



Fabric of Change

Innovating for a Sustainable
Apparel Industry

May 2017 | Bangalore, India

C&A Foundation



Contents

| | |
|----|--|
| 1 | Welcome |
| 2 | Innovating for a Sustainable Apparel Industry |
| 4 | Accelerating Innovation |
| 6 | Advancing a Sustainable Apparel Industry through Collective Action: Business and Social Co-Creation |
| 10 | Meet the Fellows |
| 12 | Insights <ol style="list-style-type: none">1. Weaving the Fabric of Change2. Incentivizing Sustainable Fashion3. The Global Apparel Industry looks to Social Entrepreneurs to co-create Transformative Solutions |
| 24 | Fellow Spotlight <ol style="list-style-type: none">1. Saif Rashid Weaves Together Benefits for Bangladesh Garment Workers2. Liz Suarez: Women's Empowerment is crucial for an Equitable Fashion Industry3. From Fiction to Fashion, Ashoka Fellow Nicole Rycroft Helps Business See Forests for the Trees |
| 36 | Partners and Thanks |

Welcome

On behalf of C&A Foundation and Ashoka, welcome to the Fabric of Change Globalizer Summit!

We are thrilled that you could join us to re-envision the apparel industry through the eyes of leading social entrepreneurs. These "Ashoka Fellows" have the vision, creativity and perseverance of entrepreneurs, with a passion and a focus on a social mission. They are contributing to industry transformation in ways that enable everyone along the value chain—from farms and workshops to factories and distribution centers—to thrive.

Over the past 35 years, Ashoka has supported more than 3,300 social entrepreneurs in 90 countries to address society's most pressing issues. Two years ago, the support from C&A Foundation, launched our Fabric of Change partnership, selecting a new wave of Fellows to transform the apparel industry into a force for good.

Ashoka Fellows benefit from a lifetime of support from Ashoka's network of peers, changemakers and partners. They also gain access to capacity-building programs such as the Ashoka Globalizer—a three-month accelerator for the development of scaling strategies that culminates in a Globalizer Summit.

Here in Bangalore at this Globalizer Summit, our cohort of Fellows is participating in a series of interactive sessions with industry leaders such as yourself. These sessions on Friday will explore opportunities for collaboration between businesses and social organizations, as well as how innovation in the apparel industry can redefine growth and impact. We encourage you to meet these Ashoka Fellows face-to-face, to learn more about their system-changing ideas and what you and your organization can do to help scale collaborative solutions.

It's especially exciting to host this Globalizer Summit in India, one of the most important regions for the global apparel industry and home to three of our Globalizer Fellows. We are especially grateful to those of you who are joining us from the Bangalore area and from other parts of India, to share the specific local challenges and opportunities that face the apparel value chain.

We would also like to thank the Sustainable Apparel Coalition and its membership, as well as to Ashoka's partners at A.T. Kearney, for their invaluable help in making this Globalizer Summit happen. And thanks to you, too, for being part of Fabric of Change!

Leslie Johnston, Executive Director, C&A Foundation
Stéphanie Schmidt, Director of Changemaker Alliances, Ashoka

Innovating for a Sustainable Apparel Industry

Fabric of Change envisions a fair, sustainable apparel industry in which all stakeholders are empowered to ensure that people and the planet are respected.

Ashoka and the **C&A Foundation** have partnered to launch Fabric of Change: a global initiative to support innovators for a fair and sustainable apparel industry. This three-year initiative is unlocking the unique power and potential of social entrepreneurs and their solutions to advance a shared vision: transforming the apparel industry as a force for good.

Since 2015, Ashoka and the C&A Foundation have worked together to:

- Produce an in-depth report of the roadblocks, design principles and critical innovations for industry-wide change
- Crowd source over 300 innovators from 55 countries in an open-source global competition, with three extraordinary initiatives receiving a winning cash prize totalling €100,000 and industry-wide recognition and support
- Source select and support six systems-changing social entrepreneurs as Fabric of Change Ashoka Fellows
- Showcase insights and innovation from our network in the global media.

In May 2017, we convene 11 leading social entrepreneurs with industry leaders to foster co-creation, accelerate solutions and ignite transformative change within the following areas:

- Bringing transparency and empowerment to the millions working informally in the industry
- Transforming sourcing and supply chain through upcycling and adopting natural fibers
- Institutionalizing circular economic and fair trade practices along the value chain
- Establishing retail partnerships for sustainable apparel given the global trend towards socially responsible consumption
- Building a civil society-led platform for digital transparency, capacity building and advocacy



Accelerating Innovation

Great business ideas go global to serve customers around the world and to gain economies of scale. By contrast, market forces do not work as efficiently in the social sector. Social innovations too often remain local or national. Although many of the ideas and the entrepreneurs behind them have the potential for global spread, the social sector still lacks a process that focuses specifically on the global scope of change and the resources and mechanisms necessary for globalizing an idea successfully.

The **Ashoka Globalizer Program** is working to help change this scenario. Founded in 2010, it is an Ashoka initiative that supports social entrepreneurs to spread their impact more broadly and efficiently by helping them strengthen and deepen their vision for systemic change. The social entrepreneurs participating in the program are encouraged to reflect on the strategies and the leadership skills they need to **scale their innovation and generate widespread impact** in a world characterized by constant change.

Ashoka Globalizer Fellows: System Changers

For social entrepreneurs, the ultimate goal is to permanently change and improve a system or industry. This means that their solutions go beyond treating symptoms of social problems - and are looking to redefine the underlying and broken patterns, mind-

sets and structures that cause the problems in the first place. This vision for systemic change looks to address the root causes or systemic drivers of a problem.

