

# FASHION TRANSPARENCY INDEX

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**2021 EDITION**

The Fashion Transparency Index analyses and ranks 250 of the world's biggest fashion brands and retailers based on their public disclosure of human rights and environmental policies, practices and impacts, in their operations and in their supply chains.

**FASHION  
REVOLUTION**

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# EXECUTIVE SUMMARY

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## ABOUT FASHION REVOLUTION

Fashion Revolution works towards a vision of a fashion industry that conserves and restores the environment and values people over growth and profit. Founded in the wake of the Rana Plaza disaster in Bangladesh, Fashion Revolution has become the world's largest fashion activism movement, mobilising citizens, industry and policy makers through research, education and advocacy work.

The issues in the fashion industry never fall on any single person, brand, or company. That's why we focus on using our voices to transform the entire system. With systemic and structural change, the fashion industry can lift millions of people out of poverty and provide them with decent and dignified livelihoods. It can conserve and restore our living planet. It can bring people together and be a great source of joy, creativity and expression for individuals and communities.



## ABOUT THE FASHION TRANSPARENCY INDEX

The Fashion Transparency Index is an annual review of 250 of the world's largest fashion brands and retailers ranked according to their level of public disclosure on human rights and environmental policies, practices and impacts in their own operations and in their supply chains.

We focus on the biggest and most profitable brands and retailers because they have the biggest negative impacts on workers and the environment and therefore have the greatest responsibility to change.

Transparency is foundational to achieving systemic change in the global fashion industry, which is why we have been campaigning for it since 2014 and why we created this tool. Transparency underpins transformative change but unfortunately much of the fashion value chain remains opaque while exploitation thrives with impunity. Transparency is a first step; it is not radical, but it is necessary. Transparency is not to be confused with sustainability. However, without transparency, achieving a sustainable, accountable and fair fashion industry will be impossible.

The Fashion Transparency Index reviews brands' public disclosure on human rights and environmental issues across 239 indicators in 5 key areas:

1. Policies & Commitments
2. Governance
3. Supply Chain Traceability
4. Know, Show & Fix
5. Spotlight Issues, which this year are:
  - Decent work, covering Covid-19 response, living wages, purchasing practises, unionisation and collective bargaining
  - Gender and racial equality
  - Sustainable sourcing and materials
  - Overconsumption and business models
  - Waste and circularity
  - Water and chemicals
  - Climate change and biodiversity

To read more in-depth about how this Index works, why transparency matters and the methodology, please see pages 19-35.

# INTRODUCTION

The global fashion industry has been turned upside down since we published last year's Index in April 2020 due to the Covid-19 pandemic. Unfortunately, since then the industry has also backslid on many human rights and environmental issues. When lockdowns were announced in March 2020 and retail shops were shut across the world, **big brands and retailers cancelled orders** from their suppliers almost overnight. These were orders that were already in motion and in many instances, suppliers had fronted the cost of raw materials and labour. Products had already been made and sometimes even shipped, waiting at ports and in warehouses. Consequently, many suppliers and their workers went unpaid.

At the same time, many big fashion brands and their shareholders **continued to grow their huge profits**, despite millions of garment workers around the world having lost their jobs, faced unpaid wages, experienced increasing food insecurity and forced to return to work, sometimes without proper PPE or social distancing in place, putting them at risk of contracting Covid-19. To say that the impact on the people who make our clothes has been devastating feels like an understatement. The imbalanced power dynamics between

global buyers, their suppliers and garment workers has been cast in a particularly stark light this year and has magnified the outsized influence and impact of brands' purchasing practices on the working conditions, livelihoods and health of the people who make our clothes.

Meanwhile, the climate emergency still looms. In fact, over the past few months several new studies have been published indicating that the planet is reaching various climate-related tipping points faster than expected. For example, the **Arctic Sea ice is thinning twice as fast** as previously thought. **Oxygen levels in lakes are declining** at rates between three and nine times faster than 40 years ago. A **WWF report** published last month has found that key species, such as penguins, puffins and snow leopards, are at risk of extinction if the planet heats above 1.5C, which has already happened in regions like Australia.

**Research from the Global Fashion Agenda (GFA) and McKinsey** estimates the fashion industry accounts for 4% of global greenhouse gas emissions and the good news is that many big brands and retailers are taking collaborative actions to reduce their emissions and achieve net zero in line with the Paris Agreement.

This is happening through joint efforts such as the **UN Fashion industry Charter on Climate Action**, the **G7 Fashion Pact**, WRAP's new **Textiles 2030 Strategy**, among others. However, as we will explore later in this report, the fashion industry needs to be bolder and more transparent about what they're doing to address the scale of the global challenge, especially when it comes to environmental impacts in the supply chain and the consequences of unsustainable production and consumption.

The other good news is that we have seen, and expect to see, a range of new laws and regulations that will require the global fashion industry to do more on human rights and environmental issues. For example, **in the European Union** this year we should expect to see companies being required to proactively assess, act and report on human rights and environmental risks throughout their supply chains. We will also see **new rules coming in on how companies must deal with textile and clothing waste** and **new government policies** on product design, production processes and mandatory product labelling when it comes to sustainability topics.



# HOW THE INDEX HAS CHANGED THIS YEAR

Over the past year we have listened to our passionate community, conducted a detailed review of the Index (stakeholder interviews, social media feedback and media review) and have taken a range of steps to strengthen the methodology and push brands and retailers to go above and beyond policies and commitments towards more public disclosure on the implementation and outcomes of their efforts. We understand that policies do not always accurately reflect how a business is run, and this year we wanted to put greater emphasis on business action. To do this, we halved the weighting of the scores in Section 1: Policies and Commitments and gave more weight to indicators which focus on implementation and outcomes on issues such as supplier audits, living wages, purchasing practices, gender and racial equality and climate and water data in the supply chain.

Given the desperate situation that workers in the fashion supply chain have faced during the Covid-19 pandemic, we also added in six indicators specifically looking at what information major brands

disclose about cancelled orders and the pandemic's impacts on supply chain workers, see pages 79-80 for the detailed analysis.

In an effort to further contextualise our research and address concerns over how our research is used, we have created Q&As to answer relevant questions see [this link](#). We have also updated our theory of change which explains why we do this research, its purpose and scope and how transparency is foundational to corporate accountability and change, see 19-23. Finally, this year we created communications guidelines for the brands and retailers reviewed to avoid this Index being misused by brands for greenwashing purposes or misunderstood as a measure of ethics or sustainability, which you can [read here](#). We are committed to calling out any brands that use their involvement in the Index to greenwash and will correct any misleading communications that we discover, as we have done in previous years where this has happened. If you see anything of concern being shared by brands about the Index, please let us know.

## WELCOMING YOUR FEEDBACK

We recognise that the Index is not perfect and can always be improved. We welcome any feedback or questions on the Index to [transparency \[at\] fashionrevolution \[dot\] org](mailto:transparency@fashionrevolution.org)

## KEY FINDINGS

### Progress on transparency in the global fashion industry is still too slow among 250 of the world's largest fashion brands and retailers, with brands achieving an overall average score of just 23% in the Fashion Transparency Index 2021.

Although the Fashion Transparency Index has pushed many major brands to disclose vital supply chain data information since it was first published in 2016, progress is too slow on key issues such as purchasing practices, living wages, overproduction, water use, and carbon emissions in the supply chain – even among the highest scoring brands.

Italian brand OVS scored highest this year with 78% (an increase of 44% from 2020), followed by H&M (68%), Timberland and The North Face (66%). While 20 major brands score a 0% rating including, Belle, Big Bazaar, Billabong, celio, Elie Tahari, Fashion Nova, Heilan Home, Jessica Simpson, KOOVS, Max Mara, Metersbonwe, Mexx, New Yorker, Quiksilver, Pepe Jeans, Roxy, Semir, Tom Ford, Tory Burch and Youngor.

For another year, we have seen that major brands and retailers publicly disclose the most information about their policies, commitments and processes on human rights and environmental topics and significantly less about the results, outcomes and impacts of their efforts.

Major brands and retailers continue to disclose the most about their policies and commitments year-on-year compared to governance information, supply chain details and impact data. We see a lack of public disclosure across all major brands relating to issues such as social auditing across the supply chain, living wages for supply chain workers, purchasing practices, unionisation, gender and racial equity, production and waste volumes, circularity, chemical use, deforestation and carbon emissions in the supply chain – all of which are urgent and important issues that need faster progress if we are to collectively “[build back better](#)” in response to the intersecting crises of climate change, Covid-19, systemic racism and global economic inequality.

Even though we see that many large brands publish time-bound, measurable targets towards improving human rights and environmental issues, these targets are more-often-than-not focused on outputs and processes (services delivered or actions taken) rather than aimed at achieving outcomes and impacts (the

actual consequences or way things turn out), which would be far more meaningful and indicative of tangible change for workers and the environment.

### Supply chain disclosure continues to improve among major fashion brands and retailers, yet still only 47% of brands disclose their manufacturing facilities and about 1 in 4 brands (27%) disclose the wet processing facilities and spinning mills deeper in their supply chains.

Major brands have a clear responsibility to look at their supply chain, identify human rights and environmental risks and impacts and address them. A lack of visibility of supply chains can allow exploitative, unsafe working conditions and environmental damage to thrive, while obscuring who has the responsibility and power to redress these issues. As a first step, brands and retailers need to understand and disclose their own supply chain – this means greater traceability and transparency is necessary.

The good news is that it's becoming more common for major brands to publish a

list of their first-tier manufacturers, where the final stage of production occurs, e.g. cutting, sewing, finishing products and packing them for shipment. A decade ago, having public access to these factory lists seemed like an unrealistic dream for many NGOs and trade unions, but now nearly half of the major brands in this Index publish such a list, covering at least a core selection of their manufacturing facilities.

19 brands that were reviewed in last year's Index have since disclosed their first-tier manufacturers for the first time, including: Boohoo, Carhartt, Carrefour, Desigual, Dick's Sporting Goods, Dr Martens, Ermenegildo Zegna, Fendi, Foschini, Fossil, Gucci, JD Sports, LL Bean, Mango, Miu Miu, Nordstrom, Otto, Prada and UGG. It is exciting to see several major luxury brands disclose their suppliers for the first time this year, marking an important step forward in transparency from this part of the sector. We hope to see more brands follow their lead.

This progress is due in large part to building momentum – such as from our allies at the [Transparency Pledge](#), our own [#WhoMadeMyClothes campaign](#) and a recent [joint call to action among more than 30 civil society groups](#) including Fashion Revolution – that has pushed major brands and retailers to map their supply chain and show that they are doing so. Consumers, investors and even

policy makers are also increasingly calling on companies to know and show their supply chains. See a selection of case studies on pages 24–25 on how NGOs and trade unions have been using transparent disclosure to address abuses and hold brands to account.

Further positive news is that we have seen many brands disclose an increasing level of detail about their manufacturing facilities, including site address, number of workers, number of women and migrant workers, as well as a significant increase in these lists being published in machine-readable formats, thanks to the efforts of the [Open Apparel Registry](#). Having access to [machine-readable lists](#) means that the information is much more usable by a wider range of stakeholders, rather than having to laboriously trawl through and reformat the data to make use of it.

Disappointingly though, we are still seeing slow progress on the disclosure of production facilities beyond the first-tier of manufacturing, where millions of people around the world are working to produce and process the fibres and fabrics we wear, with just 27% of brands disclosing some of their processing facilities (3% more brands than last year) and 11% disclosing some raw material suppliers (4% more brands than last year). We would have hoped to see more progress from brands since publishing our [Out of Sight report](#) last year

in support of the [Tamil Nadu Declaration](#) and launching the [#WhoMadeMyFabric](#) campaign in April 2021. It begs the question, what do they have to hide?

We welcome the progress that has been made on supply chain traceability and encourage more brands to disclose, and for those that already do, to accelerate their progress towards a deeper level of traceability and more comprehensive disclosure.

## **The cancellation of orders by major brands and retailers amid the Covid-19 pandemic placed immense financial burden on suppliers and workers. Despite this, just 18% of brands disclose data about their order cancellations in the past year.**

According to the [Centre for Global Workers' Rights \(CGWR\)](#) and the [Workers' Rights Consortium \(WRC\)](#), who analysed accounts from garment suppliers and their trade associations, major brands and retailers collectively cancelled an initial USD \$40 billion in response to retail store closures and fear of lost profits. As a result, many suppliers were forced

to close and unable to put workers on furlough, pay their wages, or provide severance pay. The people who make our clothes ended up bearing the heaviest burden of the pandemic, despite being the most vulnerable to its impact. Many workers went against lockdown protocols [to protest the fact they had not received payment of their wages](#). Consequently, some workers took out loans and went into debt to afford basic needs like food and housing. [Many faced increasing food insecurity](#), hunger, stress and fatigue.

Despite this dire situation, fewer than 1 in 5 major brands (18%) disclose the percentage of order cancellations they made during the pandemic, while only 14% disclose the percentage of orders that were cancelled and not yet reinstated. When [public outcry pressured brands to reinstate orders](#),

some brands proposed that their [suppliers accept heavy discounts](#) on previously agreed prices, while others were threatened with cancellation if discounts were not accepted. To this point, our research found that just 14% of brands disclosed the percentage of discounts applied on previously agreed payment terms.

It should not have taken public pressure for these large and influential brands to reinstate their cancelled orders. On the contrary, their contracts should have been honoured in full throughout the pandemic, on the understanding that major brands are in a comparatively financially powerful position and their purchasing practices create ripple effects on suppliers and workers across the length of their supply chains.

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**"I kindly request the fashion industry that is using the threads that I am making to be responsible and support for the change of the working conditions in the spinning mills."**

Kavitha, Tamil Nadu, India, garment worker

## **During Covid-19, few major brands and retailers have disclosed worker-centred data, such as the number of workers laid off or paid late, which leads to an incomplete picture of the full socio-economic impact workers have faced throughout the pandemic.**

Shockingly, just 3% of brands disclose data on the percentage of workers who received late wage payments, suggesting that big brands may have limited knowledge on whether the workers in their supply chains have gone without pay during the pandemic. Meanwhile, only 3% of brands publicly disclose data on the percentage of workers laid off due to Covid-19, while millions of garment workers have lost their jobs in **Cambodia, Indonesia, Bangladesh** and **elsewhere**. Although brands may be tracking this information, the lack of transparency leaves the public with an incomplete picture of the catastrophic impact workers have faced throughout the pandemic.

Despite this, there have been **many reports** citing brands cancelled and reduced orders as reasons workers have lost

their jobs or been unable to find work since the pandemic. **Further evidence** suggests that union-busting has become more prevalent over the past year, where dismissals have been made on the basis of union membership and non-union workers hired in their place.

Major brands and retailers should be monitoring and disclosing this data in an effort to be transparent about what impact the pandemic has had on the people making their products. Despite this, the public disclosure of supplier lists has helped trade unions and labour activists make the links between brands, their suppliers, cancelled orders and wage theft experienced by workers in order to demand accountability.

**97%**  
of brands do not publish the percentage of workers that have lost their jobs due to the pandemic.

## **Major brands and retailers have direct control over how they purchase from suppliers, and their poor purchasing practices can lead to human rights risks in the supply chain. Despite this, brands remain opaque about their purchasing practices.**

**Better Buying data** and **extensive research from Human Rights Watch** show that poor purchasing practices, including last-minute changes to orders or payment terms, can lead to **devastating results for workers**, including illegally low wages and unpaid benefits, excessive and even forced overtime, and temporary, precarious jobs. Despite these risks, only 3% of major brands are transparent about the changes they make to orders and payment terms after orders have already been placed.

**Ring-fencing labour costs** is one important way in which brands can ensure that workers' wages, including overtime and benefits, are not up for negotiation. Despite this, fewer than 10% of major brands disclose a method for ring-fencing labour costs and just 1% of brands disclose the number of orders they have placed where labour costs have been ring-fenced.

The vast majority of major brands expect suppliers to pay for the costs of production upfront, with suppliers typically purchasing materials for orders on credit, while they're **not paid by brands until many months later**. These payment structures are underpinned by imbalanced power dynamics between major brands, suppliers and workers. Fewer than 10% of major brands disclose a policy to pay suppliers within 60 days, while just 6%, disclose how long after delivery they pay their suppliers. It may come as a surprise that often clothes are being worn by consumers before brands pay the factories that made them.

Disappointingly, this year there has been a decline in the number of major brands disclosing annual supplier feedback about their purchasing practices; from an already low bar – 5% in 2020 – to just 3% in 2021. Moreover, just 7% of large brands publish their standard supplier agreement, setting out typical order and payment terms and conditions. This information is necessary to scrutinise their purchasing practices and hold brands accountable for upholding their commitments to their suppliers and workers.

**The vast majority of the people who make our clothes are not paid enough to fulfil their basic needs, yet only 27% of big brands disclose their approach to living wages for workers in the supply chain and just 2 out of 250 brands disclose data on the number of workers in the supply chain who are actually paid living wages.**

Legal minimum wages in most production countries **fall woefully below a living wage rate** – an income that would enable workers to afford a decent standard of living including food, water, housing, education, health care, transportation, clothing and provision for unexpected events.

Wage increases are more likely when workers are freely and independently able to form and join trade unions and work together to collectively bargain with their employers for higher pay and better working conditions. This fundamental right is something that 84% of big brands and retailers require of their suppliers according to their codes of conduct.

However, fewer brands (10%) track and publish the number of workers in their supply chain that are unionised or covered by collective bargaining agreements and not a single brand we reviewed gives evidence publicly that the collective bargaining agreements in place in their supplier facilities provide workers with wages that are higher than the legal minimum.

It's not all bad news. Some progress has been made this year in that twice as many brands (4%) compared to last year (2%) publish time-bound, measurable strategies for how they will achieve a living wage for all workers across their supply chain. That being said, at this rate of progress the people who make our clothes seem destined to be stuck with poverty pay for a very long time unless brands and governments do more to ensure that workers are paid fairly.

**only 7%**

**of brands disclose worker representation on their own corporate board of directors.**

**A growing number of major fashion brands and retailers publicly disclose how executive level pay and bonuses are tied to human rights and environmental impacts yet their pay and performance reviews are mostly driven by other factors, such as profitability.**

There has been a steady and welcome increase in the number of brands disclosing how executive incentives, including pay and bonuses, are tied to improvements in human rights and environmental impacts. This year, one in five large brands disclosed that executive incentives (including pay, bonuses or performance reviews) are tied to improvements in human rights and environmental impacts. Rising shareholder expectations of Environmental, Social and Governance (ESG) factors is likely to have contributed to this increase.

However, even when executive assessments (like pay and bonus reviews) consider environmental and human rights impacts, these issues are not top priorities and make up a minority percentage of

the overall assessment. For example, typical disclosure is that around 15% of an executive performance review is tied to sustainability targets. We encourage brands and shareholders to prioritise and reward progress on human rights and environmental impacts as highly as other aspects of brand performance, such as revenue and profit.

**The vast majority of major brands and retailers require worker representation in supplier facilities (84%) but do not have worker representation on their own corporate board of directors (7%).**

Freedom of association requirements, including freely elected worker committees, are usually written into supplier codes of conducts as part of brands' purchasing agreements. 84% of brands include freedom of association and collective bargaining in their supplier codes of conduct. Brands discuss the benefits this brings to supply chain workers, enabling them to feedback and negotiate directly with management. And yet, only 7% of brands disclose worker representation on their own corporate

board of directors. Brands should hold themselves to the same, if not higher, standard they expect of their suppliers; allowing employees in their own operations to also realise the benefits of worker representation at the top levels of decision-making on issues that affect them and their jobs.

## Major brands and retailers must go beyond saying that combatting racism is a top priority – and evidence this by addressing racial and ethnic inequality in their operations and supply chains.

Recently, many fashion brands have been loud about supporting racial and ethnic equality – particularly in response to the Black Lives Matter and Stop Asian Hate movements that have gained global momentum in the past year. However, in contrast, we have found that only 12% of brands publish their actions on the promotion of racial equality in their operations. Just 16% of major brands disclose the breakdown of job roles by ethnicity in their own operations, and only 2% publish ethnicity pay gap data within their supply chains. Solidarity and public

support for racial equality, which can be a valuable PR tool for brands, must translate to accountable action on addressing racial and ethnic inequality in their own operations and supply chains.

Gender equality data is significantly more transparent than racial equality data. For example, 55% of major brands publish the annual gender breakdown of job roles within their direct operations, compared to 16% of major brands doing so by race. This is, in part, due to [gender pay gap reporting requirements in UK law](#) mandating this disclosure of companies with 250+ employees. This makes a compelling case for the value of legislation in increasing transparent disclosure, as well as the need for racial equality to be prioritised alongside gender equality in legislation in the UK and beyond.

**95%**  
of brands do not disclose their annual water footprint at raw material level.

## Too few major brands and retailers disclose crucial environmental data, despite the urgency of the climate crisis.

Although 79% of brands have published a company policy on energy and greenhouse gas emissions, fewer brands (58%) disclose a supplier policy on this issue and even fewer (30%) publish a time bound commitment on decarbonisation.

While there has been an increase in the disclosure of the annual carbon footprint within brands' own facilities and operations (Scope 1 and 2; 62% compared to 58% last year), transparency decreases the further down the supply chain you look (Scope 3), [where up to 80% of the sector's emissions occur](#). For instance, only 26% of brands publish their annual carbon footprint at manufacturing level and just 17% disclose emissions at raw material level – where the greatest environmental impacts occur during the lifecycle of a garment according to a [report by the Global Fashion Agenda \(GFA\) and McKinsey](#). Furthermore, only 18% of brands publish data on absolute energy reduction in the supply chain, which is fundamental to reducing the industry's emissions.

Water is another critical issue for the fashion industry. Water pollution occurs across the value chain, from toxic agricultural runoffs, hazardous chemical use in dyeing and finishing processes to the release of microplastics when synthetic textiles are washed, and yet water pollution is often forgotten by brands as a salient risk in their supply chain. In fact, only 30% of brands are disclosing their commitment to eliminating the use of hazardous chemicals. Similarly, brands' transparency on water consumption decreases the further down the supply chain you look. For instance, 31% of brands disclose their water footprint within their own facilities but only 5% disclose their annual water footprint at raw material level.

Environmental data collection is standard practice in many industries and, given the social and environmental ramifications of the climate crisis, this is an urgent issue for the global fashion industry considering its significant impacts on the planet. Brands cannot demonstrably reduce their environmental impacts if they do not track this data across their whole supply chain and, crucially, share this data to enable better understanding among all stakeholders and the public on what work is being done and where more effort is needed.

## With more than a hundred billion pieces of clothing made each year, overproduction and overconsumption is harmful to the planet and communities around the world, yet major brands and retailers aren't doing enough to address this problem.

Overproduction and overconsumption have been 'elephant in the room' issues for so long, yet big fashion brands and retailers have mostly ignored them. While a growing number of brands disclose investments in circular solutions that enable textile-to-textile recycling beyond reuse and downcycling (27% of brands compared to 18% in 2020), only 14% publish the annual quantity of products produced. This lack of disclosure masks the true picture of fashion's overproduction problem.

Take-back schemes have become increasingly popular among big brands in the industry, yet still only 32% of brands (up from 30% last year) have such a scheme in place, while fewer brands (22%) disclose what happens to the clothes received through such schemes. Research from [Oxfam](#) suggests that approximately

70% of all second-hand clothes donated in Europe are exported to Africa. Read more about this issue on page 92.

While it may be good news that more brands appear to be investing in circularity and textile recycling initiatives, this alone will not solve the industry's overproduction and overconsumption problems. Slowing down, making fewer and better quality products and extending the life of existing clothes and materials will be essential to the future of fashion and improving its impact on the planet and communities.

## Nearly half of major brands and retailers (44%) publish targets on sustainable materials, yet fewer than one-third (30%) define what constitutes a so-called 'sustainable' material.

[Research has found](#) that over 70% of the fashion industry's emissions come from raw material production, preparation and processing, yet the environmental impacts of different fibres differ greatly based on how they're produced. For instance, conventional cotton production requires

pesticides and irrigation systems which can damage human and ecosystem health, while synthetic fibres such as polyester are made from fossil fuels and release microplastics into waterways, contributing to oxygen depletion and ocean heating. Related to this, 39% of brands publish measurable targets for reducing the use of virgin plastics for packaging but only 25% have targets for reducing the use of textiles made from virgin fossil fuels, while just 21% report steps taken to minimise the impacts of microfibre shedding.

More broadly, fewer than half (44%) of brands publish time-bound measurable targets or strategies on the use of more sustainable materials and only 37% report annual progress against these targets. With only 30% of brands explaining how they define a 'sustainable' material, clearly better legislation is needed to establish common standards on what constitutes 'sustainable' materials for the fashion and textiles industry.

To add some further context, research from [Mistra](#) suggests that there is a clear lack of environmental data which demonstrates definitive sustainability claims on specific materials. Brands need to measure and have access to reliable data which accounts for all potential environmental impacts of a fibre, yet [Mistra's research](#) has highlighted that

current data only covers a limited set of environmental impacts. This lack of credible and comparable information about what 'sustainable' material choices mean makes it difficult for consumers to make informed choices about the clothes they choose to buy and how best to care for the clothes they own.

**"Awareness is key. In the absence of information, none of us know what is happening and what could be jeopardizing our health, our water supply, and our planet."**

Erin Brockovich

## The UK consumes the most clothes in Europe yet major British brands are falling behind their European counterparts in terms of transparency.

Fashion is one of the biggest industries in the UK and **the amount** consumers spend on clothing has quadrupled between 1998 and 2018, from £15 billion to £60 billion. Clothing consumption is higher in the UK than any other European country. **UK consumers buy on average 26.7kg of clothing per capita each year** –where the next highest consumption rate is Germany (16.7kg), Denmark (16kg) and Sweden (12.6kg). Given that British consumers are the biggest consumers, we would have hoped to see British brands and retailers take a lead on transparency.

However, not a single British brand or retailer has scored within the top 10 brands in the Index this year. Speedo, which has headquarters in Nottingham, is the highest scoring British brand at 53% (and has increased its score by 19 points this year) followed by Sainsbury's and Marks & Spencer at 48%. It seems that several European brands have taken steps towards greater transparency that places them above their British peers, perhaps in preparation for the **forthcoming Mandatory**

**Human Rights and Environmental Due Diligence legislation** that is expected to be proposed by the European Commission in the coming months. Several American brands such as Timberland, The North Face and Vans have also moved up this year disclosing more information than in previous editions.

## Despite progress made on transparency, better legislation is required to hold major fashion brands to account for their impacts on people and planet.

