

On Track

Report to the
6th Members'
Meeting



In the past years, we used to always present you the current annual report at our Members' Meeting in autumn. From 2021 onwards, the Members' Meeting will take place in spring and the Working Meeting in autumn. The annual report 2020 will therefore be published at the next Members' Meeting in April 2021. This has the advantage that the future annual report covers an entire calendar year.

With this out-of-series report, however, we would like to give you an overview of what has been happening in the Partnership for Sustainable Textiles in the recent months and would like to point out a few offers and innovations.

We hope you enjoy reading this report!

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Dear Partnership members, dear readers,

I'm pleased to present this Partnership report, which has been released as an interim report this autumn. From next year, we will shift publication of the Annual Report to the spring (along with the Members' Meeting) to allow it to cover the calendar year. In this report, we focus on how the Partnership has thus far navigated what is the most severe economic crisis for decades, and, as the title indicates, has remained and continues to remain on course. We can say this today because you have confirmed in many of our discussions and through your ongoing commitment that there is no lull in the old and new topics we are working on as a Partnership, instead they are even gaining momentum during the crisis. Partnership topics are topics of the future.

The Steering Committee responded swiftly and decisively in March. By deferring the new Review Process in particular, it created scope for the Partnership to reorient itself in the midst of the crisis and make sure that the course towards due diligence and sustainability is correct, relevant and forward-looking. The Review Process will now commence in spring 2021 in what continue to be choppy waters, with coronavirus cliffs, trade currents that are difficult to predict, human rights shoals and storms intensified by climate change. While being a member of the Textiles Partnership will not guarantee that you can avoid the many challenges, it does allow you to tackle them in a structured way, using the right compass, on an individual basis or together with other members, and with support from the Partnership Secretariat. You should thus consider your engagement within the Partnership not (only) in terms of the effort involved, but also as an opportunity to adopt a more sustainable and forward-looking approach to the way you manage your company and to boost target achievement within your organisation.

The Textiles Partnership aims at significantly improving working and environmental conditions in the value chains of the textile and clothing sector. Particularly in these times of crisis, this also requires a focus to be placed on business partners and workers. The picture in Germany and Europe is dire and, in some cases, extremely so. In the producing countries, however, the situation is catastrophic. This is where the Partnership's due diligence approach, which is to be implemented even more systematically in future, can offer solutions. Based on a thorough risk analysis, 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. The Steering Committee had laid the foundations for

this approach in 2017 through its fundamental policy decision to gear the Textiles Partnership's work to the due diligence approach. As a result, the Partnership continues to evolve into the first point of contact for anyone wishing to systematically implement due diligence and thus taking responsibility also for business partners and workers in their value chains.

The mentioned choppy waters will continue to pose major challenges to all of us in the coming years, in Germany, in Europe and, for our industry in particular, in business relationships with partners in the producing countries. As a Partnership member, you receive support with positioning in the form of risk

analysis, useful charts and knowledge for navigation purposes, information on the expectations of key social and political actors, and a learning and dialogue network for navigators. We look forward to working with you and to jointly hold our course towards fair, sustainable and resilient value chains in the textile and clothing sector.

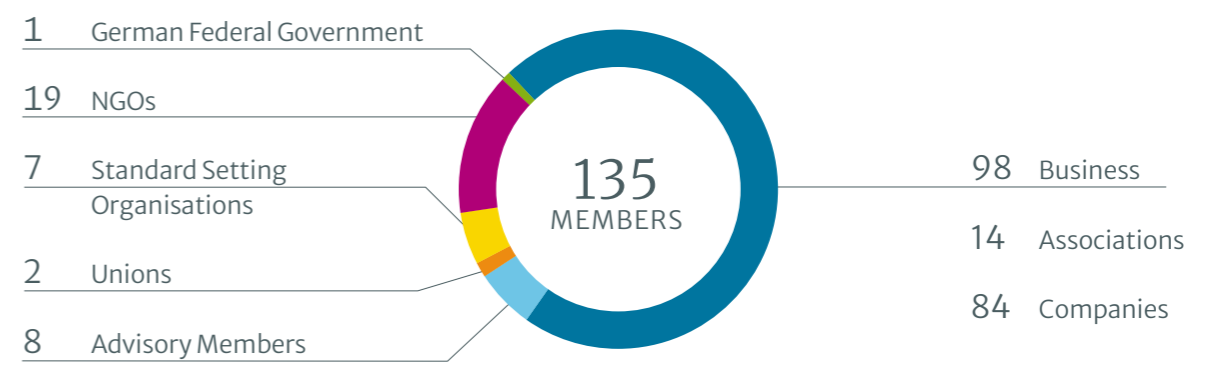


Jürgen Janssen
on behalf of the Partnership Secretariat

“As a result, the Partnership continues to evolve into the first point of contact for anyone wishing to systematically implement due diligence and thus taking responsibility also for business partners and workers in their value chains.”

THE PART- NERSHIP IS GROWING

At the beginning of November, the Textiles Partnership consisted of 135 members.



Since the beginning of the year we have acquired 13 new members



Ploucquet GmbH, Maier Sports GmbH and Reisinger premium workwear quit the Partnership.

GUEST ARTICLE BY GERMAN DEVELOPMENT MINISTER
DR GERD MÜLLER

Textiles Partnership 2020: remaining strong through the crisis and learning the right lessons for a fair future

The COVID-19 pandemic is proving extremely challenging to the entire world and having an unprecedented social and economic impact. The way we work and live together has changed. The textile sector has been hit especially hard by the crisis, with supply chains disrupted almost overnight. In Germany, businesses were forced to close, employees saw their hours cut as part of the country's Kurzarbeit job support programme, and SMEs and traditional listed companies have applied for insolvency protection proceedings.

The impact on developing countries is especially severe. Here, hundreds of thousands of textile workers face a very real threat to their livelihoods. Workers who do not receive a fair wage are unable to build up savings for times of crisis. Manufacturing companies have also been severely rocked, as they bear a major risk in the initial stages of the supply chain. If orders are cancelled, then these firms are often left with unsold products and the cost this entails.

We established the Textiles Partnership in 2014 in order to work together to make the textile supply chain progressively more sustainable. I am delighted that many companies have continued to fulfil this responsibility even when faced with the challenges of the coronavirus crisis and have refrained from cancelling existing orders. In order to meet the firms halfway in these exceptional circumstances, we suspended reporting obligations in spring 2020. Despite this, the Textiles Partnership has played a key role in the crisis, for instance by sharing up-to-date information on the situation in the producer countries and drafting guidelines on responsible purchasing practices. The coronavirus crisis has laid bare the dark side of globalisation and the vulnerability of our economy. We are all hoping that things will return to normal as soon as possible. However, I am convinced that there is no going back to old consumption patterns and business practices. We must learn the lessons of the coronavirus crisis. The need for fair globalisation is more pressing than ever. Resilient supply chains that are sustainable in the truest sense of the word are a matter of social responsibility and economic reason.

“The need for fair globalisation is more pressing than ever. Resilient supply chains that are sustainable in the truest sense of the word are a matter of social responsibility and economic reason.”



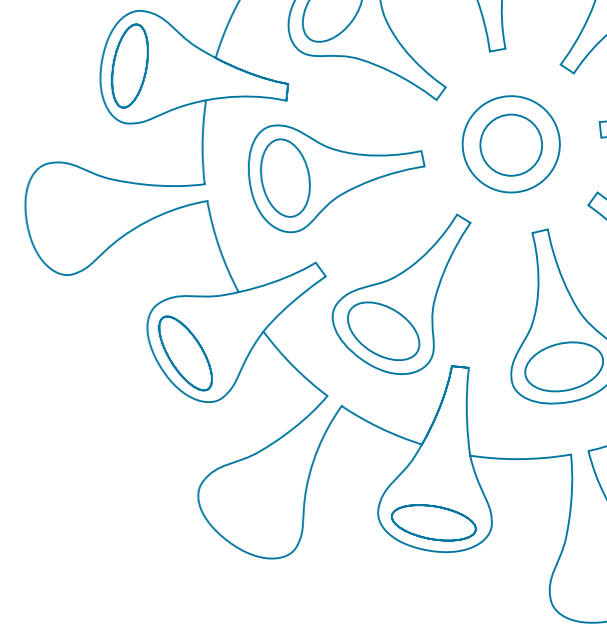
On 1 July, in the midst of these turbulent times, the German Federal Government assumed the presidency of the EU Council. This has seen us commit, particularly during this COVID-19 pandemic, to promoting sustainable supply chains and calling upon the European Commission to draft an EU action plan for corporate social responsibility.

We need a smart mix of voluntary and mandatory measures in Germany and the EU. As such, we will be presenting in Brussels the positive example of our approaches within the textile sector. At the same time, we will also present the German Government's key points for a national Due Diligence Act at the European level.