In this context, scale should focus less on increasing the size of an organisation or having the organization replicate its work in different areas and should focus more on **scaling the impact** of innovative ideas. This fundamental shift in approach usually requires strategies that scale both the direct and **indirect impact** of the organisation in order to more quickly reach a 'tipping point' - the point at which impact self-accelerates without depending on the initiating organisation.

Intentionally generating indirect impact involves engaging other actors from beyond the social entrepreneurs' organizations with the model or idea. This means '**opening up**' the idea and empowering others to co-create the solution; i.e help replicate the idea, advocate for the idea, push for the idea to become policy, build on the idea and/or strengthen the model and its impact with complementary activities. These actions then allow for more efficient and leveraged strategies to ensure that the idea is able to gain maximum impact, moving towards the creation of new norms and real changes in systems.

To find out more on the Ashoka Globalizer Program and its impact read more our 5-year report: bit.ly/Globalizer

IMPACT

→ Globalizer's impact in numbers

20 GLOBALIZERS
SINCE 2010

250+

SOCIAL
ENTREPRENEURS
PARTICIPATED

50 PARTNERS
ENGAGED

**~1.8M WORTH OF PRO-BONO
CONSULTING** SOCIAL ENTREPRENEURS

300+
STRATEGY
THOUGHT
PARTNERS

200+
EXECUTIVES
ENGAGED
AS SENIOR
ADVISORS

370
BUSINESS
ADVISORS &
CONSULTANTS
ENGAGED

20 ARTICLES
PUBLISHED

3 TOOLKITS
ON SCALING
SOCIAL
IMPACT

50+
ONLINE &
OFFLINE
WORKSHOPS

Advancing A Sustainable Apparel Industry Through Collective Action: Business And Social Co-Creation

Disruptive ideas that are transforming the global apparel industry are challenging the need for a new framework of growth path for businesses.

On 26th May 2017, in partnership with A.T.Kearney, we convene leaders from the global apparel industry with selected Ashoka Fellows, to delve deeply into the challenges and opportunities for building an innovative, fair and sustainable apparel industry. This powerful exchange between the business and social sectors will:

- Work to help businesses re-envision their role in unlocking shared value across the supply 'web' for industry wide and collective impact, and
- Develop a blueprint for social and business collaboration for the future of the apparel industry, for people and planet

Agenda:

1. Welcome to all
2. Introducing the 'Changemaker Economy' - Unlocking 'Value For All' through Social and Business Co-Creation
3. Exploring Co-Creation success stories from the extended Ashoka Network
4. Deep Dive: Co-Creation breakout sessions across themes such as innovation, voice of the consumer, supply chain transformation, and models for collaboration
5. Collective Action: Shared outcomes and breakthrough ideas

Business and Industry Leaders joining the conversation:

Ramesh Shah, Founder, RK Group | Lucia Nascimento, Sr. Director of Labor Excellence, Nike | Jas Pooni, Leader, Sustainable Supply Chain - C&A | Ravi Prabhakar, CEO, Comtextile HK Ltd. | Neelam Chhiber, Founder, Mother Earth | Lewis Perkins, CEO, Cradle 2 Cradle Products Innovation Institute | Gautam Golchha, Managing Director, Silver Crest Clothing Inc



Meet the Fellows



Ben Cokelet - Mexico Maquiladora Transparency and Accountability Project (MMTAP) - Mexico

MMTAP aims to improve conditions for maquiladora workers, starting with garment manufacturers, catalysing a race to the top by reducing information asymmetries and eliminating plausible deniability of multinational companies brand executives.



Kendis Paris - Truckers Against Trafficking (TAT) - US

Using network leadership to mobilize the trucking community as the eyes and ears of the nation's highways to end sex trafficking. Recognizing the transport industry's unique position and power, TAT is mobilizing the industry to become a leader of the modern-day abolitionist movement against sex trafficking.



Rebecca van Bergen - Nest - US

Building a new model and process around ethical compliance for producers and workers in the informal economy. Nest is creating an industry-wide set of standards that map to affordable remediation solutions.



Nicole Rycroft - CanopyStyle - Canada

Transforming the environmental impacts of viscose clothing on forests by eliminating controversial and endangered forest sources, and kick-starting commercial scale production of circular economy alternatives.



Lis Suarez-Visbal - FEM International - Canada

Strengthening a direct value chain for small-scale, female produced ethical fashion goods, with a goal to improve their income opportunities. FEM International uses technology and education to provide a holistic training for women to run ethical businesses with positive social and environmental impact, and works to influence consumer behaviors to support more socially and environmentally friendly apparel and accessories.



Flaviano Bianchini - Source International - Italy

Equipping local communities to drive responsible extraction practices. By having access to reliable and recognized scientific data, local communities can have control over their resources, environment and human rights. With this, companies are also equipped to make well-informed steps to minimise their impact.



Hazer Gul - Islampur Cottage Industries Association (ICIA) - Pakistan

Creating a social, cultural, political and economic space for the artisans of cottage industries in Islampur. The role of ICIA is the benevolent 'middleman' - empowering weavers with the information and capital they need to better negotiate with the existing middle men, in order to retain more economic value.



Saif Al Rashid - APON - Bangladesh

Offering Ready Made Garments (RMG) workers a way to both grow their disposable income and receive subsidized healthcare for their families, without forcing factory owners to increase worker pay. APON sells discounted consumer staples at a workers-only shop, where purchases earn the workers points toward a workplace benefits scheme.



Anita Ahuja - Conserve India - India

Institutionalising upcycled materials in the the fashion industry value chain through wholesale trading partnerships and formal employment for 300 waste collectors, and establishing a circular flow of waste plastics.