Over the past ten years there have been a number of new laws and regulations coming into play across several countries that place human rights and environmental related requirements on companies. For instance, even though the **Modern Slavery Act 2015** in the UK has not been impactful in rooting out forced labour from apparel supply chains, this legislation has meant that companies who disclosed virtually nothing about their efforts on responsible sourcing now do publish some information which can be scrutinised by their stakeholders.

In the UK, companies are also required to publish annual gender pay gap data but this year during the pandemic **the**

**government let companies pause reporting for 2019 data**. As a result, we found that fewer brands (30%) published gender pay data this year compared to 34% last year. When British brands were let off the hook, even though they could have still voluntarily published up-to-date gender pay data, many of them didn't. It goes to show how crucial legislation is in forcing companies to do the right thing. And, the fact that key legislation is paused when perhaps it is most needed is hugely problematic, especially as globally women lost at least \$800 billion in income and 64 million jobs, according to **research from Oxfam**.

This year we added new indicators on racial equality to the Index, and we looked to see if major brands disclose data on the racial/ethnic breakdown of their employees within executive, managerial and entry levels. **In France and Germany it's actually illegal for companies to publish this data**, which means that no French or German companies disclose this information. This certainly makes it difficult to meaningfully address racial equity in the hiring practices of companies if such legislation prevents advocates from having access to data that informs such important conversations.

In the latter part of 2021, we are expecting a range of different regulations and policies to be proposed by the European Commission that have the potential to

create significant systemic change in how companies address human rights and environmental impacts across their value chains, from supply chain to product end-of-life. We can already surmise some of the effects of these incoming legislations. For example, an increasing number of major brands disclose information about their human rights and environmental due diligence efforts (39% of brands in 2021 compared to 34% last year) while 26% publish the salient risks they found (compared to just 11% last year) and 24% describe the steps they have taken to address these risks (compared to 15% last year). The European Commission will propose mandatory human rights and environmental due diligence legislation in the coming months.

The European Commission is also expected to propose a new **Sustainable Product Policy Framework** at the end of the year setting out standards on the durability, reusability, repairability, recyclability and energy efficiency of textiles. Related to this, our research shows that 44% of big brands disclose time-bound and measurable targets on increasing the use of sustainable materials, up from 42% last year, and 30% of brands explain how they define what constitutes 'sustainable' materials. On a range of human rights and environmental issues, it seems that many brands have more work to do to ensure they will comply with these forthcoming legislations.

On a final note, all over the world we need legislation that prevents human rights and environmental abuses as well as requires companies to monitor and report the implementation and outcomes of their efforts to do so. When brands fail, there should be meaningful sanctions and reparations for harms done.

## Information overload, data dumping and fluffy storytelling remains a problem among many major fashion brands.

Some big brands communicate their human rights and environmental efforts in a way that is overwhelming, impenetrable, repetitive and difficult to find, making it virtually impossible for their customers and stakeholders to decipher information that is meaningful and actionable.

Sometimes crucial pieces of data are hidden in annexes and footnotes of long technical reports or buried dozens of clicks away from the homepage of brands' websites. Even for some of the higher

scoring brands in this Index, it takes our experienced researchers many days and countless hours to read through all their communications to uncover what's relevant and actionable.

At other times, there is so much information to read through, which is mostly just nice sounding copy about brands' values or stories about pilot projects which relate to a tiny fraction of their supply chains, that it almost seems like a deliberate strategy to obscure and distract. **Recent research** by Changing Markets and the Clean Clothes Campaign reveals a mere 18% of consumers would trust sustainability information provided directly by brands themselves. This mistrust may stem from some brands' tendency to feature inspiring or fluffy story-telling more often than reporting on actual systemic impacts and outcomes of their efforts.

Standardisation of credible, comparable disclosure of human rights and environmental impacts by major brands and retailers would be most welcome, and we hope that some progress will be made on this issue at a legislative level in the coming years.

## Greater transparency is only the first step towards making change in the fashion industry. Our call to action – do not use this Index to inform your shopping choices but please do use these findings to inform your activism.

While we have seen many brands increase their level of transparency year-on-year, and we know that the Fashion Transparency Index has influenced brands to share more information about what they're doing on human rights and environmental issues, this isn't nearly enough. Human rights and environmental abuses are still rife in this industry. Over half of the world's largest brands and retailers *still do not* disclose their suppliers. With an average score of just 23% in this index, many big profitable brands remain largely opaque about their efforts to address human rights and environmental issues.

We urge readers to use these findings to speak up and challenge the big profitable brands and retailers on their claims, urging them to be more accountable and prove that they're making changes in reality and not just on paper. Please also use these findings to contact lawmakers where you live to demand better laws that make big brands accountable for their human rights and environmental impacts. To read more about what you can do with these findings – whether you're an individual, brand or retailer, policymaker, investor, NGO or trade union – please see pages 100–104.



RIGHT: NOBODY DENIM

# KEY RESULTS

**23%** overall average score across the 250 brands reviewed in 2021

**23%** overall average score across the 239 brands reviewed since 2020

— No increase since 2020

**25%** Overall average score across the 188 brands reviewed since 2019

↑ Up 2 points since 2019

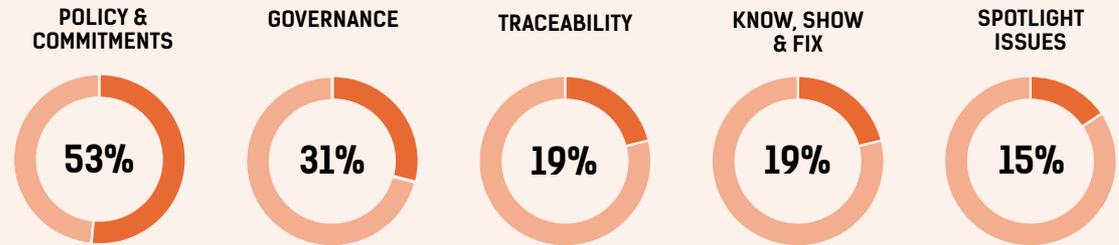
**28%** overall average score across the 139 brands reviewed since 2018

↑ Up 6 points since 2018

**31%** overall average score across the 92 brands reviewed since 2017

↑ Up 8 points since 2017

## AVERAGE SCORE IN EACH SECTION



### ↑ TOP 10 SCORES IN 2021 (%)

OVS	78
H&M	68
The North Face, Timberland	66
C&A, Vans	65
Gildan	63
Esprit, United Colors of Benetton	60
Calvin Klein, Tommy Hilfiger, Van Heusen (PVH)	59
Gucci, Kmart Australia, Target Australia	56

### ↓ LOWEST SCORING BRANDS IN 2021 (%)

Belle	0	Semir	0
Big Bazaar - ffb	0	Tom Ford	0
Elie Tahari	0	Billabong	0
Jessica Simpson	0	Heilan Home	0
KOOVS	0	Quiksilver	0
Metersbonwe	0	Roxy	0
Mexx	0	celio	0
Youngor	0	Max Mara	0
Fashion Nova	0	New Yorker	0
Pepe Jeans	0	Tory Burch	0

**↑ HIGHEST INCREASE IN SCORES SINCE 2020 (%)**

OVS	+44
UGG	+37
Tom Tailor	+24
Target Australia and Kmart Australia	+23
Speedo	+19
Fendi	+18
Dick's Sporting Goods	+15
Bally, Gildan	+14
Zeeman	+13

**↓ HIGHEST DECREASE IN SCORES SINCE 2020 (%)**

Wrangler	-24
Adidas, Reebok	-15
Marks & Spencer	-12
Topman, Topshop	-11
Tesco, HEMA	-10
Kmart	-9
Bershka, Massimo Dutti, Pull & Bear, Zara	-8

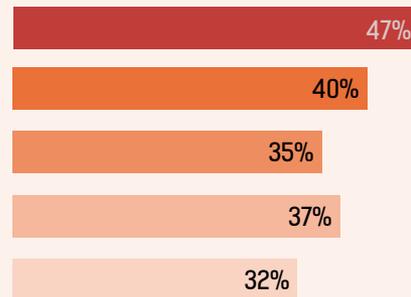
**NON-MOVERS SINCE 2017**

Costco	-1
Bershka, Massimo Dutti, Zara	-1
Pull & Bear,	0
Heilan Home	0
Coach	0
Guess	0
Marks & Spencer	0
Claire's	+1
Chico's	+1
Kohl's	+2
Topshop	+2

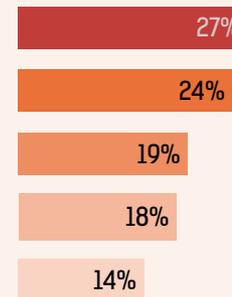
**Percentage of brands publishing suppliers lists**

■ 2021 (250 brands)
 ■ 2020 (250 brands)
 ■ 2019 (200 brands)
   
■ 2018 (150 brands)
 ■ 2017 (100 brands)

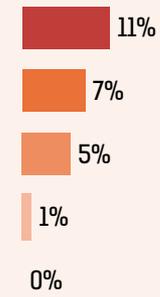
**First-tier manufacturers**



**Processing facilities**

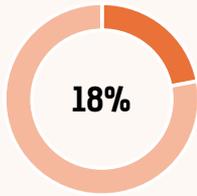


**Raw material suppliers**

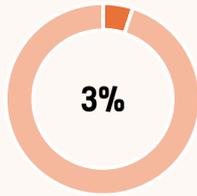


# SPOTLIGHT ISSUES

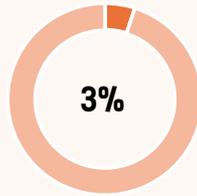
## COVID-19



brands disclose % of orders during Covid-19 where partial or complete order cancellations applied

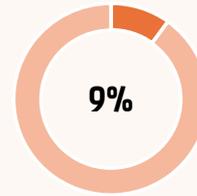


brands disclose the % of workers that received late wage payments due to Covid-19

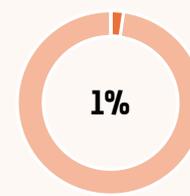


brands disclose the % or # of workers that have been laid off as a result of Covid-19

## PURCHASING PRACTICES

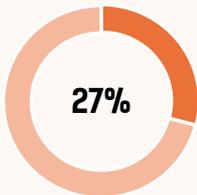


brands disclose a method for ring-fencing labour costs in price negotiations

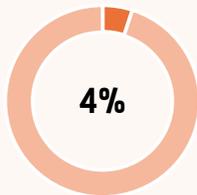


brands disclose the number of orders where labour costs were ring-fenced

## LIVING WAGES

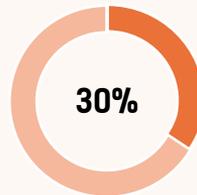


brands publish approach to living wages for supply chain workers

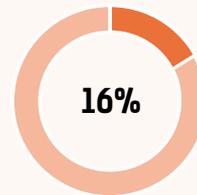


brands disclose % above the legal minimum wage that supply chain workers are paid

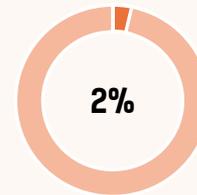
## RACE & GENDER



brands disclose gender pay gap in their own operations



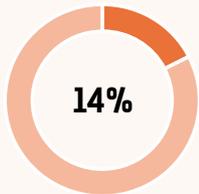
brands disclose ethnicity pay gap data in their own operations



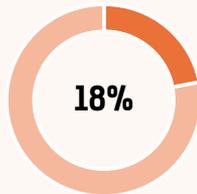
brands publish annual ethnicity pay gap in their supply chain

# SPOTLIGHT ISSUES (CONTD.)

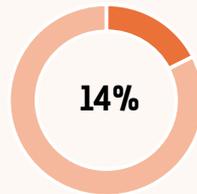
## PRODUCT VOLUME & BUSINESS MODELS



brands disclose data on the quantity of products made annually

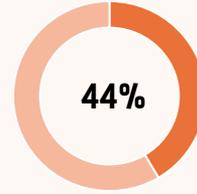


brands offer product repairs

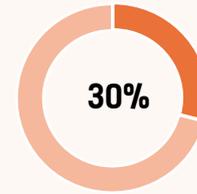


offer new business models supporting clothing longevity such as renting and reselling

## SUSTAINABLE MATERIALS

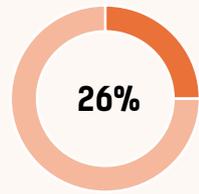


brands disclose a time-bound, measurable sustainable materials strategy

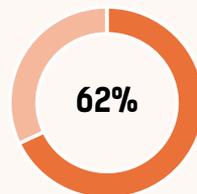


brands describe how they define what they consider a 'sustainable' material

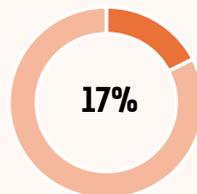
## CLIMATE IMPACTS



brands publish Science-Based Targets



brands disclose annual carbon footprint in their own operations (i.e., head office, retail stores, etc.)

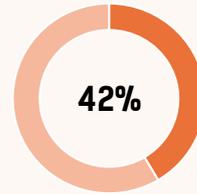


brands disclose annual carbon footprint at a raw material level

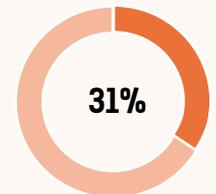


brands publish a time-bound, measurable commitment to zero deforestation

## CHEMICALS



brands publish a Restricted Substances List



brands disclose progress towards eliminating the use of hazardous chemicals

# ABOUT THIS INDEX

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## OUR THEORY OF CHANGE

At every level, from field to factory, fashion supply chains are both a major contributor to, and impacted by, the climate crisis. The global fashion industry currently relies on extracting finite natural resources, and this contributes significantly to environmental degradation and biodiversity loss.

The fashion industry is also a major driver of human rights abuses around the world, affecting workers and their communities throughout global value chains. Entrenched imbalanced power dynamics between global buyers, their suppliers and their workers often threaten working conditions, livelihoods and health of the people who make our clothes.

Fashion supply chains are highly globalised, deregulated, complex and opaque. Business relationships are murky, and subcontracting is common. This obscures responsibility and accountability when things go wrong, as they so often do. The lack of transparency means we cannot easily see and take swift and appropriate action on environmental and human rights abuses. Without transparency, we cannot protect vulnerable people and the planet. Therefore, transparency underpins systemic change.

## THE CHANGES WE WANT TO SEE

### A systemic overhaul of the global fashion industry

At Fashion Revolution, we campaign for a global fashion industry that conserves and restores the environment and values people over growth and profit. We are working towards an industry-wide culture of transparency and accountability across the value chain; a global fashion industry where brands take responsibility for their social and environmental impacts and where there is no time wasted trying to 'prove' responsibility and chains of custody. The Fashion Transparency Index is one tool in achieving this vision, and feeds into our manifesto point #8.

A manifesto for a fashion revolution

#8

**Fashion is transparent and accountable. Fashion embraces clarity and does not hide behind complexity nor rely upon trade secrets to derive value. Anyone, anywhere can find out how, where, by whom and under what conditions their clothing is made.**

## OUR ROLE WITHIN AND OUTSIDE THE INDUSTRY

Fashion Revolution is uniquely positioned both 'within' and 'outside' the fashion industry. We work to achieve change in three main ways: policy change, cultural change and industry change.

Working 'within' the system means engaging in a system that is deeply unsustainable, extractive and unjust. Engaging within a system we disagree with is not to condone it. In fact, it is the very opposite – an attempt to fundamentally disrupt and dismantle the structures that uphold injustice and exploitation. This includes opaque supply chains that allow hidden human rights and environmental abuses and obscure who has the responsibility to redress them.

We engage within an unjust system because doing so is effective in driving change, although it can sometimes be frustratingly slow and incremental. We are working for industry-wide transparency and accountability that becomes deeply embedded across the value chain. This can only be achieved by involving the biggest players in the industry, such as the brands and retailers reviewed in this

Index, precisely because they have the biggest negative impacts and greatest responsibility to address and change the problems they have caused and continue to perpetuate. To read more about how we select brands and retailers to review in this Index and why we don't review smaller brands, which are often more transparent and at the forefront of driving positive and systemic change, please read our Q&As see [this link](#).

That said, we simultaneously work 'outside' of the system, to educate and mobilise citizens as well as advocate for policy changes in government and legislation.

Broadly speaking, we see industry change as work 'within' the system, and cultural and policy change as work 'outside' the system.

Transparency is fundamental to achieving all the changes that Fashion Revolution is working towards – in policy, in culture and in the industry.

## POLICY CHANGE

- ➔ Work 'outside' the fashion system
- ➔ Advocating for policy changes and influencing governments to play a more active role in enforcing laws and regulating the industry

### FOR EXAMPLE

Addressing the European Parliament and UK Government to make the case for better regulation on corporate accountability, transparency, working conditions and environmental practices

Collaborating to influence governments to pass the UK and Australian Modern Slavery Acts and Mandatory Human Rights and Environmental Due Diligence legislation in the EU

- ➔ Policy change is a long game and requires strategic lobbying over time. It takes many years of tireless, persistent work behind-the-scenes.

Although our policy work is less visible, it is a vital aspect of our work.

## CULTURAL CHANGE

- ➔ Work 'outside' the fashion system
- ➔ Raising public awareness and educating people about the social and environmental challenges facing the global fashion industry.
- ➔ Bringing people together around the world to take collective action

### FOR EXAMPLE

Creating campaigns like #WhoMadeMyClothes #WhoMadeMyFabric #WhatsInMyClothes? to drive a global conversation about the impacts of our clothes

Creating tools for people to use their voice, make individual changes and collectively call for change

Running free online courses exploring fashion's social and environmental impacts

- ➔ Cultural change, by its very nature, is more visible. It is work that engages and mobilises citizens to take collective action. The aim is to remove barriers between consumers and producers and inspire people to consume less, value quality, take better care of their clothes and use their voices to bring about change.

## INDUSTRY CHANGE

- ➔ Work 'inside' the fashion system
- ➔ Conducting research that shines a light on the social and environmental impacts of the global fashion industry and leverages major brands' competitive tendencies to drive faster change
- ➔ Championing more responsible brands, designers and producers

### FOR EXAMPLE

Producing the Fashion Transparency Index and the [Out of Sight](#) reports to incentivise transparency and promote accountability across the supply chain

Highlighting where the industry is moving too slowly and push for faster change

Influencing brands and retailers to change through consumer pressure

Showcasing, mentoring and championing smaller, innovative brands and designers through our [Fashion Open Studio](#) initiative

- ➔ Industry change engages with the current unjust and exploitative system to transform it from the inside out. We do this by demanding faster progress from the biggest players and championing the smaller, more responsible brands and designers.

This change can only be achieved by involving the biggest players in the industry – those who have the greatest responsibility and furthest to go. The Fashion Transparency Index is a way for us to do this.

# THE ROLE OF TRANSPARENCY IN ACHIEVING CHANGE

The public disclosure of credible, comprehensive and comparable information about fashion's supply chains, business practices and impacts on workers, communities and the environment is crucial to driving systemic change. Transparency enables investors, lawmakers, journalists, NGOs, trade unions, workers and their representatives to hold brands and retailers to account by:

- Scrutinising what companies say they are doing to address human rights and protect the environment
- Holding brands and retailers accountable for their policies and practices, which is especially important when things go wrong, like they did when Rana Plaza collapsed
- Collaborating to cease, mitigate, prevent and remedy environmental and human rights abuses
- Collaborating to share strategies and best practice on these issues

Transparency is a tool for change, not the end goal. Transparency is a baseline, without which we cannot meaningfully move towards accountability and positive impact in the global fashion industry.

Transparency is not a silver bullet that will solve all of the complex and deeply systemic problems in the global fashion industry. However, transparency provides a window into the places and conditions in which our clothes are being made and allows us to address them more quickly and collaboratively. Hear from affected stakeholders and experts on the role of transparency to enable action on pages 24–25.

Transparency is not to be confused with sustainability, but without transparency, achieving a sustainable, accountable and fair fashion industry will be impossible.

We are not alone in calling for transparency. We are one voice of many across civil society, including NGOs and trade unions representing supply chain workers. [Please read this letter published in April 2021 and signed by 33 NGOs](#), including Fashion Revolution, calling for full supply chain transparency in the clothing sector:

*"The time for full supply chain transparency is now. As civil society organisations, we call upon all clothing brands and retailers to disclose all the facilities in their supply chain. We welcome the steps taken by those companies who are already disclosing part of their supply chain and encourage them to accelerate their progress towards full transparency. We ask regulators to provide for a level playing field, by setting harmonised legislation for such public disclosure and to ensure every clothing brand commits to the same level of transparency."*

**transparency**



**scrutiny**



**accountability**



**change**

# THE ROLE & AIMS OF THE FASHION TRANSPARENCY INDEX

## The Fashion Transparency Index was created to:

- Incentivise major brands and retailers to disclose a greater level of detailed and comparable data and information year-on-year by leveraging their competitive tendencies
- Analyse trends and compare the level of transparency on human rights and environmental issues among the world's largest and most influential fashion brands and retailers
- Create a tool that helps a wide set of stakeholders to better understand what data and information is being disclosed by the world's largest brands and use the findings to take further action
- Shape our ongoing efforts to raise public awareness and educate people about the social and environmental challenges facing the global fashion industry, using this research to inform people's activism

Since last year's edition, we have heard from many in our community who feel frustrated by the speed of change in the fashion industry. Given the climate emergency and

persistence of human rights abuses in the industry, many people are crying out for urgent and systemic transformation now. We hear you, and we share your frustrations. This is why we have made some notable changes to the methodology this year, moving focus from policies and commitments to implementation and outcomes, see pages 31–36 to read more.

For the time being, while so much of the global fashion industry remains opaque and abuses go unseen, driving transparency is absolutely necessary, and we believe the Index has a valuable role to play in this. We hope that someday in the near future, campaigning for transparency will no longer be needed as the industry moves on to other crucial actions.

Ultimately, the aim of the Index is not just transparency in and of itself. The aim is for this information to be used by individuals, activists, experts, worker representatives, environmental groups, policymakers, investors and even brands themselves to scrutinise what the big players are doing, hold them to account and work to make change a reality.

**"Be transparent.  
Let's build a  
community that  
allows hard  
questions and  
honest conversations  
so we can stir up  
transformation in  
one another."**

Germany Kent, broadcast journalist

# HOW THE FASHION TRANSPARENCY INDEX DRIVES CHANGE

The Fashion Transparency Index has driven change in large part by helping to [normalise the concept of transparency](#) within the industry and make public disclosure of social and environmental efforts more commonplace. For brands that have been reviewed year-on-year since 2017, we have seen their average scores progressively increase. When we first started this research back in 2016, very few brands published a factory list (5 out of 40 brands reviewed), and now over a hundred of the world's largest brands disclose supplier lists at the first tier of manufacturing and beyond. We have made this important industry shift happen by pushing hard for increased transparency in tandem with like-minded allies such as the [Transparency Pledge coalition](#) and the [Open Apparel Registry](#), among many others.

We have also forged partnerships with several other organisations not just to push for greater transparency but also to enable the Index methodology and research to be used more widely, putting the findings into tangible action. For example, our partnership with [WikiRate](#) enables the data we collect about brands to be freely accessible, easily comparable, machine readable, and crucially, actionable. This is valuable to investors and civil society organisations, including trade unions that represent garment workers, that make use of transparency data. The Index has been integrated into the [Business & Human Rights Resource Centre's brand dashboards](#) and company pension platform [Matter](#), both used by investors. Parts of the methodology and research have been integrated into the [Good On You](#) app used by ethically-minded consumers and [FashionChecker.org](#) which compares brands' claims about living wages to workers' wage slips.

**"This year for the second time the scores, underlying data and sources of the Fashion Transparency Index are hosted on [WikiRate.org](#). This partnership allows us to share our data with the world under an open data license and makes it possible for organisations to seamlessly integrate the Index into their campaigning. We look forward to a WikiRate-enabled integration later in 2021 between the Fashion Transparency Index and the FashionChecker from Clean Clothes Campaign which will shine a spotlight on living wages in supply chains."**

Sarah Ditty, Global Policy Director, Fashion Revolution

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**"The Fashion Transparency Index does not give you the low-down on where to shop. What it does do, is help you to hold brands and retailers to account for their claims. Use this information to charge your activism, not your credit card."**

Carry Somers, Co-founder, Fashion Revolution

## CASE STUDIES: *TRANSPARENCY IN ACTION*

### Business & Human Rights Resource Centre (BHRRC)

Amid the ongoing Covid-19 pandemic, [a report by Business and Human Rights Resource Centre \(BHRRC\)](#) analysed global apparel brands' response to allegations of suppliers' unfair dismissal of unionised workers, focusing on nine case studies. Research revealed more than 4,870 unionised garment workers were targeted for dismissal in nine garment factories across India, Bangladesh, Myanmar and Cambodia, who supply major fashion brands. Whilst suppliers cited reduced orders and economic impacts from Covid-19 as a cause for these dismissals, workers reported feeling they were disproportionately targeted because of their union membership and organising efforts and that non-unionised workers had been hired as replacements. In some cases, workers reported having been dismissed after registering new

unions or having requested increased protections against Covid-19 at work.

Publicly available supplier data enabled BHRRC to help resolve cases where workers had been unfairly dismissed by identifying and contacting the brands sourcing from these factories.

At the time of publication of BHRRC's report, six of the nine cases remain unresolved. However, [an additional case was resolved in February 2021](#) following campaigning by an international coalition of workers' rights groups and an agreement was signed between the Garment and Textile Workers Union and the supplier, reinstating all 1,257 workers. Thanks to publicly disclosed data, BHRRC was able to carry out research, report on the situation, catalyse support among the international community and hold those responsible to account.

### The Australian Strategic Policy Institute (ASPI)

Since early 2017, allegations have been made that the Chinese government is facilitating the mass transfer of Uyghur and other ethnic minority citizens from the far-western Xinjiang Uyghur Autonomous Region (XUAR). [A report](#) by the Australian Strategic Policy Institute (ASPI) estimates over one million people have been detained in detention camps designed to force minority groups to abandon their cultural traditions, which the Chinese government has characterised as "re-education centres". Between 2017 and 2019, reports suggest that the state-sponsored labour transfer programme has moved more than an estimated 80,000 Uyghur people out of XUAR to work in factories across China, though this figure is likely much higher.

[ASPI's research](#) relied heavily on transparency information such as publicly disclosed supplier lists, which ASPI used to establish that the forced labour of Uyghur people can be linked to 83 major global brands and retailers selling apparel, technology and automotives – many of whom are included in this Index.

