

7 tips on how to become more socially responsible in the home decoration and home textile sector

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Over the years, European buyers have become increasingly aware of the importance of conducting their business in a socially responsible manner. They also expect companies they do business with to have a similar awareness. Consumers, businesses and governments increasingly demand ethical practices throughout the value chain. To stay competitive in this market, you need to do what you can to become more socially responsible.

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1. Sustainability is becoming a must - be ready

Sustainability is quickly becoming part of core consumer needs, also in Home Decorations and Home Textiles (HDHT). An impressive [86% of European consumers consider sustainability important](#) or very important. 29% deliberately and consciously buy sustainable products. Especially the younger generations care about sustainability, and they express this by buying products (from companies) that contribute to a better world. To appeal to the European market, now and in the future, you need to be sustainable.

Being socially responsible plays an important role in this, although true sustainability is a combination of:

- people: social aspects
- planet: environmental aspects
- profit: aspects like affordability, marketability, productivity and up-scalability of your sustainable offer

Figure 1: CBI webinar on sustainability in the European market for HDHT

Source: YouTube

Social responsibility as a topic has been on the agenda for a long time, but attention has increased significantly in the last decade. Disasters in other sectors, like the Rana Plaza garment factory collapse in Bangladesh in 2013, have put a spotlight on the urgency of producing responsibly. Buyers and consumers are more aware than ever of the importance of buying products that are made under ethical circumstances.

Figure 2: The Basket Room - the sustainable message at the core of this ethical business

Source: [The Basket Room @ YouTube](#)

European legislation is also moving towards increased sustainability, making it a must rather than an option. You need to be prepared for this. With the [European Green Deal](#), the European Union (EU) is rolling out new and updated legislation that makes sustainability a requirement.

This means that as a producer, you have to ensure socially responsible production in your company. Socially responsible principles can be applied in each of the 5 stages of a typical product lifecycle. As a producer, you have the most control over social practices in stages 1-3: material, production and distribution.

Figure 3: 5 stages of a circular product lifecycle



Source: CBI Sustainable Design Training material

For example:

- Materials: fair deals with suppliers, empowerment of the local communities that cultivate your natural materials.
- Production: fair wages, equal representation/diversity, proper health and safety standards.
- Distribution: fair deals with distributors and transparency about your value chain.

In HDHT, social issues like a safe working environment and equal opportunities for women are particularly important. Key tools to address these issues include self-assessments, clear guidelines and training on topics ranging from safe production and skills to entrepreneurship and financial literacy.

Tips:

Be proactive and make your business more socially responsible to stay relevant in the European market.

Combine social and environmental aspects.

Document the processes in your company for purposes of transparency, communication, and marketing.

Plan with respect to any future improvements in your socially responsible approach (including a timeline) and also properly communicate this.

For more information on the environmental side of sustainability, see our [tips to go green](#).

2. Ensure a safe working environment

You need to provide a safe working environment for your staff, for both their benefit and yours. Better health and safety conditions lead to higher productivity and product quality, fewer work accidents and less sick leave.

Many countries have labour laws that include health and safety on the work floor. You should compare your country's laws to international standards like [ILO's International Labour Standards](#). This helps you organise your production in such a way that you comply with local laws and are eligible for internationally recognised certification.

In the HDHT sector there are generally two types of production:

- in factories or workshops
- community-based, usually from home

Clearly, it is easier to control the production environment in a factory than it is in the individual homes of the artisans. In both types of production, hazardous situations must be avoided, and the safe and proper use of tools and simple machinery must be explained through dedicated training. Where in factories supervising is relatively easy and you can communicate important rules using posters, home-based production requires a different approach. Here, quality control staff in the field can play an important role in communication, checking and supervision.

Lack of awareness is another issue. It is important to train employees and artisans in the dos and don'ts in production. Especially the proper use of protective clothing such as masks and gloves needs to be explained, as well as the reasons why. Otherwise, people may not see the point of using protective clothing.