Manoj Bhatt - GoodWeave India - India

Ensuring a child-labour free value chain for the carpets and rugs industry in India by introducing regulations about piece-rate payments and de-facto minimum pay for workers.



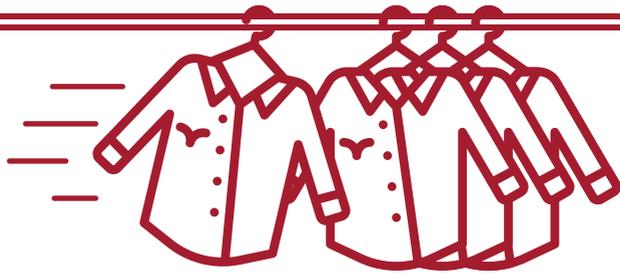
Chirag Tekchandaney - BOHECO - India

Recognising, advocating and enabling the untapped economic value for the agricultural industry in growing natural fibres (i.e. Hemp) for a diversity of industries (such as textiles), improving farmer prosperity and living conditions.



Weaving the #FabricofChange: the moral crisis of fast fashion

By Ashoka and
Thomson Reuters
Foundation



Each year, 80 billion pieces of clothing are purchased across the globe, which is 400% more than 10 years ago. Unsurprisingly these sales constitute a major financial market. The fashion brand Christian Dior is one of the biggest companies in the world - last year their sales totalled \$41.6 billion, roughly equivalent to the GDP of Tunisia. The fashion industry is of increasing global importance but in the context of pressure to drive down costs and drive up profit margins there is an emergent moral crisis.

On the 24th April 2013 the Rana Plaza building in Bangladesh collapsed killing 1,129 people and injuring a further 2500. Attributed to a structural weakness, the incident was deemed the deadliest garment factory accident in history. The tragedies of the apparel industry aren't simply confined to freak incidences. The structures that underpin consumption and production are deeply flawed. 'Fast fashion', the byword for cheap clothing that masks its social and environmental costs, demands a whole new meaning under the realisation that in the US alone

14.3 million tonnes of textiles are discarded each year. The statistic is particularly painful, given the knowledge that the pressure to produce cheap cotton has been linked to the suicides of 250,000 farmers in Cambodia, the cheapest source of the material globally.

Whilst the Rana Plaza disaster is widely seen as a symbol of an industry in moral crisis, even the most cursory glance at the daily production of fashion confirms that this crisis is structural. Contemporary fashion is caught between public façades of flawless affordable perfection on catwalks, Instagram feeds and shop windows, and the inconvenient machinery that enables and underpins the illusion: sweatshops, toxic dyes and exploitation.

Understanding the Problems

Hailing the shouts from protestors across Bangladesh and solidarity movements, such as the #whomademyclothes Twitter campaign, companies and governments have been responding to the events at Rana Plaza in a variety of ways: from sharing information on factory inspections to funding infrastructure projects. Despite the valuable work of many brands, it seems that many of the more agile, innovative solutions are coming from a new player in the fashion field: social entrepreneurs.

This was one of the key drivers behind Fabric of Change, an initiative launched by Ashoka and C&A Foundation to source, support and accelerate innovations for a fair and sustainable apparel industry. This three-year initiative is unlocking the unique power and potential of social entrepreneurs and their solutions to transform the apparel industry as a force for good.

Rooted in the perspectives of Ashoka Fellows and additional insights from industry experts, the Fabric of Change Social Innovation Mapping uncovers the barriers to and design principles for transformative change within the apparel industry. Fabric of Change is now working to support, spotlight and accelerating social innovators and their solutions to these barriers.

Hidden from View – Conditions in supply chains are often obscured

The Fabric of Change report found that at the heart of fashion's sustainability problem was a visual obstruction; brands, consumers and regulation agencies simply can't look back to supply chains and see where products come from. Fashion supply chains are notoriously decentralised, the scale of orders demanded by large retailers is usually way beyond the capacity of any one workshop. Factories such as Rana Plaza may be asked to make around 180,000 shirts per day at a price of around \$0.20 or risk losing contracts and not being paid at all. The result is long chains of sub-contractors who are challenging to track and hold accountable. Even brands that invest in monitoring their supply chains "obtain only irregular and inaccurate information".



Contemporary fashion is caught between public façades of flawless affordable perfection on catwalks, Instagram feeds and shop windows, and the inconvenient machinery that enables and underpins the illusion: sweatshops, toxic dyes and exploitation.

“No one should die for Fashion”

Looking at the profiles of the 5 factories housed in Rana Plaza and their 3639 workers, serves to illuminate trends in the industry more broadly. 80% of the workers were young women “18, 19, 20 years of age, working around 100 hours a week. The most junior staff took home 12 cents an hour, and the most senior sewers raised this to 24 cents an hour. These wages are the result of an effort to cut costs by moving from country to country, finding the cheapest labour and least regulated workforce. This cycle of exploitation is particularly targeted at women and migrant workers, the most vulnerable in the chain. Essential services such as childcare and healthcare are critical to the long-term wellbeing of low-income workers, helping them to have long term, quality of life. In the words of a placard held by one garment factory worker at the protests around the Rana Plaza collapse “No one should die for fashion.”

These wages are the result of an effort to cut costs by moving from country to country, finding the cheapest labour and least regulated workforce. This cycle of exploitation is particularly targeted at women and migrant workers, the most vulnerable in the chain.

Making the Right Choices

Unsurprisingly, considering the lack of knowledge that many corporations hold around their own supply chains, consumers aren't particularly aware of the blood and sweat that is woven into their purchases. There is little information available to consumers at point-of-purchase that helps them to make decisions that align with their values. Whilst millions were horrified by the Rana Plaza disaster, it would be nearly impossible for a consumer to identify whether the next high street garment purchased came from that site or one very similar. Even when some information is available ethical products are frequently priced out of the reach of the average consumer.