As Europe's largest economy, it is up to Germany to lead the way and set standards. Consequently, I am committed to ensuring that the implementation of human rights due diligence becomes part and parcel of the quality pledge 'made in Germany'. We intend to use the Act to create legal certainty, commitment and a level playing field for all. Based on the UN Guiding Principles on Business and Human Rights, companies should analyse and address the human rights and environmental risks relevant to them within their sphere of influence. The Textiles Partnership shows that this approach is already being put into practice and that its efforts are paying off.

Even in a time of unprecedented challenge, it is important that we maintain our focus and also think about people outside of Germany, thereby sending out a strong signal for international solidarity.

Dr Gerd Müller
German Federal Minister for
Economic Cooperation and Development



How has the Textiles Partnership responded to COVID-19?

As always, we started the new year with many plans: new Partnership Initiatives, the annual Working Meeting, project plans and, of course, the Review Process in its revised form. But then COVID-19 came along and everything else with it.

We have felt and continue to feel the effects at all levels, both personally and professionally. The impact on textile supply chains has been and still is huge. There is great uncertainty and existential fear among companies, suppliers and workers. As the Partnership Secretariat, we have endeavoured to support you as effectively as possible.



MSI DIALOGUE

Networking pays off in the crisis

COVID-19 has disrupted supply chains worldwide and even brought some to a complete halt. The pandemic has also served as a magnifying glass in textile supply chains, highlighting key challenges. Many people were already clear about the kind of impact that changes in one link in the supply chain could have on the other actors. However, the crisis led to multiple issues in several places: material shortages, concerns about worker health, lockdowns in producing countries and shop closures in consumer countries. The entire sector continues to be affected by the coronavirus pandemic – in some cases existentially.

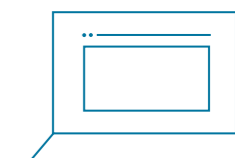
Yet again, we saw what is already part of the Textiles Partnership's DNA: we can overcome challenges more effectively together than alone. Consequently, the Textiles Partnership has once again significantly stepped up dialogue with other sector initiatives. These include up to 13 multi-stakeholder initiatives (MSIs) and sectoral organisations. At the height of the COVID-19 crisis, the group met for weekly video conferences. At the beginning of the pandemic in particular, the focus was on the following questions: How should fashion companies, retailers, suppliers and producers deal in the short term with the growing numbers of infections? How can they respond to shop closures and the massive drop in demand? What does the pandemic mean for social and environmental conditions in the supply chain?

“The initiatives are coordinating their activities even more effectively as a result of stepping up their cooperation. This was and still is important, and not just in a pandemic. It adds direct value to members even when there are no crises. Through dialogue, we want to ensure that requirements and measures for implementing due diligence are aligned. This boosts the effectiveness of individual activities.”

Andreas Edele, representative of the Partnership in the MSI exchange

Joint statement and guidelines

13 organisations drafted the joint statement ‘Responding responsibly to the COVID-19 crisis’ in April. It provides guidance to members on good purchasing practices and responsible behaviour during the pandemic. The Partnership used this as a basis for developing its ‘Guidelines for responsible purchasing practices in times of COVID-19’, a document that several members have used to make a voluntary public commitment to responsible action in this area.



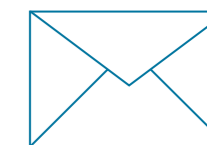
Mutual support among MSIs



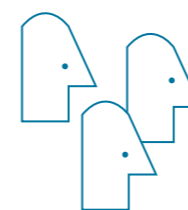
In many cases, the initiatives opened up their offerings to members of other MSIs in order to pool resources and support as many people as possible in the crisis. For instance, over 200 representatives of Partnership members and other companies participated in the Textiles Partnership's seven online seminars on the situation in selected producing countries. The Textiles Partnership collaborated with the Ethical Trading Initiative (ETI) and the Fair Wear Foundation (FWF) to organise online workshops on handling job cuts and wage payments. The MSIs also shared resources for raising awareness of COVID-19 in production facilities.

Letter to the Indian Government

The initiatives also agreed on a position concerning the response of producing country governments to the economic consequences of the coronavirus pandemic. They formulated a letter to Indian Prime Minister Narendra Modi, calling upon him to maintain international labour standards. The letter was signed by 49 companies with procurement activities in India, including 14 Partnership members.



Delving into topics in groups



As the pandemic progressed and during the course of dialogue, the MSI representatives established thematic groups. For instance, they are currently working on an aligned framework for operationalising the requirements for responsible purchasing practices.

INTERNATIONAL COOPERATION

Building bridges with other sector initiatives

Standing in solidarity with other initiatives adds great value and not only in times of crisis. Even when the Textiles Partnership was being set up, we recognised that, as a national German initiative in a globally connected sector, we needed to establish links with other European and international initiatives. To this end, we have forged nine strategic partnerships with other initiatives since 2017. Through the international network with external cooperation partners, Partnership members also gain access to the expertise, instruments and contacts of other initiatives in the sector.

These partnerships have two overarching objectives: on the one hand, they are designed to support Partnership members in pursuing the Partnership's goals and thereby increase its impact in producing countries. On the other hand, they have the aim of aligning sustainability requirements for companies in the textile sector. The substance of these partnerships differs depending on the partners. Partnerships covering multiple topics address such issues as promoting the due diligence approach at EU level, aligning standards and mutually recognising each other's efforts. Partnerships on specific topics deepen dialogue on matters such as living wages, grievance mechanisms, the use of chemicals and fibres. 2020 saw the establishment of a strategic partnership with the Organic Cotton Accelerator (OCA).



ORGANIC COTTON ACCELERATOR (OCA)

The Organic Cotton Accelerator (OCA) is the only multi-stakeholder organisation dedicated to organic cotton. As a global platform, OCA is committed to bringing integrity, supply security and measurable social and environmental impact to organic cotton. At OCA, special attention is paid to two central measures: firstly, the support of small farmers through training and premium payments to strengthen the business case for organic cotton farming and secondly; the promotion of environmentally friendly practices in organic cotton cultivation.

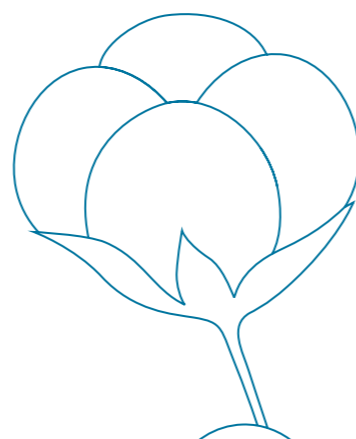
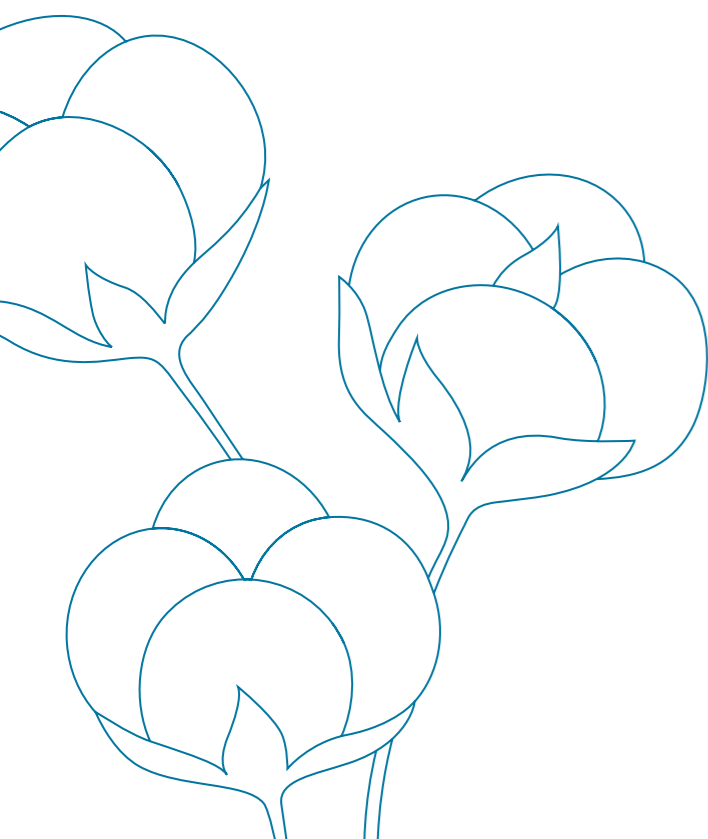
The main instrument of the initiative is the optimisation of common procurement practices amongst its members. This means enhancing farmer profitability and prosperity, contributing to environmental sustainability, and ultimately bolstering the integrity of the cotton sector. This cotton season of 2020/21, procurement projects led by partner brands cover around 23,000 farmers in five Indian states (Gujarat, Madhya Pradesh, Maharashtra, Odisha and Rajasthan). Building on the past successes of its programmes, OCA is currently developing its Strategy Plan for 2030 and planning to expand its geographic scope to other key-producing countries beyond India.

