

CONTEXT: Interviews conducted as part of an investigation into the barriers to, and opportunities for, achieving Circular Synthetics. Research was funded by Business of Fashion, Textiles and Technology Creative Research & Development Partnership (BFTT CRDP—£5.5 million) led by the University of the Arts London, part of the UK Creative Industries Clusters Programme (CICP) funded by the Industrial Strategy Challenge Fund, and delivered by the Arts and Humanities Research Council (AHRC) on behalf of UK Research and Innovation.

Interview ID: BFTT-WP5-290520-14/ BFTT-WP5-290520-15

1: Interviewer

2: Interviewee A: CEO; transparency data platform service

3: Interviewee B: Head of project management, transparency data platform service

1: Moving on to the first question, really straightforward, can you tell me a bit about the background of [redacted], and your role within the company?

2: [redacted]

To cut a very long story short, I got a team of people together, and we built a prototype. It took us three years because it's not very easy, and once that was ready, [redacted] bought it immediately. They were the first ones to do so. Since then, I won't give you the long potted history, but we've got a handful of retail partners that use the system in earnest. Essentially, what the system does is [redacted], and everybody transacts their orders within our system. It's a closed system. If anybody tries to do anything outside the system, [redacted] tells the retailer, and the retailer takes some action. That's effectively it.

We have the ability to go down further layers. More recent developments in the last two or three years have allowed us to extend the use of the system through customer demand. We got people like [redacted] saying, "Look, if you have processing orders and you've got the details of all of our suppliers in the system, why can't we not manage things like our audit regimes and compliance regimes through your platform, then we're doing everything on them?"

[unintelligible 00:16:12] and Danny and the team basically took all of the requirements for that, and then they built that and baked that into the system as well now. We have three main modules, and it takes care of supply communications and onboarding, all of that stuff. Order management, and then the compliance management, making sure that the factories are doing the things that they're supposed to do, and there's nothing untoward going on. That's it in a nutshell.

You know that we're doing stuff with [redacted] as well. We're one of the companies. The next generation for us is a sustainable supply marketplace.[redacted] What we want to do is create a marketplace whereby being ethical and sustainable is really, really important. If you do those things, you get more business. If you don't do those things, you drop to the bottom.

3: Not only is it important, it's actually easy. One of the things that we found over the past few years with the work that we've done is every retailer is looking for different parameters, different levels of sustainability and ethical working, but there's only a

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few really that cross over as the same. For suppliers, that can be quite a minefield to manage. Whereas if they have a list of the top things that retailers are looking for and if they can be compliant with those, then they can almost project themselves towards those retailers, and really allow a light to shine on them for doing good work.

At the moment financially, you are not- rewarded is the wrong word, but it's the right term. You're rewarded for doing things cheaply. That's what gets you the business. When in actual fact, you want to flip the script on that and run some retailers in noticing that consumers want to understand and know. Therefore it can't just be the financial gain. It has to be actually, it might be a penny cheaper, a penny more expensive, but these are all of the things that we're doing as a supplier that actually guarantees you're compliant with legislation across the world.

You're rewarding then the strongest and best players in the market. Therefore encouraging other suppliers coming into that space. This is how we're going to get the best business by working in the best way rather than it being, actually, we'll undercut the person that's down the road.

2: One of the important things to bear in mind about circularity and the reason that we're involved in that space is that from our point of view, if you think about our system, we not only know all of the garment manufacturers, we know the component level suppliers. In some instances where it's really important to the retailer, we'll go down even further in things like organic cotton and sustainable viscose and that kind of thing.

From our point of view in terms of circularity, you need to know where you're starting, and the raw materials that are going into your product, to ensure that you can achieve a virtuous system. What happens at the moment, see, if you're dealing with the likes of [redacted], they fall victim to this all the time. They don't have a system that tracks things down to that level.

They may have and wish to use fully sustainable cotton or organic cotton, and viscose and lots of other things, but if their garment manufacturers don't buy from those suppliers that they've nominated, you've just ruined the system completely, whereas we can guarantee that that happens, that the right thing happens.