ASPI was able to reach out to implicated brands to confirm their supplier details and alert them to their links to allegations of state-sponsored forced labour in the region. ASPI called for brands to conduct immediate and thorough investigations into allegations of forced labour in factories across the region and the country. Most companies implicated in the report [issued a statement](#) in response, with some verifying whether or not they source from facilities implicated in the use of Uyghur forced labour. Some brands committed to stop sourcing cotton from XUAR entirely as a result.

In 2020 the U.S. Government issued sanctions on Chinese firms and in 2021 banned all cotton imports from XUAR. [Scott Nova](#), the executive director of the Workers' Rights Consortium, viewed the decision as a "high-decibel wake-up call to any brand that continues to deny the prevalence and problem of forced-labour produced cotton" and estimates that American brands import more than 1.5 billion garments using materials made in XUAR annually -- representing more than \$20bn in retail sales. Without the public disclosure of supplier lists, it is difficult to prove the links between global brands and their suppliers in order to hold them accountable for their links to serious human rights violations.

## CASE STUDIES: *TRANSPARENCY IN ACTION*

### Zero Discharge of Hazardous Chemicals (ZDHC) & Open Apparel Registry

ZDHC is an association of apparel and footwear brands, chemical suppliers and manufacturers working together to reduce the chemical footprint of global textile production by systematically transforming how chemicals are used and establishing tools for sustainable chemical management.

ZDHC has partnered with [Open Apparel Registry \(OAR\)](#), a neutral and freely available tool that maps and assigns unique identification numbers to garment facilities around the world to help standardise facility names and addresses. Due to the global nature of supply chains and differing languages, various actors may record a facility's name and address information differently, leading to duplicate, inaccurate and outdated information which makes verifying relationships between brands and their suppliers more complicated. A unique ID helps to change this – kind of like how there could be thousands of people with the name John Smith in the world, but a social security number or national

insurance number helps the government differentiate between them.

Linking ZDHC and OAR's databases has enabled communication between two previously siloed platforms, helping to reduce duplication and increasing the accuracy of the links between global brands and their suppliers. This is important because it helps stakeholders like environmental groups and government agencies to identify a facility, address chemical use and pollution and work together to improve wastewater treatment where it's most needed. To date, ZDHC has contributed 2,638 facilities to OAR's growing volume of 58,000+ facilities.

As more organisations use the OAR platform and its unique facility ID, the accuracy of data related to a specific production site is enhanced because it means information from many sources about a single facility can be gathered and shared. In our research for this Index, we have noticed some brands have begun to share OAR IDs for the facilities on their publicly disclosed supplier lists, signalling just how helpful stakeholders find the unique IDs.

### Advocating Rights in South Asia (Arisa) & the Centre for Research on Multinational Corporations (SOMO)

Arisa is a Dutch organisation which advocates for strengthening the protection of human rights in South Asia in partnership with local groups. Arisa has carried out research into working conditions in Tamil Nadu for many years. Tamil Nadu is a state in the southern part of India where over 60% of all Indian spinning mills are located and where 280,000 workers are employed. The region accounts for 19% of the country's overall textile output and approximately 30% of the production is exported to international brands and retailers, underlining the importance of this textile hub.

There are thousands of adolescent girls and young women working within Tamil Nadu's textile mills and many are at risk of exploitative practices that in some cases may amount to forced labour. These practices include excessive and involuntary overtime, extremely low wages, physical and sexual violence, restriction of movement and denial of freedom of association.

Between 2019 and 2020, Arisa worked with SOMO, a not-for-profit organisation that investigates the impact of multinational

corporations' activities on people and the environment. The purpose of the research was to help enable structural improvements to employment, working and living conditions in Tamil Nadu's textile industry, particularly for the most vulnerable worker groups; primarily child, adolescent, female and migrant workers as well as workers with tribal, ethnic or low-caste backgrounds, including Dalits.

Arisa and SOMO used publicly available production location lists via Open Apparel Registry and the Panjiva database (a subscription-based database which includes detailed shipment information) to establish links between Tamil Nadu spinning mills and 10 multinational apparel brands.

Research was carried out across 29 spinning mills and 725 workers were interviewed. Indicators of forced labour were identified across all 29 spinning mills, including: abuse of vulnerability, deception, intimidation and threats, abusive working and living conditions, and excessive overtime. Two of the implicated brands came forward and asked the research team to help them get in contact with other brands sourcing from a particular mill, which was possible to prove through publicly disclosed information. This led to three brands working together to address the allegations raised.

# METHODOLOGY & SCOPE OF THE RESEARCH

# HOW BRANDS AND RETAILERS ARE SELECTED

The Fashion Transparency Index reviews and ranks 250 of the world’s largest and most influential fashion brands and retailers. Brands have been selected on the following basis:

- Annual turnover over USD \$400 million
- Representing a spread of market segments including high street, luxury, sportswear, accessories, footwear and denim from across Europe, North America, South America, Asia and Africa.

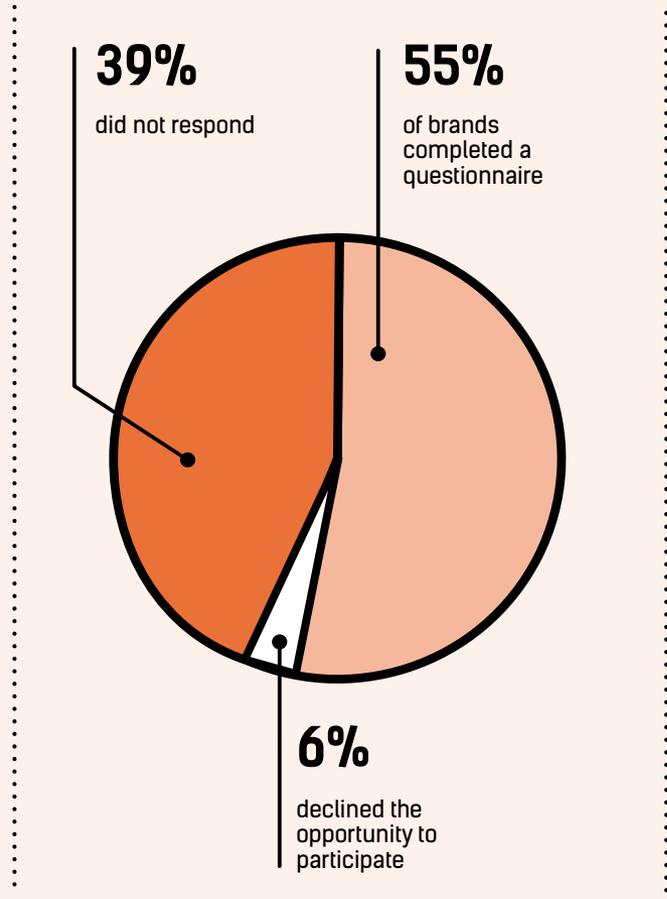
As the biggest and most powerful consumer brands in the apparel industry, the brands reviewed in this Index have the most significant negative human rights and environmental impacts and an outsized responsibility to make transformative change. Because they’re so large and often profitable compared to the rest of the industry, with some of the world’s wealthiest owners and CEOs at their helm, they have the resources and moral imperative to take meaningful action, not just on transparency, but on improving the human rights and environmental impacts at the very heart of their business models.

We have chosen to list brand names in this report rather than by parent company or controlling group because the public will be most familiar with the brands. However, please note that for some of the brands that are part of a bigger group, such as H&M Group, Inditex, PVH, Hudson’s Bay Company and others, their scores reflect all brands in the controlling group regardless of whether they appear in this Index.

This year 55% of the brands and retailers reviewed participated by returning a completed questionnaire, up from 51% last year. We include brands in the Index regardless of whether they participate or not. We treat every brand the same regardless of whether they choose to participate or not. However, brands that participate typically receive higher scores than they would otherwise because they are able to identify relevant disclosure that our researchers may have missed.

More information about why we target large multinational brands and not smaller more ethically minded brands can be found in our Q&As, see [this link](#).

## HOW MANY BRANDS PARTICIPATED THIS YEAR?



# A-Z OF BRANDS

● = participated in brand questionnaire

Abercrombie & Fitch (Abercrombie & Fitch) ●	Claire's	Hanes (Hanesbrands Inc.)	Metersbonwe	Skechers
Adidas (Adidas Group) ●	Clarks ●	Heilan Home (Helian Group Co.)	Mexx	Speedo (Pentland Group) ●
Aerostale	COACH (Tapestry, Inc.) ●	Helly Hansen (Canadian Tire Corporation) ●	Michael Kors (Capri Holdings Limited) ●	Splash (Landmark Group)
ALDI Nord (ALDI Einkauf GmbH & Co. oHG) ●	Cole Haan	HEMA	Miu Miu (Prada Group) ●	Sports Direct
ALDI SOUTH (ALDI Einkauf GmbH & Co. oHG) ●	Columbia Sportswear ●	Hermès	Mizuno ●	Steve Madden
ALDO (The Aldo Group Inc.) ●	Converse (Nike, Inc.) ●	Hollister Co. (Abercrombie and Fitch) ●	Moncler	Stradivarius (Inditex) ●
Amazon (Amazon.com, Inc.) ●	Cortefiel (Tendam)	Hudson's Bay (HBC)	Monoprix (Groupe Casino)	Superdry ●
American Eagle ●	Costco	Hugo Boss ●	Morrisons ●	Takko
ANTA ●	Cotton On (Cotton On Group)	Intimissimi (Calzedonia Group) ●	MRP ●	Target ●
Anthropologie (URBN) ●	Decathlon (Association Familiale Mulliez) ●	Ito-Yokado (Seven & I Holdings Co)	Muji (Ryohin Keikaku Co.) ●	Target Australia (Wesfarmers) ●
Aritzia ●	Deichmann	Jack & Jones (BESTSELLER) ●	New Balance ●	Tchibo ●
Armani (Giorgio Armani S.p.A) ●	Desigual ●	JD Sports (Pentland Group) ●	New Look ●	Ted Baker ●
ASDA (Walmart Inc.) ●	Dick's Sporting Goods ●	Jessica Simpson (Sequential Brands Group)	New Yorker	Tesco ●
ASICS ●	Diesel (OTB Group)	Jil Sander (Onward Holdings)	Next ●	Tezenis (Calzedonia Group) ●
ASOS ●	Dillard's	Jockey	Nike (Nike, Inc.) ●	The Children's Place
Balenciaga (Kering) ●	Dior (LVMH) ●	Joe Fresh (Loblaw Company Ltd.) ●	Nine West	The North Face (VF Corporation) ●
Bally (JAB Holding Company) ●	Disney (The Walt Disney Group)	John Lewis ●	Nordstrom ●	The Warehouse
Banana Republic (Gap Inc.) ●	DKNY (G-III Apparel Group)	Jordan (Nike, Inc.) ●	Old Navy (Gap Inc.) ●	Timberland (VF Corporation) ●
BCBGMAXAZRIA (Centric Brands)	Dolce & Gabbana	JustFab (TechStyle Fashion Group)	OTTO (Otto Group)	TJ Maxx (TJX)
Beanpole (Samsung C&T)	Dr. Martens (Permira) ●	K-Way	OVS ●	Tod's
Belle	Dressmann (VARNER) ●	Kate Spade (Tapestry, Inc.) ●	Paris (Cencosud) ●	Tom Ford
Bershka (Inditex) ●	DSW (Designer Brands)	Kathmandu ●	Patagonia ●	Tom Tailor ●
Big Bazaar – ffb (Future Group)	Eddie Bauer (Golden Gate Capital)	Kaufland	Pepe Jeans	Tommy Bahama (Oxford Industries, Inc.)
Big W (Woolworths Group) ●	El Corte Inglés ●	Kiabi	Pimkie ●	Tommy Hilfiger (PVH) ●
Billabong (Boardriders)	Elie Tahari	KiK	Prada (Prada Group) ●	Topman (Arcadia Group)
Bloomingdale's (Macy's Inc.)	Ermenegildo Zegna ●	Kmart (Sears Holdings)	PrettyLittleThing (boohoo group plc)	Topshop (Arcadia Group)
Bonprix (Otto Group) ●	Esprit ●	Kmart Australia (Wesfarmers) ●	Primark (Associated British Foods plc) ●	TOPVALU COLLECTION (AEON) ●
boohoo (boohoo group plc)	Express	Kohl's	Prisma (S Group) ●	Tory Burch
Bosideng	Falabella ●	Koovs	Pull&Bear (Inditex) ●	Triumph
Bottega Veneta (Kering) ●	Famous Footwear (Caleres)	La Redoute (Galeries Lafayette Group) ●	Puma ●	Truworths
Brooks Sports (Berkshire Hathaway) ●	Fanatics (Kynetic)	Lacoste (Maus Frères) ●	Quiksilver (Boardriders)	UGG (Deckers Brands) ●
Brunello Cucinelli	Fashion Nova	Lands' End ●	Ralph Lauren ●	Under Armour
Buckle	Fendi (LVMH) ●	Levi Strauss & Co ●	Reebok (Adidas AG) ●	Uniqlo (Fast Retailing) ●
Burberry ●	Fila	Lidl ●	REI ●	United Arrows ●
Burlington	Fjällräven (Fenix Outdoor) ●	Lindex (Stockmann Group) ●	Reliance Trends (Reliance Retail)	United Colors of Benetton ●
C&A ●	Foot Locker	Li-Ning	Reserved (LPP)	Urban Outfitters (URBN) ●
Calvin Klein (PVH) ●	Foschini (TFG) ●	L.L. Bean	REVOLVE	Valentino
Calzedonia (Calzedonia Group) ●	Fossil (Fossil Group, Inc.)	Longchamp	River Island ●	Van Heusen (PVH) ●
Canada Goose	Free people (URBN) ●	Louis Vuitton (LVMH) ●	Ross Dress for Less	Vans (VF Corporation) ●
Carhartt	Fruit of the Loom (Fruit of The Loom)	Lululemon ●	Roxy (Boardriders)	Vero Moda (BESTSELLER) ●
Carolina Herrera (Puig)	Furla	Macy's (Macy's Inc.)	Russell Athletic (Fruit of the Loom)	Versace (Capri Holdings) ●
CAROLL (Vivarte)	G-Star RAW	Mammut (Conzzeta AG) ●	s.Oliver	Very (The Very Group) ●
Carrefour ●	Gap (Gap Inc.) ●	Mango ●	Sainsbury's-TU Clothing ●	Victoria's Secret (L Brands) ●
Carter's (Carter's Inc.) ●	Gerry Weber	Marc Jacobs (LVMH) ●	SAINT LAURENT (Kering) ●	Walmart (Walmart Inc.)
CELINE (LVMH) ●	Gildan ●	Marks & Spencer ●	Saks Fifth Avenue (Hudson's Bay Company)	Woolworths (Woolworths Holdings Limited) ●
celio	GU (Fast Retailing) ●	Marni (OTB Group)	Salvatore Ferragamo ●	Wrangler (Kontoor)
Champion (Hanesbrands Inc.)	Gucci (Kering) ●	Massimo Dutti (Inditex) ●	Sandro (SMCP)	Youngor
Chanel	GUESS ●	Matalan ●	Semir (Semir Group)	Zalando ●
Chico's	H&M (H&M Group) ●	Max Mara	SHEIN	Zara (Inditex) ●
Chloé (Richemont) ●		Merrell (Wolverine World Wide, Inc.)		Zeeman ●

# THE SCOPE OF OUR RESEARCH

We have deliberately chosen to focus on transparency by means of public disclosure. If the information and data disclosed by brands is publicly available, detailed and specific enough, it can be used by multiple stakeholders – including worker representatives, environmental groups, investors, consumers and brands themselves – to drive positive change on human rights and environmental issues. This is what we are looking for and what the Index pressures and incentivises major brands to do.

Limited and inward-facing disclosure limits the scope for transformative impact. Public disclosure drives public accountability. For this reason, the Index purposely excludes everything that brands and retailers may be doing internally and behind-the-scenes across their companies and supply chains. This is also why we are looking for public disclosure not only on brands' policies, procedures and governance, which are less risky to share, but also meaningful disclosure of results, progress, outcomes and impacts across the business and its value chain.

## What it does measure

- ✓ The Fashion Transparency Index measures what brands know and publicly share about their human rights and environmental impacts across their value chains.
- ✓ Credit is only awarded to publicly disclosed information/data on major brands' policies, procedures, performance and progress on human rights and environmental issues across the value chain.
- ✓ We award points only for information/data that has been publicly disclosed on the brand or parent company's own website.

## Information/data must be publicly available from one the following places:

- ✓ On the brand or parent company's website;
- ✓ Sustainability/CR microsites, provided there is a direct web link to it from the main brand or parent company website;
- ✓ In annual reports or annual sustainability reports (only counted if dated January 2019 or later) published on the brand or parent company website;
- ✓ In any other documents which are publicly available and can be downloaded freely from the brands' or parent company's websites; or
- ✓ Via external, third party websites but only when there is a direct web link from the brand or parent company's website to the third-party website (e.g. Bangladesh Accord, Better Work, CDP, FLA, ETI, BSCI/Amfori websites) where specific disclosures can be found.

## What it does not measure

- ✗ The Fashion Transparency Index does not measure impacts; it measures public disclosure.
- ✗ Verification of claims made by brands and retailers is beyond the scope of this research, but we encourage stakeholders to use our research to hold brands to account on their claims.
- ✗ The Fashion Transparency Index does not measure ethics or sustainability. We do not endorse any brand in the Index or suggest that consumers shop at specific brands based on their ranking. This is not a shopping guide.

## We do not count the following information sources:

- ✗ Clothing labels and hang tags on products
- ✗ In-store or at other physical locations
- ✗ Smartphone apps
- ✗ Social media channels
- ✗ A third party website or document where there is no weblink from the brand's own website, including press articles
- ✗ Downloadable documents where the weblink cannot be found on the brand's website

# ABOUT THE RESEARCH PROCESS

August – November 2020

**Methodology updates:** Industry research and stakeholder consultation process informs how we select new Spotlight Issues, devise new indicators and tweak any others. The brand questionnaire is prepared. During this time, we also researched and selected the additional 11 brands and retailers to be reviewed, replacing the brands whose annual revenues fell below our threshold or went bankrupt in 2020/21.

December 2020 – January 2021

**Research the selected brands and retailers:** Our research team reviews each brand and pre-populates their questionnaire with evidence of relevant public disclosure, awarding them preliminary points. At this time, brands are notified of their inclusion in this year's Index and invited to participate.

Late March 2021

**Brands return completed questionnaires:** Brands that choose to participate return their completed questionnaires. Our research team reviews responses and awards additional points where sufficient disclosure has been made.

Late February 2021

**Brands receive questionnaires to complete:** Brands are given approximately one month to fill in the gaps on their brand questionnaires, alerting us to information our researchers may not have found.

Early February 2021

**Data quality assurance check:** Each indicator is peer-reviewed by at least two different lead researchers for accuracy and consistency across all 250 brand questionnaires.

Late March to late April 2021

**Questionnaire responses reviewed and quality assurance check:** The research team conducts several rounds of peer review data quality assurance checks before finalising each questionnaire and the scoring.

Early May to late June 2021

**Data is compiled, analysis completed, and report prepared:** Data from each brand questionnaire is collated into one large complete dataset, which is used to analyse final results, determine year-on-year progress and pull-out interesting findings. Brands are notified of their final scores and progress shortly before publication.

# ABOUT THE METHODOLOGY

The Fashion Transparency Index reviews and benchmarks brands' public disclosure on human rights and environmental issues across 5 key areas:

1. **Policy & Commitments**
2. **Governance**
3. **Supply Chain Traceability**
4. **Know, Show & Fix**
5. **Spotlight Issues**

Which this year covers:

- Decent work, covering Covid-19 response, living wages, purchasing practices, unionisation and collective bargaining
- Gender and racial equality
- Sustainable sourcing and materials
- Overconsumption and business model
- Waste and circularity
- Water and chemicals
- Climate change and biodiversity

## Brand Questionnaire template

The 2021 Index covers 239 individual indicators across 250 brands comprising 57,490 data points. Visit [this link](#) to view the 2021 Brand Questionnaire template.

"I think  
transparency is  
the future because  
it has the power  
to establish trust  
among people in the  
supply chain which  
is essential for the  
existence of all of  
us on this planet."

Mostafiz Uddin, Garment Manufacturer

# METHODOLOGY

## ADVISORY COMMITTEE

The methodology was designed in 2017 through a four-month consultative process with a variety of industry experts and stakeholders from academia, the trade union movement, civil society organisations, socially responsible investment, business consulting and journalism. This year we have made significant updates to the methodology in consultation with our pro-bono advisory committee, which included more than 20 experts and organisations such as:

**Dr Mark Anner**, Associate Professor & Director of the Center for Global Workers' Rights at Penn State University

**Eloisa Artuso**, Lead of Fashion Transparency Index Brasil

**Neil Brown**, Head of Equities at GIB Asset Management

**Maddy Cobbing**, Detox My Fashion Campaign at Greenpeace

**Gary Cook**, Global Climate Campaigns Director at Stand.earth

**Subindu Garkhel**, Cotton and Textiles Lead at The Fairtrade Foundation

**Fiona Gooch**, Senior Private Sector Policy Advisor at Traidcraft Exchange

**Christina Hajagos-Clausen**, Textile and Garment Industry Director at IndustriALL Global Union

**Kristian Hardiman**, Head of Ratings at Good On You

**Aruna Kashyap**, Senior Counsel at Human Rights Watch

**Kate Larsen**, Business & Human Rights Consultant

**Hester Le Roux**, Senior Economic Advisor, Policy & Advocacy at CARE International

**Emily MacIntosh**, Policy Officer for Textiles at European Environmental Bureau

**Maya Rommwatt**, Fashion Climate Campaigner at Stand.earth

**Francois Souchet**, Make Fashion Circular Lead at Ellen MacArthur Foundation

**Joe Sutcliffe**, Senior Advisor, Dignified Work at CARE International

**Urksa Trunk**, Campaign advisor at Changing Markets

**Ben Vanpeperstraete**, Supply Chain Consultant

We have also strived to align the methodology, so far as possible, with existing international standards and frameworks such as GRI, Open Data Standard, UN Guiding Principles, SDGs, OECD Due Diligence Guidelines and the relevant ILO conventions, as well as other benchmarks and initiatives including ACT, CHRB, Know The Chain, Transparency Pledge and several others. We also collaborate to share research with other benchmarks through our partnership with the open research platform [Wikirate](#).

This year we added an additional 19 indicators compared to last year. The weighting of the scores is designed to incentivise detailed and granular public disclosure and to put the greatest emphasis on results, outcomes, impacts and the most actionable data that can be used by external stakeholders to hold brands to account.

## LIMITATIONS OF THE RESEARCH

- Data is only as current as of 30th April 2021 and brands may have disclosed or retracted information or links to evidence may have since stopped working after this date
- Changes to the methodology in 2021 may affect year-on-year comparability of the results, please make annual comparisons with that in mind
- Desk-based research relies upon people and that means human errors are possible; it is possible that our research team has missed relevant disclosures
- Verification of brands' claims are beyond the scope of this research, only on-the-ground rights holders and experts can hold brands to account when their practices and impacts do not stand up to their claims

We are confident that the methodology is comprehensive and robust when it comes to the public disclosure of actionable information by major brands. Our research team has tried our best to be as thorough, meticulous, objective and consistent as possible across all 250 brands. However, we acknowledge that it can always be improved and welcome your concerns or feedback. You can email us at [transparency \[at\] fashionrevolution \[dot\] org](mailto:transparency@fashionrevolution.org).

## HOW WE CALCULATE THE FINDINGS

All scores have been calculated to two decimal places (in the complete data set) and then rounded to the nearest whole percentage point (what you will read in this report).

To calculate the total score for each brand, we add the score awarded to the brand for the 5 different sections. Each section has a different weight as some sections are worth more points than others:

- Section 1 is worth 33/250
- Section 2 is worth 13/250
- Section 3 is worth 74/250
- Section 4 is worth 47/250
- Section 5 is worth 83/250

All averages in this report represent the mean.

The overall average score across all 250 brands is calculated by taking the average of all brands' individual final scores rather than the average of the average scores per section of the methodology.

For the most part, year-on-year differences in scores are described as the change in percentage points, which means the actual amount of change, rather than the percent, which means the rate of change (unless explicitly stated otherwise). For instance, if a brand scored 30% in one year and 45% in the next, we are usually reporting that the brand increased by 15 percentage points (45-30=15) rather than saying the brand increased by a 50% rate of change (45/30=1.5).

Where a score may have been rounded to the nearest percentage point in previous editions, we are calculating the year-on-year difference according to the rounded figures rather than to the exact decimal points. For example, where the average score in a particular section is 17.74% we have rounded this up to 18%. If in a previous year's report the average score in that section was 12.41% we rounded it down to 12% in the report. Therefore, the year-on-year difference is technically 5.33 percentage points, but if we go by the nearest rounded figures it is 6 percentage points.

# WEIGHTING OF THE SCORES

1.

## POLICY & COMMITMENTS

This section explores brands' social and environmental policies for both their own employees and workers in the supply chain, how these policies are implemented, if brands have relevant goals and targets in place and if brands are reporting annual progress against these targets. For this year's Index, available points in this section were halved to place more emphasis on outcomes and impacts.

13.2%

2.

## GOVERNANCE

Here we look at who on the executive board has responsibility for social and environmental performance, how this is implemented, how social and environmental improvements are linked to employee, CEO and supplier performance, and whether the relevant department can be easily contacted by the public. This year we also looked to see whether there is worker representation on the board.

5.2%

3.

## TRACEABILITY

In this section we expect brands to publish supplier lists at three levels: manufacturing, processing facilities and mills, and raw materials. We also look for extra details such as supplier address, number of workers, gender breakdown, number of migrant workers, union representation and when the list was last updated.

29.6%

4.

## KNOW, SHOW & FIX

Here we review what brands disclose about their due diligence processes, how they assess suppliers against their policies, what are the results of these audits and assessments, what brands do when problems are found, how workers can file complaints and how these are addressed.

18.8%

5.