More information about the cooperations on our website: www.textilbuendnis.com/en/internationale-kooperationen

“With this strategic cooperation, we aim to mobilise and support more brands and retailers in taking tangible action in their own supply chains to secure their organic cotton at the farm level and deliver tangible benefits to farmers, such as better prices and secure offtake for their organic cotton and access to organic seeds and training. By working in unison, we can achieve so much more than acting alone.”



Bart Vollaard,
OCA Executive Director



THE NEW REVIEW PROCESS

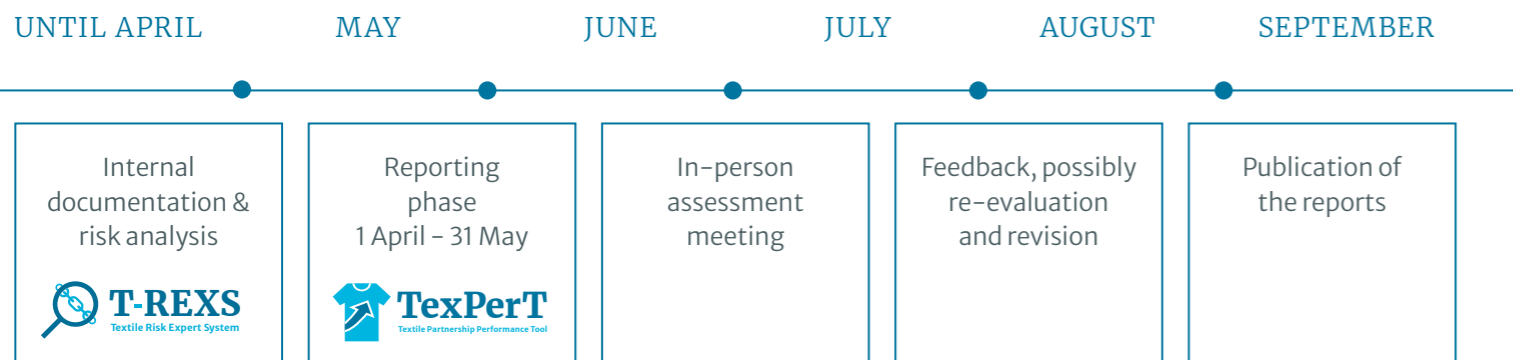
Risk-based and individual

As part of the Review Process, member companies report on their individual responsibility in their supply chains, set targets and define measures. In 2019, the Review Process was fundamentally revised based on the results of the OECD Alignment Assessment. Putting a strong focus on the due diligence approach, the new process is guided by the requirements and provisions of international agreements such as the UN Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector and the ILO core labour standards.

In 2020, the new Review Process was supposed to be conducted in its new form for the first time. However, due to the COVID-19 pandemic it has been postponed until 2021. The postponement takes the limited resources during the pandemic into account – even though the due diligence approach has shown itself to be especially important during the crisis and the efforts to manage it.

Since September, the OECD Due Diligence Guidance is available in German as well. You can download it from our website: www.textilbuendnis.com/en/portrait-textilbuendnis

Timetable of the Review Process 2021



What has changed for the different stakeholder groups?

COMPANIES

The main changes for companies:

- ... pursuit of individual targets
- ... risk-based approach: carrying out a risk analysis and prioritisation (for example with T-REXS)
- ... in-person assessment meetings with an external service provider and a representative of the Partnership Secretariat (except for micro and small companies)
- ... adaptation of transparency requirements
- ... process support by the German Institute for Human Rights (DIMR)
- ... reduction of administrative efforts, for example in the verification process

GERMAN FEDERAL GOVERNMENT

In future, the Federal Government will set its goals in five fields of action:

- ... agenda and framework-setting
- ... political dialogue
- ... capacity building (measures for improving the business environment in producing countries)
- ... sustainable public textile procurement
- ... awareness raising and education

NGOs, TRADE UNIONS, ASSOCIATIONS AND STANDARDS ORGANISATIONS

From 2021, non-governmental organisations, trade unions, associations and standards organisations will answer three key questions:


- ... How has the organisation contributed to the Partnership during the reporting period (financially, with personnel or with expertise)?
Examples: Participation in expert groups, Steering Committee, working meetings, support for Partnership Initiatives, etc.
- ... What measures has the organisation used to contribute to achieving the Partnership goals during the reporting period?
- ... What measures are you intending to implement to achieve the Partnership objectives in the upcoming reporting period?

TEXTILE RISK EXPERT SYSTEM, T-REXS

No, not a dinosaur, but our new risk analysis tool

The individual risk analysis and prioritisation is the basis of the revised Review Process. Based on these results, member companies derive their targets and measures in order to prevent and mitigate any negative effects of their business activities. Companies are no longer pursuing uniformly binding targets but address the eleven sector risks identified by the OECD on the basis of their individual risk analysis.

The Textiles Partnership has developed the Textile Risk Expert System (T-REXS for short), a new tool that supports member companies by guiding them through the risk analysis and prioritisation processes in a structured manner. The analysis steps include data uploads, space for companies' own entries, analysis and reviewing of information. The tool also provides comprehensive background information and practical instructions. The result is a deeper understanding of abstract risks, existing mitigation processes and concrete and company-specific risks.



T-REXS allows you to:

- ... determine the abstract risks in your supply chain.
- ... collect information on the likelihood of these risks actually occurring in your supply chain, taking into account mitigation measures and actual impacts.
- ... determine the concrete risks that are particularly relevant for your specific supply chains.
- ... prioritise the most severe risks.

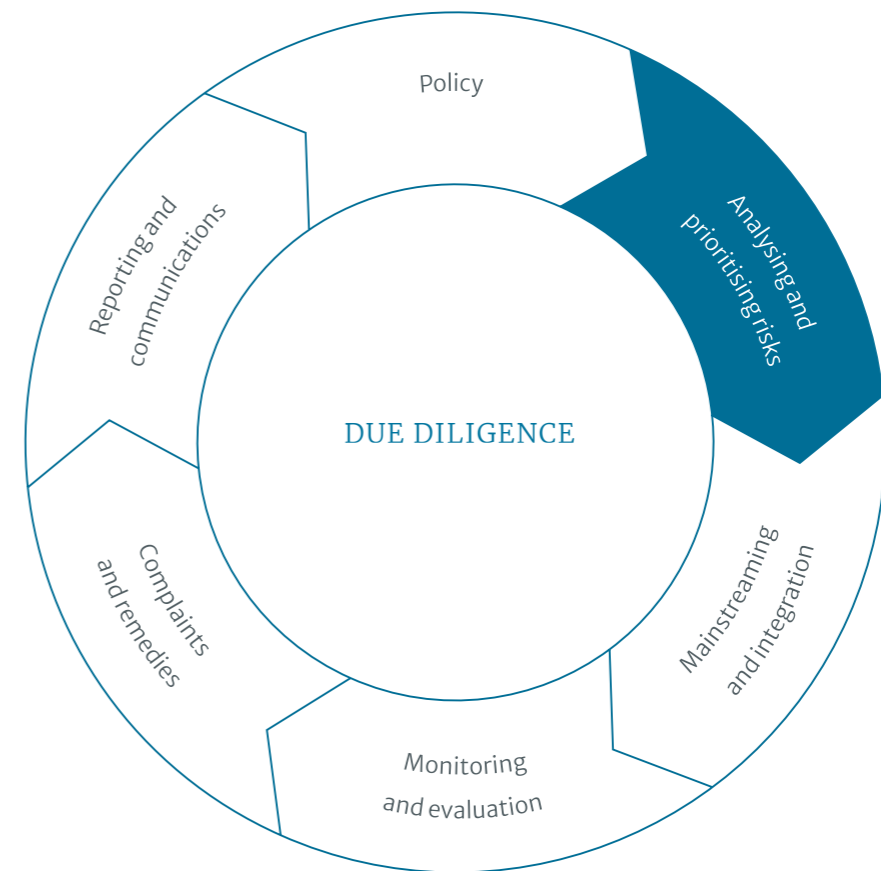
ASSISTANCE WITH THE RISK ANALYSIS

- 1 Textile Risk Expert System (T-REXS) www.t-rexs.de/en
- 2 Handbook "Identifying and prioritising risks": www.textilbuendnis.com/en/downloads
- 3 Supporting programme and workshops: Please find dates in the members' area



Steps in the Due Diligence Process

The risk analysis is a fundamental step in the due diligence process. In order to introduce targeted member companies need to analyse and prioritise their social, environmental and corruption risks. This requires them to take their entire supply chain into consideration. Companies should not only analyse their business and purchasing practices, but also include stakeholders in producing countries.



“The risk analysis is also an analysis of opportunities, as the new Review Process provides companies with a well-structured and detailed view of their supplier networks and the risks existing therein.”

