



IAF position statements 2017-2018

Following IAF's new mission statement: "to unite all stakeholders of the fashion and apparel industry, including brands, retailers, manufacturers, suppliers and country associations from around the world to enable and promote smarter, stronger, more sustainable supply chains." the IAF Board of Directors has decided on a joint IAF position and agenda on the following issues:

1. Responsible Business Conduct
2. Innovation & industry growth
3. Industry development and education

Statements on Responsible Business Conduct

The IAF Board agrees that Corporate Social Responsibility and Sustainability (Responsible Business Conduct) is a major strategic issue for the fashion industry. Global problems need global solutions. Small and medium-size enterprises (SMEs), making up a major part of the industry and represented by national and regional associations that are members of IAF, must be part of the solution. Both sides of the buying equation, buyers and supplying parties, must be involved on an equal footing in developing solutions. IAF represents its members in reaching practical solutions in global fora with multilateral organizations as well as with large brands and retailers. IAF will be cooperating closely with the other like-minded industry trade associations in this issue.

Currently, IAF's position on three major sub-themes, audit effectiveness, due diligence and recycling, are as follows:

-Audit effectiveness. The IAF emphasizes that the proliferation of social, safety and environmental audits carried out on apparel manufacturers is a major problem for the industry, actually taking away resources from making real improvements in working conditions. As a signatory, IAF supports the Sustainable Apparel Coalition's Social and Labour Convergence Project. It considers this project the best effort to date to smartly and effectively reduce the number of unnecessary or ineffective audits. The S&L Convergence project is actively supported by a many of the world's largest brands, retailers and manufacturers. IAF strives to also represent SME interests in this process while safeguarding a good balance between supplier and buyer interests. IAF has started to involve its member associations in this project. Moreover, while the S&L Convergence Project is a good step in the right direction more must be done to reduce the proliferation of ineffective audits, including a continuing effort for the harmonization of norms.

2. IAF will closely cooperate with like-minded industry trade associations on the issue of improving audit effectiveness and eliminating unnecessary or ineffective audits. IAF will better connect our

members' voices in existing global harmonization actions, such as the S&L Convergence Project as well as in potential new initiatives.

Concrete actions: IAF is already working with Gherzi, who carries out the ITMF's audit fatigue project. IAF will present to the Board a working plan.

-Due diligence: When dealing with the issue of responsible business conduct, the fashion industry must commit to a collaborative sharing of responsibility between buyers and manufacturers. The OECD's due diligence guidance, a specification of the OECD guidelines for multinational companies and stemming from the UN's Ruggie Guiding Principles, best ensures this approach and therefore it is supported by IAF. Very briefly put, the due diligence approach asks companies to commit to a *reasonable effort* in ensuring responsible business conduct across their supply chains. It is not reasonable for small companies to do as much as big companies nor is it reasonable to ask either the supplier or the buyer to do all the work and absorb all the costs related to ensuring responsible business conduct.

3. To foster a globally unifying approach to due diligence that ensures a fair sharing of responsibility among larger and smaller companies and among buyers and suppliers, IAF and its member associations pledge to support global implementation of the OECD due diligence guidance provided its members' interests are safeguarded and provided industry associations are involved and (financially) supported.

Concrete actions: A call for proposals for a large EU project supporting implementation of due diligence is expected to be made public before the end of the year. The IAF and a number of its members want to participate in this project.

-Recycling: The IAF recognizes that recycling or 'circularity' is a major issue for the apparel industry and that positive results can only be achieved through global cooperation. A proliferation of national or even local projects without sufficient connections to the global apparel supply chain will not create sufficient volume to have a significant impact on the overall environmental performance of the industry. More global cooperation on circularity can be achieved by creating a global circularity agenda that supports the creation of a global market for recycled material. Additionally, IAF will advocate for the smart collaboration of national and regional initiatives.

4. IAF will participate in the 'Call to Action' on recycling that has been launched at the recent Copenhagen Fashion Summit that is supported by numerous global brands and retailers such as Inditex, PVH and Hugo Boss.

Concrete actions: IAF is already in touch with the Danish organization behind the 'Call to Action'. It has asked for information about the commitments required of supporting partners. IAF will make a proposal for IAF joining the Call to Action and send it to the Board.

Statement on IAF vision on innovation and growth of the Industry

In both mature and developing economies, the IAF believes in a new approach to industry development, based on innovative technologies that enable smaller scales, made to measure production, customization, and circularity. IAF will promote this vision to support both the increasing

number of reshoring and newshoring initiatives and the industrial development efforts of manufacturers and suppliers in developing countries.

IAF believes local production in all economies will continue to gain importance and that its growth requires strong local and regional cooperation among all supply chain stakeholders including businesses, educational institutes, industry suppliers, NGOs and governments.

As networks of the industry, the apparel industry country associations (that are members of IAF) are well positioned to support the growth of a new generation of fashion entrepreneurs. They can help set the educational agenda, they can directly support their members and they can bring together industry, education and government to create infrastructure of information, entrepreneurial guidance and network development.

5. *IAF calls on national and regional governments to support the industry associations in their support of the successful development of a new fashion industry. IAF calls on multilateral organizations to support a global study on best practices in the development of new fashion industry growth in all economies.*

Concrete actions: IAF will obtain funding from multilateral organizations to produce a study to be presented at the 34th IAF Convention in Maastricht. The study will contain a segment on local production scenarios from a variety of countries and a section on policy recommendations.

Statements on Industry development and education

IAF strongly believes in ‘improving production, not moving production’. This means that rather than automatically moving production as a reaction to rising wages, the industry needs to invest in raising productivity and in improving supply chain effectiveness to remain competitive. As the industry’s international federation, IAF is there to support the country industry associations in their work to help make their industries as strong as possible. Engrained in the IAF’s vision and approach is the importance of education.

1. *IAF calls on all stakeholders involved to work with IAF and its members to organize and conduct education and development related projects in pursuit of smarter, stronger and more sustainable supply chains. IAF calls for more research on a global level on the skill and talent gaps our workforces face, the impact on industry employment opportunities, and the need for continuing education throughout the apparel industry.*

Concrete actions: IAF wants to present research on the effects of automation on employment, employment needs and competitiveness during the 34th IAF Convention in Maastricht. We are working with the ILO on such a study with input from the IAF.