the environment and the health of workers and local residents, but also for addressing structural labour rights violations such as restrictions on freedom of association, discrimination, and inadequate or withheld wages.

The WBM and CBM findings support the conclusions of the BILS study: despite widespread certifications and initiatives, and the correspondingly frequent audits, obvious social and environmental shortcomings persist. Private control systems therefore clearly fall short of their own claims and require fundamental revision. In addition, further approaches are needed that go beyond voluntary, commercial audits.

8. Recommendations and further approaches

To address the identified weaknesses and shortcomings constructively and effectively, three central reform needs can be derived from the study findings as well as from the CBM and WBM data:

1. **Place a consistent focus on impact rather than primarily rewarding formal compliance.** What should matter is not the completion of checklists or the presentation of audit-ready documentation, but the demonstrable improvement of working conditions, pay, safety, and environmental protection.
2. **Specifically address the systemic and structurally driven causes of grievances.** These include, in particular, power asymmetries, the negative impacts of existing purchasing practices, and incentives for corruption and abuse.
3. **Establish an ambitious due diligence practice.** This should include unannounced inspections, independent grievance mechanisms in line with the UN Guiding Principles and OECD standards, and the systematic involvement of workers, other rights holders, and scientific environmental monitoring.

Concrete proposals for implementation:

More coherent and effective standards

- Harmonization of existing systems into, as far as possible, uniform social and ecological minimum standards that build on one another in a modular way (in line with their respective claims).
- Mutual recognition of audits between companies and standard systems in order to reduce duplicate audits and audit fatigue.

Binding participation of rights holders and experts

- Systematic involvement of workers, trade unions, and affected communities in the planning, implementation, and follow-up of audits.
- Interviews in safe spaces outside the factories, protection against reprisals, and implementation and documentation in the local language.
- Regular inclusion of scientific environmental monitoring in the vicinity of factories in order to capture external environmental and health impacts.

Improved audit methods and continuous monitoring

- Shift from a checklist approach to impact-oriented control focused on measurable improvements.
- More frequent use of unannounced audits.
- Disclosure of key audit findings, identified violations, and agreed Corrective Action Plans to management, trade unions, and competent authorities. Aggregated findings and non-sensitive data should be made available online.
- Binding, transparent follow-up on corrective measures with clear responsibilities and consequences for factories and purchasing companies.
- Better training and employment conditions for auditors in order to strengthen their independence and professional quality.
- Complementary data collection and continuous monitoring of audits through WBM and CBM (see the next paragraph).

Further approach: worker- and community-based monitoring

Alongside the obvious need to reform audit processes, it is also clear that social and ecological conditions must not only be reliably reviewed but that structural grievances must also be effectively addressed and remedied. While audits should draw attention to these grievances and ensure adequate remedy at factory level, further approaches are needed that strengthen local structures.

One such approach is worker- and community-based monitoring[26]. It is based on participatory data collection, collective agency, and bottom-up governance in which rights holders themselves become active actors. Trained community members document environmental violations, while representatives of NGOs and trade unions conduct interviews and contribute to the development of Corrective Action Plans. Continuous monitoring thus strengthens local knowledge resources, helps reduce existing power asymmetries, and complements one-off inspections with ongoing, participatory oversight.

[26] See https://femnet.de/en/what-we-do-en/our-focus-areas/corporate-social-responsibility-csr-supply-chain-regulations/multi-stakeholder-partnership-in-bangladesh.html.

9. Annexes

For its study, BILS had the existing initiatives and certifications of the 25 factories under review confirmed by the respective factory management teams following an initial online search. We transparently shared this list with OEKO-TEX, FW, GOTS, Amfori, and GRS. In some cases, discrepancies emerged that were not due to BILS's research but to the factories' self-presentation. This suggests that factories expect certifications to improve their competitive opportunities.

Following consultations with our partners and various trade unions, the factory list is not being made public in order to avoid negative consequences for workers as well as for the factories themselves. Our aim is to work together with the factories on the challenges identified. Under no circumstances do we want companies to relocate their production sites for these reasons.