Different types of materials and production processes in the HDHT sector come with different specific risks and preventive measures. For example, an important risk factor in ceramics production is [Respirable Crystalline Silica \(RCS\)](#), which can cause lung cancer through inhalation. The ceramics industry mostly uses crystalline silica in the form of quartz and cristobalite. Preventive measures can range from using a wet process instead of a dry process to providing workers with respiratory protective equipment.

Tips:

For more information, see ISO and UNIDO's handbook [Occupational health and safety management systems - A practical guide for small organizations](#) or ILO's [Guidelines on occupational safety and health management systems \(ILO-OSH 2001\)](#).

See the ILO Encyclopaedia of Occupational Health & Safety for common hazards and the precautions you can take when working with specific materials. It includes information on [woodworking](#), working with [glass, pottery and related materials](#), [metal processing and metalworking](#), and producing [textile goods](#) (such as fabrics) or [finished textile products](#).

If you work with community-based producers, make sure to develop guidelines for safe production at home and do frequent checks on the actual situation. Consider involving your quality control staff in the field to teach, train, and check production circumstances at the homes of the artisans.

Use self-assessment tools to help to determine in what areas you perform well and where there is room for improvement. For example, you can use the [BSCI Producer Self-Assessment](#) or [Small Producer Self-Assessment](#).

If you produce ceramics, use the European Network on Silica's [Good Practice Guide](#) for guidance on the proper management and safe use of crystalline silica materials in the workplace.

3. Provide equal opportunities for women

Diversity and social inclusion are important topics in today's society. According to the World Bank, [women](#)

across the world hold fewer jobs, are paid less, and are more likely to experience worse job conditions than men. Most women who do work have medium- and low-skilled jobs, especially in low-income countries. Trade has the potential to expand women's role in the economy, increase equality (equal rights, responsibilities and opportunities for people of all genders), and expand women's access to skills and education. In developing countries, women make up 33% of the workforce of exporting firms, compared to 24% for non-exporting firms.

To work towards gender equality, companies need to offer women more opportunities for formal employment, in jobs with better conditions and benefits. HDHT exporters like you play an important role in this.

Unlike many other economic sectors, HDHT is very women friendly. The work in this sector is often community-based and allows women to combine their work with their family life. In factories, companies can offer on-site daycare and nursing spaces. In addition, the hours are more flexible, and the work is not as heavy as in agriculture or in the production of commodities.

You can further strengthen these benefits and empower women through training, for example on skills, leadership and entrepreneurship. Training and workshops can also be extended to topics that are not directly work-related, such as finances, adult literacy, health and welfare. Training your employees should start with increasing awareness. Therefore, you should also try to include the rest of the family in the training, not only the women themselves. This helps to create more sustainable effects both immediately and in the long run, since the next generation will also benefit.

Kenya's [Kenana Knitters](#) provides a flexible source of fair wages to more than 500 rural women, as an alternative to working in flower farms, sawmills, and casual labourer work. Because knitting requires minimal equipment and can be done in between other activities, the women can combine the work with their daily lives. They make more money and have access to programmes that would be otherwise unavailable to them. Examples of such projects are adult literacy classes and health and welfare clinics, including family planning advice and counselling.

When it comes to wages, equal pay to men and women for the same kind of work is essential. Helping your employees in saving money (financial planning, setting up a savings account) for future expenses and planning for a pension or retirement fund is also a way to ensure their financial wellbeing in the longer run.

Tips:

Use the Ethical Trading Initiative (ETI) [Base Code Guidance on Gender](#) for help with promoting gender equality in your company.

Use the [BSCI Self-Assessment on Gender Equality](#) to help to determine in what areas of gender equality you perform well and where there is room for improvement.

Make training as inclusive as possible. Especially if you are providing (financial) literacy or other lifestyle training, consider including family members of your employees.

Have a look at what you are currently paying your male and female staff. If there are any differences that cannot be explained by experience or skills, correct these. Also provide training for women to learn new practical or leadership skills.

