

Transcript of 'How To Be a Socially Responsible Company'

Season 3, Episode 33, Transforming Tomorrow

[Theme music]

Paul: Hello and welcome to Transforming Tomorrow from the Pentland Centre for Sustainability in Business. I'm Paul Turner.

Jan: And I'm Professor Jan Bebbington.

[Theme music]

Paul: We're going to find out what the benefits of an employee-owned business can be, both for the people and for the planet.

[Theme music]

Paul: What do you have on your bed, Jan?

Jan: What, you mean cats or dogs or...? [laughs]

Paul: ...I don't know. If, if, if you've been kidnapping the neighbourhood cats and dogs again?

Jan: No, no. Um, well, sheets, bedding, pillows, [Paul laughs] those sorts of things.

Paul: Do you think a lot about the type of material you are going to have on your bedding? [pause, Jan draws breath] You should.

Jan: Uh, yeah, I think I probably should. It's one of those things you, I probably bought, bought some stuff ages ago and just keep on, you know, washing and reusing them.

But they will have, well, cotton, isn't it? So I remember...

Paul: ...well, this is the thing...

Jan: ...yeah...

Paul: ...you say they all have cotton. You can get some that have got a lot of artificial fabrics in.

Jan: Oh, right. Yeah, I prefer to sleep on cotton.

Paul: Well, cotton is naturally much nicer against your skin. I think it, like, wicks away the sweat and things as well, as you're sleeping. [Jan laughs]

Uh, it's a, it's a, a far nicer experience sleeping in cotton, I think, than in some kind of polyester that's going to make you sweat and feel horrible.

Jan: However, there's a price difference...

Paul: ...there is...

Jan: ...um, it'll be a durability difference as well. So I don't think we should, uh, get, you know, too dedicated to cotton.

Paul: You shouldn't get too dedicated to cotton. Well, we, we are very much a cotton family.

Silk. How about silk? [laughing] Would you want silk...?

Jan: ...I've never had...

Paul: ...silk sheets...

Jan: ...but wouldn't it, wouldn't it be nice to have had the experience? But no, not in my category of experience,

Paul: No, I think unless you're Hugh Hefner, I don't think that generally [Jan laughs] you have much in the way of silk sheets spread through the house.

Jan: Now sounds very seedy, really, doesn't it, the silk sheets...?

Paul: ...yeah...

Jan: ...why, why are we, why are we interrogating my bedroom habits?

Paul: Not, not your bedroom habits, your bedroom furnishings is what I was more interested in.

No, because today we are gonna be talking to someone who works for a company that deals with bedding and stuff...

Jan: ...aaah...

Paul: ...so that was why. But more importantly, we're gonna be talking about issues around corporate social responsibility, ethics, things such as this.

So let me ask you this. Do you consider yourself an ethical employer?

Jan: Well, given I don't employ anyone directly...

Paul: ...well, you're the boss! [Jan laughs] All right. Do you consider yourself an ethical boss?

Jan: Yes. So I think it's really important to think very carefully about your workforce. Like, um, we would never have an unpaid intern in, in the Pentland Centre, because that's inappropriate to have somebody working for free...

Paul: ...you don't pay me...

Jan: [laughing] ...you don't work in the Penland Centre.

Paul: [mock indignantly] I'm work, I'm working for the Penland Centre right now! You don't pay me...

Jan: [laughing] ...as part of your job, which you are paid to do...

Paul: ...aah, yeah.

Jan: So it's important, but also, um, I suppose what, uh, you know, at a University, the, the HR functions sort of deals with all of that for us, whereas, uh, you know, a smaller business has to really consider some of those things and actually self-consciously make choices about how they might, you know, undertake their employment practices.

Paul: Yeah. There's lots to consider. I mean, it's bigger companies, like you say, they have separate departments that probably outnumber the number of employees there are in total at a lot of businesses.

So they're dealing with all of that. And whatever your views on HR departments might be, they are there to serve a purpose, essentially, around this, no matter who side you might think they're on, uh, if you were to be involved in any discussions with them.

But yet, there's a lot of considerations that need to be made around employees, because we are *not* in the 19th century. You cannot send children under threshing machinery, um, to pick up all the waste, and end up with them getting their heads chopped off.

Jan: Yeah, no, uh, we've come a long way. Although maybe not far enough, so we can maybe figure out where further we could go.

Paul: Yes. Well, shall we bring in someone who, as I say, is part of a company that leads the way, in some aspects on elements of this?

Jan: Great stuff.

