



PART 3

Read the text below and answer questions 27–40.

REFORMING FASHION: REGULATION, TRANSPARENCY, AND A CIRCULAR SHIFT

A

For much of the last two decades, the fashion sector treated labour and environmental scandal as a reputational problem that could be managed with voluntary codes, third-party audits and carefully branded “ethical” collections. Those instruments sometimes improved conditions in individual factories, yet they rarely altered the commercial logic that rewards short lead times, low prices and high volume. Brands could showcase compliance documents while still placing orders that required excessive overtime to meet a deadline. Because the core incentives remained intact, responsibility was repeatedly displaced to suppliers with the least negotiating power, and “improvement” often meant better reporting rather than fewer harms. Reform efforts have therefore shifted toward enforceable tools—legislative compliance, contractual duties and system redesign—aimed at changing what firms are rewarded for, not just what they disclose. Yet the turn to regulation also raises equity concerns, because strict standards can be perceived as disguised protectionism if they are imposed without negotiation with producer countries.

B

Human-rights due diligence (HRDD) laws exemplify this turn from episodic inspection to continuous responsibility. In principle, HRDD requires a company to map salient risks, prevent harm, and remedy impacts across its supply chain, with potential liability if it fails to act. Unlike traditional auditing, the duty is meant to be ongoing: firms must update risk assessments as suppliers change or subcontracting expands. However, the policy promise depends on enforcement capacity, credible penalties and accessible complaint pathways for workers, including remedies that do not require an individual to risk dismissal by complaining publicly. A recurring concern is “paper compliance”: firms may reduce apparent risk by dropping smaller suppliers, shortening supplier lists, or forcing suppliers to sign pledges without providing price increases or technical support. When risk management becomes a procurement strategy, HRDD can shift burdens downward rather than improving working conditions, unless it is paired with support for suppliers to upgrade systems instead of being excluded.

C

Transparency is often presented as an obvious solution, yet disclosure can mislead when supply chain opacity persists beneath the surface. Publishing a first-tier supplier list can help unions, journalists and regulators detect patterns—such as repeated wage violations



or suspiciously short production windows. But if subcontracting layers remain hidden, disclosure can create a false sense of visibility while the most precarious work is pushed into informal workshops. Some brands release data that is too aggregated to verify or update it so infrequently that production shifts go unrecorded. Transparency can also create strategic behaviour: suppliers may clean up visible sites while relocating overtime-heavy processes elsewhere. Without independent checks—worker testimony and cross-validated records—disclosure risks becoming a branding narrative rather than a mechanism of accountability.

D

A second reform strand targets purchasing practices as a root cause of labour abuse. If buyers insist on last-minute design changes, unpredictable order volumes and below-cost prices, suppliers can meet targets only by compressing wages and extending overtime. Model contracts respond by specifying realistic lead times, clearer payment terms and shared responsibility for the cost of compliance. Clauses limiting unilateral cancellations reduce the temptation to push financial shocks onto factories, while requirements for timely payment can prevent wage delays and the use of debt to cover payroll. Some proposals also restrict excessive “chargebacks” and require compensation for mandated rework, recognising that quality demands have labour and time implications. In effect, contract reform aims to make humane production commercially feasible by rebalancing risk and shifting incentives away from speed at any price.

E

Environmental regulation is increasingly aimed at overproduction and the waste burden created by rapid turnover. Extended producer responsibility (EPR) schemes require brands to fund collection, sorting and treatment of textile waste, turning disposal into a predictable cost of doing business rather than a municipal problem. Well-designed EPR can use eco-modulated fees that reward durability and recyclability, discouraging low-quality garments that fall apart quickly, and it can finance sorting and repair infrastructure. Yet critics warn of “recycling theatre”: if fees are too low or standards too weak, firms may finance symbolic take-back programmes while maintaining the same throughput. Blended fabrics remain a technical bottleneck, and fibre-to-fibre claims can outpace the capacity of real facilities. Where fees are minimal, EPR may function as a small cost of doing business rather than a force that discourages overproduction.