## SPOTLIGHT ISSUES

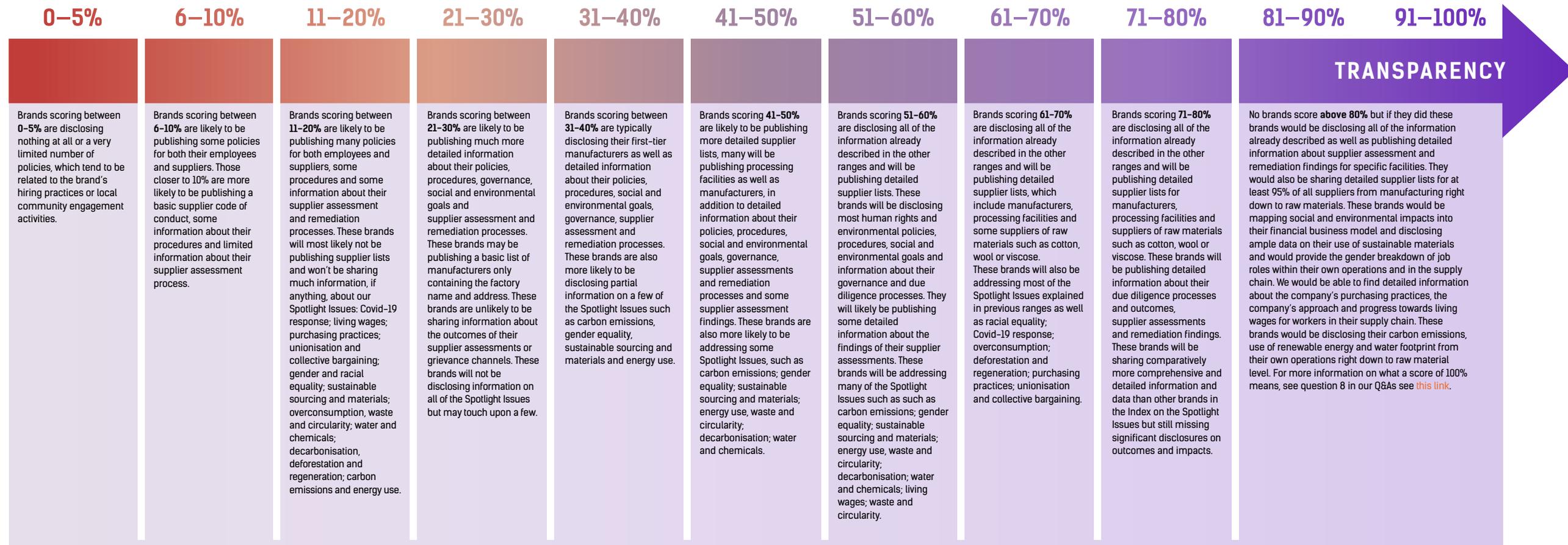
In this final section, we have increased the weighting significantly compared to previous editions (up from 19.6% last year) in an effort to push harder for disclosure on the most urgent and difficult problems facing the industry. In this section we look at what brands disclose on a number of issues, including Covid-19 response, living wages, purchasing practices, unionisation, racial and gender equality, overproduction, waste and circularity, sustainable materials, water and chemicals, climate and deforestation.

33.2%

WEIGHTING (%)

# A GUIDE TO THE FINAL SCORING

There are 250 total possible points. Final scores have been converted into percentages and rounded to the nearest whole number. Please focus on the range in which brands score rather than their individual scores as this gives you a truer reflection of the level of transparency across these large global brands.



# FULL RESULTS & DETAILED ANALYSIS

To access the complete data set [click here](#).

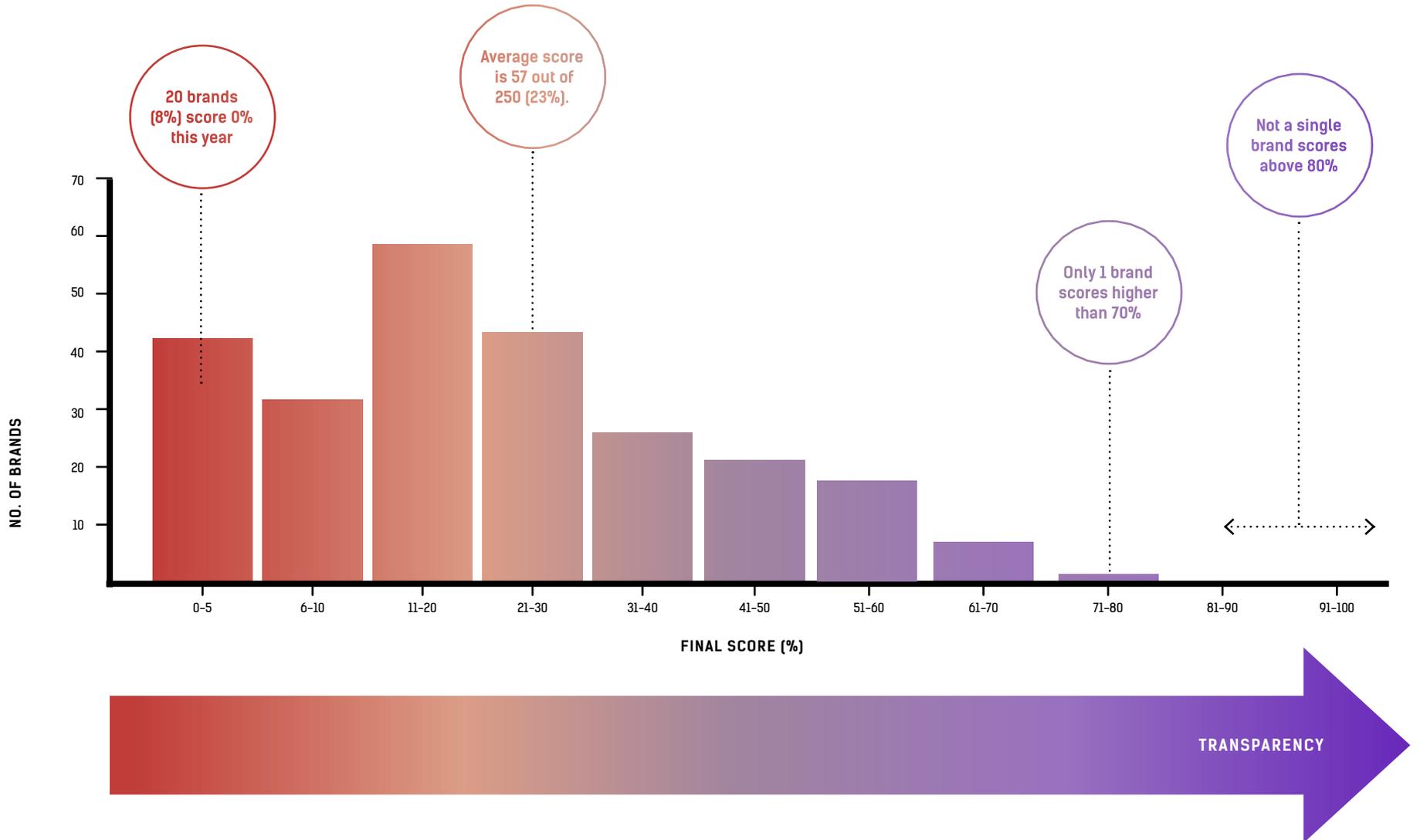
View all the underlying data for all 250 brands on [Wikirate.org](#)

# THE FINAL SCORES

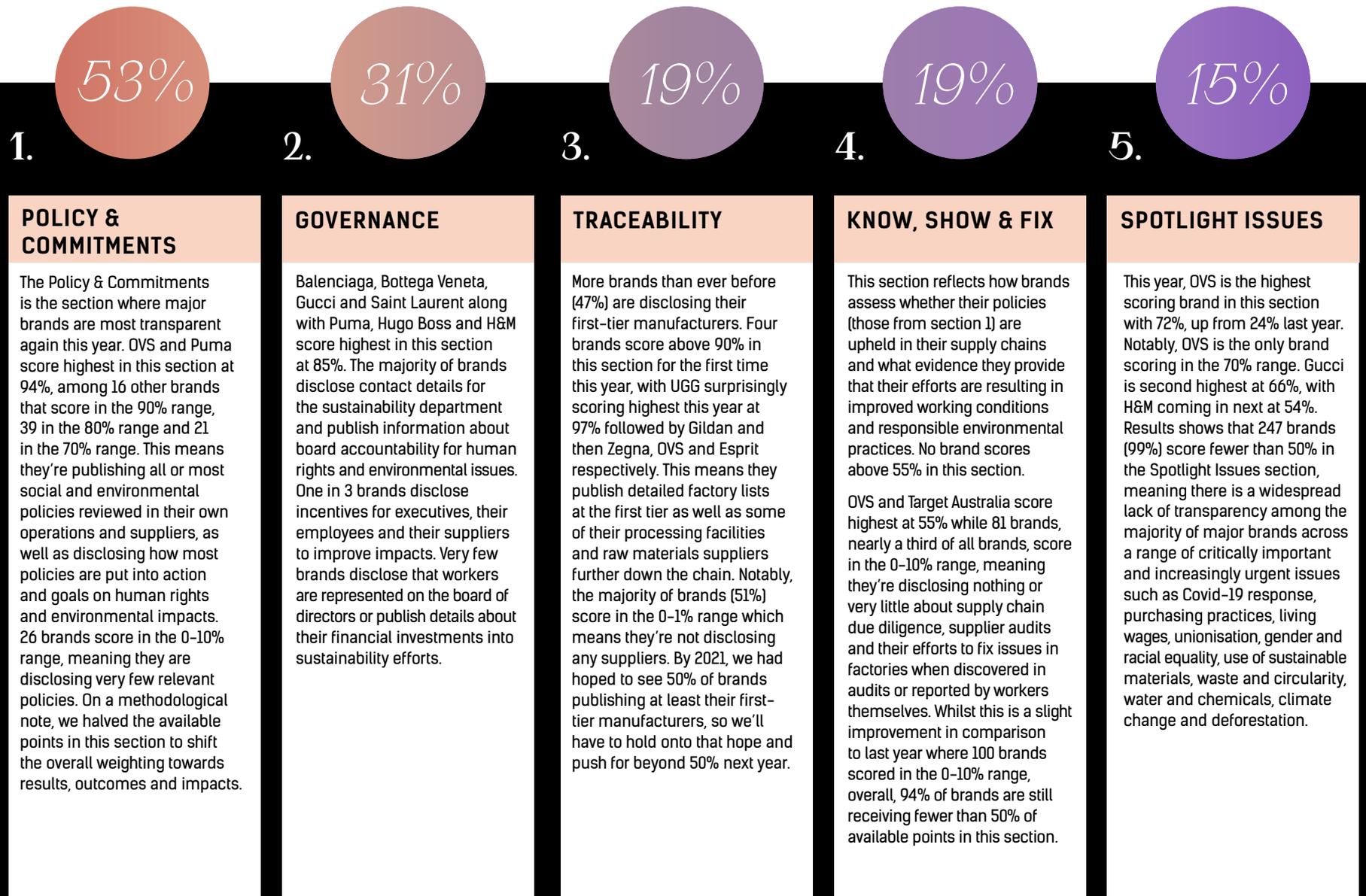
0-5%		6-10%		11-20%		21-30%		31-40%		41-50%		51-60%		61-70%		71-80%		81-90%		91-100%	
Brunello Cucinelli	5	Bloomingdale's	10	Abercrombie & Fitch	20	Brooks Sport	30	Target	42	Puma	51	Esprit	60	H&M	68	OVS	78				
Gerry Weber	5	Macy's	10	Hollister Co.	20	Big W	29	Uniqlo	42	Lindex	50	United Colors of Benetton	60	The North Face	66						
Sports Direct	5	The Children's Place	9	Otto	20	Pimkie	29	Next	40	Banana Republic	49	Calvin Klein	59	Timberland	66						
Bosideng	5	Splash	9	boohoo	20	Ralph Lauren	29	Champion	39	Gap	49	Tommy Hilfiger	59	C&A	65						
Marni	5	DSW	9	PrettyLittleThing	20	El Corte Inglés	28	Hanes	39	Old Navy	49	Van Heusen	59	Vans	65						
Fila	4	La Redoute	9	REI	19	Nordstrom	28	Asda	38	ASICS	49	Gildan	63								
LC Waikiki	4	Merrell	9	Chloé	18	Fjällräven	28	Primark	38	Sainsbury's	48	Gucci	56								
K-Way	4	Sandro	9	Miu Miu	18	Morrisons	28	Zeeman	38	Marks & Spencer	48	Kmart Australia	56								
Aeropostale	3	United Arrows	9	Prada	18	Amazon	27	Hermès	37	Dressmann	48	Target Australia	56								
Justfab	3	Carhartt	9	Monoprix	18	Lidl	27	Pull&Bear	36	ASOS	47	Patagonia	56								
Claire's	3	LL Bean	9	Moncler	18	The Warehouse	27	Helly Hansen	36	Zalando	45	Converse	55								
Eddie Bauer	3	Canada Goose	8	Cotton On	18	Topman	27	Bershka	36	Levi Strauss & Co	44	Jordan	55								
Longchamp	3	Chico's	8	Falabella	17	Topshop	27	Massimo Dutti	36	Fendi	43	Nike	55								
Deichmann	2	Kmart	8	Matalan	17	JD Sports	27	Stradivarius	36	G-Star RAW	43	UGG	55								
Jockey	2	Skechers	8	Foschini	17	John Lewis	27	Zara	36	Balenciaga	43	Adidas	54								
REVOLVE	2	Valentino	8	TOPVALU COLLECTION	16	Mango	26	Bonprix	35	SAINT LAURENT	43	Reebok	54								
BCBGMAXAZRIA	2	AJIO	7	Anthropologie	16	Walmart	26	Lacoste	35	Bottega Veneta	42	Tchibo	53								
DKNY	2	Foot Locker	7	Free people	16	Vero Moda	26	New Look	34	Lululemon	42	Speedo	53								
Dolce & Gabbana	2	Reliance Trends	7	Urban Outfitters	16	Salvatore Ferragamo	25	Wrangler	34	New Balance	42										
Nine West	1	Diesel	7	Michael Kors	16	Jack & Jones	25	Clarks	34	Tom Tailor	42										
SHEIN	1	Buckle	7	Versace	16	Prisma	25	Fruit of the Loom	34	GU	42										
celio	0	Furla	7	American Eagle	16	Columbia Sportswear	25	Russell Athletic	34												
Max Mara	0	ANTA	7	Dr. Martens	15	ALDI Nord	25	Burberry	34												
New Yorker	0	Beanpole	7	Reserved	15	Kathmandu	25	Hugo Boss	34												
Tory Burch	0	Dillard's	6	Kohl's	15	Woolworths South Africa	24	Tesco	34												
Billabong	0	Jil Sander	6	MRP	15	HEMA	24	Ermenegildo Zegna	33												
Heilan Home	0	Ross Dress for Less	6	Cortefiel	15	Carrefour	24	Superdry	32												
Quiksilver	0	Famous Footwear	6	Burlington	15	Decathlon	24	Mammut	31												
Roxy	0	Express	6	Ito-Yokado	15	Very	23	Dick's Sporting Goods	31												
Fashion Nova	0	Triumph	6	Lands' End	14	Aritzia	23	ALDI SOUTH	31												
Pepe Jeans	0	Cole Haan	6	KiK	14	Muji	22														
Semir	0	Tommy Bahama	6	ALDO	14	Celine	22														
Tom Ford	0			Carolina Herrera	14	Dior	22														
Belle	0			Bally	14	Louis Vuitton	22														
Big Bazaar - ffb	0			Armani	14	River Island	22														
Elie Tahari	0			Kaufland	14	Marc Jacobs	22														
Jessica Simpson	0			Tod's	14	COACH	22														
KOOVS	0			Steve Madden	14	Kate Spade	22														
Metersbonwe	0			Joe Fresh	13	Kiabi	22														
Mexx	0			Hudson's Bay	13	Victoria's Secret	22														
Youngor	0			Saks Fifth Avenue	13	Mizuno	22														
				TJ Maxx	13	Under Armour	22														
				Li-Ning	13	Ted Baker	21														
				CAROLL	13	Desigual	21														
				Fossil	13	Disney	21														
				Carter's	12																
				Fanatics	12																
				GUESS	12																
				Costco	12																
				Takko	12																
				Paris	12																
				Chanel	11																
				s.Oliver	11																
				Calzedonia	11																
				Intimissimi	11																
				Tezenis	11																
				Truworhs	11																

\* Brands ranked in numerical order by score out of 250, but shown as rounded-up percentage. Where brands have the same percentage score, they are listed in alphabetical order and grouped with others from same parent company

# QUICK OVERALL FINDINGS



## AVERAGE SCORES ACROSS THE SECTIONS



# POLICIES & COMMITMENTS

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# 1. POLICY & COMMITMENTS

## APPROACH

### What human rights and environmental policies and procedures do major brands and retailers publicly disclose?

In this section we reviewed what policies and procedures brands disclose both at company level (as related to the company's own operations in head offices, stores, warehouses, and owned production facilities) and at supplier level (Code of Conduct or supplier guidance document).

### Social and environmental priorities and measurable, long-term goals

We looked to see whether brands are publishing their goals or a strategic roadmap for improving social and environmental impacts across the value chain. We only counted these goals if they were time-bound, measurable and set for 2021 or later. We also awarded points if brands are reporting on annual progress towards achieving these goals.

And finally, we checked to see if the annual sustainability report (or relevant data within the annual report) was audited by an independent third party.

#### We looked at the following issues:

- Animal Welfare
- Annual leave & Public Holidays
- Anti-bribery, Corruption & Presentation of False Information
- Biodiversity & Conservation
- Child Labour
- Community Engagement
- Contracts & Terms of Employment
- Discrimination
- Diversity & Inclusion
- Energy & Greenhouse Gas Emissions
- Equal Pay
- Forced & Bonded Labour
- Foreign & Migrant Labour
- Freedom of Association, Right to Organise & Collective Bargaining
- Harassment & Violence
- Health & Safety
- Homeworking
- Living Conditions/ Dormitories
- Manufacturing Restricted Substances List (MRSL)
- Maternity Rights / Parental Leave
- Mental Health & Wellbeing
- Overtime Pay
- Restricted Substances List (RSL)
- Subcontracting
- Wages & Benefits (including social security, insurance, pension, bonus)
- Waste & Recycling (Packaging/ Paper)
- Waste & Recycling (Product/ Textiles)
- Water Effluents & Treatment
- Water Consumption
- Working Hours & Rest Breaks
- Waste & Recycling (Packaging/ Paper)
- Water Effluents & Treatment
- Water Usage & Footprint
- Working Hours & Rest Breaks

# 1. POLICY & COMMITMENTS RESULTS

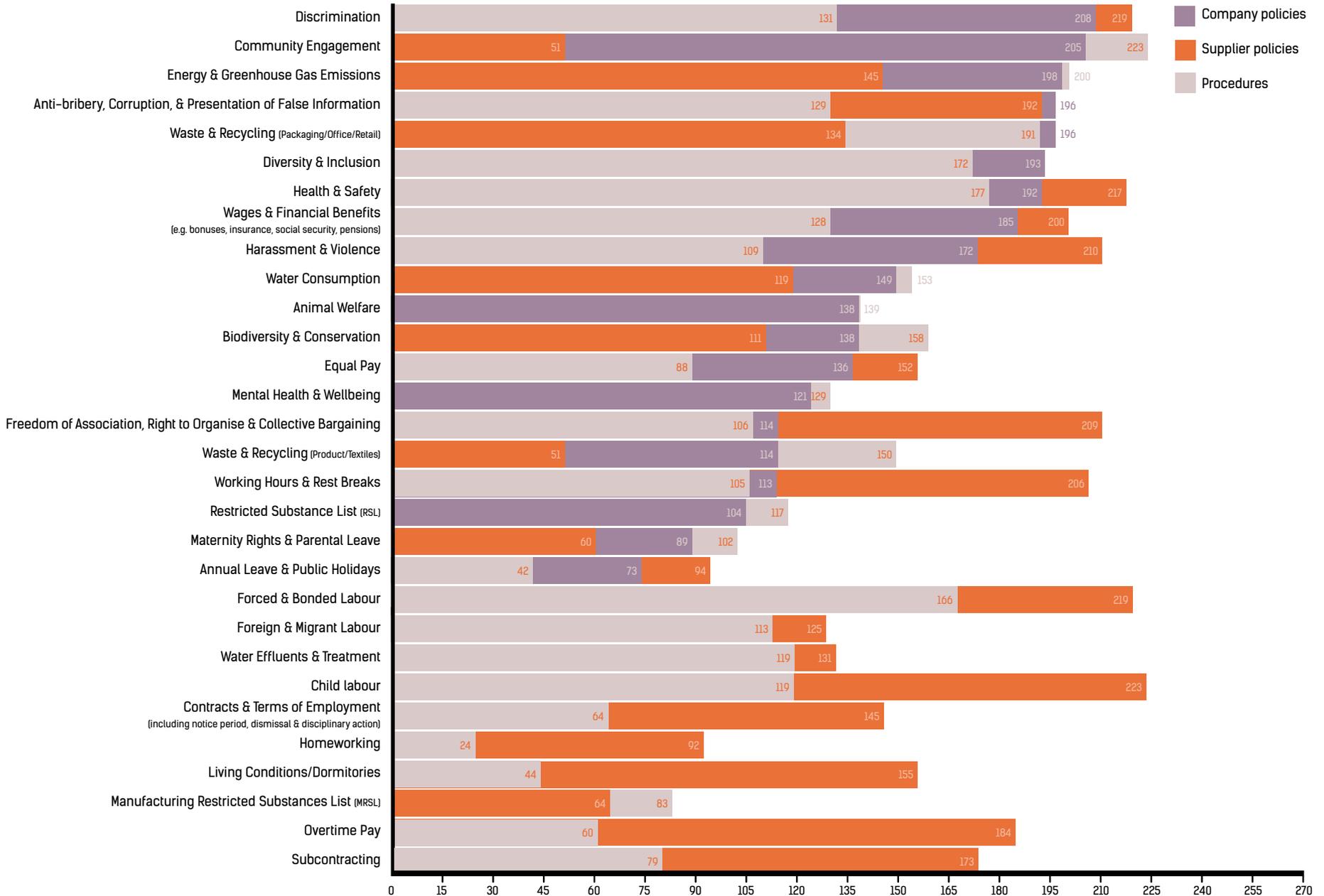
0-5%	6-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
BCBGMAXAZRIA 5	DKNY 8	Fila 20	Canada Goose 30	Anthropologie 40	Carter's 50	Aritzia 60	Zeeman 70	ASICS 80	Gildan 90	OVS 94
Brunello Cucinelli 5	Nine West 8	Fanatics 20	Famous Footwear 30	Free people 40	REI 50	Lacoste 60	Amazon 70	CELINE 80	Bershka 89	Puma 94
celio 3	SHEIN 8	LL Bean 20	Buckle 30	Urban Outfitters 40	Costco 49	COACH 58	Decathlon 70	Dior 80	Calvin Klein 89	C&A 93
Max Mara 3		Dillard's 19	Splash 30	Chico's 39	Disney 49	Cortefiel 58	Fjällräven 70	Fendi 80	Massimo Dutti 89	Hermès 93
New Yorker 3		Justfab 19	Foot Locker 28	Cotton On 39	Dr. Martens 49	Kate Spade 58	Very 70	Louis Vuitton 80	Pull&Bear 89	Levi Strauss & Co 93
Tory Burch 3		Deichmann 18	Marni 28	Kiabi 39	Fossil 49	Lands' End 58	Woolworths South Africa 70	Marc Jacobs 80	Stradivarius 89	Converse 92
Billabong 2		Claire's 17	Tommy Bahama 27	Merrell 39	Bloomingdale's 48	Lidl 58	Bonprix 70	Superdry 80	Tommy Hilfiger 89	Jordan 92
Heilan Home 2		Aeropostale 17	Bosideng 26	Sandro 39	Hudson's Bay 48	Versace 58	Moncler 69	Big W 79	Van Heusen 89	Nike 92
Quiksilver 2		Beanpole 17	Carhartt 26	La Redoute 38	Macy's 48	Victoria's Secret 58	Sainsbury's 69	Lululemon 78	Zara 89	The North Face 92
Roxy 2		Eddie Bauer 16	Jil Sander 25	Skechers 37	Miu Miu 48	Michael Kors 58	New Look 68	Patagonia 78	Gucci 89	Timberland 92
Fashion Nova 2		Gerry Weber 16	Kaufland 25	Furla 36	Prada 48	Abercrombie & Fitch 57	Carrefour 67	Hugo Boss 77	Next 89	United Colors of Benetton 92
Pepe Jeans 2		Jockey 14	Ross Dress for Less 25	DSW 35	Saks Fifth Avenue (HBC) 48	American Eagle 57	Clarks 67	Walmart 77	Target 89	Vans 92
REVOLVE 2		Dolce & Gabbana 12	K-Way 24	AJIO 34	Burlington 47	Hollister Co. 57	Salvatore Ferragamo 67	Muji 75	G-Star RAW 87	Adidas 91
Semir 2		Longchamp 12	Express 23	Reliance Trends 34	CAROLL 47	KiK 57	UGG 67	Wrangler 74	H&M 87	Banana Republic 91
Tom Ford 2			ANTA 23	Takko 34	Joe Fresh 47	Morrisons 57	Armani 66	El Corte Inglés 73	Burberry 86	Gap 91
Belle 0			Triumph 23	Ermenegildo Zegna 33	Truworths 47	Desigual 56	Tom Tailor 66	ALDI SOUTH 73	Tchibo 86	Old Navy 91
Big Bazaar - ffb 0			LC Waikiki 22	Kmart 33	Helly Hansen 46	Otto 56	Mango 65	Lindex 73	GU 86	Reebok 91
Elie Tahari 0			Sports Direct 22	Tod's 33	Chanel 45	Columbia Sportswear 55	Champion 64	Monoprix 73	Target Australia 86	
Jessica Simpson 0			Cole Haan 21	Valentino 31	Matalan 45	Falabella 55	Hanes 64	Kathmandu 72	Uniqlo 86	
KDOVS 0					Paris 45	Kohl's 55	Nordstrom 64	Ralph Lauren 71	Kmart Australia 86	
Metersbonwe 0					The Children's Place 45	Chloé 55	ALDI Nord 64	Asda 71	Balenciaga 85	
Mexx 0					ALDO 44	Pimkie 55	Fruit of the Loom 64		Bottega Veneta 85	
Youngor 0					HEMA 43	s.Oliver 55	Jack & Jones 64		Primark 85	
					MRP 43	Ted Baker 55	River Island 64		SAINT LAURENT 85	
					Bally 42	GUESS 54	Russell Athletic 64		Esprit 84	
					Diesel 42	Mizuno 54	TOPVALU COLLECTION 64		Tesco 84	
					Calzedonia 42	Carolina Herrera 53	Vero Moda 64		ASOS 83	
					Foschini 42	JD Sports 53	Dick's Sporting Goods 63		Marks & Spencer 83	
					Intimissimi 42	TJ Maxx 53	Prisma 63		Speedo 83	
					Tezenis 42	boohoo 52	Topman 63		Zalando 83	
					United Arrows 42	PrettyLittleThing 52	Topshop 63		Dressmann 82	
						Mammut 52	Ito-Yokado 62		The Warehouse 82	
						Reserved 52	John Lewis 61		New Balance 81	
						Li-Ning 51	Brooks Sport 61			
						Steve Madden 51				
						Under Armour 51				

\* Brands ranked in numerical order by score out of 250, but shown as rounded-up percentage. Where brands have the same score, they are listed in alphabetical order.