Isabelle Reichenbach, coordinator of the Review Process in the Partnership Secretariat

NEWS FROM OUR PART- NERSHIP INITIATIVES



NEWS FROM OUR PARTNERSHIP INITIATIVES

Grievance Mechanisms

Workers in the textile supply chain should be able to report grievances and, where necessary, access remediation and compensation. This is the objective of the Partnership Initiative on Grievance Mechanisms. The functionality and effectiveness of the grievance mechanisms are of central importance here.

Thus, as part of the Partnership Initiative the Textiles Partnership works together with the Fair Wear Foundation (FWF) and the Dutch Agreement on Sustainable Garments and Textile (AGT). During a first project phase of approx. 18 months, the Partnership and AGT companies are given the opportunity to use the FWF grievance mechanism for their tier 1 suppliers in Vietnam, Myanmar and India. It is anticipated that more countries and companies are added to the project after the first phase. The FWF mechanism enables workers to come forward with grievances and request remediation. There are plans to launch and implement the Partnership Initiative in winter 2020.

In addition, the Partnership Secretariat is working with FWF to increasingly link existing grievance mechanisms of (multi-stakeholder) initiatives. A particular focus lies on the coordinated handling of grievances relating to shared factories of different member companies. To this end, several meetings have already been held with AGT, amfori, Fair Labor Association and Ethical Trading Initiative.

INCIDENT LIST

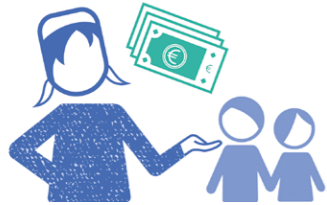
Reports of abuses and incidents in the textile supply chain are compiled in the Partnership's new incident list. The list will help Partnership members to record incidents and violations in the supply chain. You can find the list on the members' platform and we will be providing details of how many new incidents have been added in our weekly update. All Partnership members are invited to view, comment on or add incidents to the list.

FAIR WEAR FOUNDATION GRIEVANCE MECHANISM

The FWF grievance mechanism offers workers in supplier companies the opportunity to submit grievances about working conditions via phone, email or an app. These grievances are received and processed by FWF's local country managers. Grievances are followed up together with the complaints handler, the factory and the purchasing company concerned, with remediation and compensation provided where necessary. The content and status of the received grievances can be viewed on the FWF homepage.

NEWS FROM OUR PARTNERSHIP INITIATIVES

Living Wages



Purchasing practices self-assessment, peer learning group and supplier trainings – have a look at what has happened in the last few months in the Partnership Initiative on Living Wages.

Basic module on purchasing practices

12 Partnership companies came together in 2019 to form a peer learning group (PLG) in order to analyse their purchasing practices using the Purchasing Practices Self-Assessment Tool (PPSA). The PLG companies are now drawing up plans for measures to improve their practices. With the involvement of other stakeholder groups, the PLG also produced the 'Guidelines for responsible purchasing practices in times of COVID-19'. You can find these guidelines at: www.textilbuendnis.com/en/covid-19-leitlinien



Training module

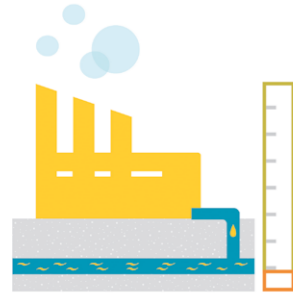
In the second module, supplier training courses are offered jointly with FWF and AGT. The training courses are designed to inform suppliers about basic social standards. It also familiarises them with tools and methods that should support them in increasing workers' wages. A total of eight training courses were held: in Bangladesh, China, India, Indonesia, Myanmar, North Macedonia, Tunisia and Turkey. 20 Partnership companies and/or their suppliers took part in this training. With the outbreak of COVID-19 the courses were put on halt but due to high demand among Partnership members, are now set to be continued.

Cambodia country module

In the Cambodia country module, there are plans for Partnership companies to support negotiations in Cambodia on a nationwide collective agreement for higher wages. However, serious and systematic violations of human rights principles resulted in the European Commission withdrawing part of the tariff preferences for Cambodia in August. The EU was particularly critical of infringements of the right to political participation and the right to freedom of opinion and freedom of association. The preferences fell under the Everything But Arms (EBA) trade scheme. Different trade organisations from Cambodia are calling upon the European Commission to postpone the withdrawal from the EBA initiative by one year to allow the country to recover economically from the ongoing COVID-19 crisis. Due to the EU decision and the impact of the COVID-19 pandemic on the Cambodian textile industry, there are plans to reorient the module.

“Our strategic partner ACT (Action, Collaboration, Transformation) is advocating for a collective agreement in the Cambodian textile industry. The Partnership Initiative on Living Wages supports this process. Given the EU Commission’s decision and the impact of COVID-19, it is still unclear as to how the negotiations initiated by ACT will be continued locally.”

Kristin Apffelstaedt, coordinator of the Partnership Initiative on Living Wages



NEWS FROM OUR PARTNERSHIP INITIATIVES

Wastewater

14 Partnership members launched the Partnership Initiative on Wastewater in July 2020. The goal of the new Partnership Initiative is to establish sustainable wastewater management in the textile supply chain.

This is a key area of action, as wet processing in textile manufacturing is particularly harmful. Chemicals used in the bleaching, dyeing and printing processes end up in the wastewater and cause severe environmental damage. A sustainable wastewater management approach will enable textile factories to effectively improve wastewater quality.

The 14 fashion companies, associations and the German Government are together committed to tackling the challenges of wastewater management. The focus in this context is on properly conducting wastewater analyses and interpreting lab results in a solution-oriented manner. If thresholds are exceeded, for instance, it is important to examine the link to the particular stage of production in order to make targeted adjustments. To this end, the members of the Partnership Initiative engage with one another in dialogue, make support instruments available and develop a plausibility check. This should provide guidance to participants, as wastewater analyses and their evaluation only lead to improvements if technical expertise can be guaranteed and corresponding escalation plans provided. After the drafting phase, joint measures are planned on the ground at production facilities in Bangladesh, China, Pakistan, Taiwan, Turkey and Viet Nam.

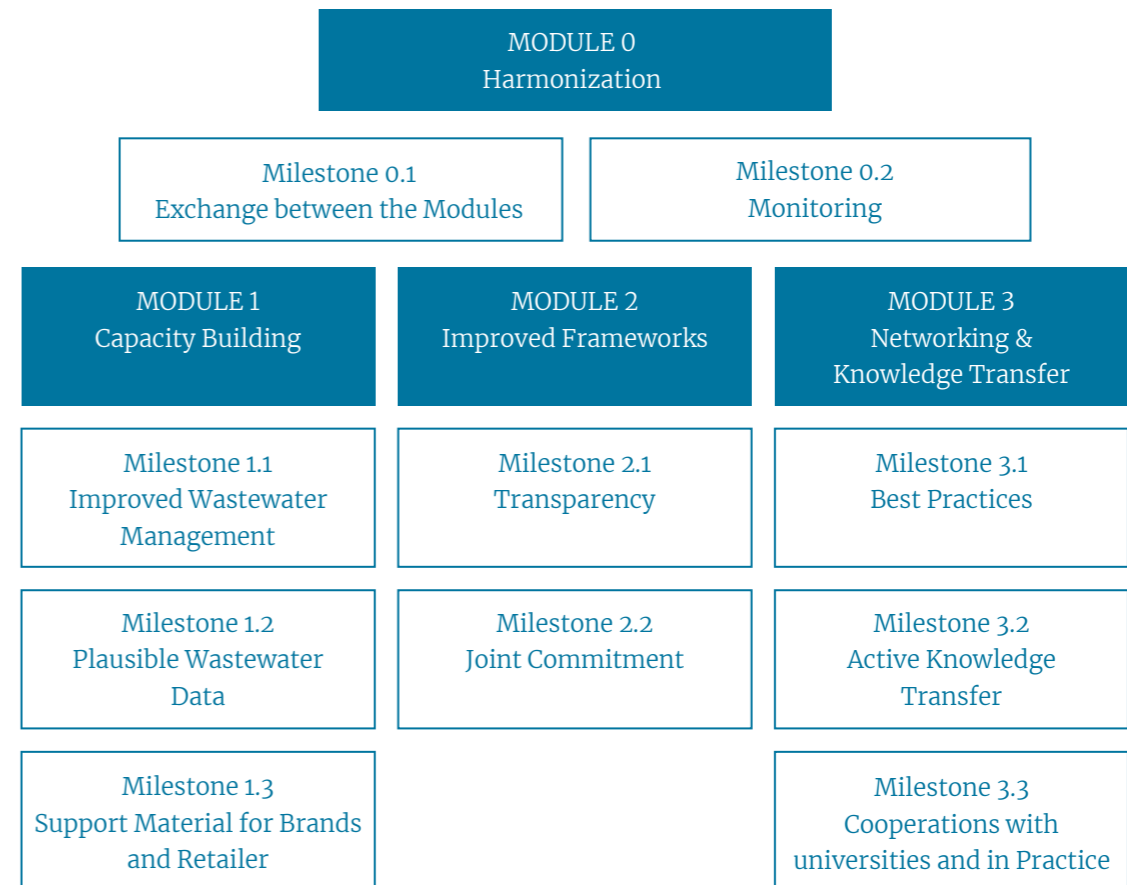
ESCALATION PLANS

Escalation plans serve as an exit strategy. They also provide guidance as to which violations would lead to a supplier no longer being considered sustainable or responsible, for instance, if particular thresholds are exceeded. The plans also set out what a responsible withdrawal from a supplier commitment could look like if training and dialogue do not result in violations being corrected.

