

OECD: Sector significant

Key Resources For A Responsible Supply Chain

by Yvonne Heinen-Foudeh

Apparel represents one of the largest consumer goods sectors in the world. And one with a far too large carbon footprint, track records as an employer and supporter of social and ethical standards which gives rise to a wide range of criticism. And precisely because of the segment's role as an important economic driving force the implementation, monitoring and compliance of responsible supply chains is paramount.

The Organisation for Economic Development and Cooperation (OECD) has been able to develop a complete package of measures for the implementation of responsible apparel supply chains, their evaluation, feasibility studies, and communication platforms - in short, key tools - are available to the branch. Solution approaches and, above all, coordination opportunities for a complex challenge that are worth taking advantage of.

The guiding principle of ecological, economic and social sustainability increasingly determines policy - nationally, at EU level and globally. Necessary developments that also and above all affect apparel. The processes of adapting entrepreneurial action to the needs of the planet - of the people who produce fashion and of those who consume it - are complex and demanding. Transparency and cooperation are key tools on the way to a sustainable development.

A critical first step: the 2017 OECD Guidelines, prepared in close collaboration with experts and with the participation of industry delegates. Crucial directional initial point: the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, adopted in 2017, establishes a common understanding of due diligence in the sector to help companies meet the due diligence expectations laid



Today, the results of OECD evaluations, their rulebooks are absent on hardly any issue of international relevance. Photo: OECD

out in the OECD Guidelines for Multinational Enterprises.

Crucial aspects

Regarding the crucial aspects of transparency and cooperation between all market partners and stakeholders involved, as well as usable = traceable data, the OECD work is applying the lever at pivotal points: With a view to the crucial aspect of transparency, to usable = traceable data, the OECD work applies the lever at crucial points: Having long since escaped the academic ivory tower of the founding years, one has recently launched a process to assess the alignment of multi-stakeholder and industry initiatives with the detailed recommendations of the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector. This OECD Alignment Process along with its assessments as essential outcome appears to be voluntary.

In addition, the organization, which was launched in 1961 and is also committed to combating child labor, social injustice and inequality

of wealth distribution, the refugee issue and many other facets of sustainable business and politics, can demonstrate results for the sector: The OECD Pilot Project on Due Diligence in Public Procurement of Apparel and Textiles is helping buyers here integrate the OECD's risk-based due diligence approach to public procurement of apparel and textiles.

Due Diligence Forum Garment & Footwear: Harmonization under the EU Framework

The pilot project, which was launched during the past OECD Forum back in February, is taking place under the Responsible Business Conduct and Public Procurement program and is expected to last until December 2021.

The annual event, held online this year, brings together more than 600 representatives from governments, companies, unions and civil society to address emerging risks and share insights on the implementation of labor, human rights, environmental and integrity due diligence in global



On a side session of the current OECD Forum, ITMF and IAF presented the Standards Convergence Initiative. After the Paris event in 2020, video conferences are currently on the agenda. Unquestionably different - certainly climate-friendly. Snapshot from OECD Apparel Forum: (from left to right: Christian Schindler, ITMF; Matthijs Crietee, IAF; Yvonne Heinen-Foudeh, M+M; Deniz Thiede, Triple-Tree).



Angel Gurría, Secretary General has been able to firmly establish the OECD as a pillar of the architecture of global economic governance, including the G7, G20 and APEC, and as a reference point for the design and implementation of better policies for a better life, since his appointment in 2006.

apparel supply chains. Arguably a unique forum, Tyler Gillard, Manager at the RBC (Responsible Business Conduct) Centre aptly describes it as, "the only place where everybody can get together and address the diversified issues involved". - And that on a global basis and with immense expertise, we want to admit at the end of the last day.

And what has been achieved to date?

"Some three years after the adoption of the Guiding Principles, stakeholders are generating increasingly valid data on how implementation is evolving and maturing"; as the OECD puts it. The recently published feasibility study offers an overview of various strategies and many other helpful suggestions for the quick

reader and those who look right away into the future topic in depth. Results are made available by OECD in two formats: as condensed version focusing on highlights and as full report.

ITMF and IAF: Together against audit fatigue

In that scenario given the complexity for worldwide sourcing of garments and footwear plus the expansive scope of defined due diligence to prove competency and credibility audits play an essential role. Increasing frequency, complexity, and scope of audits on the other hand is causing audit fatigue. On top neither industry nor retail reached solid consensus on standards related to holistic sustainability encompassing the entire supply chain on financial, manufacturing, social, and environmental aspects – all of them somewhat requiring standards and thus auditing. For a fact this is resulting in differences, variations, and multiple interpretations. This trend of increasing audit activity is causing “audit fatigue”, which, in turn, may have negative influence on further developments.

To address that challenge two international interest groups from the apparel and textile sector have launched a key initiative and introduced aside OECD Forum for the segment this year: Together the ITMF (International Textile Manufacturers Federation) and the IAF (International Apparel Federation) launched the Standards Convergence Initiative. “Aim for the SCI will be to serve as a global industry wide platform to discuss and develop a strategy as well as the tools to accelerate the reduction of audit and standard fatigue in the clothing and textile industries”, explained IAF General Secretary Matthijs Crietee whilst unveiling the joint project over a side session back at the February Forum on Due Diligence for Garment & Footwear.

To achieve the goal both federations collaborate with the International Trade Centre (ITC), to create transparency in the conduct of the main standard holders along four key cri-