1: That's really interesting. Just that you actually-- I was about to ask you about how it related to circularity and so you've just answered the question I was about to ask. Just going back a tiny bit, just thinking about how the marketplace might work in terms of people self-reporting about their good work, how will you ensure that they are doing what they say they're doing? Is their set of standards or how would that work?

3: What we will do is remove the need for audit or physical checks. What we enable you to do is capture everything in a central location, record the history, understand that but actually the inspections and the audits and the physical checks are even more important to ensure that what we're getting is accurate. We don't remove any of that from the market.

Actually, in actual fact, we enforce that as being really important. Doing the physical checks, ensuring that you have somebody on the ground conducting an audit from an ethical perspective, from a fire safety perspective, even from a-- Provide some invoices so that we can understand that your raw materials are actually the composite that you've stipulated to us with relation to creating garments et cetera. We don't remove any of that, in actual fact, we enforce it.

2: We can do some interesting things in the sharing data space as well. What we're also trying to do is remove the need for seven different companies to order at the same factories five times a year. They can upload an audit which may have been done by Intertek or BV or SGS and we can get that audit into our system and then quickly verify that electronically with people that carried out the audit to make sure it's not been doctored in any way.

1: That's very clever. Very clever. Would that potentially go back all the way back to-- If I'm thinking about the lifecycle of the material, how far can you go back? When we start seeing materials being recycled, for example, you can go back to-- At the moment, obviously, it's plastic bottles a lot of the time, but you can go back through that supply chain as well to the bottles potentially, forever?

3: Potentially, yes.

1: It can?

2: If you take a product within our system when it's made and then we can look at the data of that, and it depends on the detail and really how passionate the retailers are about getting to the bottom of things. We have the capability. Where we have a few issues at the moment is sometimes the retailer can run out of steam in terms of influence. You can be a fairly-- You're a big portion of the garment manufacturer, you're maybe a relatively big portion of a component level supplier but when you start getting down to cotton and bales and that kind of thing, you might be a tiny fraction of the business.

Even forcing that data exchange at that level can sometimes be an issue. One of the things that we've done is partnered with a business that does trace physical traceability at that level that I've introduced them to [redacted].

2: These guys will put a luminescent marker which is unique to every company individually. You can basically choose a unique marker, and that marker will survive the whole process and recycling. It survives 2000 degrees. It's a brilliant piece. It's also edible. It will pass through your system. One of the things that they do is they put the marker in.

The reason we like it and it's such a unique solution is that not only does it survive all of those things and it has unique identifiers that can't be copied, the other thing that it does is it shows you the dilution factor. If you introduced it at a cotton level before it's spun in the mills or whatever in a certain dilution factor. If it gets cooked with other things further down the supply chain, you'll be able to tell. It's a fairly inexpensive £20 scanner you can stick into an iPhone and just point it at the thing for a few seconds and it comes out and it will tell you immediately.

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It's quite a nice marriage of the physical world and the digital traceability world. We can do that in the short term. I think as we grow an influence. The more and more retailers have come on board, the more and more influence we'll have further down the supply chain. It's like peeling the layers of an onion kind of scenario.

1: At the moment, obviously, you're looking back at where the product has come from. At the point at which it's sold, or it's manufactured even, you lose sight of it. Is that correct? That it leaves your system.

2: Yes, that's where we end. When it's dispatched from the factory and it's on the water to the retailer. Obviously, the retailer will have that data from their freight people and shipping people they're going through.

One of the things that we were doing with a certain company that's in a bit of trouble at the moment is that they were looking at exposing that data on their online platform. They are a consumer platform so when you vote something, you'd be unable to click in and have a look at the factory not only where the garments are made but where the components came from, and look at the audit trail for that and expose audit reports and all those kind of things. I think that there's certainly an appetite for that in some retailers.