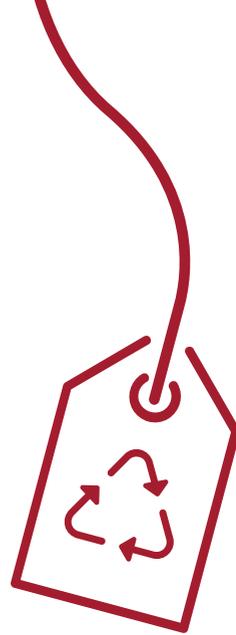
Fighting the System

The current fragmented and decentralized supply chains disincentivises companies from prioritising sustainability. The high profit margins promised by “fast fashion” have engaged companies in a system of “rapid fire production” where low costs triumph all other considerations. To create a truly sustainable fashion industry requires a consistent supply and demand of both sustainable materials and processes. We must transform a broken supply chain into a web of collective responsibility.

Finding the Solutions

Ultimately the challenges facing the fashion industry are complex and multifaceted: the incentives of contemporary capitalism are intertwined with the challenges of development and the vulnerabilities of low income populations. Fabric of Change identifies, supports and give visibility to leading social innovators creatively and collaboratively tackling social and environmental issues within the apparel industry. But social innovators alone cannot solve these complex problems. Sector partners are crucial in enabling the impact and acceleration of these social innovators – together we can transform the apparel industry and spark a global movement for change.

Incentivizing Sustainable Fashion: Lessons From Social Entrepreneurs



By Danielle Batist

An estimated 75 million people are now employed by the apparel industry. It's a number that has almost quadrupled in the last 15 years. With this exponential growth, the not-so-hidden costs of fashion too have increased. But while critics say that changing company behavior simply isn't profitable, social innovators are proving that there are imaginative and practical ways to get factories and brands on board.

A 2016 report by Ashoka and C&A Foundation found that a key barrier to achieving a more value-driven industry is financial uncertainty. Apparel companies worry that investing in sustainable alternatives brings too much cost and risk. They're looking for assurance that investments in staff and production don't backfire, and that there will be a growing demand for "ethical goods" from buyers.

The good news is that the industry has for years been showing signs of willingness and readiness. World Fashion Week, prides itself on playing a major role in helping to shape what it calls "fashion's sustainable future." But to keep up with the explosive growth, particularly in the ready-made garment industry, factories and brands need to come on board much more quickly, and on a much larger scale.

Open source

As a former employee of a large fashion company, Ashoka Fellow María Almazán believes intrapreneurs – people who want to drive change from inside organizations – are key to the transformation process. "There are changemakers in every organization," she says. "They are not doing it to get rich but to change the industry. They introduce ideas to colleagues that may sound alien at first, but they need tools and evidence to show their peers how it can be done."

"There are changemakers in every organization," she says. "They are not doing it to get rich but to change the industry. They introduce ideas to colleagues that may sound alien at first, but they need tools and evidence to show their peers how it can be done."

Recognizing the lack of real-world examples of sustainable factories and brands, Almazán set up one of her own in Spain: Latitude. All parts of the organisation are in line with its ethical values, from the way factory workers are treated to the sourcing of raw materials. But more importantly, the entire factory is open-source, functioning as a real-life, profitable example other brands and factories can reference as they adopt their own sustainable practices.

Understanding the confidentiality demands that many existing ethical brands face in sharing their business practices, Almazán turned Latitude into a not-for-profit company. The next step is to convince wary competitors that Latitude really is transparent and ready to share its best practices for industry-wide gain. Almazán: “The other day I had a meeting with some people from France. I told them: you can come here and I can show you around and share our know-how. They just didn’t believe that we would really do that!”

Long-term thinking

In Bangladesh, meanwhile, serial social entrepreneur Saif Rashid is convincing factory owners that looking after employees can be good for their business in more ways than one. His employee wellbeing initiative APON allows workers to buy discounted household supplies through special shops set up inside the factories, which in turn offers them free healthcare and medical insurance.

The direct benefits from the APON initiative go to the worker, but factories save too through a reduced turnover of employees and fewer staff illnesses. Crucially, joining the scheme also means factories comply with national law which requires employee insurance, something international buyers increasingly demand. The difficulty, says Rashid, is that most factory owners aren’t used to calculating their benefits over the long term. “They don’t always think in terms of: what am I getting out of this and what am I investing? Industry competitiveness in Bangladesh is due to low wages, not long term organizational efficiency.” (Saif Rashid, Ashoka Fellow and Founder of APON)

It might be buyers who, alongside enthusiastic workers, will help convince more factory owners to join APON. Brands have in recent years started their own insurance pilots, hoping that factories will take over once they’ve made an initial investment. Such schemes tend to be costly and often fall apart once the buyer pulls out. With APON, there is no cost to the buyer as the scheme is funded through commission from the sales of household items in the factory shops. Rashid says the brands he is working with so far are “heavily interested” in his model.

Factories are starting to come on board too, with seven joining the scheme by June and more interested parties on a waiting list. Rashid: “We’re working on the logistics of scaling at the moment: if 1,000 workers finish their shift all at once, we can’t all serve them in the shop so we’re testing mail-orders. And some factories have 25,000 employees. But once we reach our target number of 1,000 workers in one factory, we will be able to replicate the model anywhere and be sustainable.”



The Global Apparel Industry Looks To Social Entrepreneurs to Co-Create Transformative Solutions



By Danielle Batist

Collaboration in fashion goes well beyond Kate Moss teaming up with Topshop. Forward-thinking brands co-create by working together with competitors and social entrepreneurs to design radical new projects and processes that lead to win-win-win situations.

