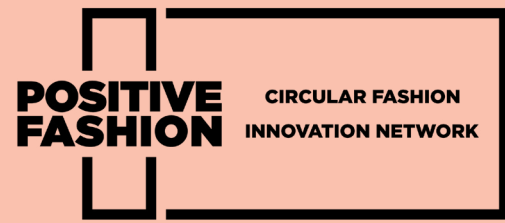


ukft[®]



Responsible UK Fashion and Textile Supply Chains

Building a Sustainable Future



Foreword

I am delighted to present this report on responsible supply chains. It represents a vital step in understanding how we can support the UK fashion and textile ecosystem to achieve its reshoring ambitions. By identifying key opportunities and practical solutions, we aim to create positive change that benefits manufacturers, brands and retailers alike. The insights and recommendations presented will help to create the conditions needed for UK manufacturing to thrive, supporting the Circular Fashion Innovation Network's (CFIN) vision of a sector that leads in both innovation and responsible business practice.

As global supply chains undergo rapid transformation, regulatory obligations increase, and businesses pursue ambitious sustainability goals, the opportunity for UK fashion and textile manufacturing has never been greater. Through the Sustainable Manufacturing strand of CFIN, we are supporting a transition towards responsible manufacturing for the UK fashion and textile industry with key strategic goals to champion the diverse capabilities of the UK's domestic supply base.

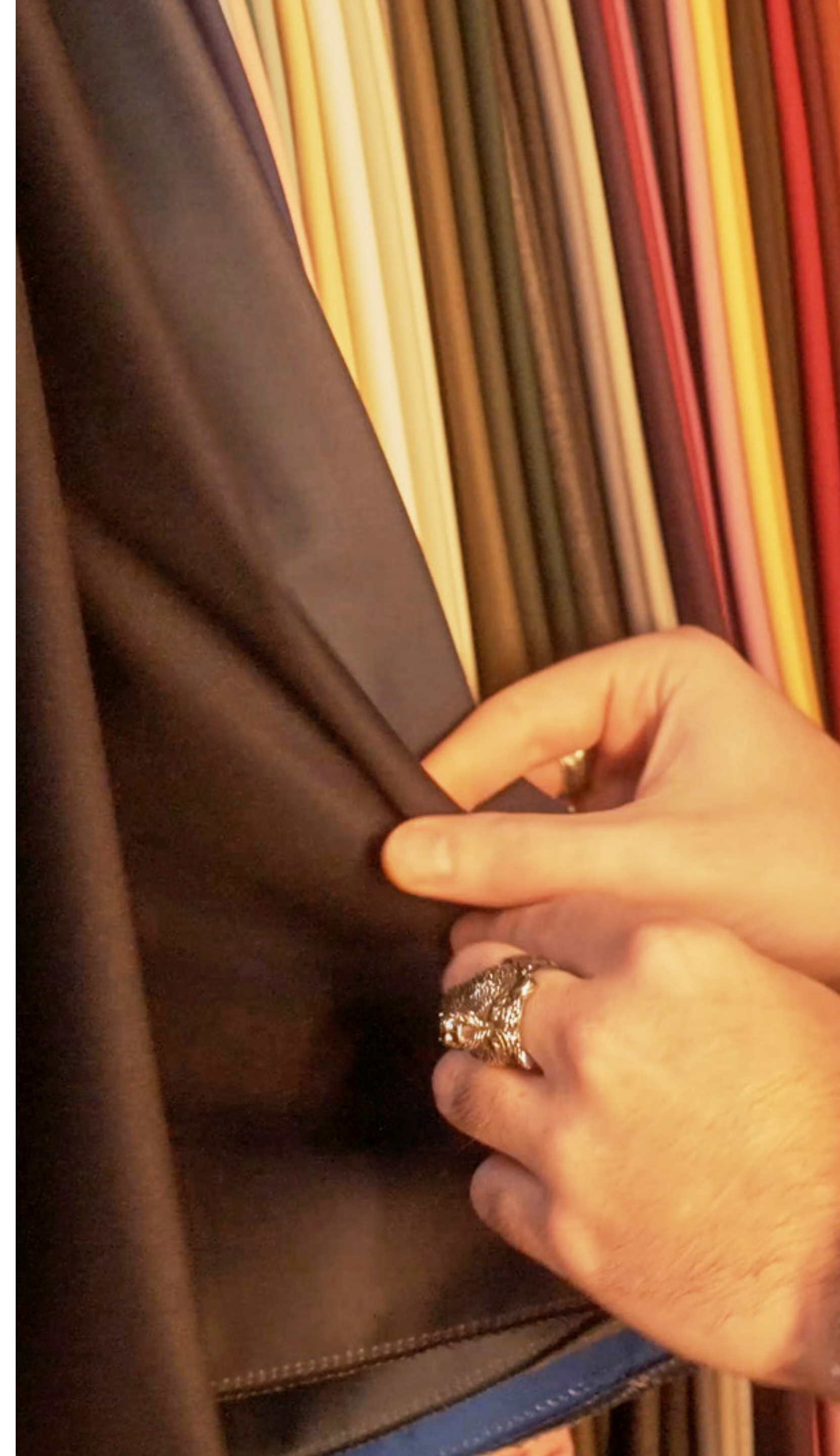
CFIN has enabled UKFT to conduct extensive consultations with stakeholders across the UK fashion and textile supply chain. This has facilitated comprehensive insights that can support the industry in enhancing social and ethical compliance practices within UK manufacturing. This understanding is crucial for increasing fit-for-purpose domestic manufacturing capacity that can meet the evolving needs of the retail market and to benefit from new markets and opportunities, while also addressing the unique challenges UK manufacturers face.

Brands and retailers report that they are exploring more close-to-home manufacturing solutions and UK manufacturers report that they are exploring expansion of production capabilities and increased capacity. The benefits of domestic sourcing are compelling – increased responsiveness, flexibility, reduced carbon footprint, and greater visibility of manufacturing environments. However, to fully realise these opportunities, we must address the complex social and ethical compliance landscape faced by all.

This report has been produced through the Circular Fashion Innovation Network. CFIN is an industry-led programme led by the UK Fashion and Textile Association and the British Fashion Council in partnership with UK Research and Innovation to help the UK accelerate towards a circular fashion and textile ecosystem.



Adam Mansell, CEO UKFT



Acknowledgements

REPORT TEAM

This report has been brought together by the UK Fashion & Textile Association (UKFT).

Written by:

- Alice Burkitt, Consultant, UKFT
- Lizzy Dakin, Sustainability Manager, UKFT

Designed by:

- Laura Tobin, Creative Executive, UKFT

CONTRIBUTORS

We would like to thank the following contributors:

Abraham Moon, Alfred Brown, Amfori, ASOS, A W Hainsworth, Basic Premier, Better Buying, Boden, Bower Roebuck, BSI, Daks, Fashion Enter, Fast Forward, Fazane Malik Clothing, Garment and Textile Workers Trust, Huddersfield Fine Worsted, Intertek, James Ince Umbrellas, John Lewis, John Smedley, Johnstons of Elgin, LLUK, Lochcarron, MAES London, MacNaughton Holding, Mamas & Papas, Me+Em, New Look, Next, Oubas Knitwear Ltd, Paul Smith, Pattern Cutting Studio Ltd/Plus Samples, River Island, Sedex, SLCP, Sour Grape, Truetex, Universal Works, Wooltex

Simon Platts, Co-Founder Responsible Sourcing and ESG Consultancy, SP&KO

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UK Research & Innovation (UKRI) as part of the Circular Fashion Innovation Network (CFIN) to accelerate the UK towards a Circular Fashion Ecosystem.

CIRCULAR FASHION INNOVATION NETWORK (CFIN)

The Circular Fashion Innovation Network (CFIN) is an industry-led programme led by the British Fashion Council (BFC) and UK Fashion and Textile (UKFT) in partnership with UK Research and Innovation (UKRI) to accelerate the UK towards a Circular Fashion Ecosystem.

It aims to convene industry, academia, and innovators to accelerate work and expertise needed to create a circular fashion ecosystem in the UK with an innovation-led mindset. The programme explores ways to reduce waste and lower the environmental impact of production, consumption and end-of-use in the UK, while creating new opportunities for the UK fashion and textile industry. It also engages with existing projects to harness best practice and develop emerging technologies.

The programme has six themes:

- Circular Business Models
- **Sustainable Manufacturing**
- Recycling Infrastructure
- Novel Technology
- Diverse and Future-proof Workforce
- Green Growth

UK FASHION & TEXTILE ASSOCIATION (UKFT)

UKFT is the largest network for fashion and textiles in the UK. As the industry's leading trade association and Sector Skills Body, we are committed to delivering sustainable growth for the entire UK fashion and textile supply chain.

We bring together brands, designers, manufacturers, suppliers, educators and retailers to promote their businesses and our industry, both in the UK and throughout the world. We offer practical advice and technical support to help member companies grow and trade internationally.

With a growing focus on sustainability and innovation, UKFT is driving meaningful action in the transition to a circular economy.

