

## Communication on Progress (CoP) 2011 for the United Nations Global Compact

### Industrieverband Textil Service – intex e.V. Association for Textile Services industry – intex e.V.

<b>Company name</b>	Industrieverband Textil Service – intex e.V.	<b>Date</b>	12 January 2012
<b>Address</b>	Mainzer Landstr. 55 60329 Frankfurt / Main	<b>Member since</b>	November 2010
<b>Contact</b>	Klaus Jahn	<b>Industry</b>	Textile Services
<b>Email</b>	jahn@intex-verband.de	<b>Telephone</b>	0049 69 2556 1810

#### Brief description of the organisation and industry

Established in 1999, Industrieverband Textil Service - intex e.V. is the association of companies providing industrial textile services. It represents the interests of the industry as well as it is an employer, business and marketing association. The Industrieverband is based in Frankfurt.

Member companies serve a variety of customers from different sectors, from a small craft enterprise to large industrial corporations. Apart from textile services companies, suppliers have also joined intex – e.g. manufacturers of textiles, clothing, machinery, equipment and detergents. Thus intex represents the entire textile chain from production to customer service.

The association's member companies are characterised by know-how with regard to innovative textile and hygiene services. Textile Services offer comprehensive service and product solutions to businesses and the public sector for all types of textiles, including work and protective clothing, bed and table linen, towels, towel rolls, cleaning cloths, wiper covers, dust mats and general hygiene products.

The core of textile services is renting out textiles and cleaning them professionally. This also means that the reuse and longevity of the products are a key component of the companies' business model. The recycling system of textile services offers intelligent and target group oriented solutions of certified quality.

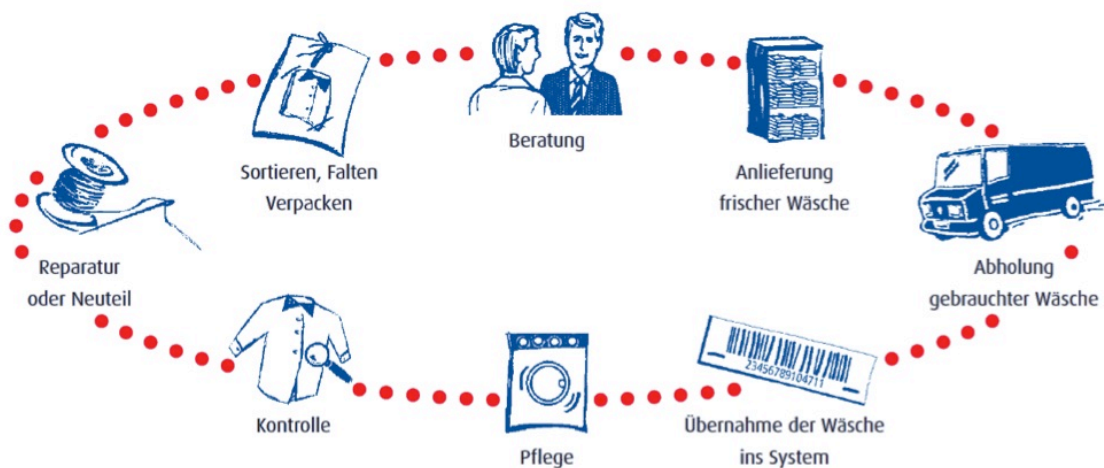
Textile services are adjusted to the customer's needs, minimise their need for investment and contributes to their value creation in a sustainable manner. By providing and financing

predefined textiles and handling all logistics as well as the hygienic processing, customers are free to focus on their core business. As a reliable partner textile services support customer well-being in all sectors of the economy: trade, manufacturing, commerce, services, healthcare, agriculture and forestry as well as fisheries. At the same time textile services ensure an individual corporate identity as well as employee protection and health and safety for customers of all sectors and all sizes.

