Textile industry veteran and former Cascale executive Andrew Martin reports on how suppliers are building new alliances in a push to remodel how fashion's sustainability transition is defined, financed, and governed

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YORK – For the best part of a decade, the industry's sustainability agenda has flowed in one direction: brands and global MSIs set the tone, while manufacturers quietly did the heavy lifting on the factory floor. That arrangement is starting to fray. As demands on decarbonisation and wider environmental performance intensify, the idea that suppliers should simply absorb expectations written in someone else's boardroom looks increasingly untenable.

In response, a different pattern is emerging. Manufacturer-driven initiatives such as the **Sustainable Terms of Trade Initiative (STTI)**, the **Apparel and Textile Transformation Initiative** (ATTI) and the **Fashion Producer Collective** (FPC) are giving suppliers new platforms through which to organise collectively and articulate their own priorities. Rather than waiting to be consulted, producers are insisting on a say in how "sustainability" is defined, financed and governed – a shift that is probably long overdue.

"Manufacturers are often asked to respond to sustainability solutions that have already been defined elsewhere," says Kim van der Veerd, co-founder of the Fashion Producer Collective. "If we want genuine engagement, the agenda needs to be designed with manufacturers rather than simply for them."

The ATTI, launched during London Climate Action Week in 2025 by the **International Apparel Federation** (IAF) and the **International Textile Manufacturers Federation** (ITMF), chimes with FPC thinking. It aims to support industry transformation in key supplier regions through nationally led programmes on energy efficiency, emissions, and broader environmental impacts.

Crucially, the model places manufacturers and national industry associations at the centre of identifying priorities and developing solutions. For Matthijs Crietee, secretary general of IAF, this reflects a recognition that suppliers must play a much greater role. “Manufacturers are where so much of the real work of sustainability actually happens,” he says. “If we want meaningful progress, we need to ensure that those closest to production are helping design solutions, not just implementing them.”

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ATTI is structured around national chapters, with early work progressing in Turkey and Bangladesh and a third country likely to join soon. The aim is to allow local stakeholders to assess priorities and develop transformation pathways suited to their specific contexts.

Energy infrastructure, financing conditions and policy frameworks vary widely across production countries, meaning solutions must be grounded in local realities. Olivia Windham Stewart, who has been leading the development and implementation of ATTI on behalf of IAF and ITMF, says this locally driven approach is essential. “Manufacturers understand their own operating environments better than anyone,” she explains. The aim is to create a structure that can support the manufacturing community itself to identify the most important challenges and work collaboratively with brands and other stakeholders to address them.”

Economic foundations of sustainability

The shift toward lower-carbon production requires significant investment. Factories are increasingly expected to adopt cleaner technologies, renewable energy systems and improved environmental management. Yet the commercial conditions under which many suppliers operate – including pricing pressures, short lead times and fluctuating order volumes – make long-term investment difficult.

One effort to address these structural challenges has been the Sustainable Terms of Trade Initiative (STTI). Launched in the wake of pandemic-related disruptions, it highlights how purchasing practices shape the commercial environment for textile suppliers.

For many manufacturers, factors such as order predictability, contract terms and pricing structures are critical not only for sustainability investment but also for business stability. More balanced and predictable commercial relationships can help create the conditions needed for longer-term planning and investment.

STTI has brought greater visibility to these dynamics by emphasising the relationship between responsible purchasing practices and suppliers' ability to invest in sustainability improvements. As manufacturers increasingly organise through their own industry structures, these commercial realities are being articulated more collectively from the supplier side – something that has historically been fragmented across individual factories.

Unlocking the financing challenge

These commercial dynamics have direct implications for access to finance. Many of the changes required to reduce environmental impact demand significant capital investment. Upgrading equipment, improving energy efficiency and transitioning to lower-carbon energy systems all require substantial upfront costs. Yet access to affordable financing remains one of the most frequently cited barriers facing manufacturers.

As suppliers coordinate more closely through their own associations and initiatives, they may be better able to articulate shared priorities and investment needs to brands, policymakers and financial institutions. "Facilities are often given one-size-fits-all requests from customers," says Van der Veerd. What more coordinated collaboration between producers could bring is a prioritisation framework that the whole sector can use to understand which emissions-reduction investments make the most sense for specific facilities, balancing emissions impact with financial return."

Greater alignment across brands, manufacturers and industry organisations can reduce fragmentation, making it easier for financial institutions to understand opportunities and evaluate investment at scale. For manufacturers, the connection between purchasing practices and financing conditions can be very tangible.

Anne Sutanto, vice CEO of Indonesian manufacturer **PT Pan Brothers** and founder and chairperson of the **Asosiasi Garment dan Textile Indonesia** (AGTI), says initiatives such as STTI can help financial institutions better understand supplier risk. "If the industry moves towards more responsible contracting and clearer terms of trade, that can demonstrate that the business environment is becoming more stable and predictable," she explains. "Responsible purchasing is not only about fairness. It also helps financial institutions see that the industry is addressing some of the structural risks suppliers face."

Greater transparency in commercial relationships can help reduce perceived risk and potentially make it easier for manufacturers to access credit or investment. However, many financial institutions still benchmark risk primarily against the creditworthiness and purchasing commitments of global brands rather than individual factories.

A more balanced model?

The emergence of supplier-led initiatives raises broader questions about how collaboration within the apparel industry is evolving. For many years, sustainability efforts have relied heavily on multi-stakeholder initiatives bringing together brands, manufacturers and civil society organisations. These collaborations have helped establish common frameworks, but have sometimes struggled to fully reflect the perspectives of those working closest to production.


The challenge remains that apparel remains a buyer-driven industry.

Greater organisation among manufacturers could address this gap by ensuring that operational insights from production hubs are more strongly represented in industry discussions. As Cem Atlan, immediate past president of IAF and CEO of **Cenka Tekstil**, notes, stronger coordination among suppliers could help the sector engage more constructively with brands and policymakers. “For many years suppliers have tended to respond individually to brand requirements, which makes it difficult to address systemic challenges,” he says. “Greater coordination among manufacturers could help ensure that operational realities on the factory floor are better reflected in industry discussions.”

The challenges should not be underestimated. Apparel remains a buyer-driven industry, and fragmentation among suppliers continues to limit collective leverage in the short term. Supply-chain shocks can also reinforce the dominant role of global buyers as brands prioritise flexibility and cost control.

Nevertheless, the growing emphasis on supplier collaboration suggests the industry may be entering a new phase. For Crietee, one measure of success will be whether manufacturers begin to play a more structured role in how industry transformation is governed. “If we look five or ten years ahead, success will mean that manufacturers are fully part of the governance of the industry’s sustainability transition,” he reflects.

For Windham Stewart, success will ultimately depend on whether initiatives like ATTI can translate collaboration into practical outcomes. “The real test is whether these conversations lead to concrete action in the countries where production takes place,” she says.

Ultimately, achieving transformation at scale will depend on alignment across the entire value chain. Manufacturers, brands, investors and policymakers all have incredibly important roles to play.