Paul: Uh, the Managing Director of Thomas Kneale and Co, who do manufacture, import and distribute bedding, fabrics and textiles. And it's an employee-owned company that prides itself on its corporate, social and ethical policies.

So, that's something that we'll be discussing. And we'll be discussing it with Brett Mendell. Hello, Brett.

Brett: Hello there, Paul and hello, Jan. Great to be here. Great to see you.

Jan: Good to see you again.

Paul: What's your view on bedding, Brett? Do you, cotton or are you a silk man?

Brett: Uh, well, uh, it takes a lot of silkworms to make one little bit of silk, [Jan laughs] so it's not going to be sufficient for all of us, that's for sure. Myself included.

Paul: Do, do you prefer cotton?

Brett: Uh, cotton is as, uh, I was, uh, listening. Very impressed with your knowledge. It does indeed, uh, wick the sweat away. Very comfortable. Um, but, um, other materials, they have some benefits as well.

Jan: Yeah...

Paul: ...I've never seen a man sit on the fence so much about whether he likes cotton sheets, [Jan laughs] but I, I'm not gonna push too far. I feel that I'm maybe coming some kind of political controversy...

Jan: ...maybe, maybe...

Paul: ...in the bedding industry that I wasn't aware of. Yeah...

Jan: ...yeah. So, so maybe, well let's start with, with the business, Brett, and can you tell us about Thomas Kneale and what business it does, who it sells to? And, um, yeah, maybe let's leave the fabric of a sheets behind for the part of the conversation...

Paul: ...okay, okay...

Brett: Well, uh, the interesting thing will be is whether we get back onto the, uh, different materials of the sheets a little bit later.

But, um, no, for now, um, Thomas Kneale and Company Limited. We are a Manchester-based, employee-owned, uh, company that has been around for almost 80 years. So it was quite interesting hearing you talk about, uh, what factories used to be like in days gone by.

Um, we are now a modern business. Um, we, um, manufacture, import and distribute various bedroom and bathroom textile items, window coverings and associated items. Um, the manufacturing, as is most cases these days, is global. Um, and our customer base is, um, around the UK, but also international as well.

Um, we essentially supply business-to-business, commercial settings. Um, our customer base includes government departments, facilities management companies who have private *and* government contracts, and pure private companies as well. Pretty much across every sector, every type of bed setting.

Um, what we say is anywhere where you are not spending the night in your own bed, you might be in Thomas Kneale Bedding, whether that be cotton, polyester, silk, or any other material.

Paul: Let me stress, we are not endorsing adultery on, um, this particular podcast.

Jan: [laughing] That was, that was a big leap. [laughs]

Paul: He said, anytime you're not sleeping in your own bed!

Jan: I think we were thinking of like, hotels, hospitals, these sort of places...

Paul: [grudgingly] ...yeah...

Brett: ...I do have to say though, I, it always brings a little wry smile to my own face when I make the comment, um, because I should say, whichever bed you sleep in is none of our business.

Paul: Yeah.

Jan: [laughs] Absolutely.

Now in the introduction, you said something else that I found very interesting, in terms of, um, Thomas Kneale is a employee-owned company. Can you tell listeners how that works? What does an employee-owned company entail?

Brett: Yeah, absolutely. Um, the type of employee ownership that the organisation has is known as an EOT, which stands for an Employee Ownership Trust.

This type of, um, business or this type of, of ownership, I should say, was set up back in 2014 by the then Chancellor George Osborne. And 12 years on, around about two and a half thousand organisations in the UK have become employee-owned within this particular model. Probably the most well-known employee-owned business in the UK will be the John Lewis Partnership. They're certainly the biggest.

Um, but essentially it's a different type of structure, whereas the EOT is set up in a way where, um, the benefits to sellers are that there are tax benefits when selling the business. The benefits to the employees are that, essentially, as well as owning part of the business, which is held in a trust on behalf of the employees, there is a, um, profit share.

Um, up to 3,600 pounds is tax free at the moment. You can, of course, pay a higher amount of profit, uh, in, in terms of the, the share. Um, but anything beyond that amount is taxed at, uh, standard rates. But you don't want to know too much about tax.

But, ultimately...

Paul: ...you, you mis, you *really* misunderstand Jan's obsession [Jan laughs] with anything to do with accounting and tax there, uh, Brett. But you know, if you want to carry on believing that most of us don't want to go in too much into tax, yeah, please carry on.