# 1. POLICY & COMMITMENTS

## FINDINGS

### HOW MANY BRANDS PUBLISH RELEVANT POLICIES?

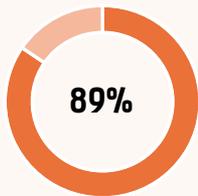


# 1. POLICY & COMMITMENTS

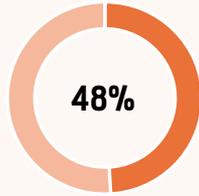
## FINDINGS

### IMPLEMENTATION OF POLICIES

#### CHILD LABOUR

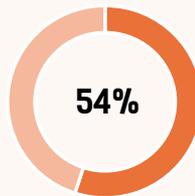


publish supplier policies

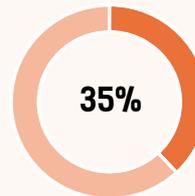


disclose how policies are implemented

#### EQUAL PAY

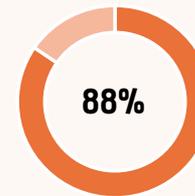


publish company policy

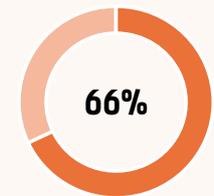


disclose how policies are implemented

#### FORCED AND BONDED LABOUR

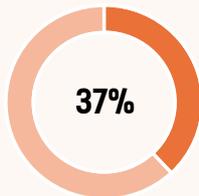


publish supplier policies



disclose how policies are implemented

#### HEMWORKING

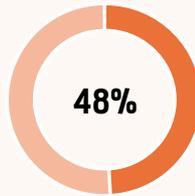


publish supplier policies

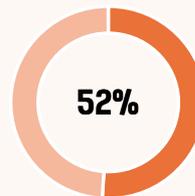


disclose how policies are implemented

#### MENTAL HEALTH AND WELL-BEING

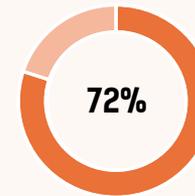


publish company policies

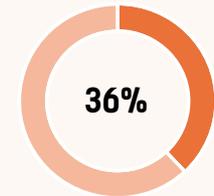


disclose actions taken on this topic

#### SUPPLIER CODES OF CONDUCT



state that code forms part of the supplier contract



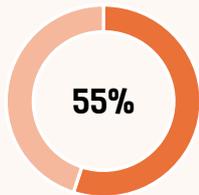
publish Code of Conduct in languages of key production countries

# 1. POLICY & COMMITMENTS

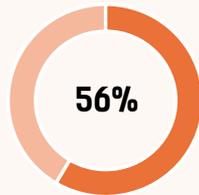
## FINDINGS

### IMPLEMENTATION OF POLICIES

#### ANIMAL WELFARE

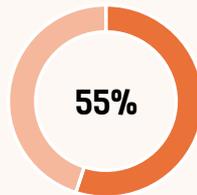


publish company policies

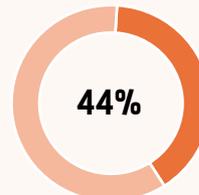


disclose how policies are implemented

#### BIODIVERSITY & CONSERVATION

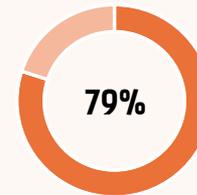


publish company policies

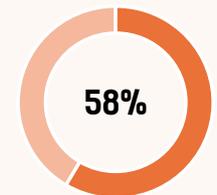


include this topic in supplier policies

#### EMISSIONS AND GREENHOUSE GAS EMISSIONS

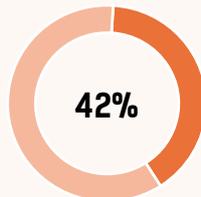


publish company policies

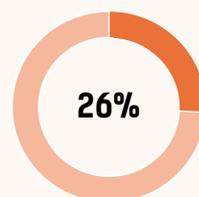


include this topic in supplier policies

#### RSL VS. MRSL

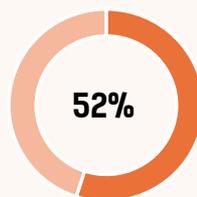


publish Restricted Substances List

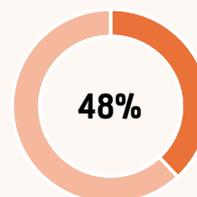


publish Manufacturing Restricted Substances List

#### WATER EFFLUENTS AND TREATMENT

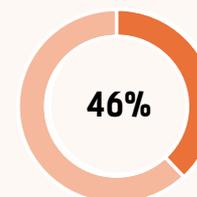


publish supplier policies

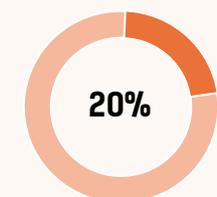


disclose how policies are implemented

#### PRODUCT / TEXTILE WASTE



publish company policies

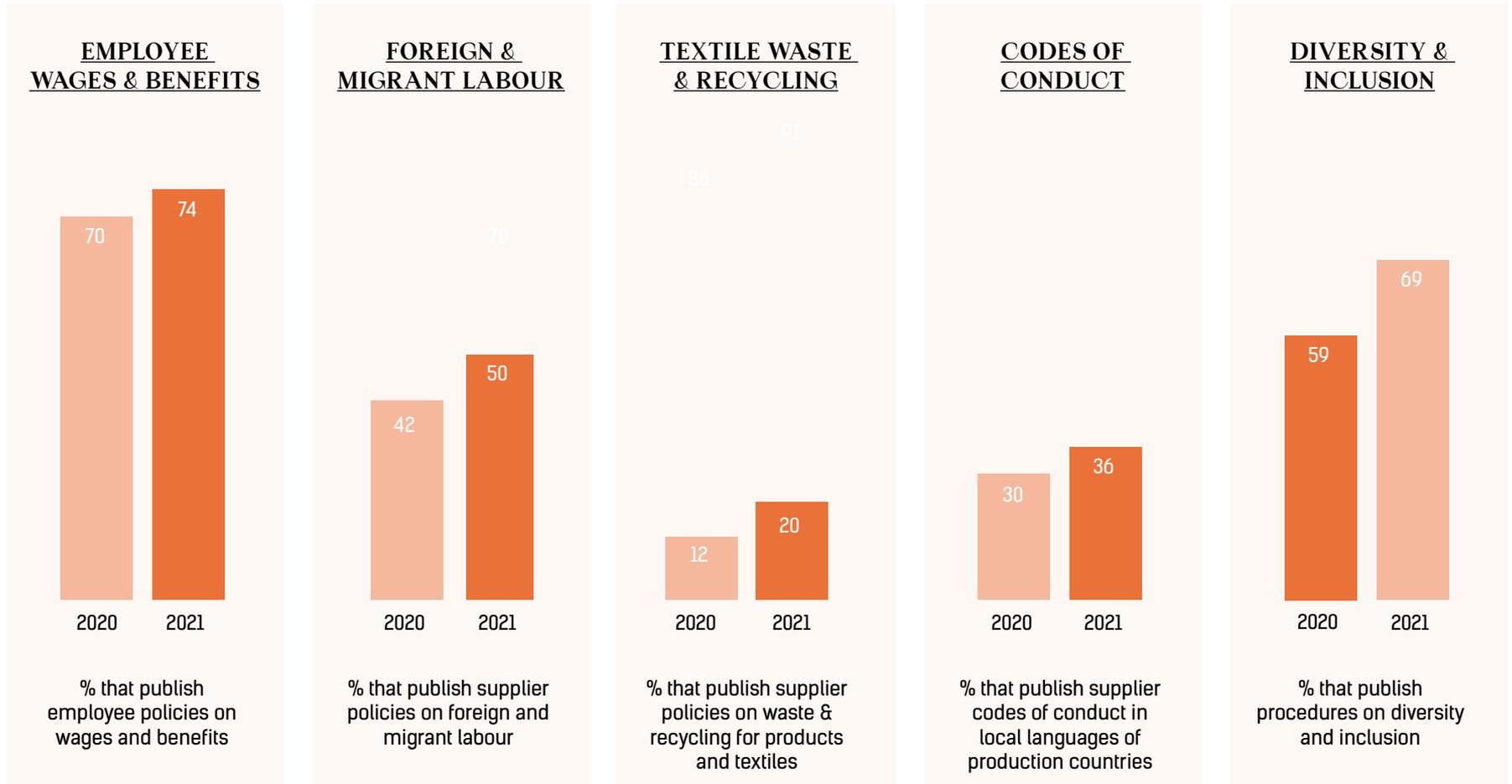


publish supplier policies

# 1. POLICY & COMMITMENTS

## FINDINGS

### ANNUAL PROGRESS



# 1. POLICY & COMMITMENTS

## ANALYSIS

### Major brands and retailers continue to disclose the most about their policies and commitments year-on-year compared to governance information, supply chain details and impact data.

The majority of big brands disclose company policies – those that apply to their own directors and employees – on the following topics: anti-bribery and corruption (78%), community engagement (82%), discrimination (83%), diversity and inclusion (77%) and health and safety (77%). It is encouraging to see greater disclosure in the areas of discrimination (up from 80% in 2020) and diversity and inclusion (up from 73% in 2020), suggesting major fashion brands are disclosing more on these policies potentially in response to growing global social movements focused on critical issues such as systemic racism, gender inequality and LGBTQIA+ rights.

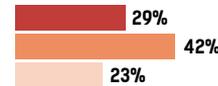
The fewest number of big brands publish company policies on the following topics: annual leave and public holidays (29%), maternity rights and paternal leave (36%), Restricted Substances Lists (RSL) (42%) and working hours and rest breaks (45%). We are surprised that little more than half of brands publish an animal welfare policy (55%) and equal pay policy (54%), despite many loud and active public campaigns focused on these issues. This year, we added an indicator asking brands if they disclose policies on mental health and well-being for their employees and fewer than half do (48%), a particularly important topic given most employees will have been forced to work in isolation during the pandemic over the past year.

In general, brands have made the most year-on-year movement since 2017 by disclosing company policies on the following topics:

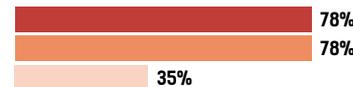
### Percentage of brands disclosing company policies

■ 2021 ■ 2020 ■ 2017

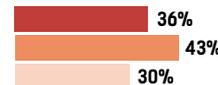
#### Annual leave and public holidays



#### Anti-bribery and corruption

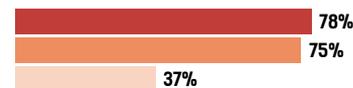


#### Maternity rights and parental leave



#### Waste and recycling

(office and packaging)



Over the past few years, several brands have taken steps to publicly disclose some of their internal company policies for the first time. Sometimes brands have been surprised that we look for this disclosure as company policies have tended to be less scrutinised compared to their supplier policies. Relevant information is often found in an Employee Handbook, Company Code of Conduct, separate environmental management policies or sometimes in the careers section of a brand’s website, depending on the topic.

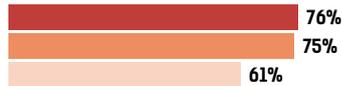
More than three-quarters of brands publish supplier policies – those that apply to its manufacturers and workers in the supply chain – on the following topics: child labour (89%), discrimination (88%), forced and bonded labour (88%), freedom of association and unionisation (84%), harassment and violence (84%), health and safety (87%), wages and benefits (80%) and working hours and rest breaks (82%). It stands to reason that that we see the greatest level of disclosure on topics which are required to be addressed by law (such as the UK and Australian Modern Slavery Acts and the California Transparency in Supply Chains Act).

In general, brands have made the most year-on-year movement since 2017 by disclosing supplier policies on the following topics:

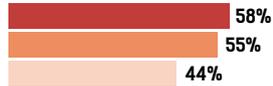
### Percentage of brands disclosing supplier policies

■ 2021 ■ 2020 ■ 2017

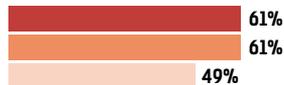
#### Anti-bribery and corruption



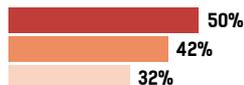
#### Dismissal and disciplinary action



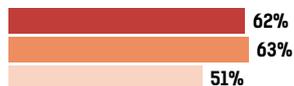
#### Equal pay



#### Foreign and migrant labour



#### Living conditions and dormitories



This year we added a specific indicator on homeworking with 37% of brands disclosing supplier policies on this and just 10% publishing procedures that address this topic. This is surprising considering **suppliers sometimes outsource brands' orders** to small workshops who may subcontract some aspects of production to homeworkers. For scale, according to **Women in Informal Employment: Globalizing and Organizing (WIEGO)**, there are an estimated 5 million homeworkers in India alone. Homeworkers are considered highly vulnerable due to the hidden nature of their work, making it difficult to establish which brands they work for. This is a barrier to lodging complaints, such as not receiving payment for work performed prior to the pandemic. Limited disclosure on homeworking is also indicative of a greater need for transparency beyond first-tier manufacturing, where most homeworkers are located in the supply chain.

### More transparency on major brands' policies and commitments than how they implement them.

For example, 88% of brands disclose a supplier policy on forced and bonded labour, yet 66% disclose information on how this policy is implemented through a specific procedure, programme or activity. Likewise, 84% publish a policy on freedom of association and collective bargaining in the supply chain, yet fewer than half (42%) disclose how this policy is implemented.

At least three-quarters of brands explain how company and/or supplier policies are implemented through procedures, programmes or activities on the following topics: community engagement (89%), energy and greenhouse gas emissions (80%), and office and packaging waste and recycling (77%).

On the other hand, fewer than one-fifth of brands explain how company and/or supplier policies are implemented through procedures, programmes or activities on the following topics: annual leave and public holidays (17%), homeworking in the supply chain (10%), living conditions in supplier-provided dormitories (18%). And approximately a quarter of brands publish policies on contracts and terms of employment

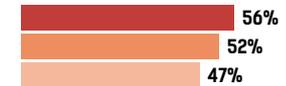
(including dismissal and disciplinary action) (26%) and overtime pay (24%).

In general, brands are taking some steps to publicly disclose information about how they're implementing their company and supplier policies, but we hope to see more progress next year expanding to a broader range of issues. This year, the topics which saw the most year-on-year progress were:

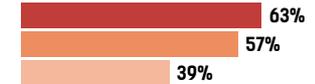
### Topics seeing the most year on year progress

■ 2021 ■ 2020 ■ 2019

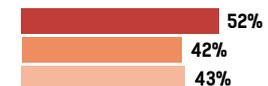
#### Animal welfare



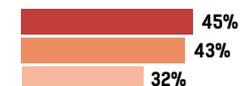
#### Biodiversity and conservation



#### Discrimination



#### Foreign and migrant labour



**In light of the climate crisis, major brands increasingly publish environmental targets, yet their targets on human rights issues lag behind. This is where major brands run the risk of greenwashing – promoting their ambitions without evidencing the results and outcomes.**

A growing number of major brands publish time-bound and measurable targets to improve their environmental impacts – 65% in 2021, up from 57% in 2020. This may be due to growing pressure from a variety of stakeholders calling for brands to align to the Paris Agreement and commit to a 1.5°C degree trajectory. Nevertheless, it is striking that despite a significant increase in disclosure of environmental goals, only 57% of major brands communicate annual, up-to-date progress towards achieving these targets.

Meanwhile, fewer than half of major brands publish time-bound, measurable targets to improve human rights impacts, although we have seen an increase from 38% of brands publishing human rights related goals in 2020 to 41% in 2021. Only 37% of brands communicate progress towards achieving their human rights related goals. It raises questions as to why big brands aren't prioritising human rights related progress as much as environmental impacts.

More major brands publish policies on what hazardous chemicals must be avoided in finished products than on the hazardous chemicals used during manufacturing processes.

Despite Greenpeace's hard-fought [Detox My Fashion](#) campaign, which targeted big fashion brands to commit to ending the release of toxic and hazardous chemicals by 2020, only 26% of major brands publish a Manufacturing Restricted Substance List (MRSL) while 42% publish a Restricted Substances List (RSL). This gap in disclosure may be due to the fact that brands need RSLs to comply with legislation such as [REACH](#) in the EU and UK and [Proposition 65](#) in California. See the viewpoint piece from Greenpeace on [page 95](#) for more on this topic.

Our research has highlighted the lack of understanding from a few major brands and retailers on the difference between a RSL and MRSL, with some brands using the terms interchangeably. [According to ZDHC](#), a MRSL measures all chemicals used in the manufacturing process of a product, while a RSL measures only the chemicals that end up in the finished product. MRSLs are more comprehensive than RSLs as they go beyond the restriction of substances found in the end product and ensure that a garment cannot be produced using harmful chemicals at any stage of production.

**"You can't manage what you can't measure."**

Jeremy Lardeau,  
Sustainable Apparel Coalition

# GOVERNANCE

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## 2. GOVERNANCE APPROACH

### Who in the company is responsible for social and environmental impacts?

In this section, we wanted to understand who in the company is accountable for social and environmental performance and impacts.

First, we looked to see if brands publish direct contact details for a relevant department, such as the sustainability or corporate responsibility team.

We also looked for the name of a board member who is responsible for social and environmental issues and how this oversight is implemented.

This year we have added two new indicators looking at disclosure on:

- Worker representation on the corporate board of directors
- Financial investments in sustainability efforts as a percentage of total budget or revenue

We looked to see if brands are disclosing how their employees beyond the sustainability team (e.g. designers, buyers, sourcing managers and so on) are incentivised (via performance reviews or bonuses) to achieve improvements in social and environmental impacts. We looked for the same information to be shared linking CEO and executive level pay and incentives to social and environmental impacts.

Finally, we also looked to see if suppliers' incentives are linked to improvements in human rights impacts and environmental management. The types of incentives we were looking for included brands committing to long-term contracts, increased order size, price premiums and reducing the number of audits.

**"Secrecy is the linchpin of abuse of power...its enabling force. Transparency is the only real antidote."**

Glen Greenwald,  
Attorney and journalist

## 2. GOVERNANCE RESULTS

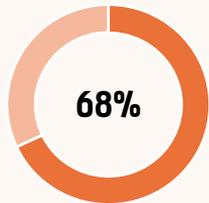
0-5%	6-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
Aerostale 0	Brunello Cucinelli 8	AJIO 15	Costco 23	ALDI Nord 38	ALDI SOUTH 46	Bonprix 54	Hermès 69	C&A 77	Balenciaga 85	
BCBGMAXAZRIA 0	CAROLL 8	ALDO 15	GUESS 23	American Eagle 38	ASOS 46	New Balance 54	Tchibo 69	CELINE 77	Bottega Veneta 85	
Belle 0	Cotton On 8	ANTA 15	HEMA 23	Clarks 38	Banana Republic 46	Patagonia 54	Adidas 62	Champion 77	Gucci 85	
Big Bazaar - ffb 0	Fila 8	Armani 15	KiK 23	JD Sports 38	Beanpole 46	Pimkie 54	Aritzia 62	Dior 77	H&M 85	
Billabong 0	Matalan 8	Bloomingdale's 15	Li-Ning 23	Kiabi 38	boohoo 46	Zalando 54	Asda 62	Fendi 77	Hugo Boss 85	
Canada Goose 0	s.Oliver 8	Bosideng 15	Next 23	Primark 38	Calvin Klein 46	Zeeman 54	ASICS 62	Hanes 77	Puma 85	
celio 0	Sandro 8	Buckle 15	REI 23	River Island 38	Carrefour 46		Bershka 62	Louis Vuitton 77	SAINT LAURENT 85	
Claire's 0	Sports Direct 8	Carhartt 15	Reserved 23	Tod's 38	Columbia Sportswear 46		Burberry 62	Marc Jacobs 77		
Deichmann 0	TOPVALU COLLECTION 8	Carolina Herrera 15	Splash 23	Abercrombie & Fitch 31	Fatabella 46		Chloé 62	OVS 77		
Desigual 0		Carter's 15	Under Armour 23	Amazon 31	Gap 46		Converse 62	Sainsbury's 77		
Diesel 0		Chanel 15	Wrangler 23	Anthropologie 31	GU 46		Dressmann 62	Speedo 77		
DKNY 0		Chico's 15		Bally 31	Lululemon 46		Esprit 62			
Dolce & Gabbana 0		Cole Haan 15		Big W 31	Monoprix 46		Fjällräven 62			
Eddie Bauer 0		Cortefiel 15		Brooks Sport 31	New Look 46		G-Star RAW 62			
Elie Tahari 0		Decathlon 15		Burlington 31	Old Navy 46		Gildan 62			
Fanatics 0		Dillard's 15		Calzedonia 31	Otto 46		Jordan 62			
Fashion Nova 0		DSW 15		COACH 31	PrettyLittleThing 46		Kmart Australia 62			
Fossil 0		Ermenegildo Zegna 15		Dick's Sporting Goods 31	Prisma 46		Levi Strauss & Co 62			
Heilan Home 0		Express 15		Disney 31	Ralph Lauren 46		Marks & Spencer 62			
Jessica Simpson 0		Famous Footwear 15		Dr. Martens 31	Tesco 46		Massimo Dutti 62			
Jil Sander 0		Furla 15		El Corte Inglés 31	Tommy Hilfiger 46		Nike 62			
Jockey 0		Gerry Weber 15		Foot Locker 31	Uniqlo 46		Pull&Bear 62			
Justfab 0		Helly Hansen 15		Foschini 31	United Colors of Benetton 46		Reebok 62			
KOOVS 0		Hudson's Bay 15		Free people 31	Van Heusen 46		Salvatore Ferragamo 62			
LC Waikiki 0		Ito-Yokado 15		Fruit of the Loom 31			Stradivarius 62			
LL Bean 0		Joe Fresh 15		Hollister Co. 31			Superdry 62			
Marni 0		John Lewis 15		Intimissimi 31			Target Australia 62			
Max Mara 0		K-Way 15		Jack & Jones 31			The North Face 62			
Merrell 0		Kathmandu 15		Kate Spade 31			Timberland 62			
Metersbonwe 0		Kaufland 15		Kmart 31			Vans 62			
Mexx 0		Kohl's 15		Lacoste 31			Walmart 62			
New Yorker 0		La Redoute 15		Lands' End 31			Woolworths South Africa 62			
Nine West 0		Longchamp 15		Lidl 31			Zara 62			
Pepe Jeans 0		Macy's 15		Lindex 31						
Quiksilver 0		Mammut 15		Michael Kors 31						
Ross Dress for Less 0		Mango 15		Miu Miu 31						
Roxy 0		Mizuno 15		Moncler 31						
Semir 0		Paris 15		Morrison's 31						
SHEIN 0		Reliance Trends 15		MRP 31						
Takko 0		Saks Fifth Avenue (HBC) 15		Muji 31						
The Children's Place 0		Skechers 15		Nordstrom 31						
Tom Ford 0		Steve Madden 15		Prada 31						
Tommy Bahama 0		Ted Baker 15		REVOLVE 31						
Tory Burch 0		Topman 15		Russell Athletic 31						
Triumph 0		Topshop 15		Target 31						
United Arrows 0		Truworths 15		Tezenis 31						
Youngor 0		Valentino 15		The Warehouse 31						
		Very 15		TJ Maxx 31						
		Victoria's Secret 15		Tom Tailor 31						
				UGG 31						
				Urban Outfitters 31						
				Vero Moda 31						
				Versace 31						

\* Brands ranked in numerical order by score out of 250, but shown as rounded-up percentage. Where brands have the same score, they are listed in alphabetical order.

## 2. GOVERNANCE

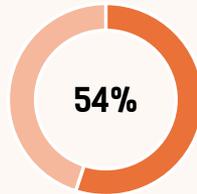
### FINDINGS

#### HOW EASY IS IT TO CONTACT A BRAND ON SUSTAINABILITY ISSUES?

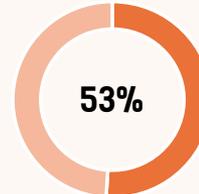


publish direct contact details for sustainability department

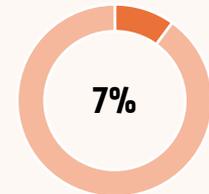
#### BOARD LEVEL ACCOUNTABILITY:



publish board member responsible for human rights and environmental issues

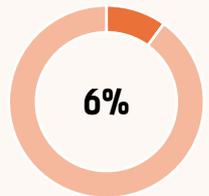


publish how board accountability is implemented



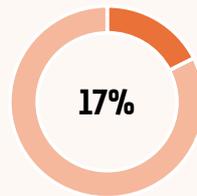
worker representation on the corporate board of directors

#### HOW MUCH DOES THE BRAND SPEND ON SUSTAINABILITY?

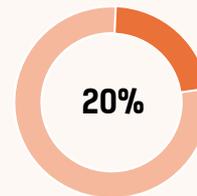


disclose amount spent on sustainability efforts as % of overall budget

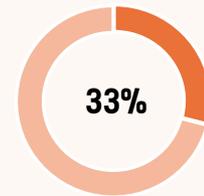
#### ARE INCENTIVES TIED TO ENVIRONMENTAL AND HUMAN RIGHTS PROGRESS?



disclose employee incentives linked to human rights and environmental impacts



disclose executive pay/bonuses linked to human rights and environmental impacts



disclose suppliers' incentives linked to working conditions and environmental impacts

## 2. GOVERNANCE ANALYSIS

### Major brands and retailers hold their suppliers to a higher standard than they hold themselves.

Employee representation on corporate boards of directors is very low amongst major brands and retailers (7%) and yet 84% state in their supplier codes of conduct that they require worker representation within supplier facilities. Zalando is a good example of best practice when it comes to employee representation on corporate boards, as three of the nine members of the supervisory board are employee representatives. This ensures that boards are well-balanced and represent the interests of investors, experts and employees equally.

Worker representation at supplier level is beneficial because it allows workers within supply chains to negotiate and give feedback directly to management. Brands should hold themselves to the same

standard to ensure representation of their workforce at the highest level of decision-making, given that their decisions have a direct impact upon their workers.