4. Map out your supply chain

In the HDHT sector it can be hard to map out the entire supply chain and ensure compliance on an international level. Especially when working with recycled materials, it is often difficult to determine the source and verify how they were originally produced. Buyers do expect you to map out your supply chain and manage it as well as possible. They would also like to know how you intend to improve your performance in time and expect you to actively stimulate your vendors and suppliers to improve their own.

Mapping out your supply chain begins with having your suppliers fill out the same self-assessment tools you use yourself. Key topics include providing safe working environments, equal opportunities, fair wages and decent working hours, and preventing forced and child labour. This will give you a clearer picture of the positive and negative aspects of their part in the chain. You can also help them with their self-assessment and suggest improvements where relevant.

Some producers try to manage the entire supply chain in their own country to ensure compliance throughout. This is not possible for all companies, especially if you use a wide variety of raw materials and semi-finished products. Suppliers of raw materials that are certified according to international standards will make it easier for you (and your buyers) to communicate the social responsibility in your supply chain.

Tips:

Make a plan for future improvements in your production (including a timeline) and properly communicate this to your buyers to give them insight into the process you are going through.

Consider assisting your suppliers in becoming more socially responsible. Ask them to use self-assessment tools such as the [BSCI Producer Self-Assessment](#) or [Small Producer Self-Assessment](#).

When a supplier's performance is structurally below the mark (for example, if they do not provide living wages) and there are no signs of improvement, consider finding an alternative supplier with a better track record.

5. Prepare for new and updated human rights due diligence legislation

Sustainability is becoming a must to do business with the European market – not only because buyers and consumers are asking for it, but also because of updates in legal requirements. The new [European Green Deal](#) includes both environmental and social requirements. In this context, many European laws are under revision and new legislation is being developed. Many of these will apply to European companies' entire value chains. This means that for your buyer to comply, you must meet the requirements of this legislation too. So be prepared!

The EU Corporate Sustainability Due Diligence Directive

The [European Commission has started working on a Corporate Sustainability Due Diligence Directive](#) (CSDDD). Their proposal aims to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. This proposed directive requires larger companies to identify and – where necessary – prevent, end or reduce negative impacts of their activities on human rights and the environment. Both in the company's own operations and in its value chains.

While your company may not be within the scope of the proposed directive, your European buyers may be. This means that even if the new rules do not apply to you directly, but they may apply indirectly via your buyers.

Larger buyers will have to exercise the required due diligence throughout their value chain, which includes you as a supplier. Because textiles are a high-impact sector, the threshold is lower for textile companies. As the directive has yet to be finalised and approved, the exact implications are not yet clear.

The EU Forced Labour Regulation

In September 2022, the [European Commission also proposed a new Forced Labour Regulation \(FLR\)](#). This proposal sets out to ban products made with forced and child labour from the EU market. The Commission will issue forced labour due diligence guidance and information on risk indicators of forced labour. Though different, the two proposals are linked. If a company has carried out effective forced labour due diligence on its supply chains to comply with the CSDDD, this will be considered in the assessment of compliance with the Forced Labour Regulation.

Due diligence legislation at a national level

Ahead of the EU-wide rollout of the CSDDD and FLR, some countries have introduced national due diligence legislation - including:

- Germany - the [Act on Corporate Due Diligence Obligations in Supply Chains](#)
- France - the law on corporate [Duty of Vigilance](#)
- the United Kingdom - the [Modern Slavery Act](#)
- Norway - the [Transparency Act](#)

This type of national legislation is also in the works in countries such as Austria, Belgium, Finland and the Netherlands.

Tips:

Prepare for this upcoming legislation! Discuss with your buyers what they need from you (such as documentation or certification), and how you can help each other in the process.

Read more about the [Corporate Sustainability Due Diligence Directive](#).

For details on the Forced Labour Regulation, check out the [questions and answers](#) and [factsheet](#).

Stay up to date on the proposed [rollout of the new Corporate Sustainability Due Diligence Directive](#) and the [Forced Labour Regulation](#).