Brett: [laughs] Yes, it's, it's probably for the best, I think, to move on from this topic, uh, whatever Jan's wishes are. [Jan laughs]

But, um, I, I guess just to finish us off on this point. In regard to the employee ownership, trust, the key word there, or the key *emphasis* is the fact that it's not a traditional organisation owned by a small number of shareholders where the majority of the profits are, are benefited just by a small number of people.

It really is a case of, um, being part of it. Individuals' hard work and efforts come back and, and flow to everyone in the organisation. So it really does deliver things such as, um, loyalty from the individuals, because they are simply not just an employee. Um, we have long service, as a result of that. We

have people wanting to work harder and put in more for the company, because ultimately, it's theirs.

Jan: Yeah. And I'll put some materials in our show notes about employee-owned organisations 'cause they're quite a particular form, quite a longstanding form. And it shouldn't be a surprise that some of that radicalness of, um, Manchester has rubbed off in this, this context as well. So I'll put more notes on that. No, great stuff.

Paul: With regards to the benefits, Brett, I'm thinking of sometimes, uh, not in employee-owned companies, but you might get shares issued as a dividend or something like that if you are, or a reward, and you get to keep them no matter what, when you leave or what have you.

But with regards to the employee-owned trust, are the benefits purely for the time when you're working for the company, or are there benefits after you've left, whether that be to get another job or whether that be to retire?

Brett: Yeah, it is very much with the EOTs. It is based on the time that you are employed by the organisation. So if you were to leave the organisation today, essentially your ownership, your part-ownership, of the organisation stops at that point.

Which is quite an interesting dynamic in itself because obviously part of the reason why they were set up in the first place was to encourage productivity and growth of organisations. Um, and certainly from a reasons for individuals wanting to stay with an organisation is really there in that, is that the longer you are with the organisation, the more you remain, the longer you remain, I should say, as an employee-owner, and therefore sharing in the benefits of, which will cease then if for whatever reason you decide that you're going to move on from the organisation.

Jan: But let's now focus on the organisation. So your company has a focus on purpose, people, planet, and profit. Can you tell us about how these four things run together and, and whether or not one's more important than the other, and what it means for your operations as well?

Brett: Absolutely. I guess ultimately, um, it would be wrong to start off by not mentioning the importance of profit, both prior to when we were employee-owned, but equally now that we are.

And I guess the crucial thing to say, it would be naive to turn around or it would be wrong to turn around and go, well, profit is less important or it's not the most important. Ultimately we need to make a profit to survive. If we don't make the profit, we will not survive, we will not be here anymore, and then the whole rest of, of, of the other aspirations on the purpose side of things, people, the environment and so forth, um, there is, there is, it's not there. Uh, quite simply put.

So what we essentially want to do is ensure that we are a successful, profitable company because that then releases the ability to focus on the other aspects. But I guess crucially the difference is that it is not about profit maximisation. There are, there is more to the organisation than simply looking at how we can extract, how we can make the maximum amount of profit, while possibly not doing so with looking after the environment, looking after our people, working with our communities, and doing the right thing.

And that's probably the biggest difference. But what I would say, and what's particularly interesting, is that I've just talked about employee ownership and the fact that the harder we work and the better we do, the more there is to share as profit. But that for me is what is really fantastic about these various aspects. They combine, they come in together.

You can do environmental factors and actually lower the cost of doing business because of the return on investment, for example. You can pay people fairly both in the organisation and within the supply chain, and that is going to help because you're going to retain people who do better work, who have higher productivity, and therefore you're able to, for example, generate more business.

So, for us, these various aspects are not in silo to the objectives of running a successful business. They are absolutely a critical, engrained part of it.

Paul: We had a guest on recently who talked about how businesses can consider, not return on investment, but what she referred to, and this was Jemilah Mahmood, as 'return on values'.

So this sounds a bit like how you're operating. You're not just looking for the profit, you're looking for a return and a result that goes much beyond that, albeit recognising, like you said, the importance of if you don't make money, then you can't be an operational company.

Brett: Well, this is exactly the case. Um, and it, and it really is about value. It's about our overall impact, what we do, why we do it, why that's important as a responsible business, but not just stopping within our business. We obviously have customers, we have suppliers, and we call both aspects partners, as is our community as well.

We're working in partnership. We're working very often not with exactly the same objectives, but in some cases we will have shared objectives. And if you have a look beyond the four walls of your own organisation, that's where the value really starts to unlock and release because it's what you can do together and how much more powerful and how much more that returns.

Paul: Now. You've been awarded the King's Award for Sustainable Development. First question, does this mean you provide the king with his bedsheets?

