

# IMB 2009

WORLD OF TEXTILE

PROCESSING with IMB FORUM

Congress IMB Forum · Technology as the backbone of the future – chances through progress

## Auftaktveranstaltung · *Opening event* FUTURE TALK

Chancen für die Zukunft: Ökologie und Nachhaltigkeit  
*Chances for the future: Ecology and Sustainability*

21. April 2009, 14.00 Uhr · April 21, 2:00 p. m.

### Moderation · *Host:*

Prof. Dr. Andreas Stockert, Senior Vice President,  
Lifestyle Logistics Kühne + Nagel Management AG, Schindellegi (Switzerland)

### Diskussionsteilnehmer · *Discussion participants:*

- Ghassan Arab, Managing Director & Chairman,  
multinine Textil GmbH, Düsseldorf (Germany)
- Willie Beuth, Founder,  
3p Institute for Sustainable Management, Cologne (Germany)
- Konrad Dobschütz, CEO,  
Lac et Mel, Berlin (Germany)
- Andreas Merkel, Geschäftsführer · Managing Director,  
Gebr. Otto Baumwollzwirner GmbH & Co. KG, Dietenheim (Germany)
- Andreas Streubig, Division Manager Environmental and Social Policy,  
Otto GmbH & Co. KG, Hamburg (Germany)
- Allen A. Terhaar, Executive Director, Cotton Council International,  
Washington, DC (USA)



## **Prof. Dr. Andreas Stockert**

Senior Vice President,  
**Lifestyle Logistics**  
Kühne + Nagel Management AG,  
Schindellegi (Switzerland)

### **Key subjects for the Future Talk at IMB 2009 CSR (Corporate Social Responsibility) and Sustainability**

- 1** What was your first personal occasion why you deal with the subject CSR?  
Why does your company deal with the subject?
- 2** We differentiate 3 types of CSR categories: ecological, social and  
economical sustainability. On which field is your company focused on?
- 3** Why has your company chosen this focus?
- 4** What key subjects in the CSR environment  
would you estimate for the future in general?



## Ghassan Arab

Managing Director & Chairman,  
**multiline Textil GmbH, Düsseldorf**

Mr. Ghassan Arab is the CEO and Chairman of the Multiline Group. He is a vertical garment producer for man, woman and kids wear. Multiline-group is with 35 own garmenting factories, 50.000 employees and 1.4 billion euro turnover, the 3rd largest garment supplier in Germany. He supplies his products daily to more than 52.000 retail-stores in 25 European countries.

**1** When I started working with Bangladesh abt. 15 years ago, and I visited several Bangladesh factories, I was shocked from the social and ecological standards. I saw children working, very thin workers, very scared workers, unhappy faces in most of the factories and also the temperature in the factory was very high. I talk to many manufactures to improve but they did not really listen, I realised that is must be our responsible to improve the situation as we have the power of buying.

Everybody force the supplier to improve his quality and to keep the delivery time, so we do not force the manufactures to improve the social and ecological standards.

**2** We are focused on social, ecological and economical standard.

**3** I think it is our human responsibility to help improving the social and ecological standards, it can't be, that third world countries like Bangladesh, in our modern time, still work for the industrial nations like modern slaves! And kill the ecological in there countries to keep our countries clean. On the other side they are too poor to leave business moving away from them, as they depend on the buyer, the only way is that the strong buyer takes care.

**4** Ecological responsibility is a main subject for further after the social subjects. Textile production consumes our resources like huge amount of water and energy. To minimize all these factors must be very important for the future and it will be a main selling argument. Consumer now a day does very much concern abt. the environment, ecological and social responsibility with becomes more and more important.



## Willie Beuth

Founder,  
**3p Institute for Sustainable Management, Köln**

Willie Beuth is 65 years old and of German nationality. After studies of Business Administration he moved to Italy in 1967 becoming a business and marketing expert in the textile and garment sector going through all relevant management functions within the entire supply chain and vertical setups. After working for global enterprises in the textile and apparel worldwide he started his third career as an entrepreneur in 1982 launching the development, marketing and distribution of textile colour codification systems.

End of the Eighties trade and industry were looking for solutions when the first wave of environmental awareness in textiles and apparel started. Together with some friends he founded the 'eco-tex Consortium' in Cologne launching the still unique Monitoring System that assures environmental and social performance basing on traceability along the complete productive supply chain.