1: I'm also wondering as well because there are other-- When we're looking at the whole life cycle, we can see that there's a real benefit to being able to trace the garments going forwards as well because consumers want to know if they're going to send their garments to a particular place. Is it going to get recycled in the right way? Is it going to get shipped to Africa? Do you think there's potential in the, maybe not at the moment, but in the future to build in more of this life cycle to your platform?

2: In terms of taking it on from garment manufacturers? Yes, I think that would probably be handed over to the system at that point. I wouldn't dismiss it out of hand in that regard because I'd have to see the business case for it moving forward and how that would operate. From our point of view, in terms of what we're doing in the supply chain is basically suck up data from loads and loads of different sources. We're the sponge that sits in the middle. We're at the point that the garments' made that hand over into the procurement systems of the retailer.

There must be, yes. I haven't really thought about it too much about what happens afterwards in terms of the specifics of the garment. We did, in the early days, talk to a number of people about the RFID solutions and that kind of thing. About tracking things afterwards. There was always the comeback and certainly at the governmental level about privacy. That these things can be scanned wherever you go so if you've got little chips in your clothes- people know who you are and where they come from, it only takes a little scanner at the door. That kind of thing.

1: That's interesting, yes.

2: There were lots of issues surrounding that. There may be a physical demand for that kind of thing. There are ways of doing it with unique barcoding and all sorts of other things. Again, we've done things like that in the past with Next in terms of uniquely-barcode fabric labels which everyone said couldn't be done. Because you

couldn't make them scan. We managed to do that and we managed to create the system around it that manages those labels. It's doable.

3: It wouldn't be doable from a barcode perspective, because obviously, each barcode is unique, but even if it was a barcode for a batch so that you could-- Thinking of a circularity perspectives that you could write this is the origin of the cotton. This is how it was mixed. This is the composite. This is how it could be recycled, it would just be one step further, even if we're passing it on to another system, if you could do a barcode.

There are lots of thoughts around it within the industry of how you can do that, as I'm sure that you're aware. I do keep my ear to the ground on that because circularity is becoming more and more important from a consumer perspective as well. I have no doubt that in the next couple of years, we may do more around that especially with the sustainable supply marketplace. Even if it's just giving that information of this is where the garment came from or this is the composite of the garment that's recorded, where it's gone to be recycled. Then even if we just take it to that point, from a compliance perspective, it might be quite useful for retailers.

1: Especially with the new EPR if it comes in. I'm going to move on that because otherwise, we're going to run out of time quite quickly. Because I've asked specifically about circular synthetics, I'm going to ask these from that point of view. I don't know if you'll be able to tailor your answers to that. It might not be appropriate or applicable. What of your experience has been of dealing with circular synthetic textiles in the synthetic supply chain? Now, I've spoken to you a bit more. Maybe it's more to do with sports brands or brands which use a lot of synthetics. I don't know if you have any thoughts on that.

2: I'm not sure that we get direct experience in any of that kind of thing, really. It's more to do with retailers in that regard. I probably should have declared I did run a sportswear company for about six months as an interim managing director so I have some knowledge of those processes and the fibers used and that kind of thing, the hyper-quality textiles arena. What was done there and lovely sublimation, rugby. It was in rugby.

1: I should probably say as well that we're asking every person almost exactly the same questions to try and get some comparable data. I'm starting to see that some of these are not going to be so relevant feedback. We'll ask them anyway and then we'll skip over them if they're not. What do you think are the main barriers to being able to access and mobilize the data around circular synthetic. Talking about more of how could [redacted] support that full cycle of the material? You spoke a little bit about that I just wonder if there's anything else in terms of the barriers that you'd like to say?

2: I think from our point of view, the data collection is always difficult. People moan about that all of the time. The beauty and uniqueness of our system is it's transactional. You can't do what you need to do without putting the data in the system and that's human nature, it's the path of least resistance. You either have to give them a rather large carrot or a stick or a combination of both. What our system does is effectively say if you don't use it, you don't get any orders.