For more information on relevant legislation, see our study on [buyer requirements for Home Decorations and Home Textiles \(HDHT\)](#).

6. Use voluntary standards and certifications to verify your social performance

A growing number of European buyers would like you to comply with voluntary sustainability initiatives. Documenting your performance like this “proves” your sustainability, and it may also help you to facilitate your buyers’ due diligence processes.

Popular (social) sustainability initiatives among European buyers include:

- [Business Social Compliance Initiative \(BSCI\)](#): an initiative of European retailers to improve social conditions in sourcing countries. They expect their suppliers to comply with the [BSCI Code of Conduct](#).
- [Ethical Trading Initiative \(ETI\)](#): an alliance of companies, trade unions and voluntary organisations. ETI aims

to improve the working conditions in global supply chains via their [ETI Base Code](#), founded on the conventions of the International Labour Organisation (ILO).

- [Sedex](#): a membership organisation striving to improve working conditions in global sourcing chains. The [platform](#) lets you share your sustainable performance, based on a self-assessment. Sedex's [SMETA audit](#) can help you to understand standards of labour, health and safety, ethics, and environmental performance within your operations.

These initiatives help you to systematically document your social sustainability performance. Many company codes of conduct and auditing frameworks (including SMETA) are based on BSCI and/or ETI. This means that complying with these initiatives can make it easier for you to meet European buyers' requirements. In turn, this makes it easier for buyers to do business with you.

Taking it a step further, another option is for you to become certified. For example, the Social Accountability International (SAI) [SA8000](#) standard focuses on the fair treatment of workers. The [ISO 45001](#) standard specifies requirements for an Occupational Health and Safety (OH&S) management system. Such a system can help companies reduce their environmental impact and comply with regulations. If you meet the ISO 45001 requirements, you can apply for certification.

Fair-trade labels like the [World Fair Trade Organisation](#) (WFTO) Guaranteed System and [Fair For Life](#) certification can also give you a competitive advantage, especially if the production of your items is labour-intensive. But even if you are not fair-trade certified, you can document your compliance with WFTO's [10 principles of fair trade](#) to show your commitment.

Figure 4: WFTO's 10 principles of fair trade



Source: [WFTO](#)

These social standards and initiatives often contain environmental components as well. In turn, environmental standards tend to include social requirements too. This illustrates the importance of a holistic approach to sustainability, including both social and green efforts.

Ghana's [Global Mamas](#) are a Fairtrade-guaranteed company using traditional methods to produce their products. The so-called Mamas are paid a steady living wage and are invited to be part of organisational decisions and product development. They receive training to build their skills and capacity, manage their growing businesses and personal incomes, and improve their health and that of their children. The company clearly presents its [impact on gender inequality](#), how it [applies WFTO's fair-trade principles](#), and the [Mamas themselves](#).

Figure 5: Global Mamas - empowering women in Ghana

Source: [Global Mamas @ YouTube](#)

Tips:

Study the issues included in initiatives such as [BSCI](#) and [ETI](#) to learn what to focus on to improve your company's social performance.

Determine which initiative or certification programme would be the best fit for you and apply for it if you can. Even if applying is not feasible, you should carefully document your company processes to support your story.

Use self-assessments like the [BSCI Producer Self-Assessment](#), a code of conduct like the [ETI Base Code of labour practice](#), or WFTO's [fair-trade principles](#) to show your sustainability performance.

Read more about [BSCI](#), [ETI](#), [Sedex](#), [SA8000](#) the [WFTO Guarantee System](#) and [Fair for Life](#) in the ITC Standards Map.

7. Create a code of conduct that reflects your social commitment

European companies often work with Codes of Conduct to address social aspects within their supply chains. A Code of Conduct is a set of values and principles that a company and its employees must adhere to. It clearly communicates these rules to both your internal and external partners. A Code typically includes key elements like human rights, compliance with local laws, and the prohibition of unethical practices. A good Code of Conduct can both inspire the people inside your organisation and make external partners want to engage with you more.