MORE INFORMATION

- ... Focus page of the Partnership Initiative Wastewater: www.textilbuendnis.com/en/detailseite-bi-abwasser
- ... News article „Launch of the Partnership Initiative Wastewater“: www.textilbuendnis.com/en/bi-abwasser-startet

Modules and milestones for a better wastewater management



“By joining together in Partnership Initiatives, companies are able to achieve more than they could on their own. The fact that 14 Partnership members launched the Partnership Initiative on Wastewater despite the difficult coronavirus situation is a strong indication of the commitment of the Partnership.”

Rahel Lemke, coordinator
Partnership Initiative Wastewater



NEWS FROM OUR PARTNERSHIP INITIATIVES

Tamil Nadu

The Partnership Initiative Tamil Nadu aims at systematically improving the working conditions within the textile and clothing industry in the Indian state of Tamil Nadu, especially for women and girls working in spinning mills. The Partnership Initiative consists of two modules: the establishment and strengthening of the multi-stakeholder dialogue at state and district level, and training with management and workers in factories and spinning mills. The first project phase expired in late September 2020 and the next phase is set to continue next year. Let us take a look at what has been achieved so far.

Module A: Stakeholder dialogue

All goals of the dialogue module have been achieved:

- ✓ 38 dialogue fora on district level
- ✓ 6 dialogue fora on state level and 2 annual conferences of the MSI-TN
- ✓ 3 published studies

The local non-governmental organisation Social Awareness and Voluntary Education (SAVE) was very dynamic and committed in coordinating the work of the Multi-Stakeholder Initiative Tamil Nadu (MSI-TN). Together, they succeeded in bringing together all stakeholders at both state and district level, including political representatives, national and international buyers, associations, trade unions and NGOs. They drafted discussion papers, formed steering committees and developed action plans on social and labour standards.

One outcome of the dialogue forums are posters and brochures drawing attention to the hotlines and telephone advisory services for workers set up by the Indian Government. Thanks to the hotlines, the authorities have already investigated many cases of labour rights violations and gender-based violence and provided remediation for the affected parties.



In February 2020 a delegation of the Partnership Initiative visited the local implementation partner of MSI-TN. Convener Aloysius informed the guests about the progress of the project and further plans.

TEXTILE INDUSTRY IN TAMIL NADU

With its numerous spinning mills, the Indian state of Tamil Nadu is India's yarn production centre. Young women and girls account for 80 per cent of the workforce in spinning mills. Basic rights and social standards are frequently violated in the textile industry in Tamil Nadu. While there are relevant regulations and legislation, they are often not complied with. Another problem is the workers' lack of knowledge of their rights as well as the lack of awareness of violations on part of the management. This is precisely where the Partnership Initiative Tamil Nadu comes in: training workers and managers and establishing the statutory complaints committee. At the same time, the Partnership Initiative is using a dialogue module in an effort to bring together relevant stakeholders in order to address the challenges at structural level.

“In recent years, the MSI-TN has established itself as a vibrant, constructive and solution-focused platform and achieved significant success. There is tangible momentum and willingness to move forward on the ground. All stakeholders are sitting around the same table and a positive work culture has emerged.”

Mary Viyakula, Social Awareness and Voluntary Education (SAVE)

Module B: In-factory training

The second module of the Partnership Initiative comprises a multi-step training programme. The training aims to educate the workers in 200 factories about their rights and to work with factory management and the workforce to create complaints committees. While such committees are legally required by the government, they are still lacking in many factories.

The training programme ends with a three-day training course for the committee members. Management are required to release the workers concerned from their duties and enable them to attend the course. However, the high workload at factories means this is rarely possible, which is delaying completion of the programme. The courses also had to be paused in the first few months of the COVID-19 pandemic. Nonetheless, the training programme has already been completed in 70 factories (as at 28 August). There are plans to continue the project and thus the training next year.

Support in the crisis

Particularly at the start of the pandemic, COVID-19 had a serious and direct impact on workers in Tamil Nadu's textile factories, with many facilities having to close temporarily. Images of workers stranded at bus stops and train stations made their way around the world. In order to support managers and workers during this time, the Partnership Initiative Tamil Nadu facilitated safety measures and activities for raising awareness of COVID-19.

Information materials on dealing with coronavirus have been distributed in almost **400 spinning mills and factories**. Managers at **219 factories** have been advised on the government's hygiene and safety measures. Training courses have also been delivered in **221 spinning mills and factories** in cooperation with their local health and safety committees. Members of the Partnership Initiative Tamil Nadu provided financial support for the activities, which allowed the needs of the factories and their workers to be addressed at very short notice.

“The Partnership Initiative members all agree that the project should be continued. The Partnership Secretariat is thus engaged in dialogue with all stakeholders and is working on a follow-up phase. Until that point, support is still provided to SAVE to allow current training courses and measures to keep running.”

Lara Hutt, coordinator of the Partnership Initiative Tamil Nadu

The training programme is already under way in **192 factories**. Over **19,000 workers** in total have had their rights explained to them, and the two complaints committees have already been established in **108 spinning mills and factories**.



Three questions to Mary Viyakula

Mary Viyakula manages the SAVE initiative and has supported the MSI-TN from the start. We spoke to her about her impressions and experiences.

The first project phase is over. What has improved for workers?

I have the impression that workers are more self-assured after taking part in the training programme. They know and courageously assert their rights and know who to contact if they have any problems. They are aware of the established grievance mechanisms and report incidents. It is motivating to see what an impact the awareness-raising work alone is having.

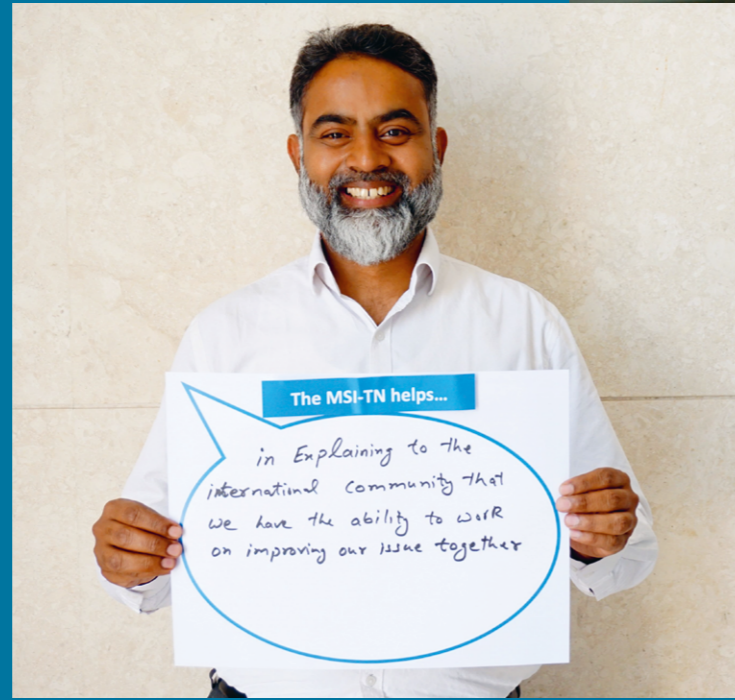
Is there something in particular that stands out in your mind?

I was impressed with how well the different stakeholders worked together in the dialogue forums in order to improve working conditions in the textile industry in Tamil Nadu. They were remarkably willing to cooperate with one another.

What are the next steps for the MSI-TN and what are your hopes for the future?

I would like to see women in the textile industry standing up for their rights and continuing the fight for equality. I very much hope that workers in Tamil Nadu will be paid fair wages in the near future and no longer need to work unpaid overtime. We are pleased that the work is continuing with the follow-up phase.

On a visit to Tamil Nadu



Representatives of the Partnership Initiative travelled to Tamil Nadu in early February. The delegation met with German Consul General Karin Stoll and representatives of the state government. On the second day, the guests visited the MSI-TN in Tiruppur and took a tour of two cotton mills. Some 140 delegates travelled to Coimbatore for the MSI-TN's second international annual conference on 6 February. Participants of the delegation: Dr. Gisela Burckhardt (FEMNET), Rapha Breyer und Claudia Brück (TransFair), Patric Hehemann (BMZ), Hossain Manzoor Kashfin (Kik), Felix Rauer (Otto Group), Rabea Schafrick (Brands Fashion), Moon Mukherjee und Jekib Ahmed (Tchibo), Hendrik Plein, Michael Janinhoff and Malena Reimelt (Partnership Secretariat).