The route from sketch to t-shirt to consumer is a winding road full of turns and sidetracks. But in the middle of this complex path, there is an opportunity for powerful collaboration, and even a stepping stone for cross-sectoral co-creation, spurred on by social entrepreneurs.

Social entrepreneurs are redefining the fashion value chain as a web of interwoven sectors. Together, this “supply web” of players can make holistic change more feasible for all.

In order to achieve global impact, we must break down artificial, competitive barriers in the sector and tap into community capital and collective resources, according to a report by the C&A Foundation & Ashoka. It states: “Community-powered solutions [build] a shared identity among stakeholders who may not have previously seen themselves as connected, thus creating a strong and efficient foundation for collective action [and widespread impact].”

Trust on all levels

Ultimately, to create a more sustainable, innovative and humane apparel industry, co-creation needs to take place on three levels: first, between brands to drive better industry standards and drive down competition; second, between brands and non-profits or social enterprises to place bottom line and community impact at the heart of the supply chain network; and finally, between brands, workers and factories to ensure worker well-being, worker rights and greater transparency.

Sharing data, cross-factory knowledge and expertise with non-traditional partners takes a leap of faith. The make-or-break factor on all collaboration levels, therefore, is trust. The magic that can happen when such trust is established is powerfully demonstrated by Canopy. The Canadian-based forest protection organization partnered with not just with one brand, but a group of 96 leading clothing brands and fashion designers including industry giants H&M, Zara, Topshop and Levi Strauss & Co, and icons like Stella McCartney.

After spending twelve years transforming the paper industry—including famously ‘greening’ the Harry Potter book series globally—founder and Ashoka Fellow Nicole Rycroft and her team became alarmed by a growing number of clothes tags reading “made from natural fiber.” They discovered that 120 million trees disappear into clothing every year—a number set to double in the next decade.

To find business solutions that protect the world’s last frontier forests, Rycroft quickly realized that the apparel industry needed what she had also built for the paper industry: a global alliance of companies co-creating new purchasing practices. So she launched CanopyStyle in late 2013 with the ultimate commitment from all CanopyStyle brands to eliminate the use of fabrics that contain ancient and endangered forest fiber by the end of 2017.

One company that was early to adopt the co-creation approach in order to save the forests is H&M. “We realize that in the area of sustainability we are really not competitors [and that] we can make greater change when we collaborate,” says Cecilia Strömblad Brännsten, H&M’s Sustainability Business Expert. “Canopy encourages us and leads the way in this sometimes complicated world of brands and producers and their sourcing practices. I really believe that we



“We realize that in the area of sustainability we are really not competitors [and that] we can make greater change when we collaborate”

have achieved fast progress and impressive results in such a short time precisely because we did join forces instead of approaching the producers one by one.”

The CanopyStyle mission was helped by the fact that the rayon supply chain has what Rycroft calls ‘an incredible pinch point.’ The top 10 producers are responsible for 75 per cent of global production. This meant that after gathering the support of top producers of rayon, Canopy was able to co-create policies with them and then have the brands go back to their producers with a clear message: ‘We will eliminate any sourcing that comes from socially controversial or endangered forest ecosystems and we encourage you to work with Canopy to ensure that your supply chain is free of such fiber.’

And it worked, says Rycroft: “We now have rayon producers that do in fact represent 75 percent of global production, with parallel commitments in place. Now we’re in the process of translating those commitments into a change in practice. That’s where the rubber hits the road.”

The power of co-creation

Co-creation can be applied to large corporations as well as the world’s smallest micro-businesses. Nest is a US-based non-profit organization that co-creates with both. It brings together leading fashion brands (from Target to Eileen Fisher to PVH, the parent company to Calvin Klein and Tommy Hilfiger) as well as more than 300 artisan businesses in 46 countries. Their goal is to provide craftswomen (and some men) not just with market access but with the necessary training to service these markets too.

“Artisan homeworkers are not seen as a scalable economic force, but the numbers tell a different story,” says Rebecca van Bergen, Nest’s founder and executive director. “The global economy for artisanship is the second biggest employer for women after agriculture in the developing world and is bigger than the coffee economy.”

An example of how Nest co-creates with both brands and workers can be found in the design of its Ethical Compliance Standards for artisans. When global standards first came in, many brands tried to mitigate the risk of non-compliant homeworkers by putting them up in dormitories to work from inside factories. By now it is well documented that instead of tackling the root cause of workers’ health and safety, the approach created a whole new set of problems.

Instead, Nest’s Artisan Advancement Project Steering Committee of brands co-created the Ethical Standards as a way to improve conditions for artisans and homeworkers. It recognizes that their work standards cannot be measured in the same way a four-walled central facility can.

Jim Brett, president of committee member West Elm, says in SustainableBrands.com: “As much as 20 percent of our assortment each season is handcrafted and made by artisans around the globe. Our work with Nest and our esteemed brand partners will create sustainability standards to ensure craftspeople are working in safe environments and being paid fair wages.”

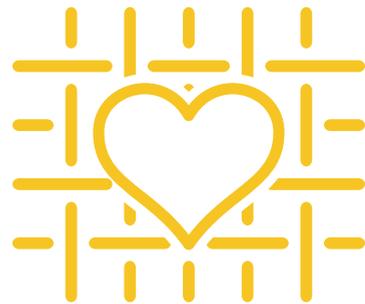
Nest completes the co-creation cycle by training the artisans so that it is possible for them to comply. Once adopted, the Standards could impact tens of millions of people employed in this informal economy.

