



soziale
verantwortung
des unternehmens



CSR Case Study
Ethics and Ecology -
from Fibre to Clothing
(Hess Natur-Textilien GmbH)



Mainstreaming
CSR among
SMEs

CSR focus

Social and ecological standards throughout the textile supply chain.

Company

Hess Natur-Textilien GmbH with its registered office in Butzbach and 279 employees sells a full range of natural textile and ecological clothing (ladies' and men's outerwear, clothing for children and babies, underwear and hosiery, home textiles, unisex articles, shoes). With about 8,000 lines per season Hess Natur earns turnover of € 62 million (2006; € 56 million in 2005) by conventional mail order but also through fixed outlets and eCommerce. Hess Natur, which was founded in 1976 is a market leader in the natural textile market throughout the German-speaking area with a clientele of 700,000. Hess Natur fashion's core competencies and uniqueness are to be found in the combination of quality, fashion and ecology. www.hess-natur.com



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

CSR awards and certificates (a selection)

- Organic Textile Award from the International Federation of Organic Agricultural Movements (IFOAM) (1996)
- “Pioneer of Ethical Trading” quality seal from Initiative Ethics in Business (2005)
- Basic Certificate of the “Audit Beruf und Familie” (Career and Family Audit) (2006)



Mainstreaming
CSR among
SMEs

CSR in practice

- CSR philosophy and strategy

Hess Natur finds the core of its identity in its ecological products manufactured in decent working conditions that are sold under the brand of Hess Natur. Hess Natur's founding idea consists of a way of life in tune with nature; sustainable interaction with man and nature still today form the core of the company's leitmotif. Thanks to this company culture and to its products in line with this philosophy, Hess Natur has been able to differentiate itself from traditional textile manufacturers and today it is the biggest catalogue mail order company for thoroughly natural clothing and textiles in Germany.

This social and ecological added value is acknowledged by sophisticated consumers by their purchasing decisions in which this represents a decision criterion. Hess Natur satisfies these high customer demands as the first textile company that consistently focuses on ecologically and socially responsible manufacture and it has therefore created its own unique identity. Independent organisations always guarantee credibility and transparency, which is a precondition for the trust of these sophisticated customers.

Hess Natur's ecological principles include:

Exclusive use of natural fibres (e.g. cotton, wool, linen, silk).

The **cotton** comes from controlled organic cultivation in which synthetic fertilisers and pesticides are never used. The fertility and health of the soil is



Mainstreaming
CSR among
SMEs

maintained by rotation of crops in the fields and the use of organic fertilisers. The fight against insect pests and weeds is with mechanical or natural means e.g. based on plants. Harvesting is by hand. Critical substances such as defoliation media are never used.

Hess Natur's **virgin wool** comes increasingly from controlled organic animal husbandry. With these animals the use of pesticides as protection against insect attacks is forbidden. Strict rules apply to the husbandry, feeding and treatment of sickness of these animals (prohibition of the mulesing procedure, no creep feeding, no hormones, no antibiotics if possible etc.).

Linen and silk, like wool, is to date only rarely from controlled organic production so Hess Natur has for one thing set up its own organic agricultural projects (organic linen in Hessen, organic silk in China) and for another it still uses natural materials from conventional production, which are also subject to strict controls for harmful substances. Natur Hess would like to continue to increase the proportion of fibres from controlled organic animal husbandry and cultivation.

What has been achieved:

- 100% of all pure cotton articles come from controlled organic cultivation.
- Proportion of wool from controlled organic animal husbandry about 20%
- Proportion of linen from controlled organic cultivation about 20%
- Proportion of organic silk about 54%

The basic underwear and baby wear made of virgin wool and silk come entirely



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

from controlled organic production.

- **Avoidance of questionable indirect materials throughout the textile chain**

In order to make an article of clothing out of a raw material, it is necessary to go through numerous production stages, starting with spinning, stitching and weaving, via bleaching and subsequent treatment of the fabric and on to dyeing and sewing together the individual pieces. In the course of this process numerous chemicals might be used e.g. for dyeing and dyeing pre-treatment of fabrics or finishes that are intended to improve the characteristics of the article of clothing in wear and care.

In the manufacture of its textiles Hess Natur always excludes indirect materials that are harmful to the environment or to health. In **dyeing** only safe dyes are used. So the standards prohibit the use of carcinogenic, mutagenic and allergenic dyes. These include for example azo dyes that can give off dangerous aromatic amines. The limits required for heavy metals are below the legal limits for drinking water – as they are everywhere else at Hess Natur. The waste water flows into a waste water treatment unit with at least 2 stages (e.g. mechanical and organic).

Hess dispenses entirely with **finishing** in which the characteristic, beneficial properties of natural fibres (e.g. active breathing) could be limited or lost. Instead Hess Natur manages to ensure that the textiles are durable, do not become matted, do not shrink and at the same time that



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

- they retain their active breathing characteristics and remain warm and skin-friendly by means of ecologically optimised mechanical finishing processes with for example the use of steam, heat and pressure.

What Hess Natur does without:

- Chlorine bleaches and optical brighteners
- Moth and beetle protection finishes
- Antimicrobial (biocide) and flame-resistant finishes
- Allergenic and carcinogenic dyes
- Felt-free, non-iron and easy-care finishes e.g. with the use of artificial resins.



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

- **The standards of socially acceptable production lead, among other things, to the following principles:**

The observance of social standards i.e. ensuring decent working conditions and above all the protection of children, are a fundamental component of Hess Natur's company philosophy. In addition, the sustainable raw material sourcing and environmentally-friendly production contribute to the protection of the health of all those involved in the production process. In the context of its own agricultural projects Hess Natur gives purchase guarantees at fair prices including an organic and fair trade premium of up to 40%.