Brett: [laughs] I'm not sure whether I could, uh, possibly disclose such, [Jan laughs] uh, information. Um, but, um...

Paul: ...I bet he has...

Brett: ...let's put it that way. We, well, let's put it that way, we don't as yet have a royal warrant, um, albeit we do, uh, work with an organisation that does.

But the, uh, yeah, the King's Award for Enterprise and Sustainable Development, that was, something that we were successful at winning back in 2023, so three years ago now. You hold it for five years and we were one of just 15 organisations in the UK, in that year, to be awarded within the sustainable development category.

So it was a real moment where we were able to see just how highly valued the work that we have been doing was perceived to be.

Paul: What was cited as the reasons behind the awarding of this award then?

Brett: Well, the, um, actual entry is all encompassing. It's very closely linked to the UN Sustainable Development Goals, and the questions are intentionally, uh, relatively loose to enable the submitters to really, not just detail and explain, but crucially to evidence the actions that you've been take, that you've taken, but also why you've done it.

Why have you been involved in the activities you've been involved with and how has that enabled your organisation to, essentially, do business better, do business in a more responsible way. Um, and, and that high level is, is what the, um, specific award, certainly for the sustainable development aspect, that's what it's all about.

Jan: So Brett, what does that award and the actions mean for your business in terms of the kind of work that you do, but also how you go about doing it?

Brett: Ultimately we ended up, um, putting a submission in, really because we wanted to, um, see how far we had gone when perceived externally. You hear a lot about organisations, um, making a big thing about the activities that they've undertaken.

Now, I don't think that's a bad thing. I think it is very important to shout about the actions you've taken because, um, you should celebrate success. Um, but equally we're all here to encourage each other to work together, to learn from each other. So I don't think there's any harm in that, but sometimes it can actually go too far the other way.

Um, we all know about the likes of, um, greenwashing as a term. One of the things that we are really focused on is not how do we see ourselves, but what do others see? The things we've done and the level of impact. And so that was ultimately the reason why we decided to put a submission in.

But what I must say is that never in a million years did we expect that we'd actually be awarded, and we didn't actually go for it with the intention that would end up being successful. And that was really nice to see, because what winning that award has done is led us to be even more encouraged, to go even further and faster with the actions we're doing, because we can clearly see that it's perceived to be the right thing.

Um, the responsible activities we're trying to take, the fact we're not just focused on one area, such as, um, the environment or ethical trade or sustainable procurement. We're trying to do them all.

Paul: Does an award like this, especially having the King's name on it, put a little bit of pressure on you to be even more sustainable? Rather than sort of say, yeah, we've got this, we've we're doing well. You kind feel, well, we need to be even more sustainable because if anyone looks at us and investigates us and looks deeply into our practices, our supply chains, anything like that, and

they find an issue and we've got this award, it kind of maybe contradicts the awarding of it.

Brett: I wouldn't say it, um, adds pressure. What it does is it adds, um, a real desire. We, we feel that the process that we went through to win the award, the scrutiny, what we had to submit, the level and the length we went to were very significant. We felt very comfortable with what we had put in there, and we felt that once, um, the initial shock had died down, that we actually were worthy winners.

But it, what it does do is rather than add pressure, it motivates and it galvanises to say, right, we want to now really lead even more. We want to get involved in additional things. We want to push ourselves to the next level. Um, and, and those are the things that we have done.

You know, this is all part of our long-term strategy. Um, but it just gives you that little bit extra buzz and inclination to push and, and go a bit harder, go a bit faster.

Jan: So, uh, Paul, I met Brett, um, when we were doing work in around, um, decent work for the UK government. He was at one of the seminars and was one of the case studies.

Paul: Mm-hmm.

Jan: And, and that's why I thought we'd come back for a conversation, Brett, because you were so inspiring in, in that context.

So whilst you're doing lots of things, we, I think we we'll focus on the decent work element of, of what you're doing.

Paul: I'm gonna guess this isn't just an assessment of the standard of his bedding...

Jan: ...no...

Paul: ...no, it's, it, no. [Jan laughs] Yeah, decent quality, yep. Okay.

Jan: No, although we could test that by putting you in hospital. [Paul laughs quietly] So let's, let's start off with...

Paul: [sarcastically] ...you're so kind and lovely. [Jan laughs] Yeah, put me in hospital. Well, at least it's better than saying putting me in prison. [Jan laughs] Yeah, I know, that's it...

Jan: ...well that's up to you as to whether or not you end up there...