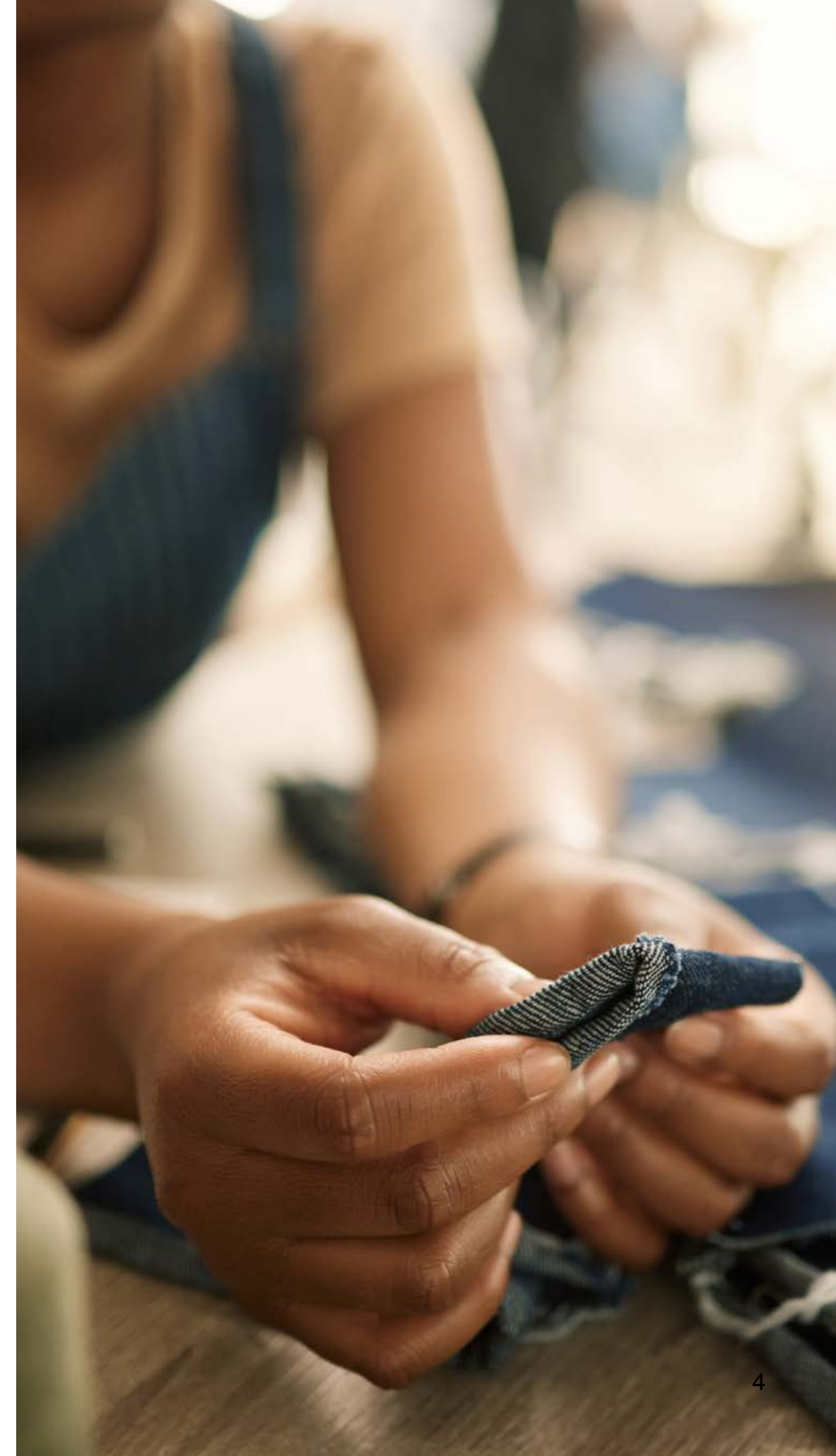
We work to elevate the skills of the UK fashion and textile industry to maintain our competitive position for the future.

We support businesses with complex global supply chains, as well as helping to drive a resilient and innovative UK manufacturing sector.

Our President is HRH The Princess Royal.

Table of contents

<u>Executive Summary</u>	5
<u>Introduction</u>	9
<u>Methodology</u>	12
<u>Current Social and Ethical Compliance Landscape in the UK</u>	15
<u>Key Challenges</u>	21
<u>Opportunities and Potential Impact</u>	25
<u>Recommendations</u>	28
<u>Delivery Roadmap</u>	31
<u>Glossary</u>	35



Executive summary





This report is motivated by the need to understand and strengthen social and ethical compliance practices within UK fashion and textile manufacturing relationships, in order to support a boost in domestic production.

The research conducted under the Circular Fashion Innovation Network has brought together almost 50 UK businesses including manufacturers, retailers, brands and compliance experts to participate in workshop and consultation sessions.

While media reports have highlighted social and ethical compliance issues in certain UK fashion and textile manufacturing regions, there is no evidence to suggest this is a widespread issue across the UK. The greatest challenge for the industry lies in managing varying social and ethical compliance expectations and in effectively demonstrating social and ethical best practice. Buyer expectations vary significantly, requiring manufacturers to demonstrate social and ethical best practice through multiple tools and verification methods.

The research reveals that effective social and ethical compliance need not rely solely on costly audits - success comes from maintaining flexibility and openness to diverse approaches. This period of consultation has demonstrated that supporting a responsible UK manufacturing infrastructure requires a move beyond rigid compliance requirements towards a relationship led model where there is a deeper understanding between buyer and manufacturer. Retailers and brands need to broaden their approach to verification, accepting diverse methods through which suppliers can demonstrate commercially viable social and ethical best practice.

Cultural transformation represents the most significant step towards achieving a more responsible UK fashion and textile supply chain. This attitudinal change would require a greater recognition of the distinct characteristics of UK manufacturing and production operations and transparent approaches to costing. Research indicates a growing trend of UK brands and retailers engaging manufacturers for sampling without proceeding to production - a practice that undermines manufacturer stability by consuming resources without

generating sustainable revenue. Buyers often apply global market price expectations to UK manufacturers, creating pressure to undercut costs below the national living wage - a practice that would be both illegal and unethical. The research reveals that stress, primarily driven by pricing pressures and unrealistic expectations, is due to poor understanding and lack of investment at the retail level when training their staff in ethics, including ethical pricing, which is a significant catalyst for non-compliance. UK manufacturers identify price pressures from brands and retailers as a root cause of unfair remuneration practices. Strengthening purchasing practices and developing a comprehensive understanding of manufacturing costs can help remediate social and ethical non-compliance while building a more stable UK manufacturing ecosystem.

As reflected in the drivers for implementing social and ethical compliance (page 19), both retailers and garment manufacturers face reputational risks. While brands and retailers perceive risk in working with UK manufacturers due to recent exposures of unethical practice, manufacturer feedback indicates that brands and retailers must also acknowledge their role in the system. Though not all production can be sourced from the UK, the research identifies misconceptions about UK manufacturing capabilities. The retail sector appears to have corporate memory-loss of previously strong domestic manufacturing relationships. This knowledge gap affects understanding of the current UK manufacturing landscape, suggesting a need to rediscover local opportunities.

The move offshore in the 1980's and 1990's benefited retailers economically due to cheaper overseas labour costs making it more economical to produce goods. In addition, during that period the economies of scale with large minimum volumes fitted the bricks and mortar sales model. However, these models do not exist for online retail and reduced bricks and mortar square footage nationally. Since then, the economic conditions and context have significantly changed bringing an opportunity to redefine UK manufacturing models. This can provide a new opportunity for speed and agility sourcing as part of a new blend of far, near and onshore sourcing with technology and innovation further enhancing these capabilities.

Research demonstrates how UK manufacturing offers strategic advantages that can offset higher operating costs. A key benefit emerges in inventory management - domestic production enables rapid-response manufacturing that significantly reduces unsold and dead stock, a major challenge facing the fashion and textile industry due to many brands sitting on large volumes of both. Leicester-based manufacturers provide evidence of this model's success, showing how quick-response local production helps retailers minimise excess inventory while improving cash flow.

The research identifies specific opportunities in fully factored production and made-to-order manufacturing, supported by advances in AI and production technology. These capabilities allow UK manufacturers to offer sophisticated solutions that balance higher production costs against reduced inventory risk and enhanced market responsiveness. This domestic model presents clear advantages over international sourcing in reducing overproduction and associated waste.

However, bridging the gap between UK manufacturing capabilities and price expectations remains crucial. While manufacturers report strong domestic demand, many potential clients default to overseas options when faced with UK costs. Buyer KPI's should be redefined when approaching the costing of UK manufacturing with price expectations to look beyond high intake margins and focus on net margins/profitability of product lines. This suggests a need to better demonstrate the complete value proposition of UK manufacturing, particularly how reduced inventory and faster market response can deliver long-term financial and environmental benefits.

Despite these challenges, research reveals strong industry appetite for positive change. Manufacturers demonstrate willingness to enhance their practices, while brands and retailers seek stronger relationships with UK suppliers. The sector's priority must be education to achieve responsible manufacturing practices while preserving economic resources.

This report provides crucial insights into supporting the UK fashion and textile ecosystem's ambitious goals. Extensive stakeholder consultation has identified key opportunities for advancing responsible business conduct. Shaped by industry expertise, these recommendations aim to strengthen the UK's position as a leader in responsible fashion and textile manufacturing, building on the sector's commitment to ethical and sustainable practices.



KEY FINDINGS

The development of this report has highlighted the extent of fragmentation within the industry, the lack of central commercial knowledge, as well as accessible information and platforms for both buyers and manufacturers to engage with.

