



Bündnis für  
nachhaltige Textilien

## Chapter 3

# 2020 Topics



## COVID-19

The COVID-19 pandemic has had a huge impact on the textiles industry. The consequences have been and continue to be far-reaching for brands and retailers in Germany and Europe, often threatening their existence. The situation has also been disastrous in producing countries. Many workers have lost their jobs or have been paid lower wages or none at all, and in many factories they have had insufficient protection against infection.

The Textiles Partnership reacted swiftly to the outbreak of the pandemic by suspending the Review Process, posting a COVID update on its website and offering many different kinds of support and online events. Over and beyond this, the PST intensified exchanges and cooperation with its partners.

At the Members' Meeting in November 2020, Jürgen Janssen, Head of the Partnership Secretariat, stressed the fact that the due diligence approach, to which the Textiles Partnership is committed, provided a good foundation, and he pointed towards a future in which business strategies can be developed that focus on partnership within value chains and thus will equip the business partners in the supplier networks to improve their own working and environmental conditions. [for more on this, see Jürgen Janssen's foreword to the report on the 2020 Members' Meeting, <https://www.textilbuendnis.com/mv-2020-bericht/>].

## **Purchasing Practices**

Responsible purchasing practices are a central element for companies, enabling them to comply with their due diligence obligations and contribute towards better working conditions in their supply chain. Purchasing practices refer to all principles and processes by means of which brands and retailers interact and do business with the manufacturers who supply their products. They are an essential key to a more sustainable and resilient textile and garment sector.

Twelve Partnership companies have been working on this topic since 2019 in a peer learning group, in which they share their experience and develop plans for improving their own purchasing practices. To mitigate the negative impacts of the COVID-19 pandemic in the short term, in April 2020 the Textiles Partnership published the Guiding principles for responsible purchasing practices during the COVID-19 crisis. In June 2020, the first evaluation of the Purchasing Practices Self-Assessment was published.

As its Annual Topic in 2021, the Partnership for Sustainable Textiles has a special focus on purchasing practices. Member companies can use a self-assessment and a supplier survey to evaluate their purchasing practices and to develop and carry out improvement measures on this basis. Experts support the companies in this process by means of online training courses and an e-learning video. Moreover, several multi-stakeholder initiatives, including the PST, are currently drawing up a joint framework on purchasing practices.

## **Xinjiang**

In 2020, reports of forced labour in Xinjiang made headlines around the world. According to credible reports, Uighurs and members of other Muslim minorities in the Chinese province are being oppressed and exploited. There is a risk that factories and producers in the textile supply chain in Xinjiang benefit from forced labour. This applies specifically to the deeper supply chain, i.e. the production of cotton and yarns. The Textiles Partnership is discussing this situation with its members, politicians, the OECD and other sector organisations. Nine Partnership members have formed an ad-hoc group and are discussing strategies for dealing with the risk of forced labour in China, as well as possible support activities within the Partnership.

## **Climate Action**

The new expert group on climate action was launched in October 2020. Its purpose is to further develop and make available best practices for minimising climate risks in all parts of the supply chain. It focuses in particular on cooperation with suppliers and manufacturers, above all to support the transition to renewable energies at production facilities. The roughly 20 members of the expert group will also discuss solutions for better measuring and assessing environmental impacts. Also in 2020, the UNFCCC published the Playbook on Climate Action. It is aimed at all companies in the textile and garment sector and is meant to provide them with best practices and information on climate change mitigation and CO2 reduction. The German translation has been published in February 2021.

## **Circular Economy**

Circularity and circular economy is not a new topic in the Partnership for Sustainable Textiles. What is new, however, is the expert group on circular economy, launched in 2020. It brings together around 35 Partnership members to identify and develop best practices and guidelines on potential circular processes and products along the entire textile value chain. It focuses on sustainable design, recycling, fibres and processes, collection, sorting and re-use, alternative business models (e.g. leasing, sharing and repairing) and on alternative packaging solutions.