33% of brands disclose how suppliers' incentives – such as long-term commitments to purchase, longer contracts or fewer audits – are tied to improvements in working conditions and environmental impacts. In comparison, only (17%) disclose how employees beyond sustainability teams are incentivised to improve human rights and environmental impacts. It seems that it's more likely that suppliers are incentivised by brands to improve labour and environmental practices than brands' own internal teams. This raises questions on how human rights and environmental conditions can be expected to improve throughout the supply chain without incentivising those within the company to select suppliers based on more than the cheapest price.

### More brands disclose that executive bonuses are linked to sustainability targets but unclear if base pay is connected to social and environmental performance.

There has been an increase in the number of brands disclosing how executive pay and bonuses are tied to the achievement of social and environmental targets (20% this year compared to 14% in 2020). However, few brands disclose how targets are weighted in the calculation of executive remuneration.

Our research shows that even when executives are incentivised to meet sustainability targets as part of their compensation, this tends to only affect their bonus and not their base pay. Even when brands do disclose the weight of sustainability targets linked to executive pay, it tends to represent a **tiny percentage of the calculation.**

Executive pay in the fashion industry has increased to **unprecedented levels** during the pandemic while brands cancelled orders worth billions, leaving suppliers out-of-pocket and millions of garment and textile workers unpaid, without jobs and going hungry (about over 1 million workers in Bangladesh alone according to the **Center for Global Workers' Rights**). The hypocrisy of the situation is palpable. It raises the question as to whether human rights and environmental impacts should be linked to executive payment packages as well as to executive bonuses. It also raises questions about the effectiveness of the way that human rights and environmental targets are currently tied to executive bonuses. Despite an increase in remuneration tied to achieving such targets, the pandemic has highlighted that brands still prioritise shareholder profit over the well-being of workers in the supply chain.

## A growing number of brands disclose board level accountability for human rights and environmental issues but still lack information about what level of investment they are spending to address these issues.

Over half (54%) of the major brands we have reviewed in this Index are disclosing the name of a board member responsible for human rights and environmental issues and how they are held accountable within the company. However, research by [NYU Stern's Center for Sustainable Business](#) has found that corporate boards suffer from a lack of expertise when it comes to environmental, social or governance issues, with as little as 6% of the Fortune 100 board members having relevant environmental expertise.

Nevertheless, this increase is encouraging as it ensures that environmental and social issues are discussed and addressed at the highest level of decision-making in the company. As major brands face increased pressure from stakeholders to act on climate change and with the Covid-19 crisis bringing to light the unfair treatment of workers in the garment

supply chain, it is vital that executive boards bring sustainability issues to the forefront of their organisation's short-term and long-term strategies.

Shareholders and investors are becoming increasingly vocal by demanding greater disclosure and action on environmental and human rights impacts and yet, only 39% of major brands disclose how they identify human rights and environmental risks within their supply chain. Despite a significant increase in the disclosure of board members responsible for environmental and human rights issues, only 6% of major brands disclose the amount spent on sustainability efforts as a percentage of their overall budget or revenue. We hope to see more investors pressuring companies to invest more meaningfully in efforts to improve human rights and environmental impacts and to be transparent about the money spent on these efforts.

# TRANSPARENCY



FAIR TRADE  
WELL-BEING  
LIVING WAGES  
EMPOWERMENT  
GENDER EQUALITY  
BUSINESS ACCOUNTABILITY  
SUSTAINABLE LIVELIHOODS  
GOOD WORKING CONDITIONS  
ENVIRONMENTAL SUSTAINABILITY

A CLEAN, SAFE AND FAIR  
FASHION INDUSTRY

## VIEWPOINT: *TRANSPARENCY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES AND THE ROLE OF INVESTORS*



**ELINE SLEURINK**  
HEAD, U.K. & IRELAND AND HEAD,  
NETHERLANDS AT **PRINCIPLES FOR  
RESPONSIBLE INVESTMENT (PRI)**

**As consumers, investors and stakeholders within the fashion industry, we can assess the sustainability of a fashion brand in multiple ways. This includes determining whether there is board level accountability for social and environmental performance within the business.**

This is a powerful and important tool, as it demonstrates whether those at the top are incentivised to consider positive or negative implications of business operations. This translates into confirmation that these issues are being embedded throughout the organization,

rather than siloed to an isolated sustainability team. Demonstrating that the board has expertise in these issues further supports this argument.

Asking a fashion brand whether executive pay and incentives are tied to social and environmental performance is a key data point for investors when assessing how social and environmental impacts are prioritized within a business. ESG-linked pay can increase firm value, rebalance the excessive emphasis on short-term performance targets and create better accountability for sustainability performance across management. It also signals to investors how committed the brand is to improve its environmental and social practices.

Greenwashing is mitigated as those who are responsible for delivering long-term strategies are held accountable with clear, time-bound targets. If pay is not tied, the investor may conclude that there is an investment risk as any negative environmental and social impacts

of the business are seemingly not prioritised and go unchecked. This in turn jeopardises the financial performance of the brand and may lead to reputational and regulatory risks.

Investors can integrate key environmental, social and governance (ESG) factors into their investment strategies through ESG integration (including ESG issues in investment analysis and decisions), screening (excluding companies from investment opportunities based on a filter) or thematic strategies (the intention to contribute to specific social and environmental outcomes).

Stewardship also plays a key role, as investors can engage with companies to improve or develop sustainable business practices. The above tools can be used across industries, including the fashion industry. To factor these issues within investment strategies, investors rely on company performance data to measure ESG. We need mandatory and comparable ESG disclosure to support this.

The growth of the fashion industry has led to an explosion of cross-border supply chains with increasing levels of opacity. This has led to associated challenges for investors as they try to ascertain any negative environmental and social impacts a company has, yet often lack the appropriate data.

Upcoming legislations in the EU will require companies to be more transparent and provide these impact disclosures, enabling an environment where we have a unified approach to preventing and remedying violations caused by business practices. This is a valuable step towards ensuring that we can identify and remediate any negative social and environmental impacts a fashion brand might be responsible for. Across the investment chain we welcome increased engagement from investors and look forward to ever-increasing adoption of ESG principles in the fashion industry.

# SUPPLY CHAIN TRACEABILITY

## 3. TRACEABILITY

### APPROACH

#### Are major brands and retailers disclosing their supply chains and how detailed is this information?

This section focuses on whether brands are publishing supplier lists from manufacturing to raw material level and what level of detail brands are disclosing about these suppliers.

#### Disclosing factories, processing facilities and raw material suppliers

We looked for supplier lists at three different levels:

1. Are brands disclosing the factories where their clothes are made, often referred to as the first-tier or tier 1 manufacturers – in other words, the facilities with which brands have a direct relationship and typically do the cutting, sewing and final trims of products?
2. Are brands disclosing processing facilities further down the supply chain – knitting, weaving and spinning mills, wet processing, embroidery, printing and finishing, dye-houses, tanneries and laundries?
3. Are brands disclosing their suppliers of raw materials – primary materials such as fibres, hides, rubber, chemical and metals?

We also checked whether brands disclose information about tracing at least one raw material supply chain such as viscose, cotton, wool or leather.

#### What level of detail is provided? Are brands sharing information such as:

- Name of parent company
- Address of the facility
- Products/services
- Approximate number of workers
- Gender breakdown of workers
- % of migrant or contract workers
- If the facility has a trade union
- If the facility has an independent worker committee
- Certifications the facility holds, if any
- If the list includes at least 95% of its supply chain
- If the list is in machine-readable format (csv, json, xls)
- If the list was updated within the past 6 months

New for this year, we added an indicator on whether or not brands disclose what relevant certifications, if any, manufacturers and processing facilities may hold. At the raw material level, we added an indicator on the name of the specific facility or farm.

**"Transparency used to be a pipe dream, but now we can use supplier lists that brands publish to help our work."**

Dr Mark Anner,  
Director of the Center for  
Global Worker Rights

# 3. TRACEABILITY RESULTS

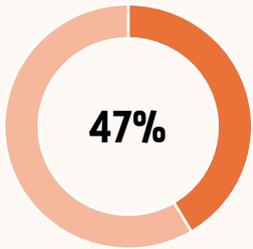
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AJIO	0	Takko	5	COACH	9	Kaufland	20	Kathmandu	27	Hanes	39	HEMA	47	Speedo	59	Patagonia	68	Calvin Klein	72	Gildan	85	Gildan	96
ANTA	0	ALDO	1	Fjällräven	9	Morrisons	20	Jack & Jones	26	Next	36	New Balance	47	Adidas	58	Fendi	66	Tommy Hilfiger	72	C&A	84	OVS	93
Anthropologie	0	American Eagle	1	Fossil	9	Nordstrom	20	River Island	26	Asda	35	Wrangler	46	G-Star RAW	58	Helly Hansen	65	Van Heusen	72	The North Face	84	Esprit	92
Armani	0	Aritzia	1	Hollister Co.	9	Prisma	20	Ted Baker	26	Fruit of the Loom	35	Banana Republic	45	Reebok	58	Sainsbury's	65			Timberland	84		
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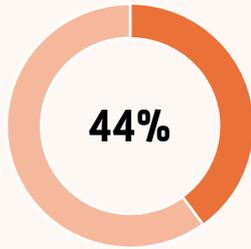
# 3. TRACEABILITY

## FINDINGS

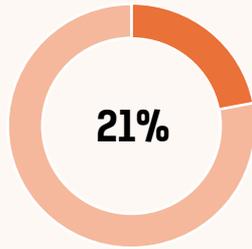
### DISCLOSING FIRST-TIER MANUFACTURER DETAILS



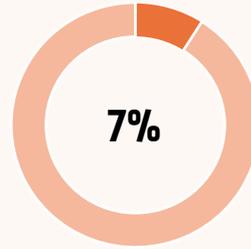
publish a list of their first-tier manufacturers



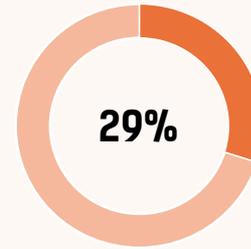
include the address



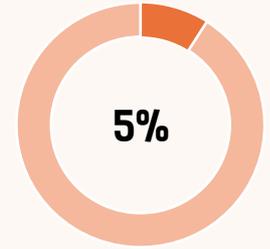
include the gender breakdown of workers



include whether the factory has a trade union

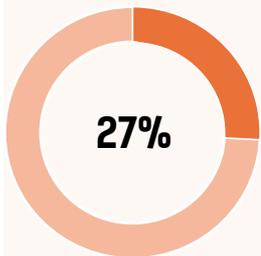


publish at least 95% of their manufacturers

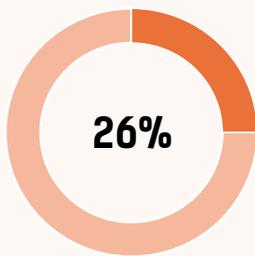


what certifications the facility holds

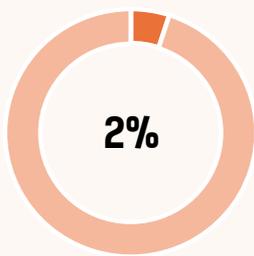
### PROCESSING FACILITIES



publish processing facilities beyond the first tier

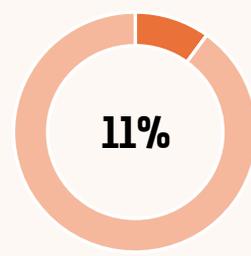


include the address

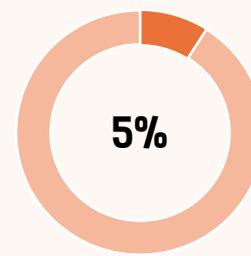


what certification the facility holds

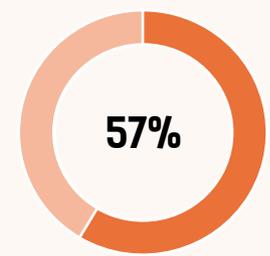
### RAW MATERIAL SUPPLIERS



publish selected raw material suppliers



disclosure covers more than one raw material type



disclose that brand is tracing at least one raw material supply chain

## 3. TRACEABILITY

### ANALYSIS

Major brands and retailers have a clear responsibility to look at their supply chain, identify human rights and environmental risks and impacts and address them. A lack of visibility of supply chains can allow exploitative, unsafe working conditions and environmental damage to thrive while obscuring who has the responsibility and power to redress these issues. As a first step, brands and retailers need to understand and disclose their own supply chain.

As Jenny Holdcroft, the former Assistant General Secretary of IndustriALL Global Union, explained in a previous edition of this report:

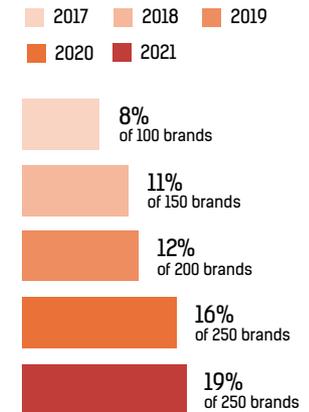
**“Knowing the names of major buyers from factories gives workers and their unions a stronger leverage, crucial for a timely solution when resolving conflicts, whether it be refusal to recognise the union, or unlawful sackings for demanding their rights. It also provides the possibility to create a link from the worker back to the customer and possibly media to bring attention to their issues.”**

Publicly disclosed supplier lists are useful to labour and environmental activists, trade unions and worker representatives so that they have evidence of the chain of custody when human rights and environmental abuses are raised or discovered within the supply chains of major brands and retailers. See case studies on pages 24–25 for examples of how groups are using transparency information in this way.

Publishing supplier lists can also benefit brands themselves. Supply chain transparency enables brands to receive timely and credible information from worker representatives and environmental groups which can help mitigate labour, human rights and environmental risks, such as unauthorised subcontracting. Supply chain transparency also enables collaboration with other companies sourcing in the same facilities to work together to solve problems. It can also enhance investor and consumer trust

in a brand, showing stakeholders that brands are willing to be open about where their products are being made and to be held to account for what happens in their supply chains.

#### Traceability: Overall average score year-on-year progress



## Disclosing first-tier manufacturers

More big brands than ever before are disclosing the factories at this first tier of their supply chains, yet still fewer than half (47%) of brands disclose their first-tier manufacturers, with 44% also publishing the factory address (up from 36% last year.)

By first-tier manufacturers, we mean the suppliers that do the cutting, sewing and finishing of garments in the final stage of production. These are the suppliers that will then ship products to warehouses ready for the shop floor and our wardrobes.

Publishing the factory address is really important because it helps stakeholders to identify the exact geographical location of the supplier. Often suppliers will have similar company names to other suppliers or there may be multiple supplier companies operating in the same facility, which leads to confusion and incomplete or inaccurate supplier information.

Additionally, 28% of brands publish the name of the factory's parent company and 37% disclose the types of products or services provided. 36% of brands disclose the approximate number of workers at each site, up from 30% last year. These pieces of information are useful because they help stakeholders to better understand the supply chain in question

and prioritise the best course of action to address labour, human rights and environmental risks where required.

Just 7% disclose whether or not the facility has a trade union and 6% disclose if the facility has an independent worker committee – the brands that do disclose this information have only started doing so recently, so perhaps we will see more brands following their lead in providing this data in the future. This information is useful because it helps worker representatives and brands themselves to know how best to engage with a supplier where concerns may arise. It also helps trade unions understand where they can prioritise their organising efforts.

21% of brands disclose the gender breakdown of workers at each site and just 7% disclose the number of migrant or contract workers. Visibility decreases further down the supply chain, so it's discouraging that at the first tier there is already such low disclosure that at the first tier there is already such low disclosure on these important details regarding the people who make our clothes. [For example](#), knowing the percentage of women workers in a facility allows for gender responsive measures in which policies can be designed and implemented based on the realities and needs of women workers, e.g. enabling women to practice good [menstrual hygiene](#) and permitting toilet and rest breaks during menstruation.

Only 5% of brands disclose what certifications, if any, the facility holds. This is a new indicator for 2021, added because publicly disclosing certifications at facility level helps unions and civil society to understand what kind of due diligence processes a facility may participate in and how robust it may be.

To align with [Open Apparel Registry](#) requirements, we look at the format and file of brands' supplier lists or if brands upload their supplier lists to the OAR platform. This year, 31% (up from 15% 2020) of brands disclose their supplier lists in a machine-readable format (csv, json or xls), meaning that information is more easily usable by a wider range of stakeholders rather than having to trawl through and reformat the data to make use of it. See case studies on pages 24–25 to see examples of how stakeholders use supplier details from OAR in their work.

32% of brands publish what percentage of their first-tier factories are published, with 29% of brands disclosing at least 95% of the first-tier factories in their supply chains. 33% of brands disclose if the list has been updated in the past 6 months. Major brands and retailers have been known to start and stop working with suppliers on a frequent basis, which means that their supplier lists become out-of-date quickly and ongoing supply chain visibility can be lost, which is why regular updates, at least twice a year, are essential. ASOS is one best practice

example which updates its supplier list every two months.

19 brands that were reviewed in last year's Index have since disclosed their first-tier manufacturers for the first time, including: Boohoo, Carhartt, Carrefour, Desigual, Dick's Sporting Goods, Dr Martens, Ermenegildo Zegna, Fendi, Foschini, Fossil, Gucci, JD Sports, LL Bean, Mango, Miu Miu, Nordstrom, Otto, Prada and UGG. It is particularly encouraging to see progress across different market segments including luxury, sportswear, footwear and accessories.

**“Brands must stop hiding behind their supply chains. Their clothes are made by real people, in real locations. Consumers deserve to know where, and under what circumstances clothes are produced.”**

Paul Roeland,  
[Clean Clothes Campaign](#)

## Disclosing processing facilities

Processing facilities include a wide range of activities, such as ginning, spinning yarn, knitting and weaving fabrics, dyeing and wet processing, leather tanneries, embroidering and embellishing, fabric finishing, dyeing and printing and laundering. In light of launching our [#WhoMadeMyFabric campaign](#) in April 2021, we were surprised to see that still only 27% of major brands and retailers are publishing some of their processing facilities, up only slightly from 24% last year.

Additionally, 17% of brands disclose the name of the processing facility parent company, while 26% disclose address, and 23% disclose the type of products or services. 20% publish the approximate number of workers at each site, but only 11% publish the gender breakdown of workers at each site, and just 6% include the number of migrant or contract workers at each site. Meanwhile, only 4% of brands disclose whether the facility has a trade union or independent worker committee and just 2% of brands disclose whether the facility holds any relevant certifications.

Only 14% disclose what percentage of their processing facilities is published, with 21% disclosing whether the list has been updated within the past 6 months and 18% making their supplier lists available as a csv, json or excel file.

We would like to highlight that five of the major brands reviewed in last year's Index have since disclosed some of their processing facilities for the first time, including: Anta, Dick's Sporting Goods, Fendi, JD Sports and UGG.

## Disclosing raw material suppliers

These are the suppliers that provide brands and their manufacturers with raw materials such as fibres (cotton, wool, viscose, polyester, nylon and more), hides, rubber, dyes, chemicals, metals and so on. This part of the supply chain is where brands typically have the least visibility and hence where many human rights and environmental abuses often go unseen.

Supply chain traceability is more important than ever considering the toll the pandemic has had on supply chain workers across the world and the fact that recent research has highlighted indicators of forced labour within the Chinese cotton and Tamil Nadu textile sectors. See

case studies on pages 24–25 for more information. Moreover, as governments and society prepare for COP26 we are at a critical moment in the climate crisis, yet deforestation continues to be linked to the production of several raw materials used in our clothes and shoes, damaging vital sources of carbon sequestration.

While it is encouraging to see that a growing number of big brands (11%) disclose at least a small selection of their raw material suppliers, up from 7% in 2020, only 5% publish what percentage of raw materials suppliers are disclosed. This suggests that there is overall very little visibility of raw material supply chains among major brands. New for this year, we asked if brands disclose the name of a specific facility or farm where the raw material is produced and 7% include this information. 5% disclose whether the list covers more than one material type – another new indicator for 2021.

In more positive news, the majority of brands (57%) are now disclosing evidence of tracing the supply chain of at least one specific raw material, such as cotton or leather, up from 50% last year. Tools that major brands use to do this tracing and mapping may include certification systems (excluding those that use a mass balance system such as Better Cotton), blockchain, DNA tracing and other similar technologies.

The following brands have disclosed some of their raw materials suppliers for the first time in 2021: Calvin Klein, COACH, Fendi, Gildan, Kate Spade, Lindex, OVS, Patagonia, Sainsbury's, Tommy Hilfiger, UGG, Van Heusen.

Although it has been encouraging to see supply chain traceability steadily improving among the major brands and retailers reviewed in this Index, progress is still too slow with fewer than half of brands (47%) publishing a supplier list. This makes a strong case for why government regulation is needed, requiring companies to map and publicly disclose their supply chains for the benefit of workers and their representatives, investors, regulators, consumers and brands themselves.

## INTERVIEW: *WITH THE TAMIL NADU ALLIANCE*

THE **TAMIL NADU ALLIANCE** IS A CIVIL SOCIETY FORUM REPRESENTING OVER 100 GRASSROOTS ORGANISATIONS IN SOUTHERN INDIA FOCUSED ON IMPROVING THE CONDITIONS OF YOUNG ADOLESCENT WORKERS IN THE TEXTILE SECTOR.

**Q:** In our Fashion Transparency Index 2021 report, we found that only 26% of 250 of the world's largest fashion brands and retailers disclose the processing facilities and textile mills in their supply chain. If large international retailers were more transparent about which textile mills they are sourcing from how could this help groups like TNA and the textile workers you support?

**A:** The more we know about where international brands and retailers source fabric and yarn from, the more we can take action to improve workers' rights in the textile supply chain. This includes establishing effective mechanisms to address the grievances of textile workers, promoting ethical recruitment practices, ensuring payment of a fair wage, and encouraging freedom of association.

More transparency would enable civil society networks like the Tamil Nadu Alliance to amplify workers' voices in the supply chain, by engaging with international brands to build a textile industry that supports the well-being of workers.

**Q:** Our research shows that only 21% of the world's largest fashion brands and retailers audit their suppliers beyond the first tier of the supply chain, including textile mills. What are some of the most pressing issues facing workers in textile mills in Tamil Nadu that brands may not be aware of?

**A:** Wages are a key issue – there is currently only a legally mandated minimum wage for apprentice textile workers (Rs. 477 = \$6.53 USD) and in reality, many experienced workers are paid less than half of this.

Forced overtime, restrictions on freedom of movement, lack of freedom of association and denial of access to statutory social protection benefits is widespread. The impact of the covid-19 pandemic over the past year has exacerbated many of these issues, especially around overtime and delayed payment of wages.

Below: Laudes Foundation



# KNOW, SHOW & FIX

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## 4. KNOW, SHOW & FIX

### APPROACH

#### **What do major brands and retailers communicate about their human rights and environmental due diligence processes? How are they assessing suppliers' adherence to their standards?**

This year we tightened the requirements for indicators on due diligence processes – only allowing points if this covers both human rights and environmental risks. We didn't award any points for disclosures about risks, or actions taken to address risks, unless the due diligence process itself was first disclosed.

#### **KNOW**

We measured disclosure on human rights and environmental due diligence to understand what steps brands are taking to identify human rights and environmental risks, impacts and violations in their supply chains. We also looked for information on how brands assess suppliers to ensure they meet their ethical standards and policies (typically factory audits). For the first time this year, we added an indicator measuring the number of audits which included a trade union representative.

#### **SHOW**

We looked at whether brands disclose the results of their supplier assessments, either as a summary of issues found in factories or at a more granular level (e.g. disclosing findings by individual factories).

#### **FIX**

We looked at what brands publish about how they remediate human rights and environmental violations occurring within their supply chain. We also checked to see if brands publish a confidential grievance mechanism for both employees and workers in the supply chain and if brands disclose the results of their efforts to remediate violations and address grievances. This year, we tightened the indicator on brands disclosing their supplier exit strategies to ensure the strategy includes an assessment on potential adverse human rights impacts.