Varying social and ethical compliance expectations:

- Issues arise around proliferation of varying tools and frameworks for UK fashion and textile manufacturing, with manufacturers currently managing up to almost 50 different compliance standards and frameworks (UKFT Sustainability Survey, 2023)
- Both manufacturers and retailers report challenges navigating multiple frameworks, despite these being fundamentally based on common international standards
- This creates significant operational strain, with many businesses struggling to resource multiple overlapping systems
- Manufacturers require dedicated staff just to manage compliance workload

Understanding shared responsibilities:

- Textile and garment manufacturers agree that a collaborative approach with their clients working towards shared values is essential for success
- Retailers typically expect manufacturers to cover their own audit costs, yet success requires investment from both sides
- Smaller manufacturers particularly struggle with dedicating sufficient resources to social and ethical compliance management, especially when buyers require specific proprietary verification systems. The sector needs mechanisms that encourage honest dialogue about challenges rather than punitive approaches

Cost as a critical factor:

- Hidden social and ethical compliance costs significantly impact overheads and final pricing
- Buyers show limited understanding of ethical pricing and UK manufacturing cost structures
- Pricing pressures can create significant stress that may be a root cause to compromised ethical practices
- Many manufacturers have adopted open cost sheet approaches to enable more informed negotiations with their clients
- Better understanding is needed of which manufacturing costs must be protected from price negotiations to maintain ethical standards - particularly those directly impacting worker welfare and compliance requirements

Building stronger relationships:

- Evidence shows relationship-building and ongoing engagement are more effective than audit-heavy approaches.
- Manufacturers who have adopted transparent approaches report improved relationships with buyers
- Corporate memory loss affects understanding of UK manufacturing context, particularly in the retail sector

Future opportunities:

- Both textile and garment manufacturers report that demonstrating high levels of social and ethical compliance increases business opportunities
- Recent technology innovation and production methods e.g. on demand and zero waste position UK manufacturers to offer unique advantages
- Speed to market and production flexibility can offset higher UK production costs
- Success requires a shift towards transparency and reduced duplication of efforts
- The UK's domestic manufacturing base offers opportunity for greater supply chain visibility and collaboration. This proximity could enable more regular site visits, closer relationships between buyers and manufacturers, and better oversight of production processes - when proper engagement is established and maintained
- Digital platforms can facilitate knowledge sharing and information exchange between supply chain partners, creating a centralised resource for industry collaboration and best practice



Introduction



BACKGROUND

This piece of work stems from a drive from UK high street retail to explore the various opportunities and challenges relating to reshoring manufacturing to the UK as part of what should be a new blended approach to sourcing, far, near and onshore. This report aims to build understanding that will increase fit-for-purpose domestic manufacturing capacity in the UK fashion and textile sector. This understanding is essential to meet evolving retail market needs and support the reshoring agenda, while addressing the unique challenges faced by UK manufacturers. As an industry convener, UKFT facilitated stakeholder dialogue to identify social and ethical compliance challenges and opportunities to strengthen domestic manufacturing capabilities.

Whilst isolated, there have been some serious issues that have been highlighted relating to social and ethical compliance in some limited manufacturing settings. This has led to increased social and ethical compliance expectations being placed upon manufacturers by brands and retailers in the UK.

A recent UKFT Sustainability Survey (2023) highlighted the complex approach to compliance experienced by fashion and textile manufacturing businesses, with participants using almost 50 different compliance standards and frameworks. This complexity places increased pressure on manufacturers who must respond to varying client requirements.

The role of frameworks and standards in fostering collaboration for due diligence implementation is widely recognised. While these standards are central to identifying social and ethical issues within supply chains, their limitations—including lack of interoperability between approaches and data sharing—often result in duplication, resource strain, and compliance fatigue.

POLICY CONTEXT

Commercial organisations with a turnover of £36 million or more operating in the UK must report on modern slavery measures in their supply chains. UK manufacturers are indirectly obligated to comply with these due diligence expectations and disclose relevant information to their clients.

The UK government aims to strengthen the Modern Slavery Act by proposing mandatory topics for Modern Slavery statements, requiring companies to publish their due diligence processes rather than just statements. Additionally, many brands and retailers request due diligence information from their suppliers as best practice, following stringent global standards.

While this report focuses exclusively on the UK sector, UK businesses, and their suppliers, who are selling into international markets must also be aware of and comply with global legislation. The regulatory landscape for social and ethical compliance is continuously evolving.

The timeline on the following page provides an overview of both mandatory and voluntary regulatory pressures being placed on companies to account for social and ethical compliance globally. Whilst usually brands and retailers are in scope, often manufacturers have an indirect obligation to fulfil their clients' requirements.



Introduction

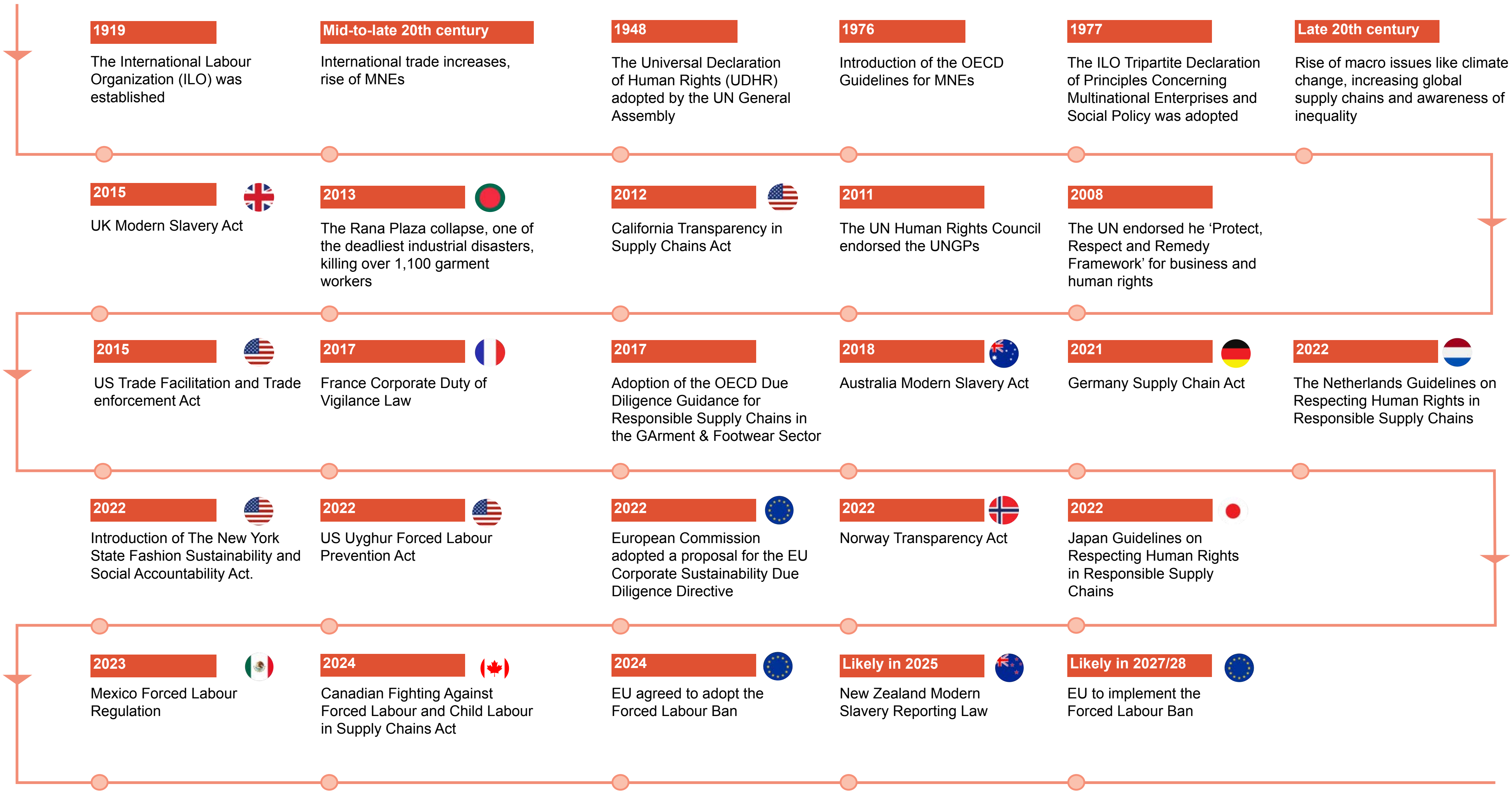


Image taken from UKFT's Sustainability 101: A Guide to Human Rights and Environmental Due Diligence in Fashion Supply Chains

Methodology



As a key initiative within CFIN's Sustainable Manufacturing theme, this research aimed to gain comprehensive insights into enhancing social and ethical compliance practices within UK manufacturer/client relationships.

To support this strand of work, UKFT held a set of workshops during 2024 with key stakeholders to gain a better understanding of:

- The current social and ethical compliance landscape
- The ambitions of each sub-sector
- Requirements and expectations in retailer/manufacturer relationships

By exploring these areas, UKFT sought to identify and better define the industry's current drivers and barriers to achieving a more responsible UK supply chain.

This report incorporates expert insights from 39 UK industry players including retailers, brands, garment and textile manufacturers, and 8 compliance experts. The research comprised of workshops conducted between March and May 2024, a social and ethical compliance expert consultation in October 2024 and further industry consultations in November 2024.

INDUSTRY WORKSHOPS

This section lays out more information about the types of businesses consulted, their role within the UK supply chain and the types of manufacturing relationships they represent.

Brand and retailer participants

The majority of retailers and brands UKFT consulted, work with UK manufacturers, although currently only for a small portion of their production. For retail, this encompasses soft furnishings, hosiery, footwear, soft accessories, and jersey items. Brands produce apparel, footwear, accessories, and ready-to-wear items, typically for smaller volume sporadic seasonal collections.

The brands consulted sell through diverse channels including Direct-to-Consumer (D2C), Business-to-Business (B2B), and retail store concessions. They reach global markets across the UK, EU/EEA, Asia, North America, South America, Gulf countries, Australia, and New Zealand.