## **Expert Groups**

Expert groups aim to address individual topics across all three areas of work in the Textiles Partnership: individual responsibility, collective engagement and mutual support. Beyond this, they also strive to set up cooperation arrangements on specific topics with relevant partners and organisations.

Three more expert groups were added in 2020: climate action, circular economy and chemical safety. The other expert and working groups are: wastewater standards, living wages, man-made fibres, sustainable natural fibres, Review Process, impact assessment, corruption prevention, institutionalisation, supply chain transparency, and gender-based violence.

## **Partnership Initiatives**

The Partnership Initiatives are based on the conviction that we can achieve more by working together. Several Partnership members join forces to collectively achieve improvements in producing countries. Suppliers and local stakeholders are always involved in these measures. There are currently four Partnership Initiatives: Living Wages, Wastewater, Complaint Mechanisms and Improving Working Conditions in Tamil Nadu. Further initiatives are being planned. You can read a summary of what our Partnership Initiatives achieved in 2020 in the report on the 2020 Members' Meeting.

## **Responsible Exit**

'Responsible exit' means ending a business relationship in a responsible way, by taking measures at an early stage to either minimise or mitigate adverse impacts on employees at suppliers. In 2020, with support from civil society, the peer learning group on purchasing practices and the Partnership Secretariat developed responsible exit guidelines. The guidelines outline step by step how companies can establish processes for ending business relationships in a responsible way, and describes the rules and requirements to bear in mind in this context. Partnership members can find the guidelines in the Members' Area.

## **Gender-based Violence**

Gender-based violence and harassment (GBVH) mainly concerns women and girls, but more rarely also men and boys and non-binary people. GBVH covers all types of violence inflicted on people through physical, emotional, psychological or sexual harm and suffering. Violence against women is a widespread problem in the textile industry, where around 80% of employees are women. Working conditions are often precarious and violence against women is an

all too frequent phenomenon. For this reason, the Textiles Partnership made GBVH its 2020 Annual Topic.

### **Strategic Cooperations**

Already at the foundation of the Partnership for Sustainable Textiles it was clear that, being a national initiative in a globally networked sector, it would need to establish a network with other European and international initiatives. The Textiles Partnership cooperates with initiatives that work towards achieving a sustainable and forward-looking textile industry based on the OECD Due Diligence Guidance for the Garments and Footwear Sector. Through its international network with cooperation partners, Partnership members also gain access to the expertise, instruments and contacts of other sector initiatives.

Two new strategic cooperations with the Organic Cotton Accelerator and the Open Apparel Registry were added in 2020. Ten strategic partnerships were in place at the end of the year. During the COVID-19 pandemic, the Textiles Partnership stepped up its exchanges with other sector initiatives, especially with regard to purchasing practices.

### **Supply Chain Transparency**

Creating transparency in a company's own supply chain is a prerequisite for the implementation of corporate due diligence. Only if a company knows where, how and by whom its products are manufactured, can it adopt effective measures to prevent social, environmental and corruption risks in its supply chain. New guidelines were issued in 2020 with step-by-step instructions on how companies can achieve greater supply chain transparency. This is also the aim behind the strategic cooperation with the Open Apparel Registry. Since 2020, 23 member companies have been participating in an aggregated PST list on the Open Apparel Registry, which entails publication of their supplier data, covering some 6,800 production sites.

### **Chemical Safety**

The expert group on Chemical Safety commenced its work in mid-2020. It aims to support members in the consistent implementation of the Manufacturing Restricted Substance List (MRSL) in wet processing. The expert group advises Partnership members on possible substitutes and assesses activities to support them. It also provides information on adjustments to chemicals management requirements.

### **Complaints Mechanisms**

International standards and regulatory frameworks demand that companies provide complaints mechanisms for people who may be affected by social and environmental impacts. Workers in the textile supply chain should also be able to lodge complaints and receive access to remediation and compensation. It is essential that the complaints mechanisms are functional and effective. The Textiles Partnership supports its members in setting up effective complaints mechanisms along their own supply chain or participating in existing mechanisms.

