

## **FASHION+ SPOTLIGHT ON SOURCING**

### **SUSTAINABLE MANUFACTURE AND SOURCING MARKETPLACE**

Tuesday 17<sup>th</sup> March 2009

Introduction by Tamsin Lejeune, director of the Ethical Fashion Forum

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Fashion+ is a DfID funded project aimed at reducing poverty and creating sustainable livelihoods in the supply chains to the UK fashion industry. The project aims to integrate training on development, poverty reduction and sustainable livelihood creation as a core part of all fashion business training in the UK.

Discussion chaired by Clare Lissaman –

Clare has worked in corporate responsibility since 2000. Her core expertise is in developing and implementing strategic approaches to social auditing and compliance with labour standards in international supply chains.

Catherine Whitehead, Paramo Directional Clothing Systems –

Catherine has worked as the Message and Identity Team Leader for Paramo for 6 years, developing their marketing strategy.  
[www.paramo.co.uk](http://www.paramo.co.uk)

Paramo is an outdoor and waterproof clothing specialist, producing high performance garments, sourced ethically through the Micquelina Foundation – a community production unit in South America. The idea started in 1992, when the current managing director, Nick Brown, came across the foundation in Bogota, Columbia in South America. This workshop was run by Nuns who were dedicated to helping women to get out of, or avoid, a life of prostitution. Together they created a partnership that has lasted 16 years. In the beginning there were 20 women, now there are 250 and the project does more than provide employment – they are offered training, education, adult literacy skills, health care and crucially the women's self-esteem and empowerment is regained. 90% of the output at Micquelina is garments made for Paramo, and they have achieved a high level of expertise.

Some of the challenges experienced by Paramo included:

- The need for a strong and stable market. Initially Paramo targeted mountaineer groups or mountain rescue teams to establish the brand identity and reputation.

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- Addressing the perceptions that people have about 'ethical' garments, especially with high performance garments, people often believe they will be of a lower quality – which is not true! Certifications are a useful tool to assure customers of quality.
- Price points – it is more expensive to manufacture ethically, but if the products are technically superior they can command the premium price point.
- Workers in a project like this may initially not be highly skilled, but they are incredibly keen to succeed and improve if given the opportunity.
- Also, in this particular project, many workers have emotional problems, but the support they get from the project rebuilds their self-esteem and self-respect.
- A high level of professionalism is needed, not only from the suppliers, but also from the brand. For the partnership to succeed time and money needs to be invested for long-term goals and achievements.
- There is often a commercial and emotional battle – currently Paramo is struggling with the changes in the exchange rates caused by the economy. They want to protect their suppliers and the Micculina project, but also need to remain profitable.

### Paul Yuille, The Hemp Trading Company (THTC)

Paul was head of Design and Production at hemp pioneers THTC, and is well experienced with bringing product in on time and on budget. He believes that by improving the methods of communication with suppliers and manufacturers many production issues can be avoided.  
[www.thtc.co.uk](http://www.thtc.co.uk)

When looking to improve the sustainability of your manufacturing, communication is the most powerful and important tool. If a factory gets something wrong you may end up with a product you can't sell, so it is worth putting a little extra time into ensuring enough clarity and detail is communicated to them.

Knowledge of what mistakes can occur can help you to avoid them, and by putting time and effort into a relationship with suppliers and manufacturers early on you can help them become more reliable and self-sufficient.

THTC is a street wear brand for men and women, strongly influenced by, and supportive of, the UK music scene. Hemp is the main fabric used in the THTC ranges of clothing and accessories as it has strong environmental credentials. The brand is also aware that much of our clothing in the UK ends up in landfill, so they are taking steps to

reduce their waste and increase the lifespan of their garments by collaborating with Goodone, a recycling brand which remanufactures THTC waste and old samples into new garments.

To avoid many of the issues and complications that can arise from production the clarity and detail of a specification sheet is crucial – the best spec is one that gets a perfect sample in return. When a sample is wrong it is a waste of time, money, materials and all the other resources gone into making it, and often it is simple, avoidable errors that lead to this. Be accurate with materials, sizing, and colours, and get it right first time. The more you communicate with your factory the better the relationship will be.

But try to establish a progressive relationship – if something goes wrong, don't just drop them, the chances are they won't make the same mistake twice and there is no guarantee a new factory will be any better. Long-term relationships end up with better products and fewer mistakes.

Methods that THTC use to improve their efficiency include ordering big runs of basic items, which can then be printed in smaller runs in the UK, which keeps styles and prints current and on trend. They also meet minimum quantities on materials by using the same material on a range of product types, for example the same hemp canvas can be used on a hat, belt, wallet and bag.

Finally, the three C's:

- Communication – with the range of communication available there is no excuse not to maintain good connection with your factory – use email, skype, take pictures with digital cameras etc.
- Critical path – stick to it, and work it out in conjunction with the factory.
- Constructive criticism – see the opportunity to train, improve partnerships and build trade.