The cohort of retailers primarily engage in fully factored production, alongside Cut Make Trim (CMT), on-demand manufacturing, white label production, printing and embroidery, packing/warehousing, fabric purchasing, and repair and alteration services. Brands focus on production for higher price point ranges, Made-to-Order (MTO), CMT, fully factored production, and sampling development.

Garment and textile manufacturer participants

Both garment and textile manufacturers involved in UKFT's research served a range of clients, from SMEs to large corporations and retailers, with some also supporting start-ups.

Garment manufacturers primarily served UK-based clients, with some reaching EU/EEA, North America, Gulf countries, Australia, and New Zealand. They offer pattern cutting and grading services, sampling and development services, MTO, CMT, fully factored production, on-demand services, white label production, finishing, repair and alteration.

Textile manufacturers typically maintain a broader international client base. Textile manufacturers provide design, weaving, sampling, dyeing, raw material sourcing, scouring, blending, fibre spinning, filament drawing, knitting and finishing.

Workshop Format:

UKFT convened targeted industry workshops to evaluate the social and ethical compliance landscape across UK fashion and textile manufacturing. Workshops were conducted separately based on category of business to enhance stakeholder participation.

Participants, typically employees managing social and ethical compliance, engaged with nearly 30 questions covering:

- Current operational and knowledge baselines
- Current working relationships and practices
- Costs and responsibilities
- Ambitions and opportunities for the sector
- Barriers
- Recommendations for change

SOCIAL AND ETHICAL COMPLIANCE EXPERT CONSULTATIONS

External social and ethical compliance experts reviewed initial workshop findings. Collectively they had experience working with brands, retailers, sourcing companies and manufacturers across the UK fashion and textile sector and brought perspectives from both large enterprises with dedicated sourcing teams and SMEs where social and ethical compliance is managed alongside other functions.

Participants were asked to provide feedback and to think critically about potential interventions and collaborations that would support the industry's ambitions to drive social and ethical advances within the UK fashion and textile supply chains.

The consultation process included:

- Establishing research context and minimum social and ethical compliance expectations
- Reviewing identified barriers and potential interventions
- Presenting initial UKFT delivery roadmap
- Gathering expert insights through targeted questioning

FURTHER INDUSTRY CONSULTATION

UKFT conducted further industry engagement to validate research findings and refine the delivery roadmap. This phase ensured recommendations aligned with industry needs and ambitions through direct stakeholder feedback.

The validation process focused on:

- Testing recommendations against practical industry requirements
- Assessing implementation feasibility
- Confirming strategic alignment on UKFT roadmap





Current social & ethical compliance landscape in the UK

Workshop findings reveal a clear picture of the current social and ethical compliance landscape for fashion and textiles, including relationships between stakeholders, compliance practices, and operational approaches.



SOCIAL AND ETHICAL COMPLIANCE BASELINES IN THE UK

This section lays out insights that arose from the workshops about current practices and knowledge levels within social and ethical compliance across the UK industry footprint.

Operational foundations:

Brand and retailer companies said they typically integrate compliance, Environmental Social Governance (ESG), or sustainability teams in sourcing decisions. Sourcing and buying teams propose new suppliers, which are then approved by these specialist teams through an onboarding process assessing suppliers against specific ethical and sustainable expectations.

Approach to international standards and frameworks:

The research explored how organisations apply international labour and human rights codes of conduct within their operations and supply chains. A clear pattern emerged showing brands and retailers working from shared international frameworks, with their suppliers largely aligned to these same codes of conduct. This alignment demonstrates effective knowledge transfer across the industry. However, while foundational standards are consistent, the ways businesses require manufacturers to demonstrate and verify social and ethical compliance vary significantly, creating complexity in implementation and increased resource to manufacturers and ultimately retailers, often resulting in high pressured pricing negotiations.

The Ethical Trading Initiative (ETI) base code emerged as the primary framework used by all participating brands and retailers and most garment manufacturers. Many organisations supplement this with International Labour organisation (ILO) and Organisation for Economic Co-operation and Development (OECD) frameworks, alongside UN Guiding Principles (UNGPs). This widespread adoption suggests strong sector alignment, though notably, textile manufacturers showed less framework

engagement, with only one using SMETA's (Sedex Members Ethical Trade Audit) own code of conduct.

The ETI base code, founded on ILO conventions, establishes fundamental principles of ethical trade:

- Employment is freely chosen
- Freedom of association
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid (UK context: Minimum wage)
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided

This global reference standard serves as a benchmark for social audits and ethical trade strategies. Organisations often integrate multiple frameworks - for instance, some retailers combine ILO, ETI, OECD and UNGP guidelines within their supplier code of conduct.

SMETA audits, used by several retailers, incorporate both ETI Base Code and UN Guiding Principles, providing comprehensive assessment of human rights impacts in business operations. The Business Social Compliance Initiative (BSCI) offers another widely recognised approach, drawing on major international frameworks including UN declarations for human rights, ILO conventions, and OECD guidelines. This layered use of complementary standards helps organisations build robust social and ethical compliance approaches while maintaining alignment with global best practices.

The relationship between international standards

International standards for social and ethical compliance work as complementary frameworks, each serving distinct yet interconnected purposes. The ILO and ETI establish the foundation, setting global legal standards and guiding principles for national governments, employers, and workers across textile and apparel production.

The UN Guiding Principles translate these standards into actionable business practices through three essential components. Companies must first establish clear policy commitments to respect human rights. This commitment is supported by ongoing due diligence processes to identify, prevent, and address potential human rights impacts. Finally, organisations must maintain active remediation processes for addressing any adverse impacts they cause or contribute to.

The OECD framework further develops this approach by providing practical guidance for embedding responsible business conduct into organisational policies and systems. Their comprehensive approach helps businesses assess and address impacts across operations and supply chains, track implementation effectiveness, and maintain transparent communication about their efforts. Uniquely, the OECD framework also provides specific guidance for environmental due diligence, offering organisations a more complete approach to responsible business practices.

MINIMUM SOCIAL AND ETHICAL COMPLIANCE EXPECTATIONS

The industry showed greater interest in understanding compliance ‘expectations’ rather than rigid requirements, recognising that this approach allows for more ethical choices and encourages consistent practices across the sector.

Workshop findings revealed consistent compliance expectations from retailers and brands when establishing relationships with UK manufacturers. These expectations are typically formalised before partnerships begin, with evidence of compliance systems and tools being mandatory for engagement. Retailers actively incorporate these requirements into supplier discussions and agreements throughout the onboarding process.

Core compliance requirements include having completed necessary audits, demonstrating willingness to address non-compliances, adherence to the ETI base code, and alignment with brand-specific codes of conduct. Manufacturers are also expected to maintain their own ethical policies.

Assessment methods vary but commonly include third-party audits (primarily SMETA, BSCI, and Fast Forward), Sedex self-assessment questionnaires, and direct factory visits. Most retailers require additional ethical safeguards including anti-bribery policies, grievance mechanisms, and whistleblowing procedures. Some retailers benchmark suppliers’ ethical practices to evaluate maturity and track behaviour patterns. Activities such as benchmarking can often be linked to more business opportunity where a manufacturer has indicated responsible business conduct.

The workshops further explored the current ethical considerations taken by the participants in both their own operations and those of their partners as well as the tools and systems used to record, monitor and evidence.



Workshop engagement revealed that brands and retailers, driven by heightened awareness of reputational risks, consider the following methods mandatory for their UK textile and garment manufacturing partners. These requirements stem from corporate risk management strategies and reflect individual business expectations rather than legal obligations. As brands and retailers seek to protect their reputation, these verification requirements filter down to their manufacturing partners:

- Must have a required audit based on brand/retailer choosing
- Must be willing to remediate non-compliances
- Must follow ETI base code
- Must follow brand/retailer Code of Conduct
- Suppliers must demonstrate own ethical policies and/or Code of Conduct

The below highlights the methods and tools which were highlighted as a means to assess, manage, monitor, record, measure, and evidence manufacturers against their social and ethical compliance criteria

- Third party audits / assessments, most popular: SMETA, BSCI, Fast Forward, some stated any audit or framework aligned with ILO conventions if first choice was unavailable
- Sedex SAQ
- Second party factory visits

Figure: Verification Credability

SUPPLY CHAIN RELATIONSHIPS

Understanding the contractual and operational dynamics between manufacturers and their buyers is crucial when examining supply chain relationships. This section will explore whether social and ethical compliance requirements are explicitly outlined in the buyers contracts, the level of support manufacturers receive from buyers to meet those standards, and whether a lack of buyer assistance has ever led to what manufacturers perceive as “unfair” contract terminations. Additionally, it examines how social and ethical compliance expectations may differ based on the type and size of the buyers business, such as small brands versus large retailers.



Supporting manufacturers with increased social and ethical compliance requirements

Retailers claim to actively support manufacturers in meeting social and ethical compliance requirements. This support includes providing guidance, scorecards and performance insights to help manufacturers improve their compliance practices. Retailers state they offer this assistance to build stronger relationships, as they feel responsible for the wellbeing of the factories they work with, and to promote more responsible business conduct. One participant mentioned collaborating with a third party to host workshops that support and drive positive change among their supplier network.

Manufacturers in the textile and garment industries corroborated that they sometimes receive helpful support from buyers. This can take the form of guidance to understand social and ethical compliance expectations, scorecards and insights to improve compliance-related performance, as well as financial assistance to cover costs of implementation, audits, and other compliance-related initiatives.

Termination of contract due to social and ethical compliance issues

Many brand and retail representatives commented that when they do not see sufficient progress on social and ethical compliance, they first enter into dialogue with the manufacturer to provide additional support. This may involve placing the manufacturer on a targeted improvement plan to address underperformance. Only after numerous unsuccessful attempts to remediate issues would they consider a phased exit, in alignment with international guidelines. They emphasised that social and ethical compliance lapses are rarely the sole reason for contract termination, and they are generally inclined to continue working with suppliers rather than abruptly ending relationships, unless quality issues or other major problems also persist.