F

Circular fashion is frequently framed as a replacement for linear “take-make-waste”, but circularity is not a single intervention and can even reproduce high consumption under a greener label. Repair and re-use can extend lifetimes and reduce demand for new



garments, especially when supported by design for durability and a right-to-repair ecosystem that makes mending cheaper than replacement. By contrast, resale or rental platforms may simply accelerate turnover if they normalise constant wardrobe refresh and treat garments as temporary content. This is sometimes described as a circular economy fallacy: the appearance of loops hides the fact that total material throughput can stay high. Fibre-to-fibre recycling can reduce virgin inputs, but it is constrained by sorting, contamination and the downcycling of fibres, and it cannot solve the problem if production keeps rising.

G

Technology sits uneasily within these reforms because it can either strengthen enforcement or distract from it. Digital product passports and traceability systems can support reform by storing material composition, factory identities and care information that improves sorting and makes subcontracting harder to conceal. However, passports become meaningful only when data are standardised, auditable and linked to consequences for misreporting; otherwise they risk functioning as another layer of marketing. Workers in producer countries may still welcome stronger rules if they come with fair prices, stable orders and support for upgrading. The most durable path therefore combines regulation, contract reform and credible verification with negotiated standards that shift incentives throughout the chain.

Questions 27–31

Choose the correct heading for each paragraph.

List of Headings

- i** Making waste costs reshape production decisions
- ii** Why partial disclosure can create false visibility
- iii** Contract terms that rebalance risk and reduce labour pressure
- iv** Why voluntary ethics did not change the system
- v** Due diligence as an ongoing duty—and its “paper” loophole
- vi** Digital tracking as a replacement for legal enforcement
- vii** Circular branding that can still increase throughput
- viii** The claim that regulation inevitably becomes protectionism
- ix** Consumer awareness as the primary driver of reform



27 Paragraph A

28 Paragraph B

29 Paragraph C

30 Paragraph D

31 Paragraph E

Questions 32–36

The text has seven paragraphs, **A–G**. Which paragraph contains the following information? Choose the correct letter, **A–G**. **NB** You may use any letter more than once.

32 The warning that some “circular” services may simply keep garments circulating faster rather than reducing total consumption.

33 The idea that tracking tools help most when they make hidden subcontracting harder to conceal and easier to verify.

34 The concern that strict standards can be viewed as disguised trade barriers if imposed without negotiation.

35 Contract provisions intended to stop buyers shifting financial shocks onto factories and to prevent delays in workers’ wages.

36 The point that firms may appear compliant by cutting ties with smaller suppliers instead of improving conditions.

Questions 37–40

Select the correct answer.

37 What does the writer imply was the central weakness of many earlier “ethical” initiatives?

A They failed because consumers rejected sustainable products.

B They focused too heavily on recycling technology.

C They left the incentives for speed, volume, and low prices largely unchanged.

D They relied on government inspectors rather than private auditors.

38 According to the passage, why might HRDD produce “paper compliance”?

A Firms may reduce visible risk by dropping smaller suppliers or using pledges without support.

B HRDD replaces the need for any enforcement or penalties.



- C** HRDD requires brands to publish fewer data points about suppliers.
- D** HRDD prevents companies from mapping supply chains beyond first-tier factories.

39 What reservation about EPR schemes is emphasised in the passage?

- A** EPR can work only when all garments are made from a single fibre.
- B** EPR mainly increases demand for new clothing by lowering prices.
- C** EPR eliminates the need for sorting and repair infrastructure.
- D** EPR may become symbolic if fees and standards are too weak to change production.

40 What is suggested about digital product passports?

- A** They guarantee sustainability because data itself changes behaviour.
- B** They matter most when standardised, auditable, and linked to penalties for misreporting.
- C** They should replace contract reforms because data is more objective than wages.
- D** They reduce waste mainly by encouraging faster trend cycles.

Answer Key

27. iv

28. v

29. ii

30. iii

31. i

32. F

33. G

34. A

35. D

36. B

37. C

38. A

39. D

40. B