All in all, the act of co-creation and collaboration across big fashion brands, workers and social entrepreneurs opens up the possibility of a depth of impact that is impossible to achieve if players are working in separate silos. And so, while we have started this important work, we must continue to grow our team. Next players to add to the mix? Governments and young people. Governments can help institutionalize ethical standards and young people represent the next generation of leaders, workers and consumers. Working in concert, we build a powerful, sustainable and long-lasting ecosystem for change.

Dan Schiff is Ashoka’s Global Engagement Manager for the Fabric of Change Initiative.

Saif Rashid Weaves Together Benefits for Bangladesh Garment Workers

By Dan Schiff



Saif Rashid believes that, given the right market opportunities, millions of Bangladeshis can lift themselves up financially. With an innovative new model called APON, he is empowering the workers of Bangladesh's ready-made garment manufacturing industry to increase their disposable income and build better, healthier lives.

According to Clean Clothes Campaign, only China is ahead of Bangladesh in supplying garments to the world market; Bangladesh exported about \$20 billion worth of garments in 2013, representing 80% of its exports. As industry observers have pointed out, the country's economy has come to rely on exporting low-price apparel to a world full of consumers hooked on "fast fashion."



In December, workers went on strike to protest the \$68 minimum monthly wage, which has not increased since 2013, among other alleged violations of their labor rights by factories and the government.

Eighty percent of the country's 4.2 million ready-made garment (RMG) sector workers are women, and many struggle to support their families even with full-time work, due to chronically low factory wages.

With APON, Saif offers these workers a way to both grow their disposable income and receive subsidized health care for their families, without forcing factory owners to increase worker pay. He does this by selling them discounted consumer staples at a workers-only shop, where their purchases earn them points toward a workplace benefits scheme.

APON sets up and manages these shops inside the RMG factories, selling packaged food, hygienic products and other disposables to the factory workers at a slight discount—about 8% to 10% less than at retail outside the factory. Each purchase from the shop earns a worker points that accumulate on her APON account. For every 100

Bangladeshi taka (about \$1.25) spent, the worker earns 1 APON point. With 200 points, the worker gains access to APON's zero-cash health coverage, allowing her to get free medical diagnoses and prescriptions from a doctor.

As a veteran of corporate engagement at CARE Bangladesh and a serial social entrepreneur, Saif sought a scalable approach to support the RMG sector without relying on donations or grants. Purchases through APON shops allow workers to increase their disposable income and gain access to reliable health care services and other wellbeing benefits, perhaps for the first time in their lives.

"We don't need funding from the factory for the health of the workers, [or] funding from the buyer to finance the health, which was always a struggle to get," Saif says. "Now, workers can generate their own health finance."

APON aims to overcome a persistent apparel industry barrier: that a job is not enough for low-income workers to secure long-term wellbeing.

Eighty percent of the country's 4.2 million ready-made garment (RMG) sector workers are women, and many struggle to support their families even with full-time work, due to chronically low factory wages.

Financial Sustainability Along The Value Chain

Almost four years after the devastating Rana Plaza garment factory collapse near the capital of Dhaka, Bangladeshi RMG workers still don't see the industry prioritizing their safety and livelihoods. In December, workers went on strike to protest the \$68 minimum monthly wage, which has not increased since 2013, among other alleged violations of their labor rights by factories and the government.

Saif says many RMG workers labor for 12 or 13 hours daily just to earn enough to survive in Dhaka, where the cost of living is increasing rapidly.

Before he launched APON, Saif led JITA, a door-to-door sales program through which rural women are trained to sell fast-moving consumer goods (FMCG) in their villages.

JITA has been successful in large part because it provides FMCG companies a last-mile distribution network for their products in rural Bangladesh. Saif now is using the leverage gained with the FMCG companies to negotiate lower wholesale prices for products sold in APON shops. Saif hopes the resulting higher margin will make APON financially sustainable.

"With a high margin, we can have a wellbeing scheme for the workers, we can give a discount directly, which will increase their disposable income. And factories can get benefits because this scheme might help them in terms of reducing the turnover of the workers," Saif says. The sole cost to a factory to participate in APON is the space needed for the shop. Still, convincing factory owners that APON reduces worker turnover will be key, Saif says. The current pilot in one factory is slated to produce preliminary data on the program's benefits in early 2017.

Achieving Irreversible System Change

Long term, Saif says APON will need to reach about 20% of Bangladesh's RMG labor force, or nearly one thousand factories, to be financially sustainable.

Beyond medical coverage, he hopes to add other benefits to the APON wellbeing scheme, such as subsidized education for children and even family entertainment options. Another Bangladeshi Ashoka Fellow, Suraiya Haque of Phulki, has worked for years to effect irreversible change in the country's garment factories, by ensuring that they offer childcare facilities to their workers as a standard of practice. A decade from now, Saif hopes that the APON model will have achieved a similar level of system change and become the norm in Bangladesh's garment factories—a standard benefit through which workers realize a better life for themselves and their families.

Dan Schiff is Ashoka's Global Engagement Manager for Fabric of Change.

Lis Suarez: Women's Empowerment Is Crucial for an Equitable Fashion Industry



By Dan Schiff

The hands that make our clothes overwhelmingly belong to women. More and more companies and social entrepreneurs understand that lifting up and empowering these women is necessary to building a more equitable industry.

The clothes we wear are functional and fashionable, often a statement of who we want to be. But far too quickly we tire of them, sending about 85 percent of our garments to landfill. More and more industry stakeholders realize this pattern is completely unsustainable for our planet, and are striving toward a circular economy in which apparel waste becomes obsolete.



Efforts to build an apparel industry with greater support for women and less tolerance for material waste may seem divorced from each other, but Lis Suarez Visbal sees them as two sides of a coin. The Ashoka Fellow, based in Montréal, Canada, is building capacity among women fashion entrepreneurs and helping them realize new economic opportunities through circularity.

