

Partnership for a sustainable and responsible fashion and textile sector in Denmark

Introduction

The Danish business organisations in the fashion and textile sector, Dansk Fashion & Textile (DM&T), Danish Chamber of Commerce and WEAR (DCC/WEAR), and Danish Fashion Institute (DAFI) have entered a partnership with a common goal of strengthening the sector within business driven sustainability and CSR based on the framework of UN Global Compact (UNGC) and UN Guiding Principles on Business and Human Rights (UNGP). Together, the three business organisations represent more than 550 companies, corresponding to more than two thirds of the entire sector – a solid foundation for a fundamental sector initiative.

The ambition of the partnership is to raise the bar for the sector performance on sustainability and CSR by enabling companies to work according to international recognised CSR guidelines. Members of the three organisations will be encouraged to participate in a skills development programme focused on the business case of CSR, including capacity building within CSR tools, due diligence, implementation, monitoring, reporting and branding. The training will be followed up by coaching. The programme will professionalise companies' CSR efforts from the design phase over sourcing strategies to driving market demand at customer and consumer levels.

Partnership objectives and outcomes

The partnership applies a holistic view and will initiate activities in three areas of the value chain to achieve the overall objective of a sector effort:

1. Strengthening of CSR capacity in Danish companies;
2. Strengthening CSR capacity and improving working and living conditions and environmental protection in production countries; and
3. International branding and consumer awareness on sustainability to drive market demand for sustainable fashion.

The effort is two-phased – a pilot project and a main project. The pilot project maps current needs and existing best-practices. Furthermore, the pilot project will deliver the concept development, action plan design and project outline for the main project.

The partnership starting point is skills development according to UNGC and UNGP in the fashion and textile sector in Denmark. However, the industry is global and capacity building on the same will take place throughout the values chains of Danish fashion companies including suppliers. Skills development towards consumers will also be addressed. The primary focus is on companies, but is not limited only to members of DM&T, DCC/WEAR and DAFI. Rather, the effort could potentially include the whole sector in Denmark and selected suppliers.

Timeline and funding

The pilot project runs between April-September 2015 and is supported by the Danish Business Authority under the Danish Ministry for Business and Growth. The main project will run through 2017 and funding for the main project is expected to be achieved by the end of 2015, primarily through government funding. The budget of the main project is EUR 2-2,7 million.

Background

In the national action plan for CSR¹ the Danish government has emphasized that Danish businesses must work according to the international CSR standards and guidelines UNGC and UNGP. Shortly after the Rana Plaza disaster in 2013 a partnership agreement² between the government and the sector was entered focusing on responsible business conduct in Bangladesh.

Since then, a lot of different initiatives and activities have been initiated. In September 2014 the Danish Minister for Trade and Foreign Affairs, Mogens Jensen, launched a six point action plan on CSR.³ Enforcement of a second national action plan on CSR, a national action plan on UNGP and tightened demands on company reporting on human rights performance underline the Danish government's thorough CSR focus, expectations and demands on Danish businesses conduct. Most recent, on 17 April 2015, The Danish Ministry of Foreign Affairs launched a report on CSR challenges and opportunities in three important sourcing countries for Danish buyers, covering Bangladesh, Vietnam and Turkey.⁴

The Danish context

The Danish Fashion and Textile sector is made up of approximately 650 businesses that are small to medium sized companies apart from one big company, Bestseller. Most of these companies are acting as buying houses focused on design, sales and logistics whereas most of the production is outsourced to low wage countries. Yearly turnover of the Danish textile and apparel sector is app. DKK 69 billion with an annual export of app. DKK 25 billion.

Danish fashion and textile companies are increasingly aware of CSR issues in their value chain. The frontrunners show good practice cases on how serious engagement in CSR is strengthening their business and improving their competition in a global market. As a result they have a high score on productivity, product quality, resource efficiency and healthy working conditions, all together adding to business legitimacy and attracting new customers.

However, when it comes to working with suppliers in the value chain, the majority of smaller and medium sized Danish fashion and textile companies are challenged. They might have a Code of Conduct in place, but they do not have the competencies, resources and influence to actually influence conditions at the supplier level. Therefore, there is a need to address the challenges in the value chains of smaller and mediums-sized companies. Not by enforcing external control systems on suppliers, but by building capacity according to the UNGC and UNGP in the Danish company as well as with the supplier, and to strengthen the dialogue and relations between suppliers and Danish companies on responsible business conduct.

Contact

The primary contact is Project Manager Sofie Pedersen from Dansk Fashion & Textile (sp@dmogt.dk / +45 2814 4578). Furthermore, the project group include:

- Pia Odgaard, Head of CSR, Dansk Fashion & Textile (po@dmogt.dk)
- Louise Koch, Head of CSR, Danish Chamber of Commerce (lko@danskerhverv.dk)
- Jonas Eder-Hansen, Development Director (jonas@DanishFashionInstitute.dk)

¹ http://csrgov.dk/danish_action_plan_2012

² Partnership for responsible garments and textiles production in Bangladesh, 17 May 2013

³ <http://um.dk/da/~media/UM/DanishSsite/Documents/Danida/Samarbejde/6Spunkts%20plan/Sekspunktsplan.pdf>

⁴ <http://um.dk/da/~media/UM/DanishSsite/Documents/Danida/Samarbejde/6Spunkts%20plan/Niras%20studie.pdf>