In this section, we awarded points if brands disclose information such as:

- How the brand works to identify and address both human rights and environmental risks, impacts and violations in its supply chain (its approach to conducting due diligence)
- How workers, unions and other affected stakeholders are involved in the due diligence process
- How suppliers are assessed against the brand's policies
- The process for taking on new suppliers
- The process for exiting a supplier
- If brands conduct supplier assessments beyond the first tier
- If supplier assessments include off-site worker interviews and, if so, how many workers are interviewed

# 4. KNOW, SHOW & FIX

## RESULTS

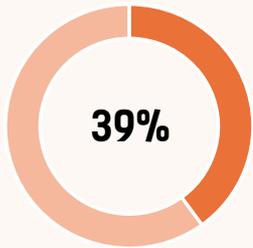
0-5%	6-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
Carhartt 4	American Eagle 9	Louis Vuitton 19	ALDI SOUTH 30	Tchibo 40	Adidas 49	OVS 55				
Claire's 4	ANTA 9	Marc Jacobs 19	Bonprix 30	ASOS 40	Dressmann 49	Target Australia 53				
Diesel 4	Armani 9	CELINE 19	Burberry 30	Gildan 40	Reebok 49	Banana Republic 53				
DKNY 4	Carolina Herrera 9	Brooks Sport 19	G-Star RAW 30	United Colors of Benetton 40	Patagonia 47	Gap 53				
Famous Footwear 4	Chanel 9	CAROLL 19	Hermès 30	Big W 38	Target 47	Old Navy 53				
Fila 4	Chico's 9	Desigual 19	Hugo Boss 30	Lidl 38	Balenciaga 45	The North Face 53				
Justfab 4	Dr. Martens 9	Kiabi 19	Mammut 30	New Balance 38	Bottega Veneta 45	Timberland 53				
Marni 4	Fossil 9	KiK 19	Muji 30	Next 36	Gucci 45	Vans 53				
s.Oliver 4	Furla 9	Kohl's 19	Sainsbury's 30	Asda 34	Marks & Spencer 45	Kmart Australia 53				
Splash 4	Gerry Weber 9	Otto 19	Speedo 30	Bershka 34	SAINT LAURENT 45	C&A 51				
Bosideng 2	HEMA 9	River Island 19	Tom Tailor 30	Lululemon 34	ASICS 43	Calvin Klein 51				
Eddie Bauer 2	Kaufland 9	TOPVALU COLLECTION 19	Zeeman 30	Massimo Dutti 34	Esprit 43	H&M 51				
Jockey 2	Miu Miu 9	Dior 19	Disney 28	Pull&Bear 34	GU 43	Puma 51				
LC Waikiki 2	Prada 9	Michael Kors 17	Fruit of the Loom 28	Stradivarius 34	Primark 43	Tommy Hilfiger 51				
Nine West 2	Sandro 9	Carter's 17	Levi Strauss & Co 28	Zara 34	Uniqlo 43	Van Heusen 51				
REVOLVE 2	Skechers 9	Chloé 17	Prisma 28	Converse 32						
Beanpole 0	Ted Baker 9	Ito-Yokado 17	Ralph Lauren 28	Jordan 32						
Belle 0	TJ Maxx 9	Lands' End 17	Russell Athletic 28	Morrisons 32						
Big Bazaar - ffb 0	Truworths 9	Matalan 17	Zalando 28	Nike 32						
Billabong 0	Aerostale 6	Steve Madden 17	ALDI Nord 26	Walmart 32						
Calzedonia 0	AJIO 6	Takko 17	Carrefour 26							
celio 0	Bally 6	Topman 17	Cotton On 26							
Deichmann 0	BCBGMAXAZRIA 6	Topshop 17	Decathlon 26							
Dolce & Gabbana 0	Cole Haan 6	Very 17	Dick's Sporting Goods 26							
Elie Tahari 0	Fanatics 6	Versace 17	El Corte Inglés 26							
Fashion Nova 0	Foot Locker 6	Anthropologie 15	Fjällräven 26							
Heilan Home 0	GUESS 6	Burlington 15	JD Sports 26							
Intimissimi 0	Jil Sander 6	COACH 15	Mango 26							
Jessica Simpson 0	La Redoute 6	Dillard's 15	New Look 26							
K-Way 0	Paris 6	Ermenegildo Zegna 15	Salvatore Ferragamo 26							
KOOVS 0	Reliance Trends 6	Free people 15	Aritzia 23							
LL Bean 0	Reserved 6	Hudson's Bay 15	Champion 23							
Longchamp 0	Tommy Bahama 6	Jack & Jones 15	Columbia Sportswear 23							
Max Mara 0	United Arrows 6	Joe Fresh 15	Hanes 23							
Metersbonwe 0		Kate Spade 15	Lacoste 23							
Mexx 0		Li-Ning 15	Lindex 23							
New Yorker 0		Mizuno 15	Nordstrom 23							
Pepe Jeans 0		Moncler 15	Tesco 23							
Quiksilver 0		Saks Fifth Avenue (HBC) 15	UGG 23							
Roxy 0		Tod's 15	Fendi 21							
Semir 0		Triumph 15	Abercrombie & Fitch 21							
SHEIN 0		Urban Outfitters 15	ALDO 21							
Sports Direct 0		Vero Moda 13	Amazon 21							
Tezenis 0		boohoo 13	Clarks 21							
Tom Ford 0		Brunello Cucinelli 13	Cortefiel 21							
Tory Burch 0		Buckle 13	Falabella 21							
Youngor 0		DSW 13	Helly Hansen 21							
		Kathmandu 13	Hollister Co. 21							
		Kmart 13	MRP 21							
		Monoprix 13	Pimkie 21							
		PrettyLittleThing 13	Superdry 21							
		Ross Dress for Less 13	Under Armour 21							
		Valentino 11	Victoria's Secret 21							
		Bloomingdale's 11	Woolworths South Africa 21							
		Canada Goose 11	The Warehouse 21							
		Costco 11								
		Express 11								
		Foschini 11								
		John Lewis 11								
		Macy's 11								
		Merrell 11								
		REI 11								
		The Children's Place 11								
		Wrangler 11								

\* Brands ranked in numerical order by score out of 250, but shown as rounded-up percentage. Where brands have the same score, they are listed in alphabetical order.

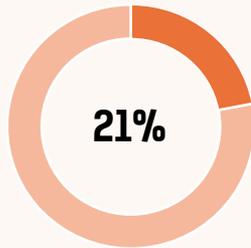
# 4. KNOW, SHOW & FIX

## FINDINGS

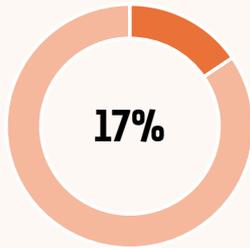
### KNOW: DUE DILIGENCE PROCESSES



describe their human rights and environmental due diligence process

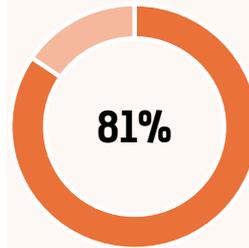


disclose how affected stakeholders are involved in their due diligence process

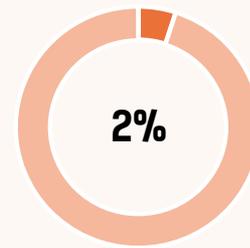


discloses the outcomes of steps taken to address violations

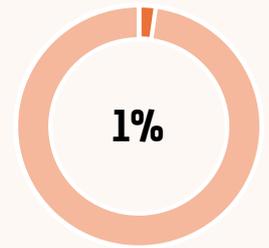
### KNOW: SUPPLIER ASSESSMENTS



describe the process for assessing conditions in supplier facilities

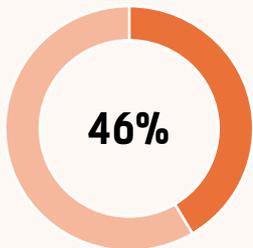


disclose how many workers interviewed off-site as part of audits

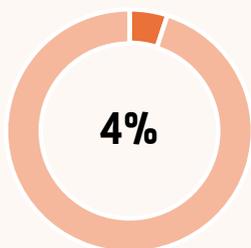


disclose how many audits included a trade union representative

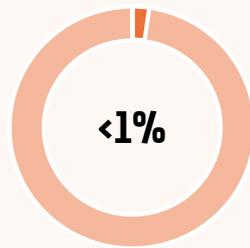
### SHOW: PUBLISHING AUDIT RESULTS



disclose a summary of findings at the first tier

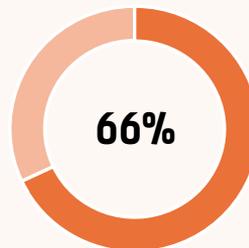


disclose a summary of findings at raw material level

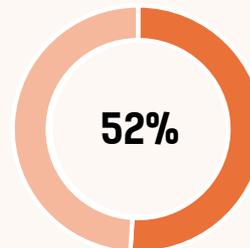


publish full audit reports by named facility at first tier

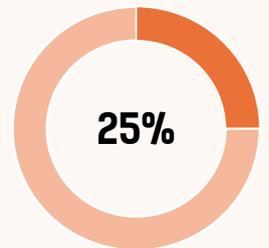
### FIX: REMEDIATING ISSUES



disclose the process for supplier remediation



publish a confidential grievance mechanism for supply chain workers



publish data about the number of grievances filed, addressed and resolved in the supply chain

## 4. KNOW, SHOW & FIX

### ANALYSIS

#### KNOW

In general, big brands remain far stronger at describing their process of supply chain due diligence and, increasingly, how stakeholders are consulted, than they are at disclosing the outcomes and impacts of steps taken to address identified risks.

The disclosure of human rights and environmental risks, impacts and violations identified as part of the due diligence process has significantly increased since last year (from 11% of brands in 2020 to 26% in 2021) but remains too low. This increase may be due to the [forthcoming shift](#) from voluntary to mandatory human rights and environmental due diligence reporting expected from the European Commission later this year.

[According to the global law firm Norton Rose Fulbright](#), this landmark legislation will ensure that businesses “operating in the [EU] internal market fulfil their duty to respect human rights, the environment and good governance and do not cause or contribute to potential or actual

adverse impacts [...] through their own activities or those directly linked to their operations, products or services by a business relationship or in their value chains” These due diligence obligations, based on the UN Guiding Principles on Business and Human Rights, will require any brand selling products in the EU to identify, prevent, mitigate and account for their impact on human rights and the environment in their global supply chains. Brands will also be required to publicly report on these efforts.

To highlight one best practice example related to due diligence processes, Helly Hansen discloses how they cease, prevent or mitigate against the salient issues they have identified in their supply chain. Disclosure includes a goal, status and description of specific actions and progress made in a table format that is detailed, and sufficiently clear both to read and to hold them to account.

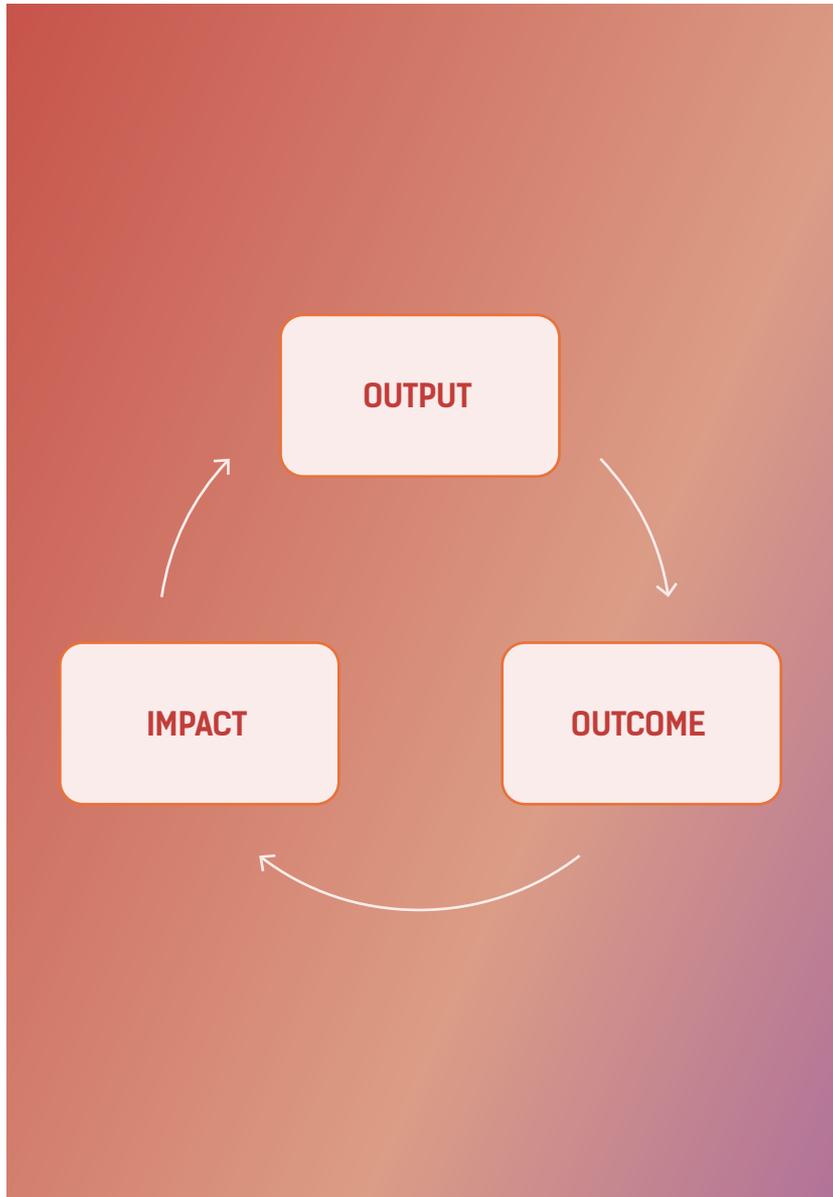
Additionally, a growing number of big brands (21% in 2021, up from 12% in

2020) disclose that workers and their representatives (including producers, farmers and unions) are involved in their due diligence processes. Women workers face gender-specific risks, socially and environmentally, so it is positive to see a significant increase in brands disclosing that they consult women (including women’s organisations and gender experts) compared with last year. However, with just 10% of brands doing so (up from 3% in 2020), this remains alarmingly low. We would encourage brands to ensure that the most affected stakeholders, such as women workers and their representatives, are included in any meaningful due diligence process.

Brand disclosure of the outcomes of their due diligence processes has more than doubled since last year but still remains low at 17% (up from 8% in 2020). It is disappointing that due diligence outcomes and results are not disclosed as frequently as risks identified. Even among the few brands that disclose due diligence outcomes, generally the information provided lacks detail and is often focused on an output (services delivered or actions taken) rather than an actual outcome or impact (the actual consequences or way things turn out), which would be far more meaningful and indicative of tangible change for workers and the environment.

**“If you weren't operating in the light of day, what were you doing in the shadows?”**

Dave Eggers,  
The Circle



Let's take the example of a brand identifying that workers are at risk of gender-based violence (GBV), and their response is to provide the at-risk workers with a training session which covers what GBV is and how to report it. Brands generally tend to measure the output, such as 10 workers attended the training session, rather than an outcome, such as 50% of workers self-report feeling more confident raising gender grievances since the training session. An even more meaningful measure would be impact, such as 3 workers having raised a GBV grievance against a supervisor since the training session, which was investigated and consequently the supervisor was removed from the company. A further impact would be that 40% of workers self-report feeling safer since the supervisor's dismissal, including all 3 workers that raised the grievance.

The vast majority of major brands (81%) publish information about how their facility audit process works, and the majority (68%) also disclose their criteria for taking on new suppliers. Compared to last year, more than double the number of brands (27%, up from 13% last year) are now disclosing whether audits take place on an announced basis (an agreed and disclosed date); a semi-announced basis (an undisclosed date falling with an agreed window, such as a 3 week period); or an unannounced basis (no prior notice is given before the audit).

We see a lack of transparency on the number of workers interviewed off-site as part of audits, with only 2% of brands disclosing this information. Off-site interviews can provide safer spaces for workers to openly disclose concerns about their working conditions. Similarly, only 1% of brands disclose how many audits include a trade union representative. As the [Ethical Trading Initiative explains](#), freedom of association can be difficult to capture in ethical audits, "as nuances of threats, harassment and intimidation of workers are easily masked on the production floor and create an environment where workers fear speaking out on issues that concern them." Collective bargaining through independent trade unions, and consultation with union representatives in the audit process, can help to overcome these challenges.

# 99%

of brands do not  
disclose how many  
audits include a trade  
union representative

# SHOW

As you can see in the table, nearly half of major brands (46%) share generalised information about the outcomes of their supplier audits. This type of data is interesting and highlights some of the most pressing labour issues. However, summarised rather than detailed factory-specific audit information is less actionable by external stakeholders who could use this information to drive positive change. Brands' disclosure of supplier audit findings is much less common when you look beyond the first tier, where brands are less likely to be doing audits in the first place.

In general, there remains a widespread lack of transparency on working conditions beyond the first tier of the supply chain – where workers tend to be less visible, more vulnerable and at higher risk of exploitation.

The [Better Work programme](#) has found that publicly disclosing audit results has “the potential to stimulate factory progress, improve working conditions, bolster the competitiveness of the sector and encourage ethical sourcing.” Since the Better Work programme first started disclosing compliance with labour standards in Cambodia in 2014, the number of factories meeting those

standards jumped by 57% in three years – and this was while revenues in the sector grew to their highest recorded levels. Furthermore, public disclosure of the status of corrective action can incentivise brands to take swift and complete remediation which ultimately protects workers.

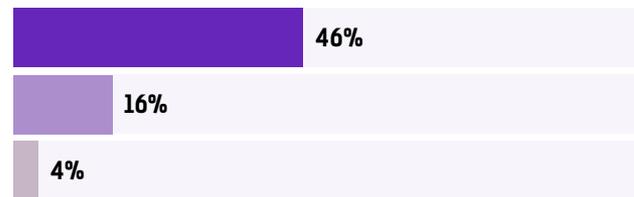
**“At the heart of this ineffectual risk assessment is a focus on business risk – with some companies wanting to retain the comfort blanket of pointing to activity, rather than effective action, in the event of reputational damage.”**

Francis West,  
Shift

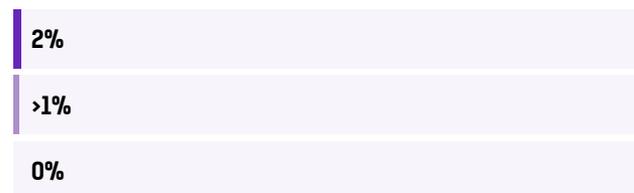
## Major brand disclosure of supply chain audit results

■ At tier 1 level   ■ Beyond tier 1 (processing facilities and textiles mills)   ■ Raw material level

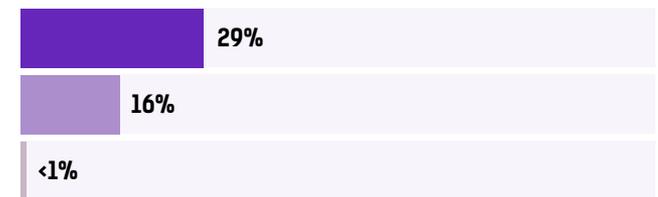
### Summary of audit findings – without naming facility



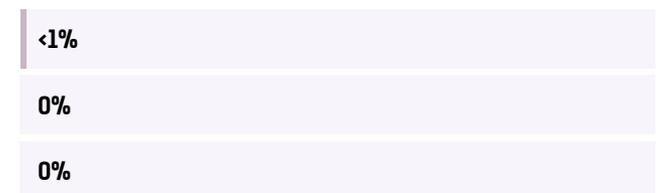
### Facility-level rating by named facility



### Selected audit findings by named facility



### Full audit reports by named facility



## FIX

The majority of brands (66% in 2021: down from 75% in 2020) describe the remediation process that is put in place when issues are found in their supplier facilities. This usually includes corrective action plans or stop-work notices.

Corrective Action Plans (CAPs) are vital because they can save lives. However, CAPs are not enough alone to address all the deeply systemic social and environmental issues at play in the supply chain. Too often CAPs become a tick-box exercise – with the same issues being identified, then later resolved, only to be detected again in the next audit cycle. Moreover, only about one in five brands (21%) describe how they engage with affected stakeholders in the remediation process. This is why we need more transparency about the outcomes and impacts of the remediation process, enabling stakeholders to scrutinise whether brands are remediating the root-cause of issues or merely correcting the same symptom year after year. Social audits and corrective action plans should be centred around worker protection and remediating the root-cause of issues rather than used as a back-stop for

brands. This is something we may delve into deeper in next year's methodology.

A final point on effective remediation. It may be that a supplier relies on one brand for the majority of their orders – which could disappear overnight if the brand finds a cheaper price at another supplier or in another country. This is known as the **'race-to-the-bottom'**, in which brands "compete with each other to reduce costs by paying the lowest wages, giving workers the worst conditions".

This year we also looked to see if brands publish their supplier exit strategy (in other words, what happens when they decide to stop working with a particular supplier) which includes an assessment on human rights impacts and ensures that reasonable notice of termination is provided to the supplier. This is important because when brands suddenly terminate a relationship with a supplier (known as a 'cut-and-run') this can lead to devastating impacts on workers. If suppliers are given reasonable notice of the brand's exit, they can plan ahead in order to avoid suddenly having to lay off workers. Our research found that 17% of brands disclose an exit strategy where an impact assessment is made, or reasonable notice is given.

In more positive news, there has been a steady increase in major brands publishing confidential grievance mechanisms (which enable complaints about working conditions to be lodged) available to their own employees (62% in 2021, up from 59% in 2020) and a significant increase in published grievance mechanisms for workers in the supply chain (52% in 2021, up from 40% in 2020). Confidential and independent grievance mechanisms are important because they enable workers to speak up with a lesser fear of intimidation or retaliation than they would otherwise face by going directly to their supervisors or employers, who may be part of the problem. Furthermore, 27% of brands describe how workers are notified that the grievance mechanism exists, which is important because otherwise they will never know to use it.

It is encouraging to see that 1 in 4 brands are now also disclosing data about the number of reported violations or grievances filed, addressed and resolved by workers in their supply chains, up from 16% last year. However, it would be good to see more brands disclosing this data, as well as more detailed information in general across all brands about the outcomes of grievances and how they have been resolved. This could provide important learning for the sector as a whole.

In future we may look into further disclosures around grievance mechanisms, such as who is using them and who isn't, which may reveal who is empowered in brands' due diligence processes and who is being left behind.

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**"The fashion brands should address the issues like wages, leaves and social welfare benefits of women workers."**

Eswari,  
Tamil Nadu, India, textile mill worker

## VIEWPOINT: A LACK OF TRANSPARENCY AND THE UYGHUR CRISIS



### CONTRIBUTION FROM

DR FLAVIA LOSCIALPO, SENIOR RESEARCH FELLOW IN CULTURAL STUDIES AND FASHION AT SOLENT UNIVERSITY; ELEONORA MONGELLI, VICE PRESIDENT OF THE ITALIAN FEDERATION FOR HUMAN RIGHTS; AND DOLKUN ISA PRESIDENT, WORLD UYGHUR CONGRESS (LEFT TO RIGHT)

**Not only is transparency paramount to conscious purchasing practices, but it is the very foundation of accountability in terms of human rights and environmental issues.**

Disasters that make it to the headlines, such as the Rana Plaza collapse in 2013, offer an occasional window on diffused unethical, exploitative practices, and unbearably unsafe working conditions tainting the global supply chain. If opaque supply chains, characterised by multiple

layers of subcontractors, make it difficult to reconstruct a clear picture, a lack of transparency can be observed also at raw material level. As of today, the majority of global fashion brands are yet to disclose information about suppliers of raw materials, and share findings from their facility-level audits, involving farms, processing facilities, and factories. The implications of this lack of transparency are clearly profound. As in the case of East Turkistan [Xinjiang] and the current Uyghur crisis, if a brand sourcing from or producing in China does not disclose information about their suppliers, the chances of their complicity in state-sponsored forced labour schemes and the Uyghur crisis are very high.

**"Around 3 million Uyghurs and Turkic people are interned in concentration camps, with many working under forced labour conditions for international brands."**

Dolkun Isa,  
President of the World Uyghur Congress

Dolkun Isa President, World Uyghur Congress, explains: "Around 3 million Uyghurs and Turkic people are interned in concentration camps, with many working under forced labour conditions for international brands. The genocide in East Turkistan makes it impossible for brands to conduct due diligence in accordance with the UN Guiding Principles on Business and Human Rights. The heightened surveillance means that companies or auditors have no reliable means to get credible information about conditions in their supply chains. Companies sourcing directly from East Turkistan or having ties with state-sponsored forced labour schemes must exit the region altogether in order to not be complicit."

Uyghur forced labour is the example of the atrocities that can occur when companies are not able to verify what happens in their supply chains, and when they are not legally obliged to disclose information about their suppliers. In 2011, United Nations issued the 'UN Guiding Principles on Business and Human Rights' which contains three pillars: protect, respect and remedy. Over the past years, only a few countries have implemented the UN decision; however, there are more and more companies operating in poor or post-conflict countries, or in countries where governments are unable or unwilling to enforce their own laws in regard to human rights and environmental standards. Human rights cannot be an option for companies. Businesses have a significant impact on human rights wherever they operate. This impact can be positive or negative. It is up to us to choose.

# SPOTLIGHT ISSUES

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## 5. SPOTLIGHT ISSUES: APPROACH

Each year, we explore some key pressing issues in deeper detail. For 2021, our focus covers six strategic areas to align with and support the United Nations' Sustainable Development Goals (SDGs), which aims to bring nations together to build a better world for people and our planet by 2030. Every year we select the Spotlight Issue topics and formulate the indicators in consultation with industry experts and stakeholders.