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That whole process if I can use the analogy from conception to birth of a product, and what goes on in that gestation period that they're being made. We've got all the details on that. That's the bit that we're really strong at. It's the post-production and moving on from there is where we don't have any influence over. Influence is probably the wrong word, but we don't have any control over that path. What we can do in the whole circularity context is hand over a pretty robust big piece of data from that cradle part of the process.

1: I suppose you talked a little bit already about the dilution as you go back further on some of the things that you're looking at to deal with how to give brands more leverage, if you like, further up the supply chain. What do you think are the main opportunities for using data of this type with specifically around creating circular systems for textiles?

I can tell from what you're saying that the motivation for circular really isn't completely around circularity, it's mostly from the point of view of exposing and making sure that brands have that visibility of their supply chain for all sorts of reasons. I'm just wondering if you can talk a bit about what you think the opportunities might be within if we're trying to ensure textiles circulate around the system?

2: The main part for us is probably a repetition of the previous answer which is where we fit into the whole system. We're not going to end up in a situation where circularity is complete by one big monolithic data provider that takes care of the whole thing. It's just not going to happen that way. Neither is the problem going to be solved by one big company doing something. We talk about collaboration all the time.

Part of the beauty of the [redacted] tool is it's a naturally collaborative tool. It only works if people collaborate with it. We are very effective at integrating other people's products as well to make that whole life easier. People interact with the system either directly or via other systems that they may have and just exchange data with. We make it as simple as possible because we understand it's that path of least resistance side of things. If there's a desire in the marketplace for circularity, we can be an exceptionally useful enabler in that. I think that's where we would come in. I don't think we're going to be driving that particularly but we will be a key tool to enable it to happen.

1: Well, it sounds like you are driving in some respects because you have been exploring some of the potential for mapping that pathway. As you say, I can see that your strategy is very dependent on the brand pull. They really need to want to do it, don't they, to enable it to be part of your platform? I'm guessing then in that case, as soon as brands do want to see that transparency going forwards as well or the whole cycle, then that's something that your platform could expand to include if there was the economic drive.

2: Absolutely. Everything in the system has been driven by customers. I have to confess, we didn't start out with the idea of being highly ethical, wonderful, enabling company and sustainability, and all of that kind of thing. That's not really where we started. It was mainly about supply chain efficiency, actually, and making it run faster

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and smoother and cutting out delays and all of those kinds of things with the major things but they do have sustainability impact.

If you can cut out rework and errors and wastage and those kind of things, you can have a massive impact. It was only when we started on that journey. That's the beauty of getting on with something. You start something and then you realize loads of opportunities you hadn't thought about. Very early on, sustainability and ethics then came pretty quickly to us.

1: I'm just going to move on to-- We've added this question in because of the time that we're in. I'm just wondering what your thoughts are around how COVID-19 is going to impact your business and impact the ability for brands to adopt circular practices although circularity is not necessarily your main driver? How do you think COVID has changed the landscape from your perspective?

2: Certainly with retailers that I'm talking to, both customers and those that aren't yet customers, I'm seeing a real issue with them which might actually drive this much faster. The issue has been that when COVID arrived, they got all of these orders out in their supply chains, and lots and lots of stuff going on and they had no visibility of it whatsoever. It cost them dearly.

The ones that have been teetering around our business for some time I'm having really positive conversations about, it would have been great if we could have seen that the garment manufacturing already started processing orders and then we could have worked with them a bit more collaboratively about the ones that maybe we could cancel, and those that we should continue with. Rather than these carte blanche where we're going to only be 50% or we're going to cancel everything, that kind of stuff.

It's cost them dearly and I think that may well play into our hands and by association, the whole circularity piece because the more retailers we get on board that are looking from that raw materials through to production side of things and making sure that they're making better choices throughout that, that's surely going to help hold things. I think there's some good, positive stuff coming from there.