Understanding shared responsibilities

Understanding the shared responsibilities between buyers and manufacturers is key to upholding social and ethical compliance standards. This section aims to explore where each party perceives their roles and obligations lie when it comes to maintaining social and ethical compliance, and clarify whose responsibility it is, within the buyer-manufacturer relationship, to ensure social and ethical compliance is met.

Both brands and retailers agree that social and ethical compliance responsibility lies with both parties. Brands and retailers must communicate expectations and ensure due diligence processes, while manufacturers must meet and ideally exceed legal expectations.

Textile and garment manufacturers shared the same sentiment that it should be a collaborative approach working towards the same goal with shared values for it to be successful. Stakeholders across the industry agreed that more legal enforcement is needed to address violations of employment laws. Suggestions included making social and ethical compliance, such as adherence to the Modern Slavery Act, a mandatory requirement. There was also a call for stronger action to be taken against bad actors on both the buyer and manufacturer sides.

Understanding financial responsibilities

While the shared responsibilities around upholding social and ethical compliance are crucial, it is equally important to examine the financial implications and respective responsibilities within a manufacturing relationship. Key financial findings from UKFTs research includes:

- Few businesses across all groups maintain dedicated social and ethical compliance budgets, although it was revealed that cuts are often being made to compliance budgets.
- Retailers generally expect manufacturers to cover their own audit costs
- Some manufacturers avoid certain clients due to social and ethical compliance workload
- High demonstrable levels of social and ethical compliance can increase business opportunities, particularly with UK, US and EU brand and retailer clients





DRIVERS FOR IMPLEMENTING SOCIAL AND ETHICAL COMPLAINE

The workshops highlighted multiple drivers for implementing social and ethical compliance practices across the sector. While all groups identified company values as a primary motivation, retailer expectations emerged as a significant factor in driving business commitment to social and ethical compliance standards. Legal requirements also strongly influence retailers, brands and garment manufacturers, as legislation affecting retailers cascades through the supply chain. This creates a requirement for suppliers to maintain and demonstrate social and ethical compliance to remain competitive.

Textile manufacturers showed less awareness of these factors and social and ethical compliance generally. However, new requirements extending across all supply chain tiers are likely to increase engagement in this segment.

	Reputational Risk	Company Values	Legal Requirements	Operational Efficiency	Client Expectations	Competitive Advantage
Retailers	✓	✓	✓	✓		
Brands		✓	✓		✓	
Garment Manufacturers	✓	✓	✓	✓	✓	✓
Textile Manufacturers		✓			✓	

Key Challenges



The research revealed fundamental challenges that affect social and ethical compliance across all tiers of the UK fashion and textile supply chain. While individual businesses face unique difficulties based on their size, business type and operations, clear thematic patterns have emerged across the supply chain that must be addressed.

The following five interconnected themes emerged consistently throughout UKFTs research and consultation process: the financial implications of implementing and maintaining social and ethical compliance standards; the unnecessary complexity created by multiple overlapping frameworks; a growing sense of compliance fatigue from managing varied requirements; resource constraints that limit effective implementation; and challenges around achieving meaningful transparency between supply chain partners.

COST

The UK fashion and textiles manufacturing sector faces distinct operational and financial hurdles related to social and ethical compliance. Hidden, duplicated and wasteful costs significantly impact overheads and final pricing, with many manufacturers requiring dedicated positions just to manage compliance workload. A critical issue centres on buyers' often limited understanding of ethical pricing and cost structures, with many approaching UK manufacturers with the same cost expectations they apply to overseas suppliers.

The current pricing approach often fails to recognise the specific context and cost base of UK manufacturing. Buyers need greater understanding of which cost elements should be ring-fenced and considered non-negotiable for maintaining ethical standards. Along with a better understanding of the full net value of products sourced in the UK. There is a huge gap and opportunity here, and one that's needed to ensure the UK is a destination that works for retailers. While manufacturers can explore cost reductions through tech innovation, fabric choices, design modifications or production efficiencies, certain core costs related to social and ethical compliance cannot be compromised without risking potential adverse impacts.

Manufacturers report that pricing pressures can create significant levels of stress that may lead to compromised practices, highlighting the direct link between adequate pricing and maintaining social and ethical best practice. To combat this, many have adopted open cost sheet approaches, providing transparency that enables more informed negotiations. Recent changes to the UK budget have added further pressure through increased wage costs, other inflationary costs such as energy, insurance and finance, though manufacturers emphasise that speed to market and production flexibility can offset higher UK production costs when properly valued.

Questions persist about who should bear audit costs, with some stakeholders suggesting buyers should take greater responsibility for these expenses.

COMPLEXITY

Both manufacturers and retailers report challenges navigating multiple frameworks and standards, despite these being fundamentally based on commonalities. This complexity particularly affects businesses with fewer than 50 workers, who often struggle to understand and interpret varying social and ethical compliance requirements. Findings show that smaller manufacturers frequently lack the in-house expertise to navigate different standards and may struggle to successfully remediate social and ethical non-compliances due to limited understanding of root causes.

The lack of alignment between different buyer requirements creates unnecessary complexity, with brands and retailers often making requirements more stringent than international standards like OECD guidance actually require. Reputational considerations significantly influence social and ethical compliance requirements, with brands and retailers often implementing stronger standards to safeguard their public image and avoid association with negative practices.

Current assessment frameworks present challenges for UK manufacturers, who must reconcile domestic regulations with international standards. While these frameworks are often tailored to overseas contexts, international standards represent established best practice that the UK sector should strive to follow. The varying baseline expectations across buyers create complexity for businesses, despite the underlying standards being largely similar.

Research reveals a knowledge gap in understanding and implementing these international codes of conduct. Social and ethical compliance experts emphasise that most frameworks already align with common international standards like ILO conventions, suggesting potential to reduce complexity through better translation and practical application rather than creating new standards. Supporting UK manufacturers to understand and implement these established frameworks can strengthen working relationships throughout the supply chain and enhance social and ethical compliance practices.



COMPLIANCE FATIGUE

UKFT conducted a survey in 2023 that revealed that manufacturers typically manage up to almost 50 different compliance standards and frameworks, creating significant operational strain. This proliferation of requirements leads to what many describe as ‘compliance fatigue’ - where businesses struggle to maintain enthusiasm and engagement with multiple overlapping systems.

Traditional audit-based approaches can show limitations in the UK context, with evidence that even established systems like SMETA and Fast Forward audits may not fully capture all social and ethical compliance issues. A particular concern is how buyers often turn standard and framework guidance into mandatory requirements, creating additional pressure on manufacturers.

The industry increasingly recognises that relationship-building and ongoing engagement are more effective than audit-heavy approaches. Alternative models, such as facility ownership approaches where manufacturers maintain control of their social and ethical compliance data, show promise in reducing audit fatigue while maintaining standards. However, the administrative burden of multiple audit requirements persists, taking valuable time and resources away from actual improvements in working practices.

RESOURCE

Small and medium-sized manufacturers particularly struggle with dedicating sufficient resources to social and ethical compliance management. Without dedicated compliance personnel, managing diverse social and ethical standards becomes especially challenging. Many manufacturers report significant gaps in their in-house skills for managing non-compliances, particularly around understanding root causes and implementing effective remediation.

The challenge is particularly acute given the current legislative context, with UK manufacturers needing to stay abreast of both domestic requirements and international legislation like the EU’s Corporate Sustainability Due Diligence Directive. This creates additional resource pressure, especially for businesses delivering products to two or more of the UK, EU and global markets.

Resource constraints often force difficult choices between production demands and social and ethical compliance requirements. Manufacturers report particular difficulty in maintaining detailed compliance documentation during peak production periods. The research reveals close links between HR metrics, production KPIs and social and ethical compliance capabilities, suggesting that resource limitations can create a cascade of challenges across business operations.

TRANSPARENCY

Specific challenges for brands and retailers include auditing difficulties and transparency issues, particularly around subcontracting and supply chain visibility. These challenges affect retailers' ability to maintain consistent quality of social and ethical compliance. Questions of data ownership and sharing create additional complexity, with manufacturers seeking greater control over their compliance information while still meeting buyers verification needs.

The sector needs mechanisms that encourage honest dialogue about challenges and support needed, rather than punitive approaches that may drive issues underground.

While some transparency initiatives have shown success, particularly around open cost sheets and shared compliance data platforms, verification remains a significant challenge.

Industry stakeholders increasingly recognise that transparency serves a dual purpose: while essential for social and ethical compliance monitoring, it proves most valuable as a tool for fostering trust and building stronger buyer-manufacturer relationships. This shift from viewing transparency solely as a verification mechanism to seeing it as a foundation for partnership represents a significant evolution in industry thinking.

Building effective transparency requires investment in systems and processes that many businesses find challenging to resource. However, manufacturers who have adopted more transparent approaches, particularly around pricing and production capacity, report improved relationships with buyers and greater ability to maintain consistent social and ethical practices. This complex web of challenges requires coordinated action across the industry. While audits and compliance frameworks play a role, this research suggests that building stronger, more supportive relationships between manufacturers and buyers is crucial for advancing social and ethical practices in UK fashion and textile supply chains.

These challenges do not exist in isolation - addressing one area often requires consideration of its impact on others. For instance, reducing complexity could help alleviate both resource pressures and compliance fatigue, while improved transparency might lead to better understanding of true compliance costs. Understanding these interconnections is crucial for developing effective solutions.