Paul: ...you could frame me, I've no doubt about that...

Jan: So, um, leaving aside the, the bickering, which is one of the hallmarks of his podcast. Um, you pay the living wage, and it's really interesting to, to, that phrase is so rich and so sort of promising.

So what does it mean to pay a living wage? What, what does that mean for you as a business, but also for the people who have been paid it?

Brett: Well that, that's a great question. Because ultimately the living wage, um, is fully known as the real Living Wage. And the 'real' is a, a key word there, because the real Living Wage, which essentially is, um, from within the Living Wage Foundation, um, that is an independently set rate per hour, independently calculated based on the cost of living.

And I should just state that that is different to what is known as the National Living Wage, which is, um, essentially set by the government. And um, another word for it would be seen as minimum. So the real Living Wage is, um, above that level, and it doesn't just focus on an individual's ability to pay bills and put food on the table. It goes beyond that.

It covers things such as the cost of a holiday, birthday presents for children or for friends, and the ability to save for a rainy day in case of a boiler breakdown or a leaky roof. And the reason why we are so passionate about it at Thomas Kneale, and why I personally am so involved with it is because of the belief that individuals really should earn a fair wage for a fair day's work.

And the difference depends year by year. Um, it's essentially around about 70p an hour difference at the moment. And some people will say to me, Brett, why are you so conscious of this? It's only 70p or it's only 60p, or 50p, depending on the year.

But when you're talking about people who are earning the lowest wages in the UK, that 50, 60, 70p an hour multiplied by full-time, if that's what they're working, or even part-time, multiplied over a year is a phenomenal difference to them, and that's why we believe it to be so important.

Paul: So figures wise, at the moment when we're recording this in spring 2026, the National Minimum Wage, which as you say was rechristened the living wage, uh, which essentially just struck me at the time and, probably still does,

as a marketing gimmick. Minimum, probably seen as a negative connotation. That is £12.71 per hour. Whereas the real Living Wage is £13.45 per hour.

So that's like 74 pence an hour difference, but 74 pence an hour over the course of a day, over the course of a week, over the course of a year, is quite a significant amount of money.

Jan: Mm-hmm. Especially on the base as well. If you are not, you know, if you're earning quite a small wage, that base lift is enormous...

Paul: ...mm-hmm. And so do you see people specifically wanting to work for you, Brett, because you are paying that real Living Wage, as opposed to the living wage, government mandated.

Brett: Absolutely the case. Not only does it attract people, um, at the time they see an advert, a job advert, but it retains them as well. And the reason why it retains them, what they say to me is, we don't need to go looking for an alternative job, just because the alternative job might pay 10, 20, 30p more an hour, because we know that we're earning a fair wage for what we do. Um, and that is within a wider sphere of looking after the individuals.

But it does go further than that. I'll just touch on very briefly, the Living Wage Foundation has two newer aspects. One is called Living Hours and one is Living Pension. And the story with the Living Hours is really quite significant.

We are Living Hours accredited as well, Living Hours essentially, um, in simplistic terms is a minimum of 16 hours a week. It's, um, four weeks' notice period. So if shifts are cancelled, uh, sooner than that, then the individual doesn't lose any pay. Um, and it, it's also, um, contracts that reflect the hours worked.

But an individual started with us last year and he was telling me the story, um, just after he'd started, of his previous employer where essentially he was, uh, not on a contract, he, um, regularly got himself up in the morning, paid his bus fare, um, and spent half an hour on the bus to get to his place of work. Arrived at the, um, arrived warehouse door to be told, sorry, we don't need you today. Off you go.

So not only had he laid out for his, um, transport. Not only had he now buy this time, spent well over an hour to get there and back, he was going home with no money whatsoever. And it's probably an appropriate time to just mention because it is coming in, um, in phases over the next year or two, the

Employment Rights Act, um, which Thomas Kneale have been involved with in terms of working, um, with the government and, uh, providing information and quotations. We hosted, um, a minister as well.

This is the biggest change in employee rights in a generation. Um, obviously the hours, the hours aspect is just one small part of it, but I think it's just relevant to mention it in the context of the fact, you know, you were talking in the introduction about how work, workers' rights, health and safety, all those aspects have changed over time. And this really is about bringing, um, employment rights and welfare right into the 21st century.

Paul: We did actually have an episode on the Employment Rights Act just a few weeks ago with someone from the Work Foundation, Alice Martin. I wonder what your view is on that Employment Rights Act, do you feel it went far enough or do you feel that there were areas where it could have gone further or should have gone further?