The negative side of it is, I think, in my view, a third of the High Street is going to get busted. That may be a good thing in some regards. Because the ones that go will be the ones that are teetering on the edge and certainly won't be the ones that were thinking about investing heavily in sustainability and circularity, I'm pretty sure.

1: Have you seen any-- I suppose it's quite early but have you seen any kind of-- I don't know if you get this kind of data though, but how has the companies further down the supply chain are managing, coping with what's happening? The knock-on effect?

2: It's a mixed bag. You're looking in places like Bangladesh where most companies have just pulled out of there *en masse* and

there's some-- Have a look at my LinkedIn profile, there's loads of stories that are kicking around there which are just heartbreaking. Not only are our retailers

canceling orders they're also not paying for orders that are on the water. There's a lot of horrible things going on. Again, when I say about a third of retailers will go, it will probably be similar in terms of garment manufacturers globally as well, in the short term. You may see some recover later on but yes, in the next six months I think a third of those will go as well.

1: It's quite interesting isn't it because the data that, at the moment, the platform that you offer, it's up to the brands whether or not they expose any of that data and make it accessible. So the public-facing side of it is completely controlled by your customers, in a sense of the brands. They'll report-- what I'm getting at, this is no criticism or anything, it's just a comment but they'll report the positive stuff but they won't report the hidden negative things.

2: Yes, I think there are opportunities.

3: [crosstalk].

2: Yes, but I think there are opportunities in the future to maybe, for [redacted] to start reporting on an anonymized basis what's going on in supply chains and the kind of issues that come up. The propensity of those issues, et cetera.

1: That would be really interesting.

2: Those kind of things I think we're quite within our right to do those things. You'll find, certainly, our customers will become more and more transparent because as a general rule people join us because they want more control over their supply chains, to become more ethical. It's not because they're wanting to do other stuff.

We do help them save money and that's another plus point but we're very encouraging in that they reinvest that money in improving their supply chains and the conditions of workers, et cetera. It's not just so that they can hit the bottom line so yes, there will be some things that go on.

Then yes, in terms of at the moment we're sharing data with a finance platform. That's another thing that is really important that if you can solve the money issues in the supply chain, you can really start to make huge improvements. There's a sea change coming on that. We think we're not far off being the first company that's able to fund purchase orders so when they receive a purchase order from a retailer, they will be able to draw some money down against that. Which will allow them to buy more materials and pay their staff. At the moment they have to find other ways of funding it.

When you're talking Bangladesh, Turkey, India, the rates of which they get that are horrific. You've got a much neater way of doing it which is driven by data again. It's much neater, much safer, and therefore because it's low risk the interest rates, the way we get funded by that is much lower than say an invoice financier in Sri Lanka.

1: Okay, that's really interesting, yes. I can see how--

2: We're up to all sorts.

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1: Sorry?

2: We're up to all sorts.

1: Well, I can see how I'm not a massive IT person but I can see how the information and the data leverages all sorts of different switches and phenomena. It's really interesting. I am going to move onto the next part and because of how the conversation's developed, I don't know how much you're going to be able to give for this but we'll go through the motions and hopefully the idea is it brings some different ideas out of the conversation.

I'm just going to within the chat feature, I'm just going to paste a link just to a Google Doc. If you could click through, it's just so you could see what I'm seeing and if you'd like to you can add to it but often people don't but you can if you wish to. Can you see that?

3: Yes.

1: In front of you. These are two garments from the case study that we're working with. It's a pair of running tights and a fleece which has zips, both of them are polyester. I'm just wondering from your perspective, it will be different from what a lot of other people have been inputting onto here. I'm guessing you don't deal with specific garments at the moment but could you talk me through what you're offering, the [redacted] platform relates to the movement of these garments through the supply chain if you like? For example, I guess a starting point might be what would be the furthest back that some of your brands can engage with the supply chain of these garments?