#### Prama Bhardwaj, Mantis World

Prama is founder and Managing Director of Mantis World – importers and wholesalers of ethically sourced clothing. Their mission is to make ethical and organic cotton affordable and easy to order with no minimum order quantities.

[www.mantisworld.com](http://www.mantisworld.com)

Mantis World are importers and wholesalers of ethically sourced clothing, looking to get this type of clothing into the mainstream. The ultimate aim is to make ethical and organic cotton clothing affordable and easy to order with no minimum order quantities. We mainly work

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with a family owned factory in Tanzania, and though a decade ago clients weren't interested in fair trade or ethical manufacturing, things have changed a great deal.

The factory used is Sunflag Tanzania, founded in 1965 and employing 2500 people. The working days are structured around family needs, and on offer are a range of benefits including maternity leave and full training to employees. The whole supply chain for the Sunflag factory is based in Tanzania in East Africa. The raw cotton crop is sourced from Mwanza and Meatu, ginned and delivered to Sunflag. With little industrial development in the country it has been easier for the whole process to be in house, which is much more efficient. Therefore spinning, weaving/knitting, dyeing, cutting, sewing and finishing is undertaken on one site.

A case study for small run, bespoke production:

A Dutch company Starfish wanted to produce 500 pieces of a maternity top, with bespoke print and embellishment. For each top sold a mosquito net was donated to African communities. The order was added to regular stock production, meaning small quantities can be absorbed and catered for.

Mantis World believes in the human touch – that communication leads to better understanding and relationships.

### Fiona Sadler, M&S

Fiona is head of ethical compliance for clothing and home at M&S, and plays an important role in implementing Plan A, the 100 point eco plan progressing through the next five years. By working with its suppliers and supplier factories, M&S looks to minimise the impact on the environment and to maximise opportunities for the communities behind its products.

[plana.marksandspencer.com](http://plana.marksandspencer.com)

The M&S supply chain is huge, with up to 35,000 different products in total approximately 1.7 million workers contribute, from farms to factories. M&S recognises this responsibility to its employees and also recognises the trust placed on it by customers.

M&S is supplied by 88 different countries, which involves 55 different languages. To help with improving communication there are 11 regional offices in key areas.

60% of M&S clothing is sourced from only 15 suppliers who have worked with M&S for 50 years – these are long-term supply relationships, as M&S does not want to hop from one factory to another.

Some key points include:

- Really *know* your suppliers.

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- Always look to continually improve.
- Careful critical path management will reduce inefficiency and will lead to a better product, and better rates of pay for workers.
- Set standards and goals, which can help you progress through problems with your suppliers, not against them.
- Look to guidance from groups such as the Ethical Trading Initiative (ETI), much ethical trading is not competitive but collaborative, many issues can be solved alongside other retailers who share the same suppliers.
- Support innovative projects which address bigger issues, such as environmental or social problems, often specific to the country or region of the supplier.
- Help suppliers identify and solve their own issues – by raising awareness, educating and creating tools and training to help them help themselves.

At supplier conferences M&S looks to open dialogs with suppliers, the interactive nature of the events through workshops and role play addresses real and existing issues.

The Supplier Exchange is another resource, an interface which allows a sharing of information, through uploaded news of events and projects. In Bangladesh there is now workers rights training – many workers simply do not know their own rights. This training offers them empowerment, by knowing what they are entitled to in terms of working hours, wages, holidays, maternity leave and dealing with harassment. It is much more progressive than workers strikes or disruption to the factory.

In Indonesia M&S has helped establish a 'Seed Fund' health clinic. Previously there had been no health care facilities near the factory and people could not afford the time off needed to visit them. By building a health centre next door not only do the workers have better access to health care, but figures show a greatly improved retention rate of workers, reduced absenteeism and improved productivity all round. Another example from China showed that by reducing the working hours, productivity actually improved as the workers had a better quality of life.

These all show that doing the right thing can and does pay.

The reasons M&S are taking all these steps comes down to customer values and expectations:

- Quality
- Value
- Service
- Innovation
- and TRUST

Fiona Gooch, Responsible Purchasing Initiative

Fiona works on private sector trade policy issues, particularly looking at the link between business and their impact on poverty in developing countries. She is the UK director of the RPI, has represented Fair Trade at the EU's Corporate Social Responsibility multi-stakeholder forum and acted as an NGO board member for the Ethical Trading Initiative.  
[www.responsible-purchasing.org](http://www.responsible-purchasing.org)  
[www.traidcraft.co.uk](http://www.traidcraft.co.uk)

It is an unfortunate fact that workers in developing countries are still extremely vulnerable to exploitation, slavery and bonded labour in countries such as India is widespread. But no consumer wants to endorse a product that somewhere down the supply chain is allowing modern day slavery.