ANNUAL TOPIC

Sexual and gender-based violence refers to violence against individuals based upon their gender. It primarily affects women and girls, and, to a lesser degree, men and boys. Gender-based violence includes all acts of violence in which people are subjected to physical, emotional, psychological or sexual harm and suffering. This can also mean that they are denied access to resources or services. Gender-based violence is based on gender norms and unequal power relationships.



GENDER-BASED VIOLENCE

Providing better protection for women and girls in the textile industry

Gender-based violence against women is a widespread problem. It is estimated that 35 per cent of all women around the world have already experienced gender-based violence. Women account for around 80 per cent of workers in the global textile industry where working conditions are often precarious and violence against women is all too common.

Against this backdrop, the Textiles Partnership has made gender-based violence its annual topic for 2020. 14 Partnership members work in an expert group with the brief of addressing this topic in relation to the Partnership's three pillars. This means supporting members in the 2021 Review Process, promoting collective engagement and creating support and dialogue formats.

During an initial online seminar, members had the opportunity to learn about the sector risk of discrimination and the challenges facing the sector in producing countries. In order to support members with analysing gender-specific risks in their supply chains as part of the 2021 Review Process, the Partnership Secretariat has produced country-specific factsheets on gender-based violence in countries such as Bangladesh, India and Viet Nam. At the same time, several online workshops addressed the gender-specific impact of the COVID-19 crisis, the setting up of gender-specific complaints committees, and the challenges of the gender data gap in global textile supply chains.

Social audits were an issue of particular concern for the expert group members, as it is not easy in practice to uncover gender-based violence using these audits. Consequently, the expert group is currently putting together a set of guidelines on designing social audits in a gender-sensitive manner, identifying the limitations of the audits and integrating these appropriately into due diligence processes.

“2020 was not a good year in terms of combating gender-based violence. After the major milestone of ILO Convention 190 being adopted in 2019, 2020 has been characterised by backward steps and stagnation due to the coronavirus crisis. Nonetheless, we've managed to get a number of initiatives and support services for members off the ground within the Textiles Partnership”

Judith Kunert, coordinator of the expert group on gender-based violence

Detailed information about the annual topic and the activities can be found in the news article on our website: www.textilbuendnis.com/en/jahresthema-2020-gbv

GUEST ARTICLE BY SINA MARX, FEMNET E.V.

Prevent violence against women in factories, but how?

All around the world, women experience violence in the workplace, regardless of their background, income or the sector in which they work. However, gender-based violence is most common in sectors in which many women work in poorly paid positions, have little decision-making power and thus often find themselves in relationships of dependency on their male superiors. The textile sector is one such industry, structurally favouring violence against and harassment of female workers. Most of the workforce is female, including many young women, migrants and migrant workers. Wages are also extremely low, workers are under pressure to produce large volumes of goods, and female workers often have no one to lobby on their behalf. The ongoing power imbalance in factories is exacerbating an already problematic situation. Women often work under precarious conditions, are not given contracts, and have to rely on piece rate wages. Additionally, limited-term contracts are not extended if female workers cause 'trouble' by, for instance, standing up for their labour rights or becoming pregnant. Such dependencies are resulting in a situation where female workers rarely speak about their experiences of violence.

Gender-based violence is at once the cause and the effect of economic exploitation

In order to break the taboo, women and labour rights organisations have repeatedly attempted to provide better data on the topic in recent years. 2020 saw the Bangladesh Center for Workers' Solidarity (BCWS) and FEMNET publish the findings of a comprehensive study conducted at factories in Bangladesh which shows the alarming extent of harassment and violence. Around 75% of the 600 plus female workers surveyed reported that they regularly experience gender-based violence in the factories. 75% of them also indicated that they were regularly the victims of sexual harassment. The women had no one to turn to and cases were rarely investigated.

How the purchasing practices of brands and retailers contribute to violence

Pressure, generated by the purchasing practices of the fashion companies, is one of the main causes of violence in textile factories. 64% of the female workers surveyed indicated that they are under enormous pressure to produce. One third of them have



been threatened or hit by their supervisors as a result of this pressure. Superiors often threaten workers with dismissals or withheld bonuses if production targets are missed. This is confirmed by the findings of previous studies. On the one hand, factories pass down the enormous pressure to deliver products within very tight time frames, which leaves workers more likely to experience violence from superiors as the pressure increases. On the other hand, the price pressure from buying companies systematically drives down wage levels and thereby increases the structural dependence of workers in economic terms. This encourages other forms of violence and makes it virtually impossible for the affected individuals to defend themselves against violence.

Exploitation is economic violence

Economic exploitation is one of the most common forms of structural violence against female workers in the clothing industry. Women are paid a lower wage for the same work, are more often overworked and underpaid and frequently carry out unpaid work not covered by contractual agreements. As such, women have to contend with poverty-related, gender-specific consequences. Many female workers are not only forced to work long overtime hours, but must also undertake other paid work (including home-based work for the textile sector) to make ends meet. In numerous households, women are the sole or primary breadwinners. Poverty wages plunge women into such a drastic situation of economic dependence that they are forced in many cases to endure other forms of exploitation and violence. This applies to them and to their children (including sexual exploitation, child labour and child trafficking). Economic exploitation leads to malnutrition, overwork and exhaustion, which have a detrimental impact on the health and educational opportunities of the women and their children.

The aforementioned study confirms that barely any workers would talk to external auditors about sexual assault in the workplace. This in turn is one of the key factors for why these cases do not come to light during audits. Consequently, Partnership member companies should work on improving the data situation regarding gender in their supply chains and at the same time pro-actively tackle discrimination, violence and harassment in their factories. This includes a policy that clearly and explicitly condemns violence and harassment without passing off responsibility to suppliers. The causes of violence and harassment in factories are structural in nature, meaning that effective countermeasures must also be targeted at structural change. In the context of the current crisis in particular, this has become abundantly clear once again.

PPSA REPORT

Purchasing Practices Self-Assessment yields valuable insights

Prices are negotiated in a fair and transparent way with an equal understanding by all parties involved.

Suppliers and factories are consulted, and action is agreed with them when cancelations are required.

A confidential grievance mechanism is in place for suppliers. The mechanism legitimate, accessible, predictable, fair and transparent and meets the requirements of ISO 20400.

These are just three out of a total of 55 indicators in the Purchasing Practices Self-Assessment (PPSA). The Textiles Partnership has been making this tool available to its members since summer 2019, enabling them to analyse their purchasing practices. It is based on a questionnaire developed by the Initiative ACT (Action, Collaboration, Transformation), with which the Textiles Partnership cooperates.

Many Partnership companies have already used the tool to analyse their purchasing practices and begun to raise awareness within their organisation of responsible purchasing practices. The next step will involve using the analysis findings to initiate specific changes for making companies' own purchasing practices more sustainable and facilitating progress towards achieving living wages.

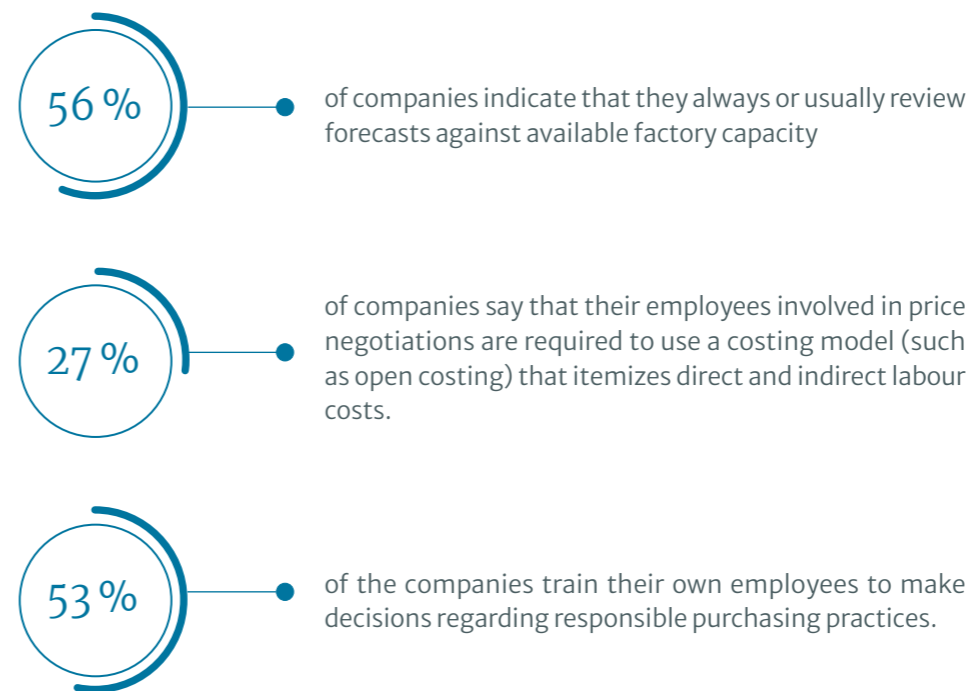
IMPACT OF PURCHASING PRACTICES

Certain practices put suppliers under great pressure and as such are among the factors that contribute to poor working conditions and low pay at production facilities. These practices include aggressive price negotiations, imprecise forecasts, delayed orders, short lead times, last-minute changes and late order payments.