Opportunities and potential impact



The findings reveal significant opportunities to strengthen social and ethical compliance across UK fashion and textile manufacturing whilst supporting sector growth and the reshoring agenda. These opportunities, validated through extensive consultation with manufacturers, brands, retailers and compliance experts, offer practical ways to address current challenges while building more resilient supply chain relationships.



STREAMLINING SOCIAL AND ETHICAL COMPLIANCE APPROACHES

The market offers numerous social and ethical compliance standards and frameworks, creating variation in verification approaches. However, compliance experts note that most of these initiatives stem from the same international standards. This common foundation presents an opportunity to reduce complexity and administrative burden by recognising the shared origins of different frameworks.

Understanding this commonality creates scope for stakeholders to be more flexible in accepting different verification methods and expand their social and ethical compliance toolkits. While initial industry workshops called for creation of a new unified framework, expert consultation revealed a more effective approach. The focus should be on translating existing standards into accessible, practical guidance rather than creating additional frameworks, enabling mutual recognition between different social and ethical compliance approaches.

There are existing models which focus on facility ownership, where manufacturers maintain control of their compliance data while allowing verification through existing standards. This approach, already proven through initiatives like Social and Labor Convergence Program (SLCP), can reduce audit fatigue while improving transparency. The SLCP model was highlighted as a successful example, offering manufacturers free access while brands and retailers pay for data verification. This approach not only reduces costs but encourages manufacturers to take greater ownership of their compliance journey.

Industry experts emphasise that moving away from audit-heavy approaches doesn't mean lowering standards. Instead, they suggest focusing on the practical implementation of international standards like OECD guidance, which stresses continuous monitoring over rigid audit schedules. This aligns with manufacturer feedback about needing more flexible approaches, such as businesses expanding their toolkits to consider methods moving away from proprietary audits.

BUILDING INDUSTRY EXPERTISE

There is substantial demand for enhanced social and ethical compliance knowledge and capabilities. The UKFT sustainability survey (2023) showed 70% of UK-based manufacturers want to learn more about ethical compliance, while retailers note many manufacturers need support understanding and implementing requirements. This presents a clear opportunity to develop targeted training programmes.

Industry consultation revealed particular need for training around ethical pricing and buying practices. Manufacturers and compliance experts highlighted how a better understanding of cost structures and open pricing could help prevent social and ethical compliance issues arising from pricing pressures. Research identifies stress as a significant catalyst for non-compliance, with pricing pressures and unrealistic cost expectations often serving as root causes of unfair practices. Specific opportunities exist to help buyers understand which cost elements should be ring-fenced to maintain ethical standards.

The need for enhanced expertise is particularly acute among businesses with fewer than 50 workers. Consultation participants noted these manufacturers often struggle with fundamental aspects like understanding non-compliance findings and implementing effective remediation due to limited in-house skills. This suggests an opportunity for targeted support programmes that help smaller businesses build essential social and ethical compliance capabilities.

Industry revealed strong demand for more accessible training options. Current market offerings, while comprehensive, are often prohibitively expensive for smaller manufacturers. Participants suggested developing modular programmes that allow businesses to build capabilities gradually. There was particular emphasis on ensuring training extends beyond academic settings to reach working professionals.

STRENGTHENING SUPPLY CHAIN RELATONSHIPS

Both manufacturers and retailers recognise opportunities to build stronger partnerships based on transparency and shared responsibility for social and ethical compliance. Consultation participants emphasised that relationship-building and ongoing engagement are more effective than audit-heavy approaches. Manufacturers who have adopted transparent practices, particularly around pricing and production capacity, report improved buyer relationships and ability to maintain consistent standards.

While the industry's more recent micro-seasonal nature can make long-term commitments challenging, consultation participants identified opportunities to build more supportive relationships through better communication and a shared understanding of social and ethical compliance responsibilities.

Research suggests moving beyond transactional relationships and compliance monitoring towards partnerships that foster better purchasing practices. Buyers should evaluate manufacturing partners on multiple factors beyond price, including compliance capability and improvement potential. This approach supports manufacturer feedback about needing more constructive dialogue between technical compliance teams and commercial teams to resolve issues before they escalate.

Manufacturers acknowledge the value of guidance, scorecards and performance insights from brands and retailers in improving social and ethical compliance practices. Similarly, retailers recognise their responsibility for factory wellbeing and express interest in developing their own capabilities to provide this support. This mutual commitment to upskilling and knowledge-sharing can strengthen relationships and promote more responsible business conduct.

ENHANCING UK MANUFACTURING OPPORTUNITIES

Manufacturers across the sector identified consistent development aims that could support improved social and ethical compliance while growing their businesses. These include increasing work with domestic clients, implementing new technologies, and expanding service offerings. Many retailers emphasised that working with UK manufacturers offers advantages in speed to market and production flexibility that can offset higher costs when properly valued.

Consultation revealed particular opportunities in fully factored production and made-to-order manufacturing, with retailers expressing interest in these services. However, success requires addressing the perceived gap between desired UK manufacturing capabilities and price expectations. Industry experts suggest better articulation of UK manufacturing's complete value proposition could help bridge this divide.

Leicester-based manufacturers provided compelling examples of successful UK retail relationships built on speed and flexibility. One manufacturer described how their current business model is "*putting money back into the till for many businesses*" through rapid-response manufacturing that reduces inventory waste. These capabilities, combined with AI and production technology advances, position UK manufacturers to offer unique advantages that can justify higher operating costs and achieve cost-efficiency.

However, consultation revealed a persistent gap between retailers seeking UK manufacturing capabilities and their pricing expectations. While manufacturers report sufficient UK demand, many potential clients default to overseas options when confronted with realistic costs. This suggests opportunity for better articulation of UK manufacturing's complete value proposition, including reduced inventory risk and faster market response.

CREATING COMMERCIAL VALUE

Both garment and textile manufacturers report that demonstrating robust social and ethical compliance creates business opportunities, particularly with clients from the UK, US and EU markets. While maintaining high standards requires investment, manufacturers note this can become a unique selling point, especially for premium brands and larger corporations seeking assured social and ethical compliance.

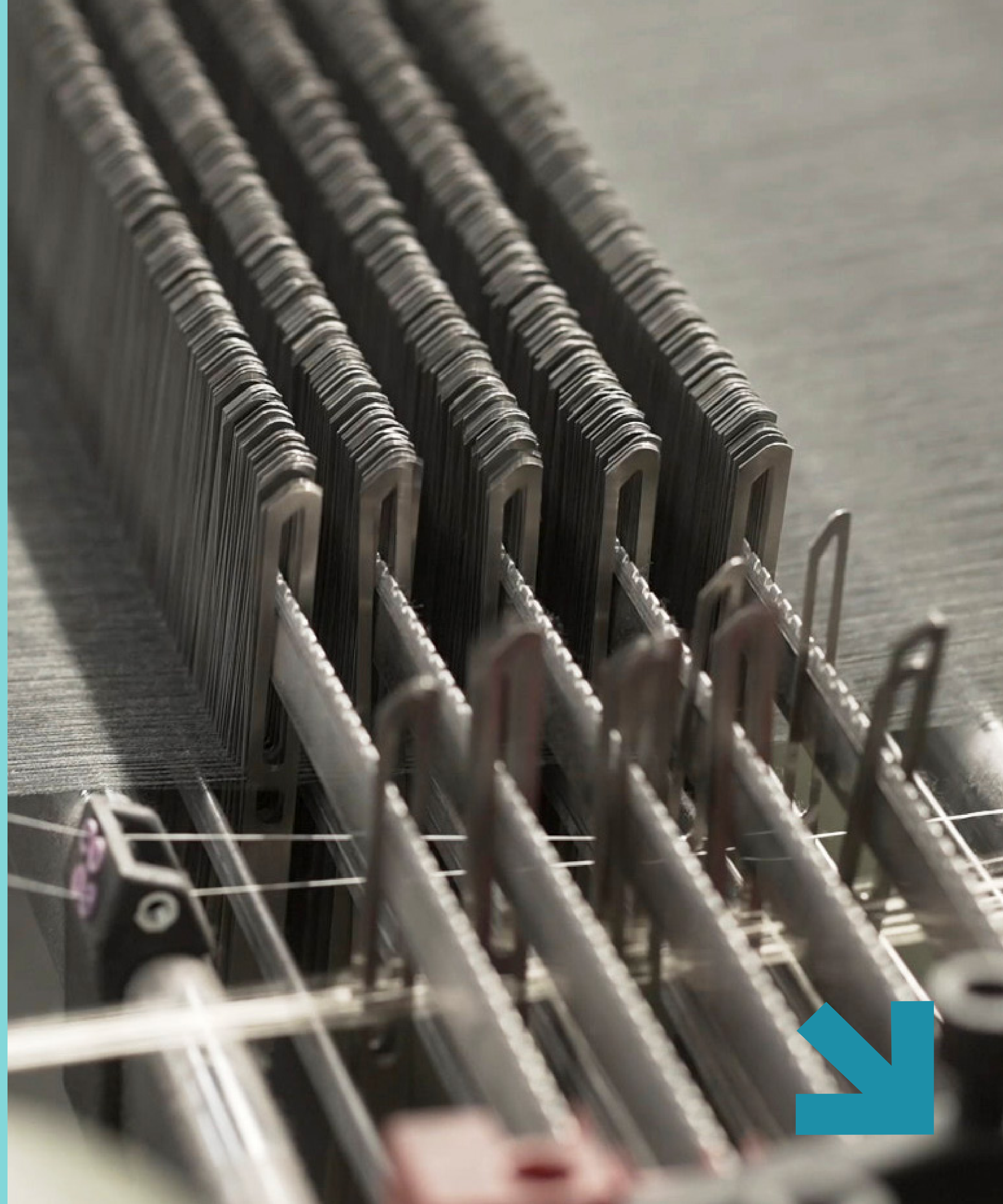
Industry consultation highlighted how improved transparency around costs and capabilities can help manufacturers better demonstrate their value proposition. Several successful examples were shared of manufacturers using open cost sheets and clear communication about social and ethical compliance investments to build stronger buyer/manufacturer relationships and secure higher-value work.

