



TeX_R Network

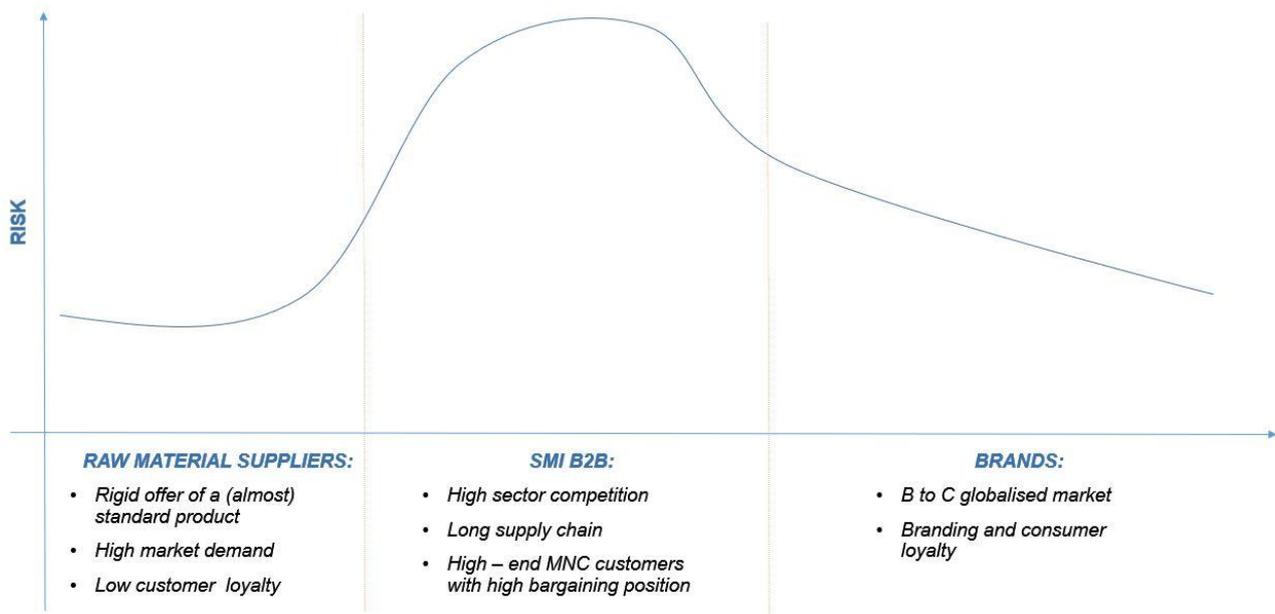
Textile & Clothing CSR Network for European SMEs

Next to quality, the social and environmental requirements applied on product are becoming increasingly important. For consumers, the information attached to a product needs to be clear and reliable, not only on the quality, but also on the social and environmental sustainability of its supply chain. Sustainability and Corporate Social Responsibility (CSR) therefore emerge as increasingly important topics.

Sustainability and, more generally, Corporate Social Responsibility are complex and multidimensional issues which can hardly be fully known or managed by companies with limited resources, particularly in the case of SMEs. These issues are constantly evolving, and the existence of different certification schemes or the adoption of new domestic legislations increase the complexity: the field of CSR is, therefore, greatly expanding.

CSR has undergone a paradigm shift over time: companies no longer have to be satisfied with having "positive impacts" on their customers but must avoid having "negative impacts" on the environment, on workers and on all stakeholders affected by their activities.

SMEs are exposed to reputational, legal, commercial and even supply chain disruption risks, as this responsibility extends to their supply chain (increasingly complex due to the intervention of players), beyond the direct suppliers. Moreover, analysing the risk in a generic value chain (starting from raw material suppliers, passing through SMEs which transform and assemble the product and sell it to large brands and retail chains), most of the risk is concentrated in the central area, where SMEs work day by day.