PEER LEARNING GROUP ON PURCHASING PRACTICES

12 companies are working together within the Partnership in the PLG on purchasing practices. They are jointly developing plans for improving their own purchasing practices and discussing specific topics such as open price calculation and exiting business relationships responsibly.

The Partnership published the aggregated results of the analysis in June 2020. The report includes the responses of 42 Textiles Partnership companies and members of the Dutch Covenant AGT, which also had the tool at its disposal. The results paint a mixed picture. While there are some established responsible practices already in place, for instance in regard to order changes and payment conditions, there is room for improvement at most companies with respect, for example, to price offers and incentives. In other areas, respondents indicated a sense of uncertainty and a lack of knowledge. The findings also show that purchasing practices sometimes differ greatly from one company to another.



Find the report on our website: www.textilbuendnis.com/en/ppsa-report

COVID-19 and purchasing practices

COVID-19 has vividly illustrated the significance of sourcing and purchasing practices to relationships in the supplier networks. In order to mitigate negative effects in the short term, the Partnership has drafted common guidelines containing recommendations on handling orders and managing health and infection risks in production facilities. At the same time, there is an increasing recognition that improving purchasing practices is one of the keys to making the textile and clothing industry more sustainable and resilient.

In many cases, the ordered business closures and the drop in consumption in countries such as Germany have created an existential threat to numerous fashion companies and retailers. In order to counteract liquidity problems, a number of brands and retailers have cancelled current orders for the time being and/or withheld new orders. This in turn has plunged many textile supplier factories into existential difficulties, forcing them to lay off staff and leaving them unable to pay wages and issue severance packages. The ordered closure of production facilities and the introduction of safety measures for reducing the infection risk have increased the pressure on suppliers. The COVID-19 crisis has clearly shown the importance of responsible purchasing practices for guaranteeing fundamental employee rights in the supply chain.

“We will also continue to support the Partnership members in responding responsibly to the crisis and making sustainable purchasing practices the bedrock of trust-based business relationships and partnerships.”

Kristin Apffelstaedt, coordinator of the peer learning group on purchasing practices

The guidelines can be found here:
www.textilbuendnis.com/en/covid-19-leitlinien

INFORMATION AND SUPPORT

Are you already familiar with our new support offerings?

Issue briefs

As of this summer, the Textiles Partnership has a new format for providing information to its members: issue briefs. In these publications, we provide you with a compact summary of background information and recommendations for action on current topics and challenges. For example, one issue brief sheds light on the high risk of forced labour in China's autonomous Xinjiang region, while another discusses the key changes to labour legislation in India.

Guidelines on a responsible exit

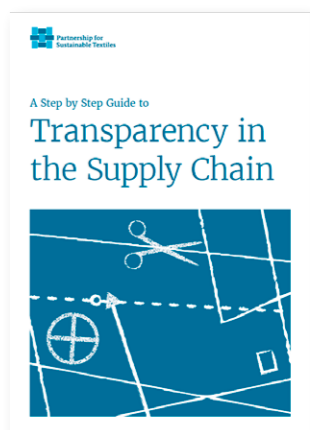
The PLG on purchasing practices and the Partnership Secretariat developed a guideline on responsible exit, with support from civil society. Responsible exit refers to the responsible ending of business relationships. The responsible element means taking measures early on to minimise or mitigate negative effects on employees at supplier companies. The guidelines show you how to gradually establish a process at your company for a responsible exit from business relationships and provide information on the regulations and requirements to be observed in the process.

You can download all documents in the Members Area. The guidelines on risk analysis and supply chain transparency can also be found on our website: www.textilbuendnis.com/en/downloads

Guidelines on risk analysis and supply chain transparency

The guidelines on **risk analysis** help you to first identify and then prioritise the social, environmental and compliance risks in your company's supply chain. In addition to fulfilling basic requirements for corporate due diligence processes, the risk analysis is also foundational to the Review Process in the Textiles Partnership.

The guidelines on **supply chain transparency** explain how you can progressively achieve greater transparency in your supply chain. They provide the information needed to map the supply chain and the associated stakeholders, including actors other than direct business partners. They also offer guidance on creating more transparency in relation to external parties and on the opportunities available for disclosing supply chain data. Both documents can be found on the members' platform and can be downloaded from the website.



NEW EXPERT GROUPS

Circular Economy and Climate Action

Expert groups have the goal of addressing individual topics across all three pillars of the Textiles Partnership: individual responsibility, collective engagement and mutual support. They also strive to establish topic-specific partnerships with relevant partners and organisations. With the new expert groups on climate action and circular economy, we are addressing two topics of prime importance at present.

Climate Action

The new expert group on climate action was launched on 1 October. It intends to refine best practices in minimising climate risks in all parts of the supply chain and make these practices available to others. The approximately 20 members of the expert group also discuss solutions for measuring and accounting for environmental impacts more effectively. The expert group is based on the goals of the UN Fashion Industry Charter for Climate Action.

The experts plan to formulate customised targets for minimising climate risks for the Partnership and to initiate individual and joint measures. They also intend to produce information and aids on reducing or offsetting greenhouse gas emissions and successfully transitioning to renewable energies. Additionally, the expert group intends to supplement the Guideline on Preventing the Use of Hazardous Chemicals in Textile Supply Chains with information on emissions reduction.



These are the other topics that groups in the Partnership are working on.

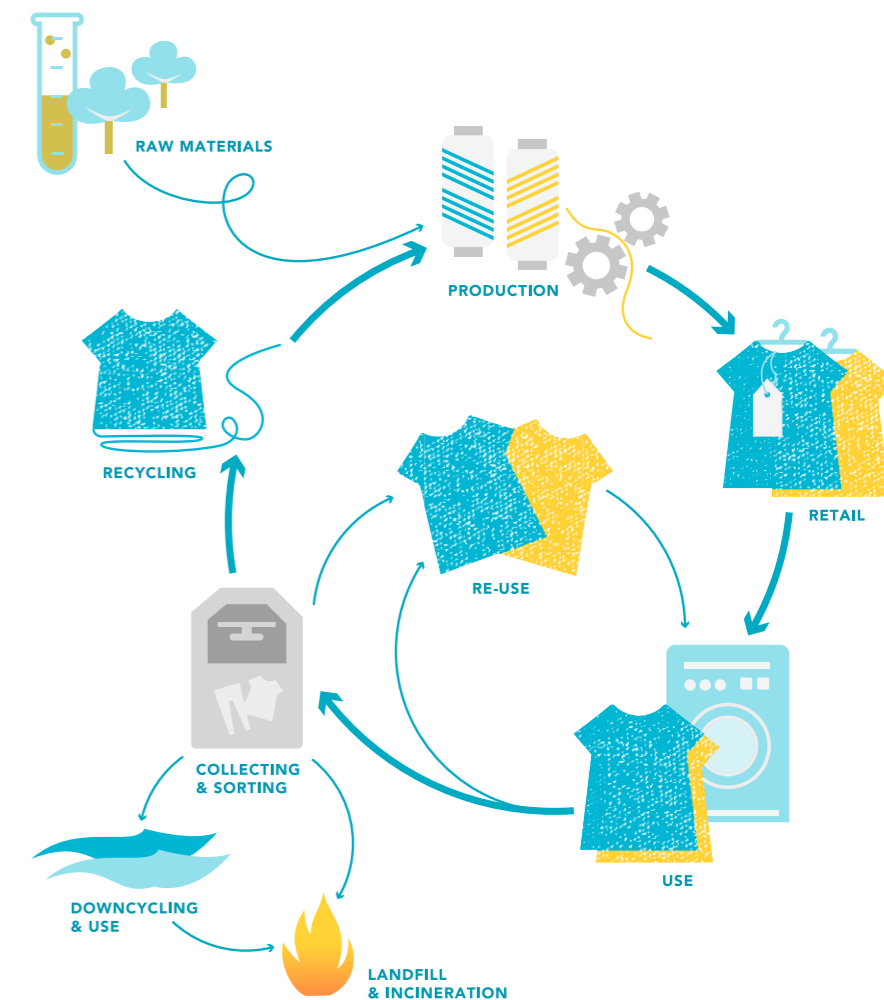
Circular Economy

The topic of the circular economy (CE) is not new within the Textiles Partnership, but the expert group on the circular economy is. Some 35 Partnership members identified five relevant subject areas related to CE with the intent to further develop best practices and guidelines on recyclable processes and products and foster the exchange of information and experiences among the members.