In the traditional linear economy, products are used and disposed of with little regard for what happens to their constituents. In a circular economy, designers and manufacturers must have a plan for either reusing materials in other high-value products or safely returning the materials to the natural environment.

“We see the circular economy as a system that allows for social entrepreneurship projects to really shine by giving women access to these new opportunities, given the fact that the apparel industry is highly feminized,”

Lis founded FEM International as a global nonprofit to train women as social entrepreneurs in fashion. She also established the ETHIK eco-design hub as a collective and incubator for helping these women reach market when their businesses are ready. The two organizations are equal parts of Lis' joint vision for the future of fashion.

"We see the circular economy as a system that allows for social entrepreneurship projects to really shine by giving women access to these new opportunities, given the fact that the apparel industry is highly feminized," Lis says, noting that women comprise 75 to 80 percent of the global apparel manufacturing workforce.

In contrast to the old model of starting a business to design and produce disposable objects, the more than 1,000 women who have gained business skills and market access through FEM and ETHIK see the world of fashion differently. What once was just waste plastic can be upcycled into a leather-like material for bags and other accessories. Where once a fashion entrepreneur only saw economic opportunity in creating products from scratch, now she can be skilled in servicing and repair, to give new life to old clothes.

Reaching the Most Vulnerable Women

Canada welcomes more than a quarter-million immigrants each year, more than half of whom are women who face barriers to economic inclusion in their new society. Lis launched FEM in 2005 to help immigrant women in Montréal find livelihoods through fashion.

Today, FEM is connected with women's citizen groups in Latin America, Asia and Africa. In Colombia, FEM provides capacity-building and access to markets to the Wayuu people, an isolated and vulnerable native group in the country's north, teaching their women artisans about product and material lifecycles so they can incorporate elements of circularity into their work.

FEM empowers these women to be more than simply cogs on a wheel; Lis wants them to become eco-conscious entrepreneurs and the new leaders of the fashion industry.

A woman going through FEM's training typically learns business basics, the fundamentals for writing a business plan, how to leverage community resources and strategies for reaching foreign markets. Unlike traditional fashion business courses, FEM bakes in eco-design and circularity throughout the modules.

The end result is that more than 85% of FEM students report being in a better financial situation than before they received the training, meaning more sustainable livelihoods and greater economic opportunities.

"We believe that we cannot be repeating entrepreneurial models that are linear because they are creating the problems that we have today, both on the social level and on the environmental level"

Dan Schiff is Ashoka's Global Engagement Manager for the Fabric of Change Initiative

Incubating the Future Leaders of Fashion

When women entrepreneurs trained by FEM take the next step in Lis' ecosystem, they become members of the ETHIK collective, which incubates their businesses while also connecting them with a supply of recycled fabrics and other eco-materials. ETHIK's boutique and workshops further links its entrepreneurs to consumers and the broader fashion community.

ETHIK "gives a real experience of what the market is all about, and gives them a controlled environment for testing their products and their services while developing their capacities," Lis says.

Lis is now pursuing new opportunities for FEM and ETHIK. Through a budding collaboration with the Montréal city government, she hopes to increase municipal textile recycling and spread consumer awareness of the circular economy. Lis also is partnering with the Polytechnical University of Montréal to develop new optical technology that will speed up the sorting of recycled fabrics.

Such partnerships and advances are intended to further Lis' systemic vision for the future of fashion and open doors for the new generation of women eco-entrepreneurs.

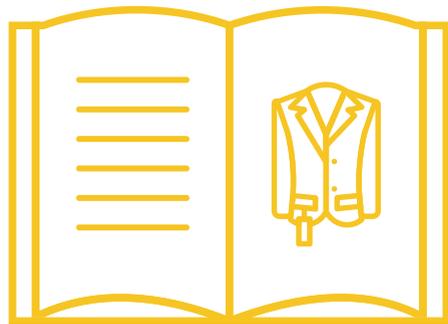
Lis was elected an Ashoka Fellow in 2011 and is involved with Fabric of Change, an initiative by Ashoka and C&A Foundation to reshape the fashion industry as a force for good. Lis has been recognized by Fabric of Change for her work in disrupting business as usual in the world of fashion.

Additionally, Lis is an Ashoka Globalizer Fellow this year, which means she is developing a scaling strategy to maximize the impact and reach of FEM and ETHIK. By collaborating with business experts and apparel industry leaders, Lis hopes to bring her approach to fashion design and production into the industry mainstream.

"We believe that we cannot be repeating entrepreneurial models that are linear because they are creating the problems that we have today, both on the social level and on the environmental level," she says.

From Fiction to Fashion, Ashoka Fellow Nicole Rycroft Helps Business See Forests for the Trees

By Dan Schiff



Four and a half years ago, we discovered that 120 million trees disappear into clothing every year. And as shocking as we found that number, we found it even more frightening that it was slated to double within the next decade.

An Ashoka Fellow since 2003, Nicole Rycroft is a tireless warrior for the world's forest ecosystems. The native Australian, now based in Vancouver, Canada, leads the environmental NGO Canopy, which works with business partners in the publishing and fashion industries to transform their value chains in a way that protects ancient forests.

Canopy's partners include more than 750 corporate consumers of forest products such as rayon and viscose used in garment manufacturing.

Ashoka: What current challenges and opportunities are you seeing for Canopy's work?

Nicole Rycroft: When I started Canopy, I started a conservation organization. Our mission and our mandate is to protect the world's ancient and endangered forests, and through that to try to address climate change and the decline of species. Over the last 16 years, our work has evolved. Now I see Canopy as a power broker for a bold environmental agenda that needs to be taking place in the world.