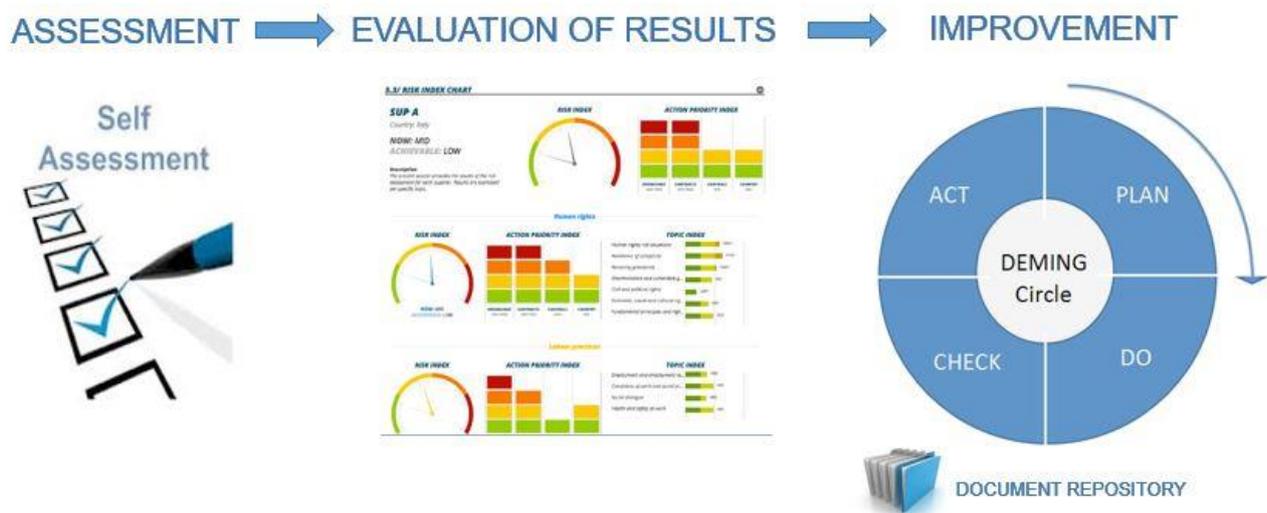
Faced with these new imperatives and the need for a new management method, companies need appropriate tools that can help themselves in their risk analysis and management, intended not only as their own risk but also those of their stakeholders.

In the Textile and Clothing sector, the issue of Social Responsibility is crucial; [EURATEX](#) and its EU social partner [industriAll European trade union](#) - launched in 2013 and action to develop and promote a self-assessment tool on CSR risks for SMEs. The tool has been realised with the support of the consultancy company [Spin360](#) - and financed by the European Commission and its currently available on the market. Through the development of methodologies for approaching Social Responsibility and a risk analysis and management tool, a series of projects have been carried out to allow European SMEs quantifying the possible effects of non-compliance to CSR principles and requirements (inspired by ISO 26000) on their supply chain. The current implementation phase of the project (which started in January 2018 and will end in June 2019) will lead to create of a network of national Social Dialogue experts aiming at spreading best practices on CSR.

The method to raise awareness on CSR is based on the use of an online tool to analyse and manage risks bearing on CSR compliance, i.e. on potential violations of social, environmental and human rights in the value chain, starting with the immediate suppliers. This tool allows users to improve their governance and their knowledge of suppliers. The

Risk Management Tool is not limited to a simple checklist but, thanks to its extreme easy-to-use and holistic approach, allows users to improve their knowledge and relationships with tier-one suppliers on CSR issues. The final objective is to undertake a real engagement process with suppliers and also to improve supply contracts, to adapt them to these new requirements and to limit controls/audits, making them more targeted.

The Risk Management Tool guides the users through 3 main phases of the process: Assessment, Reporting and Management.



The Assessment phase aims at evaluating the overall risks linked to CSR compliance along the value chain and to identify priorities for action for the implementation of risk mitigation measures. This action raises awareness on CSR issues.

The Risk Management procedure starts at the end of the Assessment phase and allows, through a process of continuous improvement, to reduce the risk and monitor it over time. The functionalities embedded in the Risk Management Tool allow to define risk mitigation measures, in order to reduce the risk with targeted actions towards tier-one suppliers.

The tool has been designed to be simple, easy to use, intuitive and based on the information available in the company. The evaluation and improvement steps can be applied to both tier-one suppliers and the company itself.

The Risk Management Tool is available free of charge to all member of EURATEX and of industriAll European trade union until the end of the TexDR project. For more information, please refer to the project website: <http://responsiblesupplychain.eu/>