Logical consequence was the development and implementation of the first integrated management system in 1998 covering environmental, social and quality requirements in use mainly in Japan among the top market players.

In 2003 he initiated the '3p Institute for Sustainable Management' implementing worldwide tailored performance management solutions in several industry sectors such as apparel & textiles, toys, electronics, aquaculture and primary food.

**1** When starting global activities promoting and implementing Begin-of-Pipe management systems for environmental and social accountability in 1988.

It became a never ending challenge over the years looking at the missing awareness to follow a consequent and holistic approach and series of misinterpretations of the subject. We still believe in the fact that changes and improvements are only sustainable when adopting a disciplined and transparent management of the full productive supply chain.

**2** Our focus combines since the start of our activities the three categories as expressed also in our logo 3p which stands for **P-Profit / P-People / P-Planet** combining economy, social and environmental sustainability.

**3** We developed and launched the still unique **Integrated Management System 3p IMS** in 1998. This management approach combines global and local criteria and requirements in all relevant CSR areas plus quality and corruption. Following essential Begin-of-Pipe principles based on a management system platform we just have continued in assisting manufacturers globally in reaching decent levels of understanding and living CSR principles

**4** Traceability and transparency throughout the value chain leading to a better common understanding and at with a bit of patience also to economic benefits. But in any case to a much better and holistic view of the 3p – Profit-People-Planet



## Konrad Dobschütz

CEO,  
Lac et Mel, Berlin

Konrad Dobschütz wurde 1979 in Leipzig geboren und wuchs auch dort auf. Nach Abitur, einer Ausbildung und dem Studium der Öffentlichkeitsarbeit gründete er zusammen mit seinem Partner und Designer Gregor Clemens das Modelabel LAC ET MEL. Gemeinsam zog es die beiden dann von Leipzig nach Berlin.

**1** My first personal point of interest in my personal social responsibility, was to deal with an environmental protection organization in my home town Leipzig. At that time I was 12. They were strongly connected to Greenpeace and had grown out of the civil rights movement in the former GDR. Leipzig was one of the most polluted cities in Germany during that time around 1990. My father himself fought for freedom on the streets of Leipzig and got beaten up for that. Therefore I had and have a strong feeling to change things the way they are. Once I had founded the company it was a logical step to implement the ideas of environmental protection into our company philosophy.

**2** Obviously ecological including sustainability. Our fashion label was the first of its kind worldwide that started with an carbon neutral production. For every sold piece (to the retailer) of the collection we transfer the cost of carbon dioxide emission during the production process to the German WWF.

**3** Because it is a way to do at least something and not just talk about it.

**4** First you should ask yourself what actually is ecological? Am I ecological if I separate the bin or save water by only showering all day? Do I support sustainability when I buy that newest car with the best filters and the fewest need of fuel? Can one actually behave environmental responsible these day? Is that possible? My opinion is that only a few people are actually willing to live and act environmental responsible including all consequences. Those could mean to do without some of the modern comforts. Do not turn the heater on if it's cold, shower only twice a week to save water, drive no car(!), do not use airplanes and so on.

But the human being is not that type of creature that likes relinquishment at all and change in general. And if it comes to spend more money to "just do something for the future and the future of our children" a lot of people resign and are not willing to do so. So what could be a solution for that problem?

You should implement and include the newest ecological developments in the everyday life of the people without extra costs for them. The word is "Lebenswirklichkeit" (close to the everyday life of the people, easy to fulfill). For example recycling should not cost more money. But it actually does, because in Germany we all pay 1 to 3 Cents additionally on almost every item we buy because of the Green Dot system. So we pay a company to make us separate the bin to make it easier for them to earn more money by selling the plastics to a refuse incinerator. That just frustrates people.

The best example for a different way is the legal and tax support for solar energy. You buy a solar collector for your house. That saves you money because your local energy provider is legally obligated by the government to pay for the power you feed into the public grid. After 10 years your investment is been paid of and you actually earn money with the solar collector. That does makes sense in terms of relinquishment and paying more money what I explained before.

So could a growing (financial) engagement and effort by the government be a way? Should there be more legal investments into ecological techniques? Where gets the responsibility of the government to and end and the one of the companies starts? We should make it more easier for the people to actually life ecological. The access should be given to more people, not only to the rich.



