Corporate Social Responsibility and Greening of Supply Chain in Textile Industry in Turkey

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Bahrain
International Green Tech-Expo & Forum 2012
13-15 March 2012
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• UN Joint Programme: Harnessing Sustainable Linkages for SMEs in Turkey’s Textile Sector
  • Textile Industry in Turkey
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• Recommendations
• Training and Counselling Activities
Technology Development Foundation of Turkey (TTGV)
TTGV

• TTGV was founded in 1991 as an example of public-private partnership.
• It is “not for profit – It is a ”Foundation”.
• Its mission is to support technological innovation towards increasing the competitiveness of Turkish industry in global markets.

• Innovation
• Research and Development
• Entrepreneurship
• Competitiveness
• Technology development
• Etc.

• Eco-innovation
• Cleaner Production
• Sustainability
• Eco-efficiency
• Environmental technologies
• Etc.
## TTGV AND ENVIRONMENT

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<td>Support to national initiatives</td>
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- **Montreal Protocol - Ozone Depleting Substances Project**
- **UNIDO Eco-efficiency (Cleaner Production) Programme**
- **EU FP 7 Sustainable Consumption and Production Project**
- **Determination of Framework Conditions for Cleaner Production Project (Ministry of Environment)**
- **GEF Industrial Energy Efficiency Improvement Project**
- **Industrial Symbiosis in Iskenderun Bay Project**
- **RAC-CP Green Entrepreneurship Project**
- **UNIDO Textile Industry Project**
- **Eco-efficiency (Cleaner Production) Project in İzmir (Regional Development Agency)**
- **EU CIP Better Environment Better Business Project (BEBB)**
- ......
UN Joint Programme: Harnessing Sustainable Linkages for SMEs in Turkey’s Textile Sector
The Turkish Textile and Garment Industry is one of the most critical sectors in Turkey in terms of contribution to GDP, employment generation and net exports, etc.

There are approximately 40,000 companies in the sector, which employ an estimated 2 million workers.

In 2007 the sector accounted for 22.7 billion USD worth of exports.

Turkish companies are exposed to low-cost competition from Asian countries.

The sector suffers from increased input costs.
The Government has taken a number of measures to transform the industry, within the framework of the WTO rules. “National Textile, Garment and Leather Sector Strategy” foresees that the manufacturing capacity in the Western regions of the country would move to the eastern (less developed) regions.
Large enterprises (multinational corporations and other Tier-1 companies) are increasingly putting pressure on SMEs, to not only meet quantity, quality and price-cost requirements, but to also demonstrate that they are meeting minimum environmental and social requirements.

While some of the Turkish suppliers are aware of these pressures, they often lack the understanding, skills and managerial capacity to respond to these pressures.
UNITED NATIONS JOINT PROGRAMME

Harnessing Sustainable Linkages for SMEs in Turkey’s Textile Sector (2010 – 2012)

Implementing Partners:
Istanbul Textile and Apparel Exporter Associations (ITKIB)
UN Agencies (UNDP, UNIDO, ILO)

Funding:
MDG-F (Millenium Development Goals Fund) / Spanish Government
Harnessing Sustainable Linkages for SMEs in Turkey’s Textile Sector (2010 – 2012)

**Aim:**
To enhance the international competitiveness of SMEs in the textile and garment industry of Turkey, especially those located in poor and vulnerable regions (with a focus on Gaziantep, Kahramanmaraş, Malatya and Adıyaman), in order to integrate them into the domestic, regional and global value chains.
UNITED NATIONS JOINT PROGRAMME

United Nations and Global Goals

UN Global Compact (UNGC)
10 universally accepted principles in the areas of

- Human rights
- Labour
- Environment
- Anti-corruption

UN Millennium Development Goals

….environmental sustainability…. 
Two main focuses (objectives):

- Strengthening the productivity and innovation capabilities of the SMEs in the Turkish textile industry
- Integrating sustainable development, social and environmental principles into the business processes and practices of the Turkish SMEs in the textile industry.
The Sub-project for the Environment Aspect:

*Environmental Management and Cleaner Production*

Under the responsibility of

**UN INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)**

Implemented by

**TECHNOLOGY DEVELOPMENT FOUNDATION OF TURKEY (TTGV)**

- Situation analysis
- Training and counselling programmes
SITUATION ANALYSIS/ APPROACH

• Development and implementation of a survey, covering minimum 10 large enterprises (multinational corporations and Tier-1 companies), 116 producers and 17 relevant business organizations (company workshops and direct interviews, core focus on the target region of the project).
• Collection and analysis of 5 business models or best practice case studies on environmental management and/or cleaner production practices in textile sector SMEs (Tier-2 or lower).
• Analysis of the findings from the survey, company visits, direct interviews and business models and detailed assessment.
SITUATION ANALYSIS/ METHODOLOGY

Setting-up the Analysis Framework

Analyzing the Existing Situation

Micro Scale
- Survey Study #1: Producers (SMEs)

Meso Scale
- Survey Study #2: Large Enterprises

Macro Scale
- Survey Study #3: Institutions

Determining Strengths/ Weaknesses and Defining Problems

Developing Recommendations
Textile Producers – Particularly SMEs

- General environmental policies and management practices
- Perspective on the environmental legislations
- General waste management practices
- Selection of production processes, systems and technologies for resource saving
- Monitoring and management of resources/wastes for minimization at source
- Effect of markets and customers on the environmental performance

- **Specific focus on wet processing companies**
- **Benchmarking with companies from more developed regions**
RESULTS/ MICRO SCALE

