

# **Seminar Summary**

## **Moving the needle #19** **Audit Fatigue, Facts,** **Challenges, and a Call** **for Action**

Asian Dialogue on Sustainability in the  
Textile and Garment Industry Series

May 2024



# Seminar summary

**Auditing is a supply chain issue that urgently needs addressing. Manufacturers often face over 150 audits per year, with compliance and HR teams dedicating more time to audit preparations than to actual workplace improvements.**

## **Discussion topics:**

- The current compliance model.
- Fragmentation of proprietary standards.
- The need to transition to a collaborative approach beyond brand competition.
- Mutual recognition of credible audits and harmonisation of standards.
- Calls for alignment between social compliance demands and purchasing practices.

# Speakers

**Dr. Xiaohui Liang:** chief researcher, China National Textile and Apparel Council.

**Karim Shafi:** international Partner, Gherzi.

**Miran Ali:** managing director of Bitopi Group Bangladesh, vice president of BGME.

## Seminar key takeaways

- **Systemic supply chain issue:** This issue is not merely logistical but a systemic problem in the supply chain, necessitating collective action rather than isolated efforts.
- **Reluctance of buyers and brands to reduce audits:** Often driven by a lack of financial incentive, as well as the influence of ESG teams.
- **Addressing audit fatigue requires a unified approach:** Emphasising mutual recognition of audits and creating genuine incentives for brands to streamline compliance processes.

# Proposed solutions

- **Rely on established standard holders** such as Better Work, SLCP, and Fair Wear.
- **Centralised digital solutions** to store and share audit data.
- **Mutual recognition of audits** by different buyers and retailers.
- **A unified voice among manufacturers** to push for a single, mutually recognised audit standard.
- **Work towards a self-monitoring system** in the long run, move to self-monitoring to reduce reliance on third-party audits.
- **Engage with markets with the highest audit demands** e.g. Germany to streamline requirements.
- **Promote global standards** for example, ILO's Better Work and OECD guidelines.
- **Future vision** Shift towards a mature industry model with self-monitoring practices, reducing audit burdens while maintaining compliance and improving labour and environmental standards.

# Calls-to-action

## **For buyers and brands:**

- Improve buying practices to align with social compliance goals.
- Avoid using social audits as a competitive differentiator and focus on collaboration rather than policing suppliers.
- Recognize credible third-party audits to reduce the burden on suppliers.

## **For manufacturers:**

- Collaborate with peers to avoid duplicative efforts.
- Advocate for unified approaches to audits and engage with existing solutions like the SLCP (Social & Labor Convergence Program).

## **For policy makers:**

- Introduce and support regulatory frameworks that promote audit standardisation and mutual recognition across markets.
- Encourage international organisations like the ILO and OECD to drive global standards in social compliance.

## **About the Asian Dialogue Series**

The “Asian Dialogues on Sustainability in the Textile and Garment Industry” series was initiated to foster collaboration and strengthen regional knowledge exchange for greater social, environmental and economic sustainability in the sector. Launched in 2015, the series aimed to cultivate regional, sector-specific dialogue and promote cooperation between actors from across the supply chain.

## About Asia Garment Hub

The Asia Garment Hub is a digital one-stop shop tailored to the garment and textiles sector in Asia, viewed through a lens of Decent Work and Sustainability.

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