Our model is based on that simple business adage that the customer is always right. And the more money they spend generally, the more correct they are, in terms of their suppliers. By engaging large corporate customers of the forest products industry, we've been able to build the economic and political conditions to help transform unsustainable supply chains and stimulate more systemic and next-generation solutions.

Ashoka: Could you talk about the notable case where you were able to get the Harry Potter book series produced in a sustainable way?

Nicole Rycroft: When we first approached book publishers, there were no [environmentally sustainable] papers for them to print on; it was that classic chicken and egg situation. And when we approached the [Canadian] publisher Raincoast Books, obviously their largest title was Harry Potter.

We knew that due to the size of its print run, Harry Potter was a title that had the ability to trigger an economy of scale in production of environmental papers that at the time didn't exist.

Any first adopter knows that there may be a bit of a premium. Lucky for us, as an early champion Raincoast Books was willing to absorb that cost to bring a good environmental

We knew that due to the size of its print run, Harry Potter was a title that had the ability to trigger an economy of scale in production of environmental papers that at the time didn't exist.

paper in the market. That first ancient-forest-friendly edition of Harry Potter and the Order of the Phoenix showed that it was possible to produce high-quality publications on paper that was helping to save our forest ecosystems. That enabled other publishers to use that paper, which then fed into the cycle of it being produced at a greater economy of scale, and subsequently, being more affordable.

On the supply chain, it revolutionized the way that book publishing was done globally. There were 40 types of environmental papers that were developed specifically for the Harry Potter contract over those years. Most of those are still commonly being used by publishers around the world today.

Ashoka: And then Canopy moved into the apparel industry...

Nicole Rycroft: Four and a half years ago, we discovered that 120 million trees disappear into clothing every year. And as shocking as we found that number, we found it even more frightening that it was slated to double within the next decade.

In that moment was the realization that we had this incredible opportunity to stop it from becoming an even more entrenched and bigger environmental problem. Before billions of dollars worth of new infrastructure was invested in exactly the wrong places, we had an opportunity to steer the supply chain toward sustainability.

So we've spent the last four years working with brands—we have 69 brands that have developed formal endangered forest commitments. That includes the big guys like H&M and Zara, and global icons like Levi's, and then some of those pacesetter progressive designers like Stella McCartney and EILEEN FISHER.

Ashoka: Your philosophy seems to be that everyone has the power to make positive change at whatever level. How does that affect your strategy with companies and partners? How do you harness and direct that agency?

Nicole Rycroft: Behavioral change is a difficult thing. Our model is based on recognizing that for us, as a modestly resourced organization, our ability to change the behavior of 7 billion individuals around the world was mission impossible. But what we could do was change the behavior of those 500 to 1,000 executives that work in companies with a lot of purchasing power.

So we are helping those individuals recognize that they have the potential to contribute to conservation legacies that are much bigger than their own individual business operations. We've been helping those executives recognize that they are some of the most powerful advocates for conservation in the world today—they just happen to work in a publishing company or a fashion brand.

Dan Schiff is Ashoka's Global Engagement Manager for the Fabric of Change Initiative .

Thanks

With special thanks to Ashoka's Fabric of Change and Globalizer Teams, the C&A Foundation, our partners A.T. Kearney and of course our fantastic Ashoka Fellows.



ASHOKA envisions an 'Everyone a Changemaker' world - a society that responds quickly and effectively to challenges, and where each individual has the freedom, confidence and societal support to address any social problem. Ashoka is the largest global network of leading system changing social entrepreneurs, having supported more than 3,300 'Ashoka Fellows' in 90 countries with solutions addressing society's most pressing issues. www.ashoka.org

C&A Foundation

C&A FOUNDATION believes that fashion can act as a strong force for positive change, and as a driver of economic growth. Through financial support, sharing of expertise and providing access to a network of specialists, the Foundation focuses on strengthening platforms, NGOs and other changemakers so that they can transform the apparel industry and make fashion a force of good. www.candafoundation.org

ATKearney

A.T. KEARNEY is a global management consulting firm with offices in more than 40 countries. Since 1926, we have been trusted advisors to the world's foremost organisations. A.T. Kearney is a partner-owned firm, committed to helping clients achieve immediate impact and growing advantage on their most mission-critical issues. We focus our resources, leverage our global scale, and drive excellence in all we do while enhancing our partner-like culture to ensure we are collaborative, authentic, and forward-thinking. www.atkearney.com

GET INVOLVED!

By joining forces, we can accelerate progress. We invite business leaders, philanthropists, professionals, media influencers and sector experts to connect with Fabric of Change and its network of problem-solvers. Let's work together to transform fashion into a force for good.

COLLABORATE

With our network for greater impact

VOLUNTEER

Your professional expertise to accelerate change

SHARE

Our stories of impact and change with your media audiences

NOMINATE

Social innovators transforming the systems within which they work

INVEST

In the work of our social entrepreneurs

KEEP IN TOUCH

Engage with your Ashoka Local Office: Collaborate with us for greater impact www.ashoka.org

Connect with Ashoka Fabric of Change

E: fabricofchange@ashoka.org

T: [#FabricOfChange](https://twitter.com/FabricOfChange)

www.changemakers.com/fabricofchange

Connect with Ashoka Globalizer:

E: globalizer@ashoka.org

T: [@AshokaGlobalizer](https://twitter.com/AshokaGlobalizer)

www.ashokaglobalizer.org

FIND OUT MORE ABOUT ASHOKA. Connect with the biggest network of social entrepreneurs worldwide: www.ashoka.org

Fabric of Change



C&A Foundation



ATKearney



C&A Foundation