The socially acceptable manufacture of textiles has been controlled by the Dutch Fair Wear Foundation (FWF) since 2005. Hess Natur is thus to date the only company in Germany that has its observance of decent working conditions inspected by a "multi-stakeholder organisation." FWF is supported by representatives of various interest groups such as unions, non-governmental organisations and industrial associations and it thereby ensures a high level of independence and objectivity. The controls performed are based both on Hess Natur's internal inspections and on external verification by FWF and the FWF complaint system for suppliers' employees. By these measures Hess Natur ensures the observance of working conditions that are in line with the conventions of the International Labour Organisation (ILO).

The work of FWF and Hess Natur in Germany is assisted by a national multi-stakeholder committee that, besides Hess Natur and FWF, also includes IG Metall and the Clean Clothes Campaign (CCC).



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

Care is taken to ensure:

- Fair wages
- Decent working conditions
- Controlled working hours
- No child labour
- No forced labour
- No discrimination
- Observance of freedom of association
- Controlled employment relationship.



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

- CSR development

The milestones from the 30 years of Hess Natur's history may be summarised as follows:

- 1976-1985 Focus on fabric

The birth of his first son is the impetus for the firm's foundation: Heinz Hess brings natural clothing into the world in order to protect the newborn from toxins and stress factors. *His vision: Thoroughly natural clothing for a natural and healthy life.*

- 1985-1992 Focus on finishes

The limits of the ecologically possible are expanded and intensive chemical finishing is dispensed with. Hess Natur's ecological quality guidelines lay the foundation stone for a new clothing culture.

- Since 1990 Focus on raw materials

The first organic cotton project in the world is initiated – the take-off point for many other ecological, social and cultural Hess Natur projects throughout the world.

- Since 1995 Focus on design

With quality, design, durability and declaration of the textiles, Hess Natur makes the change from its worn-out eco-image to colourful, stylish and high-quality natural textile fashion.

- Since 2002 Focus on social standards

What had been taken for granted since the start now becomes transparent and tangible: the socially acceptable manufacture of Hess Natur textiles. With



Mainstreaming
CSR among
SMEs

its campaign for “clean” clothing Hess Natur develops an innovative control system and is the first German company to arrange for the manufacture of its clothing under decent working conditions to be checked by an independent control body (Fair Wear Foundation), a milestone for labour rights.

Hess Natur’s aim in every development phase is to constantly position itself as a pioneer and thereby to satisfy its claim to be ahead of the field in ecological and socially acceptable fashion.



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

- CSR projects
 - Hess Natur develops and supports innovative, socially committed and pioneering CSR projects e.g.
 - Burkina Faso agricultural project
Controlled organic cotton cultivation
 - Hessen agricultural project
Controlled organic linen cultivation
 - Social standards (pilot) project
Introduction of a new kind of control mechanism (developed in-house with the campaign for “clean” clothing (CCC)) for ensuring decent working conditions. Hess Natur is therefore the first company in Germany that satisfies the requirements of CCC with regard to the social standards and arranges for the checking of “clean” manufacture of its textiles by an independent control body (the Dutch Fair Wear Foundation).
 - Rhön sheep project
Support for products made of German wool, especially Rhön wool. Sheep husbandry in the region. Textile and garment manufacture is then carried out as far as possible in German small and medium-sized businesses. For example:

Cooperation with Sassen/Richthof community. Purchase of hand-manufactured woollen textiles from two villages in Schlitz in which about 240 mentally handicapped people work and live with non-handicapped



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

people in family communities.

- Nepal project

Support for a project in Nepal in which former leprosy sufferers with residual physical disabilities receive education, work and income in textile factories.

- Intercultural Waldorf School, Mannheim project

Provision of Hess Natur school clothing for the children of the school who come from 12 nations. Not a uniform but clothing that unites them with a unified style, which supports integration and makes a contribution in this way to steer a course towards a sustainable and tolerant coexistence of cultures in Germany.



Mainstreaming
CSR among
SMEs

CSR benefits

The benefits that arise from the commitment to ecological and social standards throughout the textile chain are

- to the customer,
- to the supplier,
- to the company and
- to society.

The customer buys an ecologically sound article of clothing that is healthy, skin-friendly and environmentally-friendly in equal measure. Thanks to the transparency of the materials flows from fibre to finished article of clothing and the declaration of origin and processing in the catalogue, this promise can be checked by others.

The company benefits from its authentic product because customers acknowledge the ecological and socially acceptable added value. The family-friendly and good working atmosphere increases employee motivation.

Societies in developing countries also benefit from the high social and ecological standards which are evident on a transnational level at every stage of the supply chain. Thus for instance the employees of about 120 suppliers and their producers and subcontractors in about 200 production locations benefit from the guaranteed comprehensive social standards (e.g. prohibition on child labour, payment of fair wages, reasonable working hours). Thanks to ecological textile manufacture, the soil and the groundwater, which are precious resources, especially in developing countries, are protected.



Mainstreaming
CSR among
SMEs

Thanks are due to Hess Natur for providing us with information and text for publication.



soziale
verantwortung
des unternehmens



Mainstreaming
CSR among
SMEs

Tasks

Work out

1. the business arguments i.e. the link between the benefits to the firm and to society,
2. the strategic approach i.e. the link between the CSR strategy and the company strategy and
3. the communication approach i.e. the use of formal and informal communication channels.

II.

1. What other CSR activities would you recommend to this company for a comprehensive CSR concept?
2. Where is there potential for improvement in the CSR communication?