Working for the organisation Traidcraft, it is clear that a system of long-term trade is needed to reduce poverty – rather than the short-term benefits of aid.

Traidcraft has two sides:

- A business, with development objectives.
- A development NGO specialising in business, called Traidcraft Exchange.

The main problems within supply chains are low pay and forced overtime. Minimum wages in developing countries are often not even close to a living wage, as a result workers are forced to work overtime, as it is the only way to earn enough to survive and support dependants. If workers refuse to work longer hours more often than not they will lose their job to someone who is willing.

Retailers, and consumers, need to buy in a manner that enables the workers to support themselves and their families above basic subsistence levels.

The UK often has a paternalistic and 'top down' approach, and good intentions do not always lead to the best outcome. Instead a 'bottom up' approach, where the needs of the workers are directly listened to, will lead to changes that are appropriate and will lead to gradual and lasting impacts.

Know your supply chain – by purchasing responsibly you can enable better conditions:

- Support small scale producers.
- Respect workers rights.
- Clear and timely communication – avoid changing orders or shipment dates at the last minute.
- Establish reasonable lead times and payment dates, do not delay as the effects of this can be crippling to small scale producers.

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- Aim for long-term relationships with suppliers, don't chop and change each season.

Weak integration and relationships merely pushes risk down the supply chain. Demanding low prices, high volumes and short lead times puts too much pressure on suppliers, the brunt of which is felt by employees powerless to change their situation.

The RPI offers guidance on integrating international development considerations into low cost country sourcing.

Some examples of good practise include:

- Doing the research, knowing your supply chain.
- Specifying production to meet base codes eg. ETI, Fairtrade
- Reward suppliers, make it become beneficial to them.
- Reward individual buyers who purchase from suppliers that champion better conditions.
- Understand the impacts that your purchasing decisions may have.
- Look at the decision to support these producers and suppliers as a long-term investment.

### Mark Bloom, Komodo

Mark Bloom is the founder of Komodo, a designer brand which grew from a stall at Camden Market, north London, to an international venture with outlets from London to Germany and Tokyo. The Komodo label was set up in 1988, with the specific aims of creating employment in developing countries and working to high ethical standards. Komodo is a member of MADE-BY.

[www.komodo.co.uk](http://www.komodo.co.uk)

[www.made-by.org](http://www.made-by.org)

Always remember that you can only do what you can do! As a start up business, working on a small scale from the bottom up, sustainability sometimes boils down to being able to pay the bills so that you can still be around next season.

Although there is a new language and awareness around sustainable fashion, the issues are the same. But being fair is not just about the factories you work with, but being fair to yourself too. If a factory messes up it can be your business on the line, and to be sustainable you have to stay in business.

Do the research and start where you want to be, with who you want to work with – always a good basis for a strong, long-lived partnership. Also remember that the partnership works both ways, if you work well for them they will work well for you – get them on board! There are

always a hundred things that can go wrong, but a strong partnership can help through difficulties.

Really know what your message is – why is someone going to work with you, or buy your product? If the product is right, it should speak for itself.

Always be true to yourself, your ideas and your values. Know your strengths and the strengths of the people you work with, and together work step by step to achieve your goals.

## **QUESTIONS**

Ethical and sustainability credentials potentially add value to a brand, yet Paramo decided not to market their products this way. Should it be used as a marketing tool or not?

Catherine Whitehead: Initially Paramo did not want to shout about their ethical production because the quality of the product was the most important selling point. There was also an element of protectionism for the workers, many of whom had been prostitutes or drug users, and did not want to trade on their misfortune.

It is generally assumed that ethical brands can get away with charging a premium, but what are consumers prepared to pay?

Catherine Whitehead: Some people are willing to pay a premium, others aren't – but generally most people won't buy something merely because it is ethical, the product has to be well-designed and well-made too. By focusing on other advantages, as Paramo has, you can tap into particular consumer needs and target markets. Don't underestimate the element of discovery, of the consumer only finding out about the ethical credentials after already liking the product for what it is.

Fiona Sadler: M&S has stocked fairtrade and organic products for sometime, but is only now beginning to buy larger quantities. Most M&S consumers do not wish to pay a premium, but expect the company to take the responsibility of ethical sourcing. M&S absorbs the higher costs by taking a lower cost price on these ranges.

Fiona Gooch: Transparency is very important. You may decide not to shout about the ethical credentials of the brand but don't hide them either, make the information available so those who want to can find out more.

Paul Yuille: Some figures show that up to 85% of consumers may pay up to 25% more for an ethical product, but you have to be very clever



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about communicating to consumers why the product costs more, what the benefits are – this can be done on point of sale, or online, but can be tricky.

Clare Lissaman - concluding thoughts

The recurring themes to emerge from this evening have been the importance of clear communication, relationships and the human touch, and of researching fully before acting.