Brett: What I would say, um, as a, a slightly political question there, [Jan laughs] is that we as an organisation, we believe, truly believe that employee rights is of great significance. And that it was nowhere near where it needed to be, and there just was not enough protection out there for employees.

So there is no doubt that it's quite significant as to how far it's moved on. Of course, it could go further. Every aspect could go further. Um, and there's lots of different things in there, but what I would say is you, you get different kinds of people. There's plenty who actually feel it's gone too far and it's not enough in the employers, um, favour and rights as well.

Now, ultimately you can't please everyone. You're always going to get an element of that. We obviously are of the view that it's very welcome and that there are aspects that could go further without going into the detail of each, uh, each and every, uh, aspect, because there's a lot in there.

But I think the crucial thing is looking at where we were and where this takes us. Um, it probably won't be, or it shouldn't be the end of, and it's not going to progress any further. Um, but it is going so far and that's a good thing.

Jan: And I'm gonna circle back around to Manchester as well as being the place where, where you're operating, um, from. So is there something about the city of Manchester, and Greater Manchester, coming together to support

employment-related rights and employment-related actions across the whole region that's kind of special about the place?

Brett: Um, yeah, I mean, Manchester is a fantastic place. It's the fastest growing, uh, city in terms of the economy in the UK, if I've got that right. Um, the, you, you can see just coming in on the train to Piccadilly station, week by week, month by month, there's more cranes building new, uh, buildings, areas being regenerated.

Uh, we are based in the Piccadilly Ancoats area, which was historically, um, a hub of textile manufacture. And there's still, uh, many, many, red brick mill buildings around the place. These days, largely they're converted into, um, accommodation for modern living, but the signs are still there and the area did fall into, deprivation. So it, it's great to see the transformation of the city.

But the city is full of people who, and organisations who, really do care about these topics. Um, so in both Manchester as a city and Greater Manchester as a region, we have a Living Wage Action Group, um, which is there to ultimately encourage and promote the real Living Wage and, where possible other aspects, including Living Hours and Living Pension, which I mentioned a few minutes ago.

Um, but we also have, um, it's an initiative within the, Greater Manchester Combined Authority is the, uh, Greater Manchester Good Employment Charter. And this is a really interesting one, because there are a variety of different things that you need to do to be able to become accredited, but there's some overlap and some synergy between what the employment, the Good Employment Charter is trying to do and the Employment Rights Act.

And so you can see throughout the city and the city region, where from the GMCA downwards to action groups to individual employers, there's a real desire and there's a real will to ensure that good employment takes place as far and as wide-ranging as possible in terms of the organisations and the geography. There's a hell of a lot to do, but there's good things going on.

Jan: Yeah, no, Manchester's really inspiring in that respect.

Can I move to another part of your activities that was of, of great interest to, to me as a, as an accountant, but also, um, of great interest in the, the labour side of things.

You've developed something called a Modern Slavery Toolkit. Can you tell our listeners about that?

Brett: Yeah, absolutely. So one of the many areas that we spend time looking at how we and our supply chain can, um, improve, do better, be more responsible, is the highly topical area of modern slavery.

It is known, um, and you only have to look at the news on a week-by-week basis that modern slavery exists, not just outside of the UK, but here, within it as well. And it's a very divisive topic because what you'll hear many people say is no, there's no modern slavery in our supply chain, in our organisation.

It's when you start probing them and saying, how do you know? What work have you done? What actions have you taken? What information is your supply chain providing you? What audits are being done? What training and education is being provided?

And that, ultimately, while we've been trying to do as much as we can in this area over the years, this is where the toolkit came from. Where, there was a, the, it's, it's a topic, it's one of various topics where, of course as an organisation you can do so much yourself, but it's very limiting how much you can do unless you involve others.

So the toolkit was really designed initially for our supply chain, our direct supply chain, but we now share it far and wide. We, we've done several talks about it. It's on, for example, the, uh, Supply Chain Sustainability School's website.

So it's a toolkit that we encourage other people to use. It's got Thomas Kneale's name on the front and it's been built with our supply chain in mind, but it can be easily adopt, adopted, because what we've tried to do is keep it simple, keep it action led and ensure that individuals and organisations can do things with it.

So it's, it's quite visual. It contains around 12 pages, but it's, it's things such as, what does modern slavery look like? What do the people who might be victims, what do they look like? How do those that are committing the crime of modern slavery, what do they do? How do you talk to people? How do you do it in a confidential manner? How do you report it? How do you ensure that you are doing everything you can to reduce the impact and where there is a

problem it is being dealt with? And that in essence is what the toolkit is there to do.