Several cited examples of winning premium clients specifically because they could demonstrate robust compliance systems and workplace practices that align with brand values.

Industry experts noted how improved social and ethical practices can often create cascading business benefits beyond social and ethical compliance. Better Human Resource practices reduce staff turnover and improve quality, while transparent cost discussions lead to more stable pricing. These operational improvements help manufacturers demonstrate how investing in compliance generates tangible business returns.

These opportunities offer practical ways to advance social and ethical compliance while strengthening UK manufacturing. However, realising their potential requires coordinated action and investment from all industry stakeholders. The following sections outline specific recommendations and a roadmap for implementation based on industry consultation and expert guidance.

Recommendations



Following extensive consultation with key players in the UK fashion and textile supply chain, the conclusions of the report demonstrate that to support industry aspirations and maintain high standards of social and ethical compliance practice throughout UK supply chains, there is a need to develop tools, resources and education.

While legislation plays a vital role in helping the industry achieve its social and ethical compliance ambitions, stakeholders emphasised that industry must take responsibility for effectively demonstrating and upholding standards. Consultation revealed that attitudinal changes may be required before full implementation can be achieved - the sector must reach a position where social and ethical compliance enables rather than hinders growth.

This report calls on all industry stakeholders to consider and implement these recommendations. Drawing on insights from businesses across subsectors, academia, auditing firms, consultancies, inspection bodies, trade bodies, standard makers and policymakers, these recommendations provide a framework for collective action. Each stakeholder group has a crucial role in driving positive change through their adoption.

Five key areas for action have been identified:

1. LEGISLATION AND POLICY

Building regulatory strength

A strong regulatory framework creates a level playing field and ensures all businesses operate to high standards. Expert consultation emphasised how mandatory frameworks drive more consistent change than voluntary approaches. Clear legislation and enforcement mechanisms are essential to protect workers and maintain the UK's manufacturing reputation.

- Establish mandatory social and ethical compliance regulations in the UK, aligned with international standards and legislation
- Create clear entry barriers for manufacturing based on social and ethical compliance
- Enforce consistent standards across the sector
- Strengthen Modern Slavery Act requirements through mandatory reporting topics
- Develop clearer consequences for employment law breaches
- Consider mechanisms similar to the EU 's Corporate Sustainability Due Diligence Directive

2. TRAINING AND EDUCATION

Empowering through knowledge

Education and training are fundamental to embedding better practice across the industry. Consultation findings consistently highlighted education as a crucial focus area, particularly for businesses with fewer than 50 workers who often struggle with basic social and ethical compliance understanding. By developing comprehensive learning programmes, all stakeholders can better understand their responsibilities and how to meet them.

- Integrate ethical compliance within higher education curriculum
- Develop buyer training on costs and ethical pricing, particularly around ring-fenced elements
- Create comprehensive manufacturer training covering the Ethical Training Initiative (ETI) base code, worker rights and social and ethical compliance processes
- Provide structured toolkits tailored to different business sizes.
- Build awareness of upcoming legislative changes
- Develop accessible training programmes outside academic settings
- Create modules focusing on remediation and root cause analysis
- Establish practical guidance linking HR metrics to social and ethical compliance
- Expand apprenticeship opportunities in social and ethical compliance roles
- Design affordable training alternatives to current expensive market options

3. DEMYSTIFYING STANDARDS

Reducing social and ethical compliance fatigue

Initial industry workshops suggested developing a unified UK social and ethical compliance standard to reduce complexity and costs. However, expert consultation revealed this approach could be counterproductive. Many apparent differences between existing standards relate more to presentation than substance, with significant alignment achieved among leading organisations in recent years. The existence of Fast Forward, developed specifically for UK manufacturing, demonstrates that creating another standard would only add to framework proliferation. Instead, experts advocate for better understanding and utilisation of existing standards. This highlights a knowledge gap that could be addressed through a comprehensive toolkit, helping stakeholders navigate current frameworks more effectively. Such a resource could filter out complexity and present requirements in an accessible format, supporting both manufacturers and retailers in meeting social and ethical compliance objectives.

- Maintain consistent requirements regardless of company size
- Establish clear links between different international frameworks
- Support alternative social and ethical compliance demonstration methods beyond formal standards and audits
- Create guidance for translating international standards to UK context
- Establish mechanisms for mutual recognition between standards
- Support smaller manufacturers with simplified social and ethical compliance approaches
- Create clear guidance on minimum requirements versus enhanced standards
- Education on adopting diverse verification methods beyond traditional audits, including relationship-based approaches and direct engagement practices

4. TOOLS AND SYSTEMS

Connecting through technology

New digital platforms and databases can transform how social and ethical compliance information is managed and shared, creating efficiency and transparency across the sector. Consultation highlighted the need for practical, accessible systems that work for businesses of all sizes.

- Establish a central authority for UK textiles manufacturing social and ethical compliance
- Create digital platforms for knowledge exchange and communication
- Build databases for sharing social and ethical compliance information. Create registration systems for approved manufacturers
- Develop mechanisms for efficient data sharing while maintaining manufacturer control
- Enable integration with production tracking systems
- Create platforms supporting data-driven decision-making
- Establish systems for sharing verification data with multiple clients
- Develop tools supporting both social and ethical compliance and business growth
- Enable seamless information sharing between different standards

5. INCENTIVES AND FUNDING

Supporting sustainable growth

Financial support and incentives are crucial to help manufacturers invest in better practices while remaining competitive in the global market. Consultation revealed how limited resources often prevent smaller manufacturers from making necessary improvements.

- Implement tax exemption/benefits based on those businesses progressing on sustainable business such as social and ethical practice
- Create Apprenticeship Levy opportunities by building awareness on existing apprenticeship levy for UK businesses which could provide social and ethical compliance support
- Establish tax breaks for UK-sourced production
- Increase funding support for smaller manufacturers
- Develop mechanisms for sharing social and ethical compliance-related costs
- Create incentives for long-term buyer-manufacturer relationships
- Establish support for initial social and ethical compliance system implementation
- Develop funding programmes supporting smaller manufacturer development
- Create mechanisms rewarding consistent high social and ethical standards
- Support investment in improved production technologies

Implementation requires coordinated action from all stakeholders, with particular attention to maintaining momentum through early demonstration of benefits. Consultation illustrated the importance of regular industry engagement to ensure solutions remain practical and aligned with business needs.



Delivery roadmap



Industry stakeholders have welcomed the findings and recommendations detailed in this report and expressed readiness to support positive change.

While effective change requires commitment from all industry players, industry wide initiatives such as the Circular Fashion Innovation Network can play a crucial role in driving improvements in social and ethical compliance across UK supply chains, supported by organisations such as the UK Fashion & Textile Association.

Following extensive consultation and analysis, the UK Fashion & Textile Association will continue its focus on responsible supply-chains with several interventions designed to create immediate practical impact while building foundations for longer-term development.

DISSEMINATION OF INFORMATION

Through CFIN, UKFT aims to ensure that the findings of this report reach all relevant stakeholders. The publication and dissemination of the report will provide a clear picture of the current social and ethical compliance landscape in the UK. This will help key stakeholders, including businesses, policymakers, and other contributors, to understand the factors required for progress and take appropriate action.