Unlike the global economy and large financial centres, the companies affiliated to textile services in Germany generate the major part of their value creation in Germany and they are closely involved in most sectors as partners of the German economy. The relative strength and stability of this sector was seen especially during the economic crisis. Longer term lease contracts with customers, signed for 2 to 5 years, are one of the reasons for this. According to calculations and surveys conducted by intex, the German textile services sector was able to improve sales in Germany by 0.5% in 2010, up from 2009, despite the economic crisis and then increased again by 2.7%, achieving a total turnover of some 2.8 billion Euros.

The service system of companies in the textile services industry:

Image below, from centre, top, clockwise: Consultation → delivery of fresh linen → collection of used linen → linen is entered into the system → laundering → inspection → repair or replacement → sorting, folding, wrapping



## Declaration of support and compliance

The member companies of intex have been discussing the subject of sustainable management for quite some time and as a result have set up a working group two years ago chaired by the intex Vice President.

This group developed the 'Principles of Textile Services' which also incorporate the principles of the UN Global Compact. These include, amongst others, responsible corporate management with regard to customers, employees, the environment and society. To intex and its members responsibility means to examine economic, social and environmental consequences when business decisions are taken and to strive for a fair balance of interests.

An essential element of these principles is a code of conduct for the member companies, which serves as a guideline for responsible corporate management. Regarding environmental protection, for example, the industry's focus is on saving resources or using efficient recycling systems that help to reduce waste. In procurement, particularly textiles, the members of intex will in future put even more emphasis on recognised standards for product quality. Their aim is to ensure that suppliers commit themselves to complying with the core labour standards of the ILO.

The unanimous decision taken at the general assembly of the association in November 2010 to recognise these principles as a voluntary commitment of all member companies, was crucial for the association's willingness to really apply these principles and putting them into concrete action. Member companies also committed themselves to assist intex with its reporting duties as part of the membership in the UN Global Compact.

The association and its members have since been making appropriate efforts to respect and continually improve these principles and values and to monitor their implementation. The aim is that it becomes apparent to third parties that compliance with these principles is essentially assured. We personally contribute to this by publicly committing to the principles.

Although intex was not asked to draw up a Communication on Progress (CoP), we would like to show all stakeholders of the association, what kind of efforts we are making to actually implement the Global Compact principles and the progress we have achieved so far. Since intex is one of the first trade associations in Germany that has decided to support the Global Compact, we hope to encourage other organisations to also support the Global Compact principles on human rights, working conditions, the environment and the fight against corruption.

We are pleased that we were already able to implement some of the measures to support the principles last year. However, we are also aware that we must continuously strive to promote the Global Compact wherever we can.

Peter Böge

President

Martin Swierzy

Vice President

Bernd Schuler

Treasurer

## Our goals, measures and results in 2011

Human Rights	Commitment, systems and measures
<p><b>1. Supporting and respecting international human rights within our area of influence and</b></p> <p><b>2. Ensuring that our company is not complicit in human rights abuses.</b></p>	<p><b>Commitment:</b> By accepting the principles of Textile Services, intex member companies undertake to comply with human rights under the UN Human Rights Charter (UN resolution 217 A (III)). In addition, as part of procurement they pledge their suppliers to stand up for human rights in other manufacturing countries as well.</p> <p><b>Systems:</b> Member companies support the German constitution, which recognises human rights. We are also aware that as an association based in Germany and with value creation almost exclusively in Germany, we can only exert indirect influence on the respect shown for human rights in other countries. One way to do this is to pledge for respective declarations of commitment from suppliers in the value chain.</p> <p><b>Measures:</b> In 2011 the association developed preliminary ideas for a study on how to make the supply chain for professional clothing transparent, and to identify the key players along the production chain of these textiles – from cotton production to the ready-made garment. This will serve as a basis for our members to check and evaluate whether human rights have been respected in the production of textiles procured by them.</p> <p><b>Measurable results:</b> Currently the study is still in its development phase and we are now trying to arrange financing and attract more partners from other organisations in order to implement the study in 2012.</p>
Labour norms	Commitment, systems and measures
<p><b>3. Upholding the freedom of association and effective recognition of the right to collective bargaining.</b></p>	<p><b>Commitment:</b> We ensure and make use of the freedom of collective bargaining under Article 9 of the German Constitution. This aims at reducing competitive disadvantages in Germany and providing the same framework conditions for companies as well as employees.</p> <p><b>Systems:</b> In order to develop collective labour agreements, intex as an employer association has entered into an industrial partnership with the relevant trade union (IG Metall). In addition, measures have been implemented to prevent wage dumping.</p>