Alongside the list, we also shared the full BILS study and this analysis with all participating standard organizations and MSIs. FWF and GOTS responded in detail and discussed them openly with us in several meetings. We publish their statements in Annexes I and II. GRS, OEKO-TEX, and Amfori did not respond at all.

Annex I

Global Standard's Statement on the FEMNET Report Regarding Working Conditions and Environmental Management in Bangladesh

Global Standard takes decisive and swift actions against proven non-compliances or fraud. There are more than 17,305 GOTS certified facilities worldwide of which 1,362 are based in Bangladesh. As is standard procedure at Global Standard, any allegations against a GOTS certified company are taken very seriously and investigated thoroughly. This is also the case with FEMNET's concerns.

- Global Standard develops and maintains the GOTS Standard while independent Certification Bodies conduct audits of GOTS-certified facilities and are themselves subject to oversight and monitoring by Accreditation Bodies under ISO/IEC 17065 requirements.
- To support consistent implementation of GOTS requirements, Global Standard provides detailed auditing guidance, conducts quality assurance reviews and offers regular training for approved Certification Bodies.
- Allegations concerning GOTS-certified facilities are reviewed through established Quality Assurance and complaint procedures. Where necessary, Global Standard may initiate investigations, require additional verification activities or take enforcement action.
- Where violations are confirmed, enforcement actions may include corrective actions, suspension, withdrawal of certification or certification bans. These **enforcement actions are publicly disclosed on the GOTS website**.
- As an immediate response to the FEMNET report, Global Standard investigated all facilities referenced in relation to GOTS certification and found:
    - Only 13 facilities held active GOTS certification.
    - 3 facilities had previously held GOTS certification, but their certification had expired.
    - 9 facilities have never been certified to GOTS.
- Global Standard maintains a publicly accessible database of all currently certified facilities, enabling stakeholders to independently verify certification status.
- The FEMNET report does not clearly attribute individual findings to specific facilities, certification systems or time periods. Consequently, it is not possible to independently determine which allegations relate to currently GOTS-certified facilities.
- Global Standard therefore reviewed the audit documentation and certification histories of all 16 facilities with current or expired GOTS certification.
- This review found that **Certification Bodies had already identified 19 non-conformities across 6 facilities, including issues similar to those raised in the FEMNET report. In all cases, corrective actions and follow-up verification were required in accordance with GOTS procedures.**
- **These findings demonstrate that the GOTS assurance system is working as intended: identifying non-compliances, requiring corrective action and verifying that issues are addressed.**
- Global Standard welcomes credible, facility-specific evidence and will investigate such information through its established Quality Assurance procedures.
- Every three years, GOTS is revised through a transparent multi-stakeholder process involving industry experts, Certification Bodies, civil society organisations, technical specialists and other stakeholders. Global Standard welcomes input from all stakeholders as part of this continuous improvement process.
- We remain available for further dialogue and welcome constructive engagement aimed at strengthening the effectiveness and credibility of the GOTS system.

FEMNET COMMENT:

- We expressly welcome the fact that GOTS responded to the analysis, reviewed the certification status of the factories concerned, and shared the results with us. This made clear that several of the problems we identified were confirmed by audit findings available to GOTS.
- From the perspective of the analysis, however, the statement also confirms a central problem: what matters is not only that deviations are identified in the audit process, but that they are made transparent to rights holders, workers' representatives, and other local stakeholders and are effectively followed up. Even though GOTS refers to the inclusion of rights holders, this still does not, in our view, happen sufficiently with regard to audit reports and their follow-up, for example through Corrective Action Plans and follow-up processes.
- It is also striking that several factories claimed to hold GOTS certification even though, according to GOTS, they had either never been certified or were no longer certified. This too underlines the need for greater transparency and for reliable verification of certification claims.
- The focus of our analysis was on audit-based control systems as a whole; assigning blame to or evaluating individual standards was therefore not the aim of the study. **At the same time, our factory- and gender-disaggregated data allow us to state that violations were also identified in the GOTS-certified factories that were confirmed. These findings are particularly concerning in relation to ecological criteria, especially wastewater and chemical management.**
- Against this background, we very much welcome GOTS's openness and willingness to work with us on concrete improvements in the factories concerned.