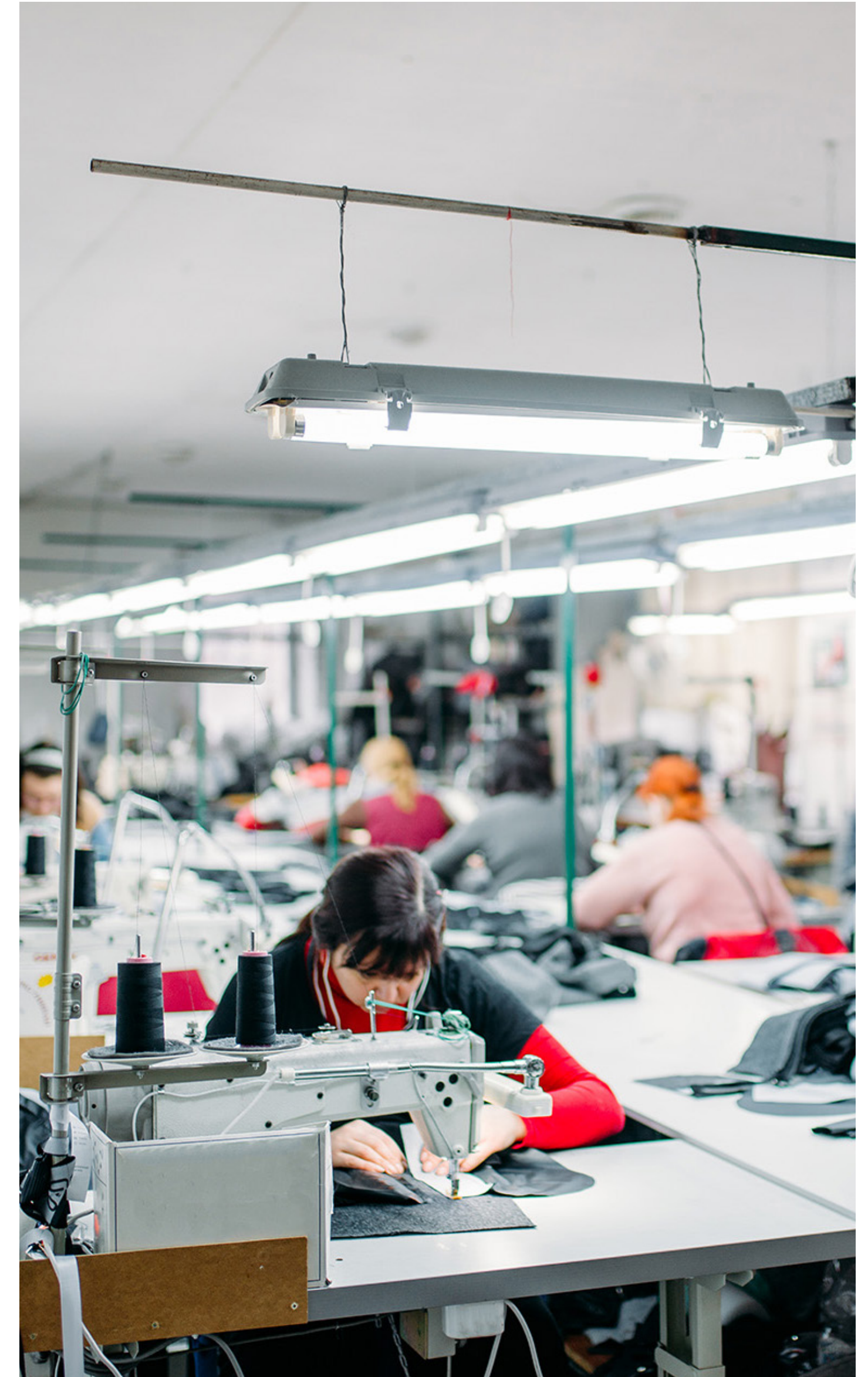
POLICY AND LEGISLATION

The work of CFIN plays a vital role in ensuring that government policy development is informed by the needs of the UK fashion and textile industry. By maintaining an active presence in key discussions, it can be ensured that industry perspectives are considered in shaping future legislation.

Current government work

Relevant government initiatives that are pertinent to this report include:

- **Modern Slavery Action Plan:** The Home Office is refining its approach, with updates to transparency guidance and the modern slavery registry
- **Baseline assessments for UNGP implementation:** Efforts are underway to evaluate how well the UN Guiding Principles on Business and Human Rights have been adopted, addressing policy gaps
- **Engagement with LACE (Labour, Anti-Corruption, Climate Change, and Environment):** Government is exploring how the UK can align its policies with global standards, ensuring consistency with EU and international frameworks



EDUCATION, TOOLS AND RESOURCES

Based on the results, UKFT has planned several activities, which have been carefully reviewed and scrutinised by the groups involved.

Enhanced UK manufacturing database

A new UK manufacturing database, to replace Let's Make It Here, an existing site hosted by UKFT. With increased functionality, the database presents an opportunity to transform how UK manufacturing capabilities are accessed and promoted. Listings will be enhanced by the ability to detail key social and ethical compliance indicators of the manufacturers.

The database will be an easier to search, more accurate sourcing tool with higher quality listings. It will drive high standards of ethical and social compliance, encourage reshoring opportunities and support a culture shift towards responsible manufacturing.

Responsible UK Supply Chains Toolkit

A Responsible UK Supply Chains Toolkit to deliver comprehensive social and ethical compliance guidance for the sector.

The toolkit will provide open access to practical guides and templates for best practice, to support businesses at all levels to work responsibly throughout the UK manufacturing supply chain - manufacturers and clients alike.

The toolkit should be delivered on a supporting platform alongside a UK manufacturing database in order for each to have the greatest impact.

The toolkit will include:

- A Guide to Responsible Manufacturing in the UK
- A Guide to Ethical Pricing for Buyers, Production Teams and Designers
- Social and Ethical Compliance Checklist
- Code of Conduct Template
- Modern Slavery Statements Guidance
- A Guide to Audits and Certification
- A Guide to Human Rights and Environmental Due Diligence
- Manufacturing Contract Templates
- HR and Employment Compliance Checklist

The Responsible UK Supply Chains Toolkit will be delivered in the manufacturing database meaning it will support with practical guides and templates the platform, to promote best practice and encourage a positive and progressive culture in relation to social and ethical compliance.

Supporting digital platform

Research and consultations confirm that a database delivered in isolation will be far less effective than one supported by a fit-for-purpose platform and resources. A new online platform that hosts the database and the toolkit will provide a supporting infrastructure to deliver the greatest impact.

The platform will:

- Provide space for industry resources about responsible UK manufacturing
- Enable access to comprehensive supporting resources
- Facilitate future training opportunities
- Support data-driven decision making
- Enable integration of new technologies including capacity tracking
- Help prepare industry for legislative changes

The planned functionality of the platform and the 'one-stop-shop' approach to responsible UK sourcing will support UKFT and the wider UK fashion and textile industry in their goals to drive positive change within social and ethical compliance.

UKFT'S ROLE

As a key representative body for the sector, UKFT actively engages with Government departments to shape policy and legislation that meets industry needs.

As part of this process, UKFT is:

- Engaging with Government: Participating in the Trade and Forced Labour Business Roundtable to share insights and represent industry perspectives
- Providing feedback: Sharing findings from industry consultations with the Department for Business and Trade's LACE division
- Ensuring visibility of industry needs: Ensuring this report is read by key decision-makers to highlight actionable recommendations

Through these activities, UKFT supports the alignment of emerging legislation with the realities and needs of UK manufacturers.

END NOTE

The Circular Fashion Innovation Network (CFIN) provided the essential funding mechanism for this research. The findings demonstrate a clear need for additional interventions to address identified challenges within the sector. Securing continued funding, whether through CFIN or alternative streams, would enable development and implementation of these interventions across the fashion and textile sector. This investment could significantly advance the development of responsible UK supply chains.

The delivery roadmap, built on comprehensive industry insights, provides a clear framework for implementing these recommendations effectively.



Glossary

TERM	DEFINITION
Audit	A systematic examination of a company's operations, records and compliance with regulatory requirements.
Brand	A business with their own brand name, designs, and/or products that is distinguished from those of others. A brand may sell direct to consumers or to retailers.
Buyer	A person or entity responsible for purchasing goods or services for a company, ensuring that the products meet standards and are cost-effective
(Supplier) Code of Conduct	A set of guidelines and principles that a company expects its suppliers to follow in their business operations.
Corporate Social Responsibility (CSR)	A mechanism wherein companies integrate social, environmental and ethical concerns into their operations and interactions with stakeholders.
Due Diligence	A continuous process carried out by a company to identify adverse impacts in its own operations, supply chains, and other business relationships with a view to ending, preventing, and mitigating those risks.
Environmental Social & Governance (ESG)	Set of criteria and principles used to evaluate a company's impact on sustainability and ethical practices.
Ethical compliance	Ethical compliance considers the application of moral standards such as integrity, transparency and honesty to business activity. These standards help define and implement approaches to issues such as bribery, corruption, improper influence, and conflicts of interest.
Garment Manufacturer	An entity that produces goods made from textiles, including home furnishings and apparel in their own establishment.
Grievance mechanism	A process for individuals or groups to raise and resolve complaints about a business's practices or impacts.
Key Performance Indicators (KPI's)	Specific, measurable metrics used to evaluate the success or performance of an organisation's sustainability efforts.
Legislation	Laws enacted by a legislative body, such as a government, to regulate and govern various aspects of society, including environmental practices.
Monitoring	Continuous or periodic observation, measurement and recording of processes or activities to ensure they are proceeding as planned or meeting specified standards.

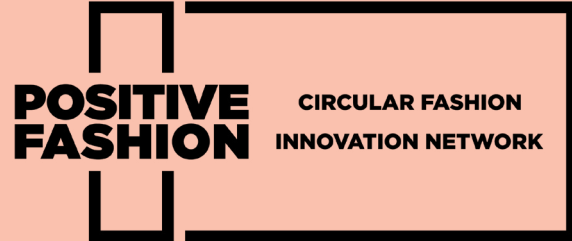
Glossary

TERM

DEFINITION

Policy	A set of rules or guidelines that govern actions and decisions within an organisation.
Retailer	A business that sells goods (can be own-brand or other brands) to the consumer, as opposed to a wholesaler or supplier who normally sell their goods to another business.
Risk-based approach	A method for managing risks by prioritising and addressing the most significant ones first.
Social compliance	Social compliance covers codes of conduct and management systems implemented regarding labour standards and human rights.
Standards	Consist of a set framework and technical requirements. The framework is created for businesses to follow in relation to materials, products, processes and services to evidence that they are working to that set standard.
Supplier	A company or individual that provides raw materials, components, or products to other businesses.
Supply chain	The network of organisations, processes, and resources involved in producing and delivering products to consumers.
Textile Manufacturer	The manufacture of textiles for varying end-uses, often produced by weaving or knitting (or non-woven methods) and can be finished in a variety of ways for varying end-uses.
Transparency	Publicly sharing how a product has been made, who it has been made by and where it has been made. This means disclosing every stage of production, from the raw materials to distribution. This information needs to be comprehensive, reliable and take into account the impact on workers, communities and the environment. This goes hand in hand with 'traceability'.
Validation	In case of tracking progress for due diligence, validation is the process of determining whether the actions taken by a business to prevent impacts are indeed effective. It relies on data from verification and monitoring to make this determination.
Value chain	The series of activities and processes that bring a product or service from conception to delivery to the consumer.
Visibility	The ability to see and track various aspects of company operations, processes and data.
Wholesaler	A business that buys goods in quantities from manufacturers or distributors and sells them in smaller quantities to retailers

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