To this end the Partnership for Sustainable Textiles cooperates closely with the Fair Wear Foundation, which provides a grievance mechanism for its member companies in 11 countries. In future, Partnership companies should also have access to this mechanism and be able to use it in their supply chain. The Textiles Partnership offers workshops and webinars to acquaint its members with the requirements for effective complaints mechanisms and effective remediation, and offers space for exchanges. Since 2020, PST has an Incident List compiling abuses or incidents in the textile supply chain. This document helps companies to identify specific incidents and potential risks in their own supply chain.

## **Members**

The Partnership for Sustainable Textiles is a multi-stakeholder initiative composed of members from the private sector (companies and associations), non-governmental organisations, trade unions, standard setting organisations and the German Federal Government. There are a further seven advisory members from academia and the research community. The companies in the Textiles Partnership represent around half of the total turnover in the German textile market.

In 2020, 14 new members joined the Partnership, bringing the total membership to 136. The new members are: HUMANA Second Hand Kleidung GmbH, Pervormance international GmbH, GrenzGang, LODENFREY Menswear GmbH, HUMAN BLOOD B.V., mey GmbH & Co. KG, bluesign technologies, textilekonzepte GmbH, CHAPS Merchandising GmbH, RETAILPRAXIS GmbH, Hochschule Hof, erlich textil, global tactics Textilmanufaktur e.K., Helmut Peterseim Strickwaren GmbH.

## **Steering Committee**

The Steering Committee is responsible for the strategic management and further development of the Partnership for Sustainable Textiles. It consists of 12 members who represent stakeholder groups including the private sector, the German Government, non-governmental organisations, standard setting organisations and trade unions. The representatives are elected by the members every two years. The next Steering Committee elections will take place in 2021. In its meetings, the Steering Committee decides, among other things, on membership applications and new projects.

In 2020, one of the Steering Committee's resolutions was to suspend the Review Process and delay it for one year due to the COVID-19 pandemic. Once a year, the Steering Committee holds a two-day conference to deliberate on the general structure and strategy of the Textiles Partnership. At its September 2020 conference, the topics addressed included the PST's vision and its perception of its role, as well as the work plan and topics to be dealt with in 2021.

## **Risk Analysis**

Meticulous and ongoing risk analysis is a fundamental part of due diligence in general and of the 2021 Review Process in particular. The guidelines 'Identifying and prioritising risks. Basis for the Review Process in the Textiles Partnership' show companies what they need to con-

sider when analysing risks. Beyond this, the Partnership for Sustainable Textiles presented a new IT tool in 2020: the Textile Risk Expert System, or T-REXS for short. This is meant to help Partnership members analyse and prioritise the social, environmental and corruption risks in their supply chains. It helps, for example, to determine the abstract risks that exist in the supply chain and to compile information on the likelihood of these risks occurring. T-REXS also enables companies to prioritise the most serious risks in their supply chain.

## **Sector Risks**

The OECD has identified several risks of particular relevance to the textile and garment sector. These include, among others, discrimination, health and safety, wages and social security, corruption, child and forced labour, environmental protection and the use of chemicals. These and other sector risks are among the topics addressed by the Partnership. They are also key elements of the revised Review Process [link within the report]: Each member company analyses the risks in its supply chain, prioritises them and defines targets and measures on that basis.

## **Cotton**

In 2020, the Textiles Partnership entered into a strategic cooperation with the Organic Cotton Accelerator (OCA). The cooperation between the two multi-stakeholder initiatives is intended to promote the quality and availability of organic cotton and to better adapt the demand for organic cotton to the available supply.

In addition, a pilot project on organic cotton was launched in India, with the participation of Tchibo, Dibella, Fairtrade Germany, FFID – Chetna, OCA and GIZ. By scaling up the existing pilot project and launching new pilot approaches in cotton-relevant regions, the project partners want to further increase the availability of organic cotton for members of the Textiles Partnership.