**Measures:**

IG Metall and intex have established a collective agreement which contains comprehensive wage settlements for the benefit of employees.

Together, intex and IG Metall have set a recognised minimum wage for the entire sector which is not only binding for the association's members. Under the auspices of the Federal Department of Finance intex and IG Metall have also formed an alliance against illegal employment.

**Measurable results:**

The terms of the collective wage agreement were gradually adjusted. It sets standards in our sector. The last collective agreement was accepted in March 2011 and is valid until the end of April 2013.

The minimum wage agreement was concluded in October 2009. It provides for gradual wage adjustments and companies which are not bound by the agreement will be gradually introduced to the terms of employees bound by the wage agreement.

Extremely low wages dumping have decreased significantly without negative impact on the sector's overall employment situation. Labour protection and safety were improved, which is confirmed by a recent independent study by the Federal Department of Labour and Social Affairs.

**4. Elimination of all forms of forced labour and compulsory labour****5. Abolition of child labour.****Commitment:**

It is explicitly stated in the principles of textile services that the association provides safe and good working conditions in Germany. This includes the elimination of child labour and forced labour. As part of their procurement, companies pledge their suppliers and their important players along the value chain to respect and continuously improve the requirements, based on the core labour standards of the ILO, and to monitor their implementation.

**Systems:**

In cooperation with BESPO, the German association of workwear producers, intex has developed a basic agreement which governs the contractual relationship between clothing manufacturers and textile service companies. One of the paragraphs in the agreement deals with the increasing importance of corporate responsibility beyond compliance. The manufacturers as well as textile services have drawn up their own non-binding and voluntary regulations on Corporate Social Responsibility (CSR) at association level. Substantiation

of corporate principles with respect to social responsibility should be laid down in their contract. For intex member companies these are the principles of textile services mentioned above.

**Measures:**

The model contract was completed in September and sent to all members with additional explanations. It was also published on the intranet. The first workshop on applying the contract will be held in March 2012.

In 2012 intex will also conduct a study on the procurement of sustainable textiles. The study is intended to show the scope of textile services' influence in the procurement chain and thus to what extent influence can in fact be exerted – among other things, whether the production of procured textiles involved the use of forced labour or child labour.

**Measurable results:**

An enquiry at a meeting in November showed that this basic agreement is already in use. A workshop is planned in 2012 to simplify using the contract and to optimise comprehension of individual paragraphs.

**6. Elimination of discrimination in respect of employment and occupation.**

**Commitment:**

It is explicitly stated in the principles of textile services that the association provides safe and good working conditions in Germany. These include various career opportunities for people with diverse backgrounds and qualifications as well as the compatibility of family and career.

**System:**

In order to achieve this goal, we make use of the industrial partnership with the relevant trade union (IG Metall) in terms of information and communication and for establishing specific measures.

**Measures:**

We have introduced specific wage agreements for training and advanced training, for health promotion at the workplace and for early retirement. Special consideration is given not only to employees who are under severe pressure as a result of their work, but also to women, the sick and disabled, etc.

We are currently investigating the specific demographic challenges in Germany and their impact on our industry and we are developing strategies for effectively taking this development into consideration.