Paul: I'm harking back here again to cotton, and cotton bedsheets, but it's reminded me of the conversations that we had a couple months ago with Farmon and Uzbekistan, and not modern slavery per se, but forced labour there in the cotton industry, as was the situation until about 10 years ago or so.

And the issues that there were there, and how there was action around stopping there, and stopping using Uzbek cotton in wider supply chains because of the labour issues, and how all the big companies pulled out and there was pressure put on there.

Um, do you feel, Brett, that it's okay for you to have your house in order, so to speak, and figure out how it's going, but you need lots of other companies to be considering all of this as well.

You've obviously got this material that you're sharing with them. But unless they do actually act on it, can there be a real impact on affecting modern slavery within supply chains of fabrics?

Brett: The, the, it's a very simple answer to that one, Paul. Absolutely everyone needs to be involved, and this is the context that I would put around it. We are a small organisation. We directly employ about 20 people. We have, um, a couple of hundred people making our products, with our labels, onto our specification, but they are not our employees. And that is just within tier one.

Once you then move down the tiers, while we try to take what we, uh, call proportionate realistic, um, activities, what we don't have is the budgets to be going out and doing direct audits in every single, um, location, tier two, tier three, down to the cotton pickers.

So what we would never do is turn around and say, we do absolutely everything we do, uh, you know, we are 100% certain, directly ourselves. No, we don't. What we say is we need our supply chain and we need their supply chain, and they need their supply chain as well.

And for some of this, to be perfectly honest with you, it's about influencing. And it's about educating, and it's about ensuring that people understand why it's important, why it's a problem, but crucially what they can do as well.

And this comes back to what I spoke earlier about, we all have to work together. Our customers, our suppliers, and all the way through that is the only way where real meaningful difference is going to take place.

Paul: So have you actually been able to demonstrate the usefulness of this Modern Slavery Toolkit in terms of actually detecting or preventing modern slavery at all?

Brett: So what I would say an answer to that is what we have done with our suppliers, we have regular conversations with them. Um, we will go through the toolkit, for example, and we will ask them to show us what actions and what activities they've taken.

So there have been examples of, um, cases identified, um, as being potentially problematic, as potentially being victims of, and therefore the things that they need to go off and do. And what's interesting is, I've spoken about the global supply chain, um, is that there needs to be the responsibility all the way down.

So us sitting in our offices in Central Manchester, we can do so much. But when you're talking about a factory in the subcontinent that has, um, identified some potential issues, how do they actually go about, uh, making it known, not just to us, but to the authorities?

And that has proved really, uh, successful in getting those conversations going, and the dialogue and the direction. But crucially for, for the individuals to take responsibility themselves.

Jan: Yeah, and I, once you've got a toolkit and you've got a, a common language and a common set of expectations, then you can open up conversations like that more readily as well.

So I think that's also part of the strength of it, and, and you never know what you prevent, but you're probably preventing a bunch of stuff as well at the same time.

Paul: So what comes next then, Brett? What's happening that you, uh, your next steps in terms of anything relating to sustainability and you being that socially responsible ethical company?

Brett: For us, we're trying not to over complicate it, and we're trying to ensure that it continues to be proportionate for our size and our scale and what we're able to achieve. Because otherwise, if we were to, not be overly ambitious, it's

not about that, but if we were to be unrealistic, then we might lose, um, what we're trying to work on.

We may lose focus. We may go off in a direction that doesn't actually, uh, reap the benefits that we're trying to reap, and where we're trying to go with this. So in each of the pillars, in each of the areas, we are continuing, we're growing our influence, we are becoming more well known, and we're becoming more well known because we're able to advise, because we're able to, um, share some of our documents or some of the things we've done.

Um, and the key thing is that we know that we've done a significant amount. We know it's been, uh, seen to be effective through things like winning the King's Award for Enterprise, as we discussed earlier.

But, ultimately, we are far, far from complete, and there are so many more things we can do. And so when we come together as a team and we're working on our aspects, that is what we're looking at. Each pillar, what we've achieved, what we're going to do next, who we're going to work with, and how we're gonna get there.

Paul: Well, Brett, thank you very much for giving us an insight into your operations at Thomas Kneale. It's been really good to hear it all.

Brett: Thank you very much. Thanks for having me on the podcast.