## Andreas Merkel

Geschäftsführer (4. Generation einer Familien-GmbH), M.B.A. – Textil-Ing. (FH)  
**Gebrüder Otto GmbH & Co.KG**

1992: Abitur Kolleg Illertissen · 1993 – 1998: Studium Textiltechnik in Reutlingen · Praxisaufenthalt 1994 in Raleigh, USA (UNIFI SPUN YARNS) · Praxisaufenthalt 1996 in Greensboro, USA (SARA LEE) 1998 – 2001: Exportleiter Gebrüder Otto, Dietenheim · 2001 – 2002: MBA an der Exportakademie Reutlingen · 2003 – 2009: Seit 2003 Geschäftsführung Gebrüder Otto

**1** Personally I used to work with the BUND in the late 80's. We learned about ecological ideals and ideas in school. 1998 our company was the first spinning mill in Germany implementing environmental management system ISO 14001 and Oeko-Tex Standard 1000. 2002 OTTO was certified according to IVN/GOTS. 2007 we became official partner of the WWF (world wide fund for nature) related to our product Piumafil® (cotton/kapok). 2008 our spinning mill was the first in Germany to be certified by FLO (**Fair Trade** labelling organisation). CSR is one of the MEGA-Trends in the future and offers for sure an enormous potential.

**2** We are convinced that CSR is THE strategic management guideline and fundamental for the future. We focus on sustainable strategies according to a balanced scorecard with suppliers, customers, our staff and our partners in general. Of course these fields cover all aspects (social, ecological and environmental). Based on products, we try to introduce not only yarns but **complete sustainable textile concepts** for our customers (e.g.):

### Cotton/Kapok with BRAX:

OTTO was the first spinning mill in the world which was able to produce high quality yarns with kapok. BRAX and the WWF were connected with the result, that BRAX donated 1 Million Euro for the renaturation of the rain forest in Malaysia (1 Euro is donated with the sale of every kapok-trouser).

### Fair Trade & Organic:

Our line of Fair Trade and Organic certified yarns are the ideal product which meets the definition of sustainability (ethical, social and environmental sustainability). We focus our efforts on cotton from Africa (Burkina Faso as one of the poorest countries in the world) and India.

### recot<sup>2</sup>:

In our new product line **recot<sup>2</sup>** we spin recycled cotton with virgin cotton into very fine high quality yarns for the premium sector. As water will be THE problem for the future and since it takes about 20.000 litres of water to grow 1 kg of cotton, we decided to develop this quality. By spinning one kg of **recot<sup>2</sup>** we save the world about 10.000 litres of water.

**3** Sustainability is one of the MEGA-Trends in the future and offers not only risks but also a wide range of chances.

**4** From our point of view the world is facing the following main problems:

### Enormous growth of population

In order to stop this tendency, people in poor countries need education and (at least a minimum extend of) a certain income to cover their basic needs. (E.g. in Burkina Faso women have an average of 6,2 children/the average income is less than 1 US\$/day.)

Year	Population
0	200 million
1800	800 million
1900	1,6 billion
2000	6,5 billion
2050	10 billion (?)

### Climate change:

Climate change will cause severe problems in the future. The problem has just started, as the average temperature has just raised by 0,8°C and problems are more than obvious already. The aim of the EU is a maximum raise of 2°C (according to discussions with experts this aim is too optimistic and forecasts are far worse).

### Environmental problems:

Water will be THE major problem of the future. Every day about 5.000 children die due to the lack of clean water. The number of countries with "water stress" (>1.000 m<sup>3</sup> water/person/a according to WHO-definition) will explode until the year 2050 according to WHO-studies.

The world needs a philosophy of sustainable development also in the business behaviour/financial sector!

Examples for non sustainable behaviour in the textile field:

- Customers are asking suppliers for innovation or exclusivity, but sending samples to competitors, as soon as swatches are available.
- Pushing prices of suppliers to a level, where it is obvious that nobody can survive.
- The short term financial success is more important than long term success (behaviour of big customers to suppliers in terms of conditions, prices, etc.).



## Andreas Streubig,

Division Manager Corporate Responsibility,  
**Otto Group**

Andreas Streubig wurde am 14. Mai 1968 geboren und ist seit 1993 für das weltweit größte Versandhandelsunternehmen, die Otto Group (Hamburg), tätig.

Vier ganz unterschiedliche Stationen prägten die Laufbahn des studierten Mathematikers: Nach der Leitung diverser Vertriebsprojekte wie z. B. „Neue Shopabwicklung“ und „Callcenter-Management“ reorganisierte er ab 2001 in der „Internen Unternehmensberatung“ u. a. die Prozesse und Strukturen verschiedener Konzernunternehmen und war als Senior Manager Consulting auch für die operative Projektsteuerung der Geschäftsprozessoptimierung in der Hamburger Konzernzentrale zuständig.