Efforts to promote recyclable textiles promise significant potential for minimising the negative environmental effects of textile production. At their heart, they are focused on retaining the value of fibres and textiles for as long as possible. Waste and resource consumption should be kept to a minimum and, in the best case, all resources fed back into the circular economy.

The expert group is planning activities in five priority areas:

- 1 Sustainable Design
- 2 Recycling Processes
- 3 Collection, Sorting, Re-Using
- 4 Alternative business models such as leasing, sharing and repairing
- 5 Packaging: alternative sustainable solutions to cut down or replace conventional packaging



COMMUNICATION

Visible on many channels

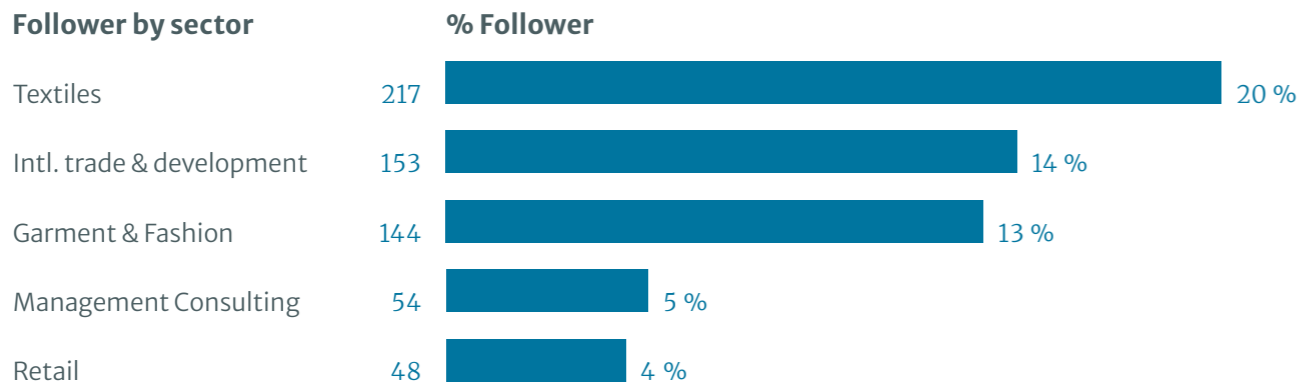


The Textiles Partnership has been operating LinkedIn and Twitter accounts since 2019. We significantly increased our reach on LinkedIn in particular last year and now have 11,432 people following the Textiles Partnership. LinkedIn shows time and again in this context that it is especially well suited to information-sharing and dialogue in the sector. We have connections on the platform with national and international textile and sustainability experts.



Our follower numbers on Twitter are growing more slowly (394 Follower)¹. In order to inform people of the Partnership's work on Twitter as well, we launched a series in July 2020 in which we address a Partnership topic each Tuesday using the hashtag #WhatWeDo, explaining the topics and how we address them.

¹As of 28th October 2020



The analysis by sector reflects the topics in the Partnership.



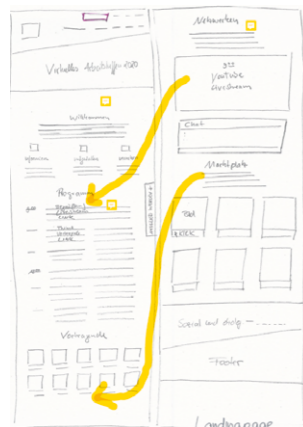
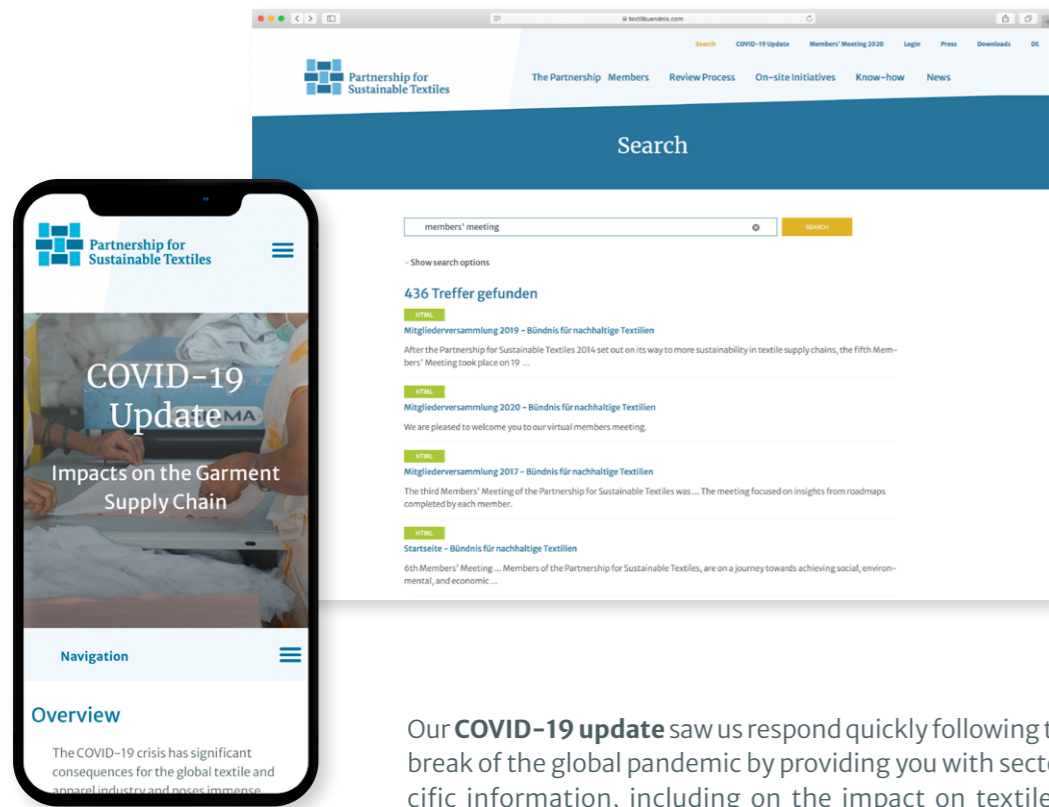
Two exemplary tweets from the #WhatWeDo series

The website as the number one information channel

The website has also undergone several changes again in 2020. Following the relaunch in 2019, we have overhauled the **'Projects worldwide' project database** this year. The projects are now presented in a more engaging manner and there are more filters. We have added a number of projects and now have around 40 projects in the database.

A growing number of members are taking the opportunity to maintain their **member profiles** and present information on the Partnership website about their company or organisation and what they are doing to become more sustainable.

That the Textiles Partnership was kept busy in 2020 is reflected in around 30 **news articles** on topics such as the OECD Forum, the MSI-TN Second Annual Conference, the PPSA report, new members or Partnership Initiatives, cooperations and publications.



This is how our virtual Working Meeting started – scribbled on paper.

Our **COVID-19 update** saw us respond quickly following the outbreak of the global pandemic by providing you with sector-specific information, including on the impact on textile supply chains, with guidelines on responsible purchasing practices and with specific information on 15 producing countries.

Another effect of COVID-19 was that we were unfortunately unable to see you as planned at this year's Working Meeting in Cologne. Instead, we organised a **virtual Working Meeting**, which began with a livestream. This was followed by nine webinars and an opportunity for you to find out about different topics and chat with those responsible at six market booths. The recordings of the sessions and the market booths are still available online.

The new **full-text search** allows you to find content and publications more quickly. You can search for specific terms, exclude other terms, filter and sort search results.

We are also working on making the website and our publications progressively more **accessible** by adding alternative texts to photos and graphics to make the website user-friendly for visually impaired individuals as well.

MEMBER SURVEY

Thank you for your feedback!

We asked you in early 2020 for your feedback on the Partnership Initiatives, events and many other issues. 33 per cent of members participated in the survey. The findings relate to the Partnership's work in 2019.

FACE-TO-FACE EVENTS

93% planned to participate in at least one face-to-face event in 2020.

90% think consider face-to-face event important for the exchange of information and networking.

SUPPORT

78% state that the support material is relevant and useful for their work.

50% think the Partnership Secretariat should offer more support formats.

REVIEW PROCESS

85% find that the communication concerning expectations and requirements of the 2019 Review Process was clear and in time.

83% think the support from the Partnership Secretariat in the Review Process was helpful.

65% state that the Review Process provides orientation for the work on the Partnership topics.

EXTERNAL COMMUNICATION

80% find the website well-structured and user-friendly.

83% state that the content on the website is easy to understand.

45% follow @textilbuendnis on Twitter or LinkedIn.

“Tell us what you think. This is the only way for the Partnership to make progress as a multi-stakeholder initiative on the road to greater sustainability in the interests of its members.”

Dana Kremer is responsible for the members management in the Partnership Secretariat

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November 2020