Codes of Conduct are a process. They make corporate promises to the world. However, your Code of Conduct will only be accepted if others believe it, based on how others have experienced the behaviour of the company

and how the Code of Conduct matches that reality. So, you should start your strategic process with a mission statement and a few years of living your mission statement, to establish trust. Then, you can develop a Code of Conduct.

A well-rounded Code of Conduct contains both social and green practices. If your concept has been built on a particular social principle like women empowerment, you start with detailed and ambitious social promises. This is how your stakeholders know you and appreciate you. If you are mainly environmentally oriented, then it makes sense to start there.

[Leatherina](#) is a women-owned sustainable leather goods manufacturer with clearly developed policies on gender equality and social inclusion. The WFTO Guaranteed company has an elaborate story on its website, explaining its approach to compliance and corporate social responsibility (CSR). This Code of Conduct of sorts describes Leatherina's values and principles, and lists their specific policies on gender equality, social inclusion and environmental sustainability.

Figure 6: Leatherina – the story of this social enterprise

Source: [Leatherina @ YouTube](#)

You should be authentic and use your tone of voice in your Code of Conduct. Do not use fancy words if they are not yours. Make sure your stakeholders can understand and 'believe' you. Copy-paste documents will not convince them. You can, however, use internationally known and accepted Codes like the [ETI Base Code](#) as a starting point.

Figure 7: The 9 principles of the ETI Base Code



Source: [ETI Base Code](#) / Globally Cool B.V.

Such Codes of Conduct are quite generic because they apply to different types of companies in different sectors. Your company's Code should be more specific and tailored to your particular values and principles. Besides stating your compliance, provide evidence of your actions. Table 1 shows the 9 principles of the ETI Base Code and the type of information you should include in your own Code to customise it.

Table 1: How to tailor the ETI Base Code principles to your Code of Conduct

Principle	What to include in your Code of Conduct
Employment is freely chosen	If your local law forbids forced labour and related practices, mention this and mention the law. State that you do not lodge your workers' papers and that the notice period in your company complies with local law.
Freedom of association	If there is a local law that supports the freedom of association, mention it. Additionally, include any labour unions that your workers are affiliated with and highlight any programmes or initiatives you engage in with them.
Working conditions are safe and hygienic	If there is local legislation on working conditions, mention it. If you comply with any internationally recognised standard that regulates working conditions, include it.
Child labour shall not be used	Include any measures you have in place to actively monitor and prevent child labour within your company and, if feasible, throughout your supply chain. Additionally, highlight any initiatives or actions implemented by your company to support and benefit children in your local community or that of your suppliers.
Living wages are paid	State that you comply with your country's legislation on minimum wage. Include any extra benefits your company offers.
Working hours are not excessive	Mention compliance with your local law on this aspect and include the law. If you provide better working conditions than the minimum defined by the law in terms of working hours, holidays, or similar, include these.

No discrimination is practiced	Express your commitment to combatting all forms of discrimination within your company. If there is a significant risk of discrimination in your country, acknowledge it and highlight the measures you are taking to mitigate it. For instance, you can highlight the presence of a women's committee, or any initiatives aimed at promoting the employment of individuals from religious or ethnic minority groups.
Regular employment is provided	State that you comply with the local law in terms of formal employment. If you have any measure in place to reduce contracting seasonal workers in favour of having permanent employees, also mention it.
No harsh or inhumane treatment is allowed.	If there is a local law forbidding harassment, physical, verbal or sexual abuse, name it and state that you comply with it. If there is not, list your own company rules/policy.

Source: [ETI Base Code](#) / Globally Cool B.V.

Tips:

Keep in mind that the ETI Base Code might be stricter on some aspects than your local law. For example, the code defines a maximum of 48 hours a week. If your local legislation allows for more, you should align with the ETI Base Code as this reflects international standards.

Always add your compliance to the local law. This is often a key aspect in the Codes of Conduct of European buyers.

[Globally Cool B.V.](#) in collaboration with Remco Kemper and GO! GoodOpportunity carried out this study on behalf of CBI.

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