Als Bereichsleiter „Importsteuerung“ verantwortete er ab Anfang 2005 die Steuerung der weltweiten Importorganisation der Otto Group in den wichtigsten Beschaffungsmärkten, bevor er im Juni 2007 die Position des Bereichsleiters „Umwelt- und Gesellschaftspolitik“ übernahm. In dieser Funktion steuert er die Aktivitäten des Konzerns im Themenfeld „Corporate Responsibility“ (Unternehmensverantwortung).

Andreas Streubig war Gastredner auf verschiedenen Veranstaltungen im Textil- bzw. CR-Umfeld wie z. B. dem Deutschen Handelskongress und leitet den neu ins Leben gerufenen Arbeitskreis „Nachhaltigkeit in der Logistik“ der Hamburger Logistikinitiative.

**1** I personally got my first insights into manufacturing practices in Far East during a consultancy project in HK and China in 2003. After having moved from consulting to import business I then had to ensure that all of our buying offices follow the required procedures to realize a responsible sourcing behavior according to the standards and principles of Otto Group's Social Management System.

The Otto Group itself has a long tradition in the field of corporate responsibility. It was Dr. Michael Otto (member of the founding family and CEO at that time) who made environmental protection a corporate objective already in the eighties of the last century.

The increase of frightening news about environmental and social problems around the globe led to a change in public awareness. Meanwhile it seems to be common sense that something has to be done and that we are the one to do so.

**2+3** All of them. We are convinced that successful sustainability management means to balance all three aspects to ensure sustainable growth of the company on one hand side and to contribute to a sustainable development of environment and civil societies on the other hand.

## 4

- Focusing on critical issues, as there are CO<sub>2</sub> and energy efficiency, BioDiv, resource efficiency, buying practices,
- Gathering increasing support and orientation from the political level,
- Establishing a better network between companies, organizations and public to foster CR awareness and engagement within society.



## Allen A. Terhaar

Executive Director  
**Cotton Council International**

Allen A. Terhaar is executive director of Cotton Council International (CCI), based in Washington DC, and is a vice president of the National Cotton Council of America.

Prior to joining CCI in 1993, Terhaar served as director of planning and trade policy and then executive director for the U.S. Feed Grains Council. Earlier on, he was an economist with USDA. Terhaar served in the U.S. Peace Corps in South America in 1970–72.

Terhaar has served as chairman of the U.S. Agricultural Export Development Council, a grouping of 80 associations whose purpose is to promote exports of U.S. products. He also has served as chairman of the International Forum for Cotton Promotion (IFCP), a group of international private organizations whose goal is to facilitate promotion of cotton product consumption globally.

Cotton Council International is dedicated to increasing exports of U.S. cotton and cotton products. CCI is funded by private contributions from the U.S. cotton industry and also receives funds from the U.S. Department of Agriculture. CCI sponsors a wide range of trade services geared to enhancing cotton textile executives' knowledge of U.S. cotton, cotton products and the U.S. industry. CCI also carries out consumer advertising and retail promotions featuring the COTTON USA Mark, and works with spinners, manufacturers and brands to promote quality cotton

**1** My first encounter with CSR was about 15 years ago when the organic movement was just getting started and there were major questions about cotton's environmental record.

CSR is a significant topic throughout the cotton supply chain – from agricultural field through processing to the retail shelf and beyond. U.S. cotton has an excellent record during the past decades on CSR and we believe that is very relevant in today's world.

**2** We are involved in all three since they are all important to the cotton chain. However, the past couple of years we have focused much of our time and energy on the ecological aspect of CSR.

**3** Ecology and the environment has become a significant focus of the press and of brands/retailers. We believe there is significant misinformation on the street regarding cotton and other natural fibers. We want to correct that misinformation and get accurate information to the industry and the consumer so that they can make more informed decisions regarding fiber composition and sourcing.

**4** All three categories of CSR will remain important. Right now, because of the financial crisis, economic and social aspects of CSR are accelerating in importance. That is one reason why we are emphasizing the importance of natural fiber to local and global economies.

We also emphasize the social importance of employment in natural fiber production and processing while continuing to stress U.S. cotton's solid environmental record and its efforts toward a truly sustainable future for fibers.