The joint target of the Partnership to increase the proportion of sustainable cotton remains the same: by 2025, the proportion should increase to 70% of the total volume of cotton purchased by Partnership members, with 20% being organic cotton. Already in 2018, members had almost reached the joint target of 35% sustainable cotton set for 2020.

## **Wastewater Management**

Wet processing in textile production involves a higher risk of environmental damage, for example through untreated wastewater from factories. Sustainable wastewater management is a major step towards solving the problem. That is the objective of the new Partnership Initiative on wastewater management, for which 14 Partnership members joined forces in July 2020. The initiative focuses on Taiwan, Bangladesh, Vietnam, China, Pakistan and Turkey.

The initiative combines three approaches: firstly, it is raising awareness of the problem on the part of factories and building up knowledge among suppliers and brands; secondly, it seeks to harmonise the testing of wastewater by means of plausibility checks and common require-

ments for wastewater reporting, while also improving data quality and transparency; and thirdly, the initiative aims to forge cooperation arrangements and promote data exchange between all actors in the supply chain and with research establishments.

### **Working Meetings**

In his opening words to the Working Meeting on 21 April 2020, head of the Partnership Secretariat Jürgen Janssen stressed that, 'Only through collective action, a partnership approach and shared responsibility can the effects be mitigated, especially at the present time, and the goal of a sustainable textile supply chain be further pursued.' The agenda included a live-streamed keynote by Karl-Hendrik Magnus, of McKinsey, nine webinars and a marketplace with seven booths. The sessions covered a wide range of topics, from circular economy to risk analysis, to supply chain mapping and complaints mechanisms. Current developments and the impacts of the COVID-19 pandemic naturally played a role in various contexts. You can still view recordings of some of the sessions on the website [<https://www.textilbuendnis.com/rueckblick-at2020/>].

### **Members' Meeting**

'On track' was the topic of the 6th Members' Meeting of the Textiles Partnership on 24 and 25 November 2020. In his welcoming note, Jürgen Janssen, head of the Partnership Secretariat, emphasised that the course towards due diligence and sustainability is 'correct, relevant and forward-looking.' The two-day event included a total of 14 sessions on a wide variety of Partnership issues, ranging from due diligence obligations and gender-based violence, responsible exit and living wages to supply chain transparency and climate action. Members can find recordings of the sessions in the Members' area. The marketplace is still online with eight booths for the following topics: Partnership Initiatives Tamil Nadu, wastewater and complaints mechanisms, as well as expert groups on circular economy and climate action, SME Compass, Green Button (Grüner Knopf), and Review Process.

We welcomed Rubana Huq (BGMEA), Mathijs Crietee (International Apparel Federation), Herman Leung (DAKOTA Garment Group), Nazma Akter (Awaj Foundation) and Christina Haggos-Clausen (IndustriALL) to the panel discussion on Future Supply Chain Relations.

### **Review Process**

In the Review Process, companies in the Partnership for Sustainable Textiles report on their individual responsibility in their supply chains, set goals and define measures. In 2019, the Review Process was thoroughly revised and focus was placed on an individual risk-based due diligence approach. The new Review Process is aligned with the requirements and provisions of international regulatory frameworks, in particular the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. It was intended that the Partnership members would carry out the Review Process for the first time in its new form in 2020, but due to the COVID-19 pandemic, the Steering Committee decided to postpone the launch for one year.

## **LinkedIn & Twitter**

The Textiles Partnership has had its own LinkedIn and Twitter accounts since 2019.

On LinkedIn, the number of followers grew from 334 to 1,642 in 2020 (+ 392%), and on Twitter, from 321 to 422 (+ 31%). On both platforms, posts on the Partnership's own activities received the most attention. Three tweets on the Annual Topic of gender-based violence and on our Partnership Initiatives made it into Twitter's top 10, as did two tweets on the COVID-19 update on the PST website.