



Design & Fashion | Tools & Resources | Greening

Fashion Revolution | Fair Thread Policy Recommendations for a Sustainable Textile Industry

Fashion Revolution's new publication assesses the gaps in current EU fashion legislation and advocates for a unique implementation approach for SMEs.

Small businesses can hold some of the most exciting solutions for a clean, safe, fair and transparent fashion industry, but they're largely being left out of the policy conversation. As the core of the EU fashion industry - making up 98.8% of all EU fashion businesses in 2022 - SMEs are well placed to drive systemic industry change. New legislation at EU level, however, is fairly limited in scope, applicable only to big brands with big turnover. This White paper assesses the gaps in current EU fashion legislation and advocates for a unique implementation approach for SMEs. The Paper provides an overview of the biggest challenges in the garment and textile sector related to business models, transparency, wages, trading practices, due diligence and public procurement. For each topic, we recommend concrete policy to support and enable the change we want to see in the sector, with special attention given to the needs of SMEs.

Over the last decades, the textile and garment sector has become a globalised industry with significant changes in terms of pace and supply chain complexity. From production close to home, mainly consisting of two collections per year – summer and winter – most clothes are now produced in low-income countries, and we see as much as 50 collections released yearly by the same fashion brand on the market.

Garment supply chains weave a complex web of parties involved: from the cotton field, to the ginner, spinner, weaver and garment factory. All these steps can be taking place in different countries. Due to this complexity, traceability is difficult to achieve and consumers who want to make sustainable choices face difficulty in finding the right information. For instance, only 48% of garment companies share what factories they source from at tier 1 level, and even less (12%) provide information on raw material suppliers.

Additionally, 96% of brands do not disclose the number of garment workers that are paid a living wage in their supply chain. With such a lack of transparency, garment brands hold all the power while this level of opacity allows human rights and environmental abuses to thrive without remediation. Power imbalances are not limited to the “brand and consumer relationship” but are also common between brands and their suppliers. Garment brands hold buying power over their suppliers. If manufacturers do not agree to specific buying terms, then the brand can choose to switch suppliers at any moment. Brands and retailers use this buying power to unilaterally enforce unfavourable purchasing terms. These unfair trading practices (UTPs) include buying at prices below the cost of production, unilateral changes to agreed contracts, late changes in lead times, and cancelling (semi-)produced garments. Afraid to lose future orders, manufacturers tend to not address these (often) illegal practices and absorb the losses instead. This means the factory does not have enough financial space to invest in safe working conditions, sustainable production methods or living wages for its workers.

Low wages force people to work excessive overtime to make a living. Working excessive hours in hazardous situations can lead to hand numbness, back problems and eye strain when sewing. Respiratory issues, skin disease, burns and even death can occur due to working with toxic chemicals. Some workers are forced to skip meals because they cannot afford food for their families.

Voluntary initiatives by the industry, such as commercial audits or sustainability platforms, have not been able to fix problems like power imbalances, lack of transparency and dangerously low wages. Companies that do want to take responsibility and produce sustainably are faced with unfair competition from brands that do not consider the environment or human rights in their supply chain.

Read the full publication [here](#)