2: At the first stage. Even to the point of conception. When they think about they want to create a new sweater or a hoody or whatever it might be. The retail brands will often use product life cycle management systems at that point which we do integrate with. They will be even sketching designs in those kind of systems will happen. Then as the development of that which then is often engaged with a supplier who will produce samples for them and the initial kind of sampling, in that process, there's a bit of back and forth. Then when the product is created and finalized, when you've got your gold seal samples which basically says, "This is what we're going to produce at volume," then they get uploaded into our system. The purchase orders for those garments [inaudible 00:46:10] [redacted] platform.

1: Okay perfect. I'm just thinking about for example, could your platform incorporate things like-- because there's a lot of discussion around post-industrial waste. Waste that comes out of the factories are who were talking about samples. There's a lot of places where material falls off the map so to speak. Is there the potential for that to be built into your platform in terms of what manufacturers are having to dispose of? Therefore what's useable by other-- I'm thinking of industrial symbiosis.

2: There are a number of sustainability consultancies that we've talked to over the years and their major issue is getting data out of factories. It's just really, really difficult and because we're there and they're having to use us, it's really not a big leap forward for us. In fact, it exists in the software, the potential does. It's just no

one's used it, to date. In terms of if they want to upload details of water usage and where they dispose of their dyes and what their electricity bills are. All of these kind of things can be built into the system to suck that data out. We're probably best placed to do that because of the bit of the supply chain we deal with.

1: Then I'm just going to put in so they make the garments, do you also, when it's dispatched from the factory then that's where it hands over to brands?

2: Yes, and that's another important point is the dispatch. We can tell what's being dispatched on time, therefore what's at risk of being dispatched via air freight as versus sea. That's quite important in terms of carbon foot-printing and those kind of things.

1: That's information the brand wouldn't get? What? How they're being shipped?

2: No, the brands would know but we would have an idea about where that was going, which way that was going because we'd know whether the order was late or on time through the system.

1: Okay. Then you would be able to extrapolate that kind of overview information about how things are being-- what am I putting there? Okay, so that happens now. We've talked a bit about this before but what could happen in the future and you don't need to be too, you can be as frivolous as you like. What would it look like from your perspective if you could do everything that you want to do with the platform that you have and the knowledge and the skills that you have?

2: Wow.

3: Maybe five years, 2

1: Within what's realistic.

2: 3's going to get scared I'm going to give her a list of jobs to do with a deadline of next week, but there you go.

3: It's not the first time.

1: I'm really sorry, 3.

2: I think she's just glad I'm not home, I can't annoy her so much.

3: I am. I miss you but yes I am glad you're [crosstalk].

[laughter]

2: What could be possible? Well, if you think of the developments we're doing now with the sustainable supply and marketplace we could end up with a massive network of suppliers that effectively are continually improving because we don't have that at the moment, but they continue improving and we're monitoring their progress. Nobody's doing that kind of thing at the minute. Again, one of the good things about working with the [redacted] is that, once those criteria are there, the opportunity for

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academics to work in the oversight of all of those things, is quite high. If we've got this lovely virtuous network of suppliers all over the world and we can then monitor what they're making, where it's going, and keeping that moving through supply chains, the data potential there is just enormous.

That will come out of growth and us naturally acquiring new retailers and new manufacturers. One of the good things about the Garmin, the sustainable supplier market place, which will help us in that data increase is that, at the moment they have to work with one of our retailers to be on the system, which is why I said we've got knowledge of well over 30,000 manufacturing sites that aren't on our system with our retailers, but through other things that we've done, we can bring them onboard then because they don't need to be transacting to be part of the marketplace.

1: That's part of the market place. Bringing the wider network of manufacturers. That relates to something I was going to ask, but I didn't quite get around to it earlier, it's what's the impact of having almost a club type situation where the manufacturers are almost-- I was wondering what a platform like this, how it would impact manufacturers who are not yet involved, but this answers this question, in a sense. Is there anything else that you'd like to say about that? Potentially?

2: We naturally get more manufacturers on every time we onboard a new retailer, although we find that that's a decreasing number every time because we're mainly UK focused so it tends to be, 50, 60% of the time they're all using the factories that are already on the system. We don't get quite as many each time that we go, but there's still a lot out there. It just gives us penetration into a larger marketplace.