**Measurable results:**

- Comprehensive agreements on pension plans
- Special consideration of female employees as

well as employees with a migration background and with a disproportional share of employment compared to other sectors

- Collective wage agreement on partial retirement
- Collective wage agreement on working hours, with attractive scheduling schemes
- Adaptation of working conditions in the eastern and western parts of the country
- Employment after completed training
- Promoting young talent
- Contribute to promoting health education
- Support for trade union training facilities
- Events and studies on demographics

## Environmental protection

## Commitment, systems and measures

### 7. Support of precautionary approach to environmental challenges.

#### Commitment:

Textile services are an intelligent combination of ecology and economy. The use of durable, recyclable textiles ensures a high degree of environmental compatibility. In addition, textile services focus their processes on careful use of resources, sustainability and a lasting decrease in damaging greenhouse emissions. In order to improve environmental safety continuously, textile services proactively support the implementation of measures to reduce the consumption of water, energy and chemicals.

#### Systems:

Closed cycles and recycling systems ensure the multiple use of water and energy. Dirt particles are filtered out and disposed of professionally. As part of textile services, the required textiles are made available as requested by the client, in the right quality, at the right time and at the right place. Textile services contribute to a permanent decrease of damaging emissions through modern fleet management and intelligent route planning. By using a recycling system for textiles, textile services contribute to consistent waste reduction and reduced consumption of natural resources.

#### Measures:

The intex project group 'Energy and Natural Resources' develops specific standards, laws and regulations and thereby provides basic data.

The group will develop a concept for capturing and analysing environmental consumption data within textile services for benchmarking within the industry.

In addition, member companies will be provided with information about saving energy, water and maintenance costs, as well as current developments on commodity markets. Consumers should also receive these.

**Measurable results:**

Some member companies have been able to show significant savings with regard to resources such as water, primary energy or raw materials. However, as an association without operational business we are not yet able to measure such results and are therefore we try the benchmarking approach in order to obtain an overview of savings within the whole sector.

**8. Undertaking initiatives to promote greater environmental responsibility.****Commitment:**

As an association we are committed to ensuring that the companies in our industry combine ecology and economy intelligently and are aware of their responsibility towards the environment.

**Systems:**

As an association without operational business we see our possibilities for supporting this principle especially in communication and constant reporting on environmental developments in our industry. Thus the focus of our actions is on organising events on the subject, compiling information material and working with the media on responsible conduct for the best of the environment.

**Measures:**

In 2011 we held four press conferences focussing on Corporate Social Responsibility during important trade fairs: At Heimtextil, at the 'Altenpflegemesse', at Texprocess and the A&A. At each of these four press conferences the subject of responsibility towards the environment was discussed and examples were shown of what companies and suppliers in the industry can do to live up to their responsibility towards the environment. For example, there were presentations which demonstrated how to create carbon footprint reports for companies, possibilities of conserving resources such as water, energy or detergents and of more environmentally friendly vehicle fleets. At the same time we sent out several press releases.

As an example please see the environmental management report of one of our member companies, which also includes a carbon footprint report:  
<http://www.alsco.de/Unternehmen/Engagement/Umweltmanagementsystem/8803.de>

We also dealt with this subject at several events. At our members meeting in May 2011, for example, we had a panel discussion on CSR and sustainability which was attended by business leaders and owners of textile service companies as well as manufacturers of textile. The principles of textile services along with the statements on responsible management for the environment were also presented and discussed at the Organic Textile Conference in Switzerland in April 2011.



Furthermore, we keep members and others on our mailing list informed on CSR and environmental protection on a regular basis with our magazine and newsletters.

Our members also support the aim to encourage greater responsibility towards the environment by way of communication: Two of our member companies, for example, have compiled CoP reports themselves:

<http://www.larose.de/verantwortung.aspx>

<http://www.unglobalcompact.org/COPs/detail/10571>

#### **Results:**

The four press conferences proved popular with the trade press. Each of the conferences was attended by several journalists of the relevant trade media and many articles were published. Numerous employees of our member companies attended the events as well, which enabled us to communicate the positive examples directly to the companies. Thanks to the press conferences and accompanying media work, the subject has now gained more attention in the trade media.

