Home Textiles Producers (HTP) Committee

January 12th, 2017

17:15 – 18:30
Room: “ARGUMENT”
(Hall: 3.C, West)
Messe Frankfurt
Frankfurt / Germany

Minutes

1. Opening Remarks

Mr. Christian Schindler, Director General of the ITMF opened the meeting and thanked everyone for taking the time to participate. Mr. Zhaohua Yang, Chairman of the Committee, had sent his apologies, as he could not attend Heimtextil 2017.

2. Overview and Discussion Paper by Mr. Peter Gnägi (ITMF Treasurer)

On January 9, 2017, the ITMF Secretariat had circulated a discussion paper by Mr. Peter Gnägi, which provided an overview/summary on the discussion about standardizing audits (see attached document).

Mr. Gnägi has been involved in standardization of textile machinery on ISO level and in governing standardization bodies in Switzerland. He introduced the process how ISO sets standards and how the railway sector in Europe had introduced their International Railway Industry Standard (IRIS). IRIS is comparable with the HTP initiative in respect to the process of developing a common standard (not in respect to content).

For different reasons the Committee had decided not to join an existing standard/initiative like ISO or BSCI. Not following the ISO path seems to be right for the moment. But developing an own initiative in the field of social compliance can only work if major customers of the HTP members, the retailers, ask for it and enforce it. The advantage of having developed an own standardized audit tool is to move forward quickly and to be in charge of the auditing process. Mr. Gnägi concluded that the progress made by the Committee is impressive and that it is essential to focus on convincing the retailers that standardizing social compliance audits is a win-win-situation for producers and retailers alike.
3. **Presentation on and Discussion about the “Standard Audit Label Initiative”**

Mr. Karim Shafei, Gherzi Textil Organisation, gave update on the status of the Committee’s initiative “Standard Audit Label Initiative” which the Committee started at its meeting in New York/USA in September 2014 (see attached document).

Mr. Shafei informed the meeting that in the meantime eight home textile producers have successfully undergone a 3rd party audit using the ITMF-audit tool. Furthermore, more companies in China and India have announced that they will also undergo such a 3rd-party audits. He stated that the discussions since September 2016 with various large retailers both in the USA and in Europe about the Committee’s “Standard Audit Label Initiative” are promising. The retailers showed a strong interest in the objectives of the Committee. Mr. Shafei informed the Committee that the discussions with the retailers are ongoing and that he is hopeful that at the next HTP-Committee Meeting in March 2017 he can give a more detailed update on the possible implementation of the initiative.

After Mr. Shafei’s presentation, the meeting discussed how the ITMF and the HTP-Committee can support the initiative and what actions should be taken in the coming weeks and months before the next meeting.

The discussion showed that it will be key for a success of the initiative that the retailers are supportive of such a standardization of audit requirements. In order for the initiative to be a success, the retailers need to become partners of the initiative requiring their suppliers to audit their production facilities according to the new standard.

In order to have successful discussions with retailers it is key to talk to the right persons in the management of retailers. This requires the assistance of the producers who also need to take the time to participate in these discussions.

Furthermore, the discussion showed that the Committee should also consider talking to apparel retailers/brands like Levi Strauss, H&M, Adidas, VF, Nike, etc.

In addition to retailers and brands, it was also suggested to look at e-commerce platforms like amazon. Companies that are offering and selling home textiles or apparel products on such e-commerce platforms are often not controlled with regard to social compliance audits.

It was discussed to give the initiative a name that is catching the attention and easy to remember. Mr. Gnägi had suggested in his discussion paper ITMF Social Compliance Standard (ISCS). Another proposal was Better Textile Initiative (BTI).

Finally, it was agreed that in the coming weeks and months the members of the Committee should actively support Mr. Shafei in his discussions with retailers/brands by assisting him contacting the right persons as well as facilitating and participating in such meetings. Several attendees offered to contact actively retailers/brands.

It was also suggested that Mr. Shafei attends the upcoming convention of the National Retail Federation (NRF).

4. **Next Steps**

During the meeting, it was agreed to contact various retailers/brands/platforms/etc. with the objective to present the initiative and to arrange follow-up meetings. The following persons had kindly offered to contact the following companies/organisations, which was much appreciated:
• Christian Schindler: Mr. Douglas Hsu (Nike)
• Bashir Ali Mohammad: Levis Strauss
• Jon Simon: Walmart and Amazon

5. Next Meeting

The ITMF Secretariat proposes to hold the next meeting of the Committee on March 28, 2017 at 17:00 hrs. in New York/USA during Home Textile Market Week (March 27-30, 2017).

January 2017
Home Textile Standard Audit Label

for

ITMF

Heimtextile Frankfurt

Presented by

GHERZI

January 2017
Prepare Project Presentation

One on one meetings with retailers
- Target 4 retailers
- Introductions by committee members

Arrange initial meeting for retailers / partners

One on one meetings with similar initiatives

FINALIZE MODEL
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To position the audit as a sufficient tool for retailers to eliminate the need for additional inspections.

1. **Self imposed Audit**
   Home producers committee members + additional ITMF members to undergo a self audit using one of the identified auditing firms.

2. **Approach to retailers**
   Home producers committee members to arrange meetings with key retailers with the objective of endorsing the initiative as the main audit.
Committee needs to agree on next steps and meetings with retailers.

1. **Self imposed Audit**
   - Gherzi prepared audit tool and it was circulated to all members
   - 8 companies Audited
     - Welspun
     - Feroze1888
     - Lucky textiles
     - Yunus
     - Gul Ahmed
     - Century
     - Trident
     - Textrade

2. **Approach to retailers**
   - IKEA (Nov ‘16 - ITMF Jaipur)
   - Target (Dec ‘16)
THANK YOU