- General environmental policies and management approaches are not sufficiently established in most of the companies.
- Companies are relatively good at complying with national regulations, however they are not taking “proactive” measures to adapt to potential regulations (e.g. EU harmonization process).
- General waste management (solid waste disposal, etc.) is rather good due to both legislative pressures and customer demands (CSR standards).
RESULTS/ MICRO SCALE

- Main environmental problem is related with resource efficiency and cleaner production.
- Resource efficient technologies and effective monitoring/management of resources/wastes are not implemented sufficiently.
- Customer demands and market pressures force companies to produce ecological products.
- Companies’ focus is on environmentally-friendly products rather than environmentally friendly production processes.
CONTEX/ MESO SCALE

Large Enterprises (multinational corporations and Tier-1 companies)

- General corporate social responsibility approach and the environmental management
- Environmental issues addressed within the corporate social responsibility standards
- Impact on the environmental performance of suppliers with different tier levels
- Long-term visions and sustainability measures
• Environmental management is seen by large enterprises as a driver for competitiveness of their suppliers, the textile producers.

• The codes of conduct of large textile firms are signed with only main producers and their important subcontractors (does not include the whole supply chain).

• Multinational corporations started shifting their focus from checklist-type of evaluations to an approach where resource efficient and cleaner production applications prevail.
RESULTS/ MESO SCALE

- Consumer Pressure
  - Large Enterprises
  - Suppliers

CSR Pillars

- Social Complaince
- Environmental Manag.
- Economical Sustainability

- Wastewater treatment
- Solid/hazardous waste disposal
- Waste minimization
- Water recycle and reuse
- Energy efficiency
- Environmental-friendly chemicals
- Ecological/organic products
RESULTS/ MESO SCALE

Code of Conduct

Environmental Management

**Compliance Approach**
- Regular compliance audits
- Checklist-type evaluations
- Environmental standards (e.g. BSR)
- National rules/regulations
- End-of pipe treatment of wastes
- Certified ecological products

**Project/Target Based Approach**
- Technical/financial support
- Resource efficiency (e.g. water)
- Energy and carbon management
- Chemical substitution
- Environmental benchmarking
- Feasibility studies

*BlueSign®, Oeko-tex 100, Business for Social Responsibility- BSR, Business Social Compliance Initiative-BSCI, vb.

*Chemicals management - REACH
CONTEXT/ MACRO SCALE

• Legislative framework (national regulations, strategies, etc.)

• Financial support schemes for textile producers

• Research, development and demonstration activities

• Informative and technical assistance for textile producers
The existing situation of resource efficiency and cleaner production in Turkey is not at a desired level, however in recent years very important developments and achievements have taken place.

A framework legislation on cleaner production or a similar concept such as SCP is still lacking (except for energy efficiency).

Very recently (December 2011) of the “Communiqué of Integrated Pollution Prevention and Control in Textile Sector” was adopted.

In terms of environmental issues, textile industry has been regarded as “one of the priority sectors in Turkey”, in various studies and evaluations.
There are several financial supports and incentives which are applicable for all industries for general type of R&D, export, investment, infrastructure, etc. projects. Existing incentives and financial supports directly related with cleaner production are not sufficient. Since the institutional capacities on cleaner production services are not developed, a critical mass cannot be reached to create a market of tailored cleaner production services to textile companies.
RECOMMENDATIONS

Policy and Strategy Reforms

Financial Mechanisms

Information Networks

Building Partnerships

Capacity Building

Awareness Raising

(Source: UNEP)
### RECOMMENDATIONS

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<th>Recommendations</th>
<th>Relevant Scale(s)</th>
<th>General/Sectoral/Regional Focus</th>
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<td>Policy and Strategy Reforms</td>
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<td>Financial Mechanisms</td>
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<tr>
<td>Information Networks and Building Partnerships</td>
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<tr>
<td>Capacity Building and Awareness Raising</td>
<td>Micro</td>
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New strategies, governmental institutions
**RECOMMENDATIONS**

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<th>Capacity Building and Awareness Raising</th>
<th>Macro, Meso, Micro</th>
<th>Textile Industry, Target Region</th>
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Particularly the textile companies in the target region should be provided with specific services (*training, counselling, audits, etc.*) for general environmental management, new and potential regulations and cleaner production approach including monitoring, benchmarking and environmental performance indicators.
TRAINING ACTIVITIES

• Training Programme for executives, white and blue collar employees in textile production companies (majority in target region, but also in more developed regions)

• Training Programme for national consultants in textile industry.
COUNSELLING ACTIVITIES

Environmental Policy
Declaration of Management Commitment

- prepare action plan, project controlling
- management review, project evaluation and documentation, re-assessment

Implementation and Continuation

- select options, document the assessment phase
- conduct economic, social and environmental evaluation

Planning and Organisation

- obtain commitment of top management
- organize an environmental team
- compiling basic information
- Identify barriers and solutions to the assessment process

Feasibility Analysis

- generate options
- conduct cause diagnostics

Cross Functional Tasks

- human resource development
- project management
- documentation

Assessment

- prepare detailed assessment, material and energy balance
- first walkthrough, eco-map

Pre-assessment

- compile/prepare information (Site Map, Process Flow Charts, Organizational Chart)
- prepare basic consumption and production data
- I/O Analysis, Legal Register, KPI's

Environmental Policy

- list and implement "easy fixes"
- initial review summary, decide the focus of the detailed assessment
THANK YOU.

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