#### **9. Encouraging the development and diffusion of environmentally friendly technologies.**

##### **Commitment:**

intex undertakes to actively support relevant research projects for textile services and to promote innovation. Due to its continuous research and development work, textile services achieve constant progress in the state of science and technology regarding the conservation of material and resources, environmental protection and waste minimisation.

##### **Systems:**

To promote this research and development, we as an association participate in the Arbeitsgemeinschaft industrieller Forschungseinrichtungen (AiF) - a group of industrial research institutions - and work on research projects for the industry together. Experts from our member companies are actively involved in committees associated with such research, both in 2011 and 2012.

The development of environmentally friendly and resource-saving technologies in the companies is an issue that comes up repeatedly. Companies use cleaning and processing methods which are specifically tailored to the textiles in question. We forward the results of research projects to our companies so that the research findings can be implemented into practice.

##### **Measures:**

In collaboration with its members intex has compiled pre-made size charts for the production of work clothing. The charts reduce the use of material and customised

garments, which in turn reduces costs. Pre-made size charts ensure that work clothing already made is used again and fewer textiles need to be disposed of. In addition to various workshops on how to create pre-made size charts, a manual on using the charts was developed. In order to raise awareness and educate about the economic and environmental benefits, workshops on pre-made size charts will be offered in 2012.

intex has supported the development of textile-friendly cleaning methods for professional clothing with particular emphasis on adequate cleaning efficiency and environmental protection on the basis of psychrophilic enzymes. The research project (AiF-project 16070 N) was completed in May 2011. Another result is the conclusion of the research project 'Development of a photocatalytic disinfection and processing method for the recycling of water used by textile services companies during cleaning processes' (AiF-project 15713 N), which was completed in November 2010.

intex also supports the development of a biochemical self-monitoring system to assess the barrier effect of surgical textiles in order to reduce energy, water, chemicals and waste (AiF-project 16629 N). We expect completion of the project in June 2012.

In addition, intex serves on the following committees involved in research projects: 'Processing shock waves', 'Microbial penetration dry' and 'Soil-release systems'. The purpose of these projects is to contribute to the development and distribution of environmentally friendly technologies in the industry.

#### **Measurable results:**

A survey of textile service companies and clothing manufacturers has shown that awareness of the above-mentioned pre-made size charts is almost 100%; however, this is not the case with penetration. Therefore, user workshops on this subject will be offered again in 2012.

With AiF-project 16070 N and AiF-project 15713 N resources (energy, water, chemicals) can be saved and waste can be reduced. However, as an association we are not able to present measurable results on this.

## **Fighting corruption**

**10. Commitment to work against corruption in all its forms, including extortion and bribery.**

## **Commitment, systems and measures**

#### **Commitment:**

We strive for a reliable and honest partnership between the industry and all stakeholders and aim to act and communicate transparently.

#### **Systems:**

In addition to the existing systems in our organisation, to which as a registered association we are committed by law, and an open and transparent manner of communication we have no knowledge of any systems which could bring us any closer to the realisation of this principle.

**Measures:**

Independent annual auditing and disclosure of the results.

**Measurable results:**

We have not had any complaints or found any evidence of corruption, bribery or similar incidents within the association.

## How is the report made available to stakeholders?

We wish to inform as many stakeholders as possible about our progress in terms of the Global Compact. Therefore we will not only make the report available to the public, but also send it individually to various stakeholders.

Any interested parties will be able to download the report on the website of our association at [www.intex-verband.de](http://www.intex-verband.de).

We will send the report to all member companies in a digital format so that it can be accessed and read by as many people as possible within the companies. In the upcoming issue of our members' magazine *intex im Dialog* we will announce completion of the report and refer readers to our website for its download.

In addition, we will send out the report within our network of associations of other sectors, such as the textile and fashion industry, mechanical engineers, plant manufacturers or the detergent industry, and ask for feedback. We will also send the report to trade unions representing employees in our sectors.

Lastly, we invite companies and organisations to send the report to their own stakeholders, such as customers, suppliers and employees.