Again getting the messaging across that if you're not sustainable, if you're not ethical, if you're not really looking after the issues of circularity, then effectively, you're not going to get any more business. You need to be increasing what you're doing in that side of things to be able to then attract the business. You're matching up those virtues with making more money effectively, which I think has to sit in there somewhere. Profit's not a dirty word.

1: "Profit for being good," I'm just going to put that . Just because [unintelligible 00:53:08]. I'm just going to put on there as well, because we've talked about it before the barcoding potentially moving into the other half of the post-consumer. Also probably should also put in there, do you think that, the idea of linking to other platforms and other?

2: Yes. I think that, that sharing of data will be really important.

1: Okay. Perfect. Wow, it's very exciting. I'm just going to move on quickly. I won't take much more of your time. What do you think are the main things that need to happen over the next 5 to 10 years to-- perhaps not so much strictly from [redacted]'s point of view, but maybe how [redacted] can develop to support the circularity of textiles? If you can frame your plans, but within the circularity aspect.

2: Well, I think I've probably answered a fair bit of that in terms of the marketplace driving better behavior and more circular behavior and sharing of data within that will become a central part of it. Then the plans of expanding the platform, but also

financing the supply chain as well because part of the thing that we're looking at there, which I didn't make clear actually, is that, in order to gain access to earlier financing at a purchase order level, the manufacturers will have to show that they're making improvements in sustainability, circularity, and ethics. If they're not, and they're not willing to, then they will not get access to more money.

1: Okay, wow, that's interesting.

2: We can start, it's just all playing the behavior game. We know which levers to pull to make them do what they need to do because some people naturally do this out of passion and morality and other people just won't and we can't impose our morality on everybody else. We've got to see what we can do to incentivize them to do the right thing. I'm afraid money talks. If you can have that lockdown of data and transactional supply chain, you can add in there, "You get finance for doing the right thing, so you can grow your businesses faster," and by doing the right thing. Then you can demonstrate that and also get more business via another platform that will get you into more and more retailers. I think that's going to start driving up.

1: Brilliant. I was just going to say, who are the key people that you need to partner with on those aspects? I imagine to be a financier, so you need some finance partners, or--?

2: Yes, we've got a finance solution that is with us at the moment. Those guys, they've been going for about five years, but they created a pretty unique platform, which is very similar to ours, but finances, invoices at the moment. In our world, the garment manufacturer, as soon as they've invoiced something, would be able to draw down 98% of that invoice upfront so they're not waiting for the money to come in 90 days later from a retailer, they can get it straight away, which means they can then fund things and make the cash cycle faster. What we'll looking to do is extending that and bringing it forward to purchase order which can add another three months for them if they [inaudible 00:57:06].

1: That's really interesting. I'm just wondering, so the motivation for those types of finance solutions, are they mainly ethical or obviously there has to be a business case for it and I imagine there's interest in this, that, and the other, which enables that, but is--

2: There is but it's much more efficient and much cheaper than what exists at the moment. The point of it is, yes, there's a massive business opportunity, but you will see with these businesses that the drivers are, "Yes, we can do this, we can do it cheaper, but we can do this more sustainably." Those are the really important factors. I say that we're doing it for those guys at the moment, we probably will do this in partnership with some banks as well. They need us exclusively. Unfortunately, we don't need to be exclusive with them, but it means we can influence the major banks to bring in a similar scheme, do them on a similar basis.

The critical part is the data that we've got within the system, which reduces the risk because they know that a purchase order is being transacted. I forget. Not that data, there's less risk of it being a dodgy purchase order that's never going to be transacted. Less risk that the invoice won't follow, et cetera.

Interview date: 29 05 2020

1: That's really interesting. I'm thinking, I don't know enough about this. It's so interesting because a lot of the things that investment and finance is coming up so frequently with this whole thing. Creative ways of enabling companies to move forward with what they're doing is definitely on the agenda for a lot of people. That's really interesting. Thanks for that. Anything else that you'd like to add before we move on to the--? We were coming to the end now, but is there anything else that springs to mind that you think is relevant?