Annex II

Statement from Fair Wear:

Clarification on Fair Wear Onsite Assessments and Human Rights Due Diligence Approach

Why is this clarification important?
Throughout the report, Fair Wear is frequently referenced alongside certification schemes and audit programmes. However, Fair Wear is not a certification body and its onsite assessments form part of a broader Human Rights Due Diligence (HRDD) framework. This distinction is important when interpreting findings related to audit effectiveness and worker participation.

Fair Wear is not a certification body
Fair Wear does not certify factories or products, does not issue pass/fail outcomes, and does not provide a seal of approval. Instead, its assessments support brands in identifying, preventing, mitigating, remediating, and monitoring actual and potential human rights harms.

Positioning from audits to onsite assessments
Since 2023, Fair Wear has replaced the term 'audit' with 'onsite assessment' to reflect a transition from a compliance-oriented approach towards a risk-based HRDD framework aligned with international standards and emerging legislation.

Assessments are only one component of Fair Wear's HRDD system
Fair Wear's approach extends beyond onsite assessments and includes worker engagement, off-site worker interviews, stakeholder consultation, and interconnect with grievance mechanisms, remediation support, validation of corrective actions, brand performance monitoring, responsible purchasing practices dialogue, and prevention measures. They are risk-based assessments rather than pass/fail compliance, designed to identify actual and potential harms, understand root causes and support corrective and preventive actions.
In no case should Fair Wear onsite assessments be viewed as a standalone mechanism for delivering impact on workplace conditions. Their effectiveness depends on being embedded within a broader process of risk identification, remediation, stakeholder engagement, monitoring, and validation.

Worker engagement and stakeholder participation
Fair Wear's methodology includes off-site worker interviews, onsite worker interviews, engagement with worker representatives, trade unions, and labour stakeholders. The objective is not only to verify compliance but also to understand risks, harms, and workers' experiences.

Relevance to the research sample
None of the 25 factories included in the research sample underwent a Fair Wear onsite assessment, modular assessment, or validation assessment. Therefore, conclusions regarding assessment quality, worker participation, or auditor behaviour cannot be directly attributed to Fair Wear methodologies.

Fair Wear has developed the Fair Wear Onsite Assessment Suite, a comprehensive set of resources, tools, guidance documents, and procedures that demonstrate Fair Wear's approach to onsite assessments and support the implementation of onsite assessments and validation activities at production sites. Please read more here: Fair Wear Onsite Assessment Suite.

FEMNET COMMENT:

- We expressly welcome the fact that FW responded to the analysis, reviewed the factories mentioned with regard to their status, and clearly and thoughtfully set out its position in direct exchange with us.
- At the same time, we confirm that FW assessments are far more comprehensive than other compliance audits in terms of scope and the inclusion of rights holders, and that they already incorporate many of the elements we have called for, such as off-site interviews and a gender focus.
- It is notable that several factories state that they supply FW member companies, even though this was never the case or is no longer the case. This underlines the need for greater transparency and reliable verification of such claims.
- Our analysis was designed to examine the impact on workers' working and living realities. Our focus was therefore less on the specific procedures used to ensure compliance with the respective requirements and more on whether those requirements were actually met and thereby generated positive effects on the ground.
- Since, according to FW, there were no FW assessments in the 25 factories, no conclusions can in our view be drawn about FW methodology on that basis.
- On the basis of our factory- and gender-disaggregated data, however, we took a separate look at the factories confirmed by FW and found labour rights violations there as well. **This suggests that assessments would have been necessary in these factories and raises the question of why this did not happen. It is precisely here that a risk-based approach, which we generally view positively, must take effect and provide effective remedy.**
- Against this background, we very much welcome FW's openness and willingness to work with us on concrete improvements in the factories concerned.

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