[Theme music]

Paul: I'd like to think there are an awful lot of companies, like Thomas Kneale, that are trying their utmost to be the best that they can in so many aspects. Like they've talked about modern slavery, the Living Wage, sustainability, built within their structures. But it's just great to hear one particular case study here from Brett and to know more about it.

Jan: And it's kinda like our, our sort of idea of local heroes and trying to bring to you, our dear listeners, a, you know, a sense of different kinds of businesses, um, who are doing different things. And so, like, this is a 20-person business, so it is definitely in the, the SME category, um, they are supplying a, a lot of, private businesses, but also the government as well.

But they've found ways to actually enhance what they do and really develop a, a distinctive sense of purpose for themselves, but they're still profitable, viable, all of those elements...

Paul: ...yeah...

Jan: ...as well.

Paul: That's 20, 30 people employed directly...

Jan: ...yes...

Paul: ...but as Brett says, they've got people who are working further down the, the chain there, people who are working at different levels within their operation and other organisations they're dealing with.

So they've got a lot of people within their supply chain and they seem to be trying to work their best with them...

Jan: ...yeah...

Paul: ... and for them as well. They've not just stopped at the four walls of their warehouse, they've gone beyond that.

Jan: And I really like that, um, it's nice to hear a bit more about employee ownership, which is not something I think we've had on the podcast, um, to date, but also for them then to think about what they're doing in Manchester.

So you've got, again, a bit of a scale difference there, but then as you say, you know, globally as well, the, the engaging with people all over the place. Um, pretty impressive folk.

Paul: And it's good to see how they view, how they work with their employees and how they work with the community around them as being partnerships, and they have shared objectives.

And it's not just that they might occasionally talk to the community or something, they want to work closely with them and do proper stuff with them, not just pay it lip service.

Jan: And I, I was really taken that, if you look at the government's definition of a living wage and the real Living Wage, it looks quite small per hour, particularly if you're on a, you know, better wage, it seems like almost, you know, nothing. Um, but once that adds up, it's important, but also if it adds up on what will probably not be a large wage anyway, it's *really* important.

Paul: Well, 74 pence an hour over, say, a standard 37 hour week or something like that, or let's say 40 hour week, then that's almost £30 a week. Times that by 50 something pounds, you're talking about £1400 a year...

Jan: ...that, and that could be quite significant in, in many people's lives...

Paul: ...that, that's, like Brett said, that's the holiday. That's being able to buy presents for children, for birthdays and stuff like this. It's, yeah, it's a significant amount over the course of that year.

Jan: But there was a, a question in my mind, Paul, and you'll be able to answer this. How does Transforming Tomorrow get the King's Award for Sustainable Development?

Paul: Well, we can't make his bedsheets is what we've, [Jan laughs] uh, discovered...

Jan: [laughing] ...I don't think that's what I [inaudible due to laughter],

Paul: ... it's, uh, I was just, I was just thinking of ways, although, you know, Brett wouldn't confirm or deny...

Jan: [laughing] ...yes...

Paul: ... I mean, it's certainly not a bed I'd ever sleep in at, uh, Buckingham Palace, so I can't say that.

So if we're ruling out bedsheets, what about curtains? Could we make him some nice curtains?

Jan: I don't know. I, I will put on the show notes, the, the King's Award for Sustainable Development, so you, so that listeners can see what it's all about and what kind of, uh, organisations have won it.

But I just, yeah, don't you fancy it?

Paul: I, I, don't think we're really a business. Certainly if we are, you are definitely not paying me [Jan laughs] the minimum wage, or the real Living Wage, is what I would say. Despite all your protests earlier about, oh no, I don't employ you. So you don't care about people beyond the four walls of your warehouse, do you, that's it...

Jan: [laughing] ...well, maybe we won't...

Paul: ...doesn't work for me. You can get paid for what he wants...

Jan: ...but we will find out more about it anyway, but uh, yeah, it's a pretty impressive prize.

Paul: So next week, where shall we go?

Jan: Let's stay, um, with, institutions that might need bedsheets.

Paul: [laughs] Institutions that might need, institutions that might indeed employ bedsheets from, uh, Thomas Kneale. [Jan laughs]

Yeah, we're gonna be talking about the NHS, and sustainability within the National Health Service here in the UK.

We've got Cliff Shelton, who splits his time between here at Lancaster University and the NHS and Fanny Burrows, who is from the NHS. They're gonna be talking to us *all* about sustainability within their operations.

Jan: Excellent.

Paul: Until then, thank you very much for listening. It's goodbye from me, Paul Turner.

Jan: And from me, Jan Bebbington.

[Theme music]