3: If in a utopia setting, we were to build more circularity measures within the platform, one thing that we've toyed around the idea of, is having a consumer-facing, almost like an app. This is an app already available. It's Good On You, I think it's called, but we want to take it a step further. We were looking at maybe a recyclable garment, potentially allowing consumers to be able to see exactly where it's been produced, who's produced it, the composite of that garment, and where it's going to be recycled and what it's going to be turned into. We're at the very early stages of discussion in relation to that kind of development. If we're looking at a utopia setting, that would mean allowing the consumer direct access, an independent viewpoint, not a brand viewpoint, not a supply viewpoint, but almost a snapshot in time, and allow them to make their own minds up about who they're buying from and how they're behaving would be fantastic from my perspective [crosstalk].

2: Sorry. It is a common issue that when we speak to consumers and we talk to them about our system, one of the most common things they ask is, "Oh, where is it safe to buy my clothes from then?" They know that lots of bad stuff's going on in the world. We can be fairly sure that the ones that are using our system are safer than others. They said, "Great. Tell us who your customers are and what you do for them, and which clothes are run through your systems, so we can buy them knowing that they've made without children slaves," and that kind of thing.

You can take a step further in the sense of driving consumer behavior. If you've got a portal and you can go on and look at a garment from, say, one of our customers, and it not only gives you all of that information, but it also tells you the recycled content and what will happen to it afterwards where you can dispose of it or recycle it on, and then what it will be turned into. That kind of thing will then drive the behavior of the people that really care about those kind of things buying from retailers and buying individual garments that they know are highly recycled or highly recyclable.

1: I know you haven't done, you're just thinking about this at the moment, but I suppose the challenges there are around brands not wanting some-- Would this be something you would trial with one brand, for example, first? I'm just thinking if there are some challenges around.

3: [inaudible 01:01:40].

2: There are.

3: The other side of that is that consumers aren't not bothered, but if there is an issue within supply chain in how a garment's manufactured if there is reports of slavery, there is a lot of research to support that consumers will not overlook that, but if a brand or a retailer is really working to improve that for the community, for the

factory, for the supplier, they're more likely to buy from that retailer because of their positive actions. It's really about almost changing mindset within industry that this is going to happen.

There are going to be occurrences and there are going to be issues," but it's actually how you deal with those issues and how you work towards a resolution to benefit communities, suppliers, and not-- switching suppliers isn't actually helpful if there is an issue, it's actually about working with that supplier and helping them come up with a standard that makes them work for the brand or to whatever legislative means that they need to work towards.

There is a lot of research. It's actually on our websites, it's done by a university in Germany that shows consumers actually providing a brand takes responsibility and owns it and works towards a positive outcome that they get more loyalty from their customers because they feel confident that actually if there is an occurrence, it's going to be managed properly, it's going to be handled correctly, and factory, community, et cetera, everybody's going to be supportive in coming up to the right standards. That could be the same from a recycling plant, et cetera, thinking of a circularity perspective. If you've got recycling plants that are recycling garments, it's not all machinery work. You are going to have workers within those regions as well. How are they being treated? Are they being treated fairly? et cetera.

1: Perfect. That's amazing. Thank you. Finally, I'm just going to go on to talk about the definitions which are on the slide four if you needed a reminder. Did you read these already and was there anything that struck you as needing to be different or changed?

[silence]

2: Yes, they seem fine. Nothing's jumping out to me.

3: I've read them a couple of times, and I thought they were quite good, actually.

1: I didn't mention data there anywhere.

2: Data is something driven from that to make sure those things are happening.

1: Perfect. Great. Thank you so much for your time.

2: You're welcome.

1: Thank you. Thanks a lot. Bye-bye.

3: Bye-bye.

[END OF AUDIO]