### Decent work & purchasing practices

What are major brands and retailers doing to improve conditions for workers within the company and their supply chains? Specifically, we looked at:

- Covid-19 and how brands responded to the pandemic
- Living wages and wage data in the supply chain
- Brands' purchasing practices
- Unionisation and collective bargaining

### Gender & racial equality

What are major brands and retailers doing about gender and racial equality? We looked at:

- Gender inequality in the company and supply chain
- Gender pay gap
- Racial equality data and what brands are doing to address it

### Sustainable sourcing & materials

What are major brands and retailers doing to increase the use of sustainable materials and reduce the use of virgin plastics and microfibre shedding? We looked at:

- Tools and processes to define 'sustainable' materials
- Strategies and progress on the switch to more sustainable materials
- Strategies and progress on the reduction of the use of virgin plastics
- What the brand is doing to minimise the impact of microfibres

### Overconsumption, waste & circularity

What are major brands and retailers doing to address overproduction, minimise waste and move towards circularity? Here we looked specifically at:

- How many items were produced in the reporting period
- How much textile waste is generated and how much was destroyed or recycled
- Strategies and progress on reducing pre-consumer waste and recycling post-consumer waste
- Strategies for take-back schemes and clothes longevity
- Investments in textile-to-textile circular recycling

### Water & chemicals

What are major brands and retailers doing to reduce the use of hazardous chemicals and minimise their water footprint? Here we looked at:

- Strategies and progress on reducing the use of hazardous chemicals
- Water footprint in direction operations and in the supply chain
- Water risk assessments

### Climate change & biodiversity

What are major brands and retailers doing to combat the climate crisis and mitigate their environmental impacts? Here we looked at whether brands publish:

- Decarbonisation targets
- Science Based Targets
- Commitments and progress towards zero deforestation
- Carbon footprint in owned facilities and in the supply chain
- Absolute energy reduction
- Renewable energy use in owned facilities and in the supply chain

# 5. SPOTLIGHT ISSUES: RESULTS

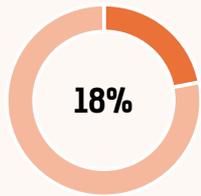
0-5%	6-10%	11-20%	21-30%	31-40%	41-50%	51-60%	61-70%	71-80%	81-90%	91-100%
ANTA 5	ALDO 10	Aritzia 20	Primark 30	Burberry 40	Converse 48	H&M 54	Gucci 66	OVS 72		
Brunello Cucinelli 5	Desigual 10	COACH 20	Marks & Spencer 29	Adidas 39	Jordan 48					
Costco 5	Marc Jacobs 10	Kate Spade 20	Next 28	Reebok 39	Nike 48					
Disney 5	MRP 10	Morrison's 20	Asda 27	Puma 37	Balenciaga 47					
Dr. Martens 5	Prisma 10	Hugo Boss 19	Hermès 27	United Colors of Benetton 37	SAINT LAURENT 47					
Ermenegildo Zegna 5	Splash 10	ALDI SOUTH 18	Mammut 27	Gildan 36	Tchibo 47					
Fossil 5	Versace 8	Amazon 18	Decathlon 25	Banana Republic 35	The North Face 47					
HEMA 5	Armani 8	Anthropologie 18	Fruit of the Loom 25	Gap 35	Timberland 47					
Jil Sander 5	boohoo 8	Free people 18	John Lewis 25	Old Navy 35	Bottega Veneta 46					
KIK 5	Clarks 8	Helly Hansen 18	Russell Athletic 25	ASICS 34	Kmart Australia 45					
La Redoute 5	Kohl's 8	JD Sports 18	Fjällräven 24	Ralph Lauren 34	Vans 45					
Lands' End 5	PrettyLittleThing 8	Kiabi 18	ASOS 24	Zalando 34	Target Australia 45					
Sandro 5	Steve Madden 8	New Look 18	Dressmann 24	Champion 33	C&A 43					
Sports Direct 5	TJ Maxx 8	Tesco 18	Salvatore Ferragamo 24	Esprit 33	Speedo 43					
Victoria's Secret 5	Michael Kors 8	Tom Tailor 18	New Balance 23	GU 33	Pull&Bear 43					
Carter's 4	CAROLL 7	Urban Outfitters 18	Nordstrom 23	Hanes 33	Bershka 42					
DSW 4	Chanel 7	Walmart 18	Pimkie 23	Levi Strauss & Co 33	Calvin Klein 42					
Merrell 4	GUESS 7	Bally 17	Woolworths South Africa 23	UGG 33	Massimo Dutti 42					
The Children's Place 4	Matalan 7	Bonprix 17	Wrangler 23	Uniqlo 33	Stradivarius 42					
AJIO 2	Otto 7	G-Star RAW 17	Zeeman 23	Lindex 31	Tommy Hilfiger 42					
Bloomingdale's 2	Takko 7	Lidl 17	Brooks Sport 22	Sainsbury's 31	Van Heusen 42					
Chico's 2	Topman 7	Lululemon 17	El Corte Inglés 22	Target 31	Zara 42					
Cotton On 2	Topshop 7	Reserved 17	Mango 22		Patagonia 41					
Diesel 2	Under Armour 7	Columbia Sportswear 16			Superdry 41					
Foot Locker 2	Beanpole 6	Fendi 16								
Macy's 2	Canada Goose 6	REI 16								
Reliance Trends 2	Cortefiel 6	Vero Moda 16								
Tommy Bahama 2	Ito-Yokado 6	ALDI Nord 14								
Valentino 2	Joe Fresh 6	Carolina Herrera 14								
Cole Haan 1	Kaufland 6	Jack & Jones 14								
Eddie Bauer 1	Li-Ning 6	Muji 14								
Fanatics 1	s.Oliver 6	Carrefour 13								
Fila 1	Truworths 6	Chloé 13								
Hudson's Bay 1	United Arrows 6	Lacoste 13								
LC Waikiki 1		Miu Miu 13								
LL Bean 1		Prada 13								
Longchamp 1		Tod's 13								
River Island 1		Abercrombie & Fitch 12								
Ross Dress for Less 1		American Eagle 12								
Saks Fifth Avenue (HBC) 1		Big W 12								
Skechers 1		Burlington 12								
Aeropostale 0		Dick's Sporting Goods 12								
BCBGMAXAZRIA 0		Foschini 12								
Belle 0		Hollister Co. 12								
Big Bazaar - ffb 0		Kathmandu 12								
Billabong 0		Mizuno 12								
Bosideng 0		Moncler 12								
Buckle 0		Ted Baker 12								
Carhartt 0		TOPVALU COLLECTION 12								
celio 0		Louis Vuitton 11								
Claire's 0		CELINE 11								
Deichmann 0		Catzedonia 11								
Dillard's 0		Dior 11								
DKNY 0		Falabella 11								
Dolce & Gabbana 0		Intimissimi 11								
Elie Tahari 0		Monoprix 11								
Express 0		Paris 11								
Famous Footwear 0		Tezenis 11								
Fashion Nova 0		The Warehouse 11								
Furla 0		Very 11								
Gerry Weber 0										
Heilan Home 0										
Jessica Simpson 0										
Jockey 0										
Justfab 0										
K-Way 0										
Kmart 0										
KOOVS 0										
Marni 0										
Max Mara 0										
Metersbonwe 0										
Mexx 0										
New Yorker 0										
Nine West 0										
Pepe Jeans 0										
Quiksilver 0										
REVOLVE 0										
Roxy 0										
Semir 0										
SHEIN 0										
Tom Ford 0										
Tory Burch 0										
Triumph 0										
Youngor 0										

\* Brands ranked in numerical order by score out of 250, but shown as rounded-up percentage. Where brands have the same score, they are listed in alphabetical order.

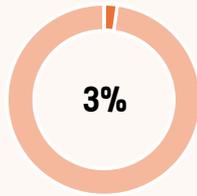
# 5. SPOTLIGHT ISSUES

## FINDINGS - DECENT WORK & PURCHASING PRACTICES

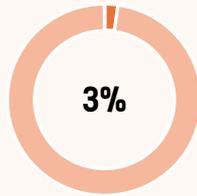
### COVID-19



publish % of orders cancelled since the outbreak of Covid-19

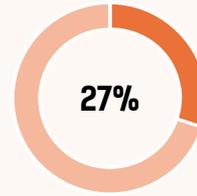


publish % of workers that received late wage payments due to Covid-19

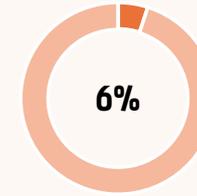


disclose no. of laid-off workers in brand's supply chain since Covid-19 outbreak

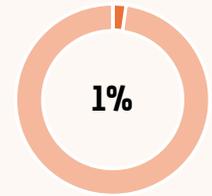
### LIVING WAGES



disclose approach to achieving living wages for supply chain workers

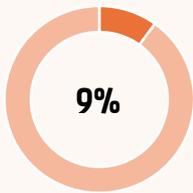


publish annual progress towards paying living wages

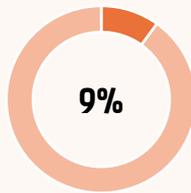


publish no. of workers being paid a living wage

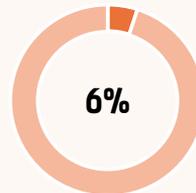
### PURCHASING PRACTICES



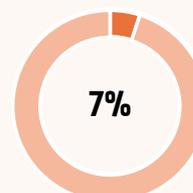
disclose method for isolating labour costs in price negotiations



publish policy to pay suppliers within 60 days



publish average no. of days suppliers are paid after delivering orders

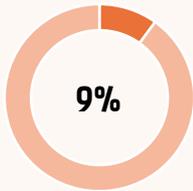


publish an example of a standard supplier agreement

# 5. SPOTLIGHT ISSUES

## FINDINGS - DECENT WORK & PURCHASING PRACTICES

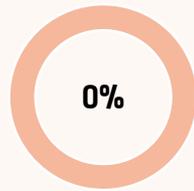
### UNIONISATION



publish no. of supplier facilities that have trade unions

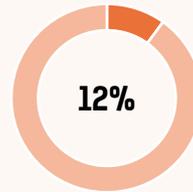


publish no. of workers covered by collective bargaining agreements

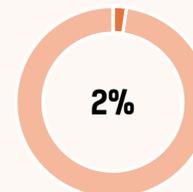


disclose no. of collective bargaining agreements that provide workers with wages higher than legal minimum

### RACIAL EQUALITY

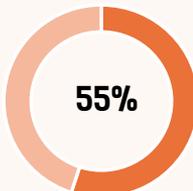


publish actions focusing on promoting race equality

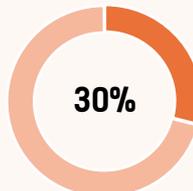


publish the company's ethnicity pay gap

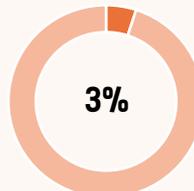
### GENDER EQUALITY



publish gender breakdown of job roles in the company



publish the company's gender pay gap



publish data on gender-based violations in supplier facilities

## 5. SPOTLIGHT ISSUES

### ANALYSIS - DECENT WORK & PURCHASING PRACTICES

#### COVID-19

In March 2020, lockdowns were announced across the world, shutting down retail stores in most countries. In response, major multinational brands and retailers cancelled orders from their suppliers in an attempt to lessen the impact of potential lost profits. [Workers' Rights Consortium \(WRC\) estimates](#) initial order cancellations were valued at a collective USD \$40 billion, including finished products, delivered stock held in ports and warehouses, and mid-production orders, where in many cases suppliers had already paid for the raw materials and labour costs. These order cancellations had an immediate and profound impact on suppliers, who were left footing huge bills for materials and struggling to pay their workers, keep workers employed, provide furlough or severance pay and keep their businesses afloat. Consequently, the people who make our clothes were left to bear the biggest financial burden of the pandemic.

For the 2021 Index, we felt it was imperative to shine a spotlight on this issue and review what information major brands and retailers have been sharing with the public about their order cancellations and efforts to understand and support workers throughout the pandemic.

In general, transparency on this issue is very low. We found that more brands shared information about order cancellations and their actions to reinstate orders where they had been cancelled than were sharing data about the pandemic's impact on workers.

We found that 18% of brands disclose the percentage of orders since the outbreak of Covid-19 where partial or complete cancellations applied, while 14% provided information about the orders that had not yet been reinstated or paid in full.

Since the outbreak of Covid-19, [WRC research](#) found that on average buyers have told suppliers they must cut prices by 12% relative to last year's price for the same product and that suppliers will have to wait an average of 77 days after they complete and ship customers' new orders before they receive payment. Prior to the pandemic, the average was 43 days.

Additionally, we found that 14% of brands disclose the percentage of discounts applied on previously agreed payment terms and just 2% disclose changes in Free on Board (FOB) prices faced by suppliers in the past 12 months. FOB prices are up-front costs assumed by suppliers, holding them liable for transportation of goods, even if they are damaged or destroyed – this is in addition to the raw material costs suppliers also pay in advance.

[According to labour rights experts](#), limited government intervention across garment producing countries, such as financial relief to help suppliers pay for workers' wages, forced workers to find other ways to support their families. For example, [according to the Society for Labour & Development](#), more than 3.6 million garment workers in India withdrew a collective USD \$1.5 billion from their pension accounts, which workers usually put aside for their children's educational expenses.

Garment workers were already extremely vulnerable, working on precarious contracts and paid wages so low that they struggled to afford life's basic necessities let alone save for unexpected events such as a global pandemic. During the pandemic, [WRC](#) research, which surveyed

396 garment workers across 158 factories in nine countries, found that 88% of workers reported receiving less income as a result of the pandemic which forced them to decrease their daily food intake, while 77% reported someone had gone hungry in their household since the pandemic started and 75% borrowed money or accumulated debt to afford food.

Meanwhile, wage theft and union busting have been widespread since the start of the pandemic. [BHHRC](#) has reported on the prevalence of ‘fire and rehire’ tactics where unionised workers have been replaced with non-unionised workers during the pandemic. [WRC](#) estimates that across just 31 facilities investigated, 37,367 workers were denied USD \$39.8 million in wages to which they were entitled – meaning that each garment worker was denied about five months’ worth of wages. And these figures are merely the tip of the iceberg; [WRC](#) has identified an additional 210 garment facilities across 18 countries where 160,000 workers are owed an

estimated USD \$171.5 million since the outbreak of Covid-19.

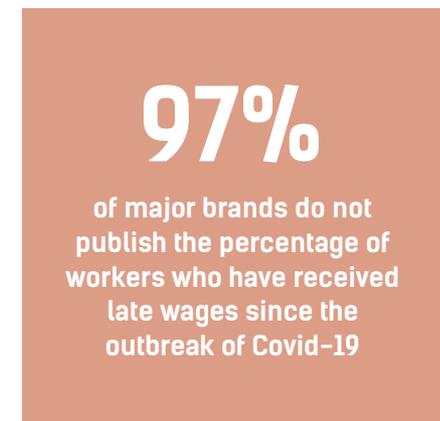
Our research has found that, yet again, major brands offer very little transparency on how workers in their supply chains have been impacted by the pandemic, suggesting that this may not be something brands are monitoring. Just 3% of brands disclose the percentage of workers who have received late wage payments since the outbreak of Covid-19, while only 3% publish the percentage of workers that have lost their jobs due to the pandemic.

[The #PayUp campaign](#), which arose out of the fashion industry’s catastrophic decision to refuse payment for completed clothing orders at the start of the Covid-19 pandemic, has since galvanised public pressure on major brands and retailers to reinstate and pay in full for all cancelled orders and has helped to recoup at least USD \$15 billion. To support the campaign, Fashion Revolution created an automated email tool which we placed on the front

page of our website, providing an easy way for customers of major brands and retailers to email them directly to place pressure on them to reinstate their cancelled orders, pay in full and support workers in their supply chain during Covid-19. From our communication with brands and retailers, we know that it doesn’t take many letters and emails from customers for them to take an issue to a board level discussion. In total, our community sent around 13,000 emails to major brands.

However, it should never have taken this public outcry for major brands and retailers to do right by their suppliers and support the people who make their products the length of the value chain. When such catastrophic events occur, it is precisely the time for brands to strengthen partnerships in the supply chain, not turn their backs.

Below: Social media asset from the Remake #PayUp campaign



## VIEWPOINT: *HOW MAJOR APPAREL BRANDS RESPONDED TO THE COVID-19 PANDEMIC*



**MARK ANNER** IS PROFESSOR OF LABOR AND EMPLOYMENT RELATIONS; DIRECTOR OF THE CENTER FOR GLOBAL WORKERS' RIGHTS; AND DIRECTOR OF THE MPS PROGRAM IN LABOR AND GLOBAL WORKERS' RIGHTS AT THE PENNSYLVANIA STATE UNIVERSITY

I've been following the global garment industry for more than three decades, and I have never seen the scale of disruption and hardship as that caused by the Covid-19 pandemic. As stores shuttered and countries went into lockdown, brands cancelled more than USD 40 billion in orders without payment in early 2020. As a result, countless suppliers were forced out of business and millions of workers lost their jobs and faced malnutrition.

To better understand these dynamics, Fashion Revolution asked brands a series of basic questions regarding how they responded to the pandemic. The findings are revealing. A few companies made extraordinary efforts to cover their obligations and ensure worker wellbeing. However, most chose not to respond to the questions, and some of the brands that did respond displayed less than ideal ethical business practices.

According to the FTI data findings, only 18% of brands provided a valid response to the question on whether they cancelled orders during the pandemic, and only 14% adequately responded to the question about whether they paid up in full for orders they had placed with suppliers.

The brands that responded should be commended for their transparency. However, many of these brands initially cancelled their orders without paying, causing enormous harm for suppliers and their workers in early 2020. They re-instated orders and paid up only after there was considerable activist pressure and media exposés. In some cases, brands only re-paid after lockdowns ended and stores re-opened.

One brand noted that it paid for 'completed' orders, but it is silent regarding how it handled more costly 'in-process' orders. Other brands explain that they paid in full but have extended their payment terms (paying later than what was originally agreed upon with the suppliers). They state that this is 'consistent with industry practice.' But this is exactly the problem; it has become buyers' 'industry practice' to pay suppliers months after suppliers finish and ship orders. This causes extreme cash-flow problems for suppliers as they seek to pay their bills and purchase new raw material for their next orders.

What is even more concerning is that only 3% of brands were willing to adequately answer a question related to workers receiving wage payments during the pandemic, and only 3% responded to a question about worker layoffs. What we know is that more than 3 million garment workers lost their jobs during the pandemic, and many were denied millions in back wages and severance.

These trends indicate it is not enough to ensure that brands properly pay suppliers, but that there also must be mechanisms in place to ensure payment of wages, protection of jobs, and guarantees for worker safety and social protection. The best mechanisms to do that are strong, independent unions with collective bargaining rights; enforceable, binding agreements; and robust social safety nets. It is precisely these mechanisms that must be an integral part of 'building back better.'

## BRANDS' PURCHASING PRACTICES

Major brands' purchasing practices have an enormous role to play in enabling decent, dignified and safe work across their global supply chains. Brands negotiate the prices they are willing to pay suppliers to make their products. Brands often set the terms of doing business, including order lead times and payment schedules. Brands' design and sourcing teams make decisions when designing products, choosing colours and materials and when deciding what merchandise will be sold at what times, all of which impact on a suppliers' ability to deliver products at certain costs and within certain timeframes. When changes to the design or lead times are made by brands at short notice, this can cause negative impacts on suppliers and their workers the length of the supply chain. Despite this, we have found that just 3% of big brands and retailers provide data on the changes they make to orders and payment terms after agreements have been made.

Moreover, it is very common that major brands expect suppliers to 'front' the costs of production, with suppliers typically purchasing the raw materials, fabrics and inputs needed for orders on credit. This is something we looked at for the first time in the 2021 Index and

found that only one brand, US off-price department store Burlington, discloses a policy on paying their suppliers up-front before production begins.

As we noted in the executive summary and in the previous section about brands' Covid-19 responses, suppliers are frequently paid by brands a long time after producing and delivering orders. It is not uncommon that suppliers are paid between 60 and 180 days after delivery, although it hasn't always been this long. Payment after delivery seems to be getting later and later, and our research has found a lack of transparency on this issue. Fewer than 1 in 10 major brands publish a policy to pay their suppliers within 60 days, which is in line with the UK Prompt Payment Code commitments. Very few brands (just 6%) disclose how long after delivery they pay suppliers, on average. For the brands that do disclose this data, their payment terms often ranged from 60 to 180 days after receiving their goods. This means that clothes are often being worn by customers long before brands pay the factories that made them.

As research by the Center for Global Workers' Rights (CGWR) explains, these existing payment structures, "under which suppliers bear the up-front cost of production and buyers pay nothing until weeks or **months** after the factory

ships the goods", are underpinned by imbalanced power dynamics between major brands, suppliers and supply chain workers. A big part of this issue has to do with brands' standard supplier agreements, with legal experts frequently expressing concerns about how one-sided contracts are in favour of brands. This issue was thrust [into the spotlight](#) during the pandemic, where major brands relied on a "force majeure" clause to cancel orders. This is why for 2021 we looked to see if major brands publish a standard supplier agreement template, setting out typical order and payment terms and conditions. We found that only 7% of large brands publish such an agreement, enabling stakeholders to scrutinise their typical terms of doing business with suppliers.

Workers' labour rights and wages should never be part of the price negotiation process between brands and their suppliers. Ring-fencing labour costs, meaning that workers' wage rates (including overtime and benefits such as sick-pay and social insurance) are a fixed line item, helps ensure that workers' welfare and access to decent working conditions are off the negotiation table. Despite this, fewer than 1 in 10 major brands disclose a method for ring-fencing labour costs in their price negotiations with suppliers, and just two brands (C&A and H&M) provide data on the number

of orders they have placed where labour costs have been isolated and ring-fenced. Moreover, these only cover a portion of their overall orders. If major brands do not safeguard labour costs in price negotiations, they risk profiting from worker exploitation, including poverty level wages, unpaid overtime and unpaid legally mandated benefits.

Finally, we look at whether brands publicly share any feedback from suppliers on their purchasing practices, and this year we found that fewer brands than in 2020 disclose this information – decreasing from an already low bar of 5% in 2020 to just 3% in 2021. This is disappointing, but perhaps unsurprising given the actions that many big brands and retailers have taken in response to Covid-19, which has often meant turning their backs on their suppliers during a time of great need.

**only  
1 in 10**  
major brands publish  
a policy to pay their  
suppliers within 60 days

## VIEWPOINT: A MANUFACTURER'S PERSPECTIVE ON THE NEED FOR MORE TRANSPARENCY IN THE GLOBAL FASHION INDUSTRY



**MOSTAFIZ UDDIN**  
IS MANAGING DIRECTOR OF DENIM EXPERT LTD, A CLOTHING MANUFACTURER IN BANGLADESH

**I think transparency is the biggest need of the hour, especially for the fashion industry. The world is running through an extraordinary situation at the moment, but life must go on and we need to stay focused. The changing global landscape and the realities we are living, the corporate responsibilities we are talking about, the sustainability agenda - all perfectly sets the backdrop of this discussion on transparency.**

We are living in the 21st century, and we cannot keep ourselves blindfolded. The realities are different than what our grandfather and forefathers lived in. Globalisation has caused

tremendous transformation in the history of civilisation especially in the past century. In some ways globalisation has brought development to nearly every corner of the world but this transformation has not always been sweet. Globalisation has also increased inequalities and raised concerns of exploitation, both social and environmental.

Until the time transparency is treated as a mechanism to hold manufacturers and brands accountable, we will be unlikely to find ourselves in a situation conducive to achieving the Sustainable Development Goals. There has to be more equilibrium in the power dynamics between brands and suppliers. Undue dominance and exercise of power need to end. Indeed, the main reasons why brands and retailers can continue with unfair and unethical purchasing practices with impunity is because there is a lack of transparency on their part. Manufacturers do not raise their voice against such irresponsible purchasing behaviours for fear of reprisals from brands. Transparency can be critical to create a level playing field for manufacturers across the globe.

There are also certain costs of compliance and transparency which need to be shared by supply chain partners. My view generally on prices paid by brands is that these are dictated by

global market forces, and there is a general over-supply in the market at the current time, which is why prices have been driven down. But while I believe in the power of the market, I also think there are times when the market needs a helping hand in order to operate more effectively and to achieve more socially desirable outcomes. When it comes to price, the hard questions are: Is there enough of a margin currently being built into the negotiation process to ensure that garment workers receive a fair wage – or even a minimum wage? Is enough being built in to cover the costs of transparent and sustainable production? Appreciation at consumers' end is also equally important to differentiate between a transparent and non-transparently made product. The appreciation should come through price premium that really returns on value.

Transparency should not be used as a bargaining point, neither it should end up opening a new audit business. In fact, for many years, we have been demanding a unified code of conduct for social audits and this can be done in a transparent way. I think this would be a huge help to buyers, suppliers and anyone who works in the industry. However, we see that the same audits are done by different brands on slightly different code of conducts. Why can't global brands converge on this issue and make audit reports transparent for the rest of the world? That's the question I keep asking over and over.

After the Rana Plaza building collapsed, we made an unprecedented example of

such convergence between buyers and local authorities in Bangladesh for inspections on fire, electrical and structural safety issues. The inspection reports are publicly available on the website, workers have hotlines they can contact to share concerns or complaints and factories like mine are open to any third-party auditors who come and inspect our premises. We should be following the same model and the inspection reports should be made public and transparent in all textile and clothing production countries.

My expectations for major brands on being more transparent are this: all brands should have to disclose their vendor details along with sourcing volumes; brands' selection process for new suppliers should be made open and transparent; brands should support a unified code of conduct for social audits and all the current audit reports should be shared to avoid duplication; brands should support global policies and rules to enforce transparency and due diligence in purchasing practices; and there should be a global platform where manufacturers may share their concerns about bullying and bad purchasing practices without any fear.

Buyers are sometimes called out by consumers for their buying practices and responsible sourcing, so transparent buying practices will earn them more customer loyalty and also will give a greater visibility into the supply chain. Transparency can bring a healthy balance in the supply chain power dynamics.

I think transparency is the future because it has the power to establish trust among people in the supply chain which is essential for the existence of all of us on this planet.

## LIVING WAGES

Frustratingly, for yet another year, major brands and retailers provide very little transparency on the issue of living wages for workers in their supply chains. 27% of brands disclose the company's approach to achieving the payment of living wages, a slight increase from 23% last year, but only 4% publish a strategy on living wages that is time-bound and measurable. Furthermore, just 6% of brands report annual measurable progress towards achieving living wages for supply chain workers.

All people everywhere should be able to afford a decent standard of living, no matter where they live in the world and what job they do. Living wages have the power to end poverty pay for millions of people who make our clothes, the vast majority of whom are women. A living wage is a human right that is recognised by the United Nations, and [it means being paid enough](#) to afford food, water, housing, education, health care, transportation, clothing and some discretionary earnings during a work week of no more than 48 hours.

We acknowledge that this topic isn't as straightforward as it sometimes seems. Brands don't usually pay workers' wages directly; their suppliers do. Meanwhile, there are often complex political and economic factors, and sometimes even corruption, at play that coalesce to keep wages low and people trapped in poverty, despite working long hours in gruelling conditions. But this doesn't absolve brands from responsibility. Brands would have no products to sell without the people who make them. Brands and their shareholders make huge profits while the workers in their supply chains struggle to afford life's basic necessities.

Major brands can and should do more, but right now they're barely even talking about this issue, nor providing more than a shred of evidence that their efforts are resulting in higher wages that improve living standards. For a start, it would be helpful to see which major brands are measuring the gap between what workers are paid and a living wage rate for the region where they live. We found that just 12% of brands disclose what living wage estimates

they use to track and benchmark wages for workers in their supply chain and even fewer (only 4%) publish data on the amount above the minimum wage that workers are paid in their supply chain. Just two brands (OVS and Patagonia) publish data on the number of workers in the supply chain that are being paid a living wage rate and the data that is published shows that very few workers in the supply chain have received living wages. Finally, for the first time this year, we looked to see if brands share data on the number of workers that are receiving wage payments digitally, because [recent research](#) suggests that digital payments have positive impacts on women workers – yet just 2% of brands publish this data.

**"Transparency at supply chain and wage levels is crucial for workers, trade unions and civil society to hold companies accountable for their business practices."**

Paul Roeland,  
[Clean Clothes Campaign](#)

## UNIONISATION & COLLECTIVE BARGAINING

Freedom of association, including the right to form and join trade unions and collectively bargain, are fundamental labour rights enshrined in a number of international agreements and national laws. These are considered enabling rights, because when workers can join together to speak out and negotiate with their employers for better working conditions, it means they can address issues that concern them most, such as pay, social security benefits, overtime hours, health and safety, maternity rights and discrimination at work.

Despite the importance of these enabling rights, it is noteworthy that just 9% of brands disclose the number or percentage of supplier facilities that have independent, democratically elected trade unions and just 10% disclose the number of workers in their supply chain that are covered by

collective bargaining agreements. Though this disclosure has slightly increased compared to last year, these figures are far below what they should be, particularly considering most brands require worker representation in supplier facilities within their supplier codes of conduct.

Just 8% of brands publish data on the prevalence of collective bargaining and freedom of association related violations in supplier facilities. For example, C&A is one of a handful of brands to publish data on collective bargaining and freedom of association violations. C&A reports that it has been able to closely monitor freedom of association across the supply chain and was able to detect 18 cases in 2019. C&A states that it addresses each case individually, employing a team to work with suppliers, production units, respective units and government representatives to resolve all cases in accordance with stakeholders' needs in order to ensure the necessary safeguards are in place for the future.

Linking collective bargaining to workers' wages in the supply chain, this year we looked to see if major brands disclose whether collective bargaining agreements provide wages higher than required by local law and found that not a single brand provides this evidence publicly. This is relevant because many big brands are focused on supporting garment workers' efforts to collectively bargain as the only tool for achieving living wages. Collective bargaining is essential to workers negotiating better pay, and brands should support these efforts. But at the same time, it would be even more encouraging to see that collective bargaining agreements provide workers with wages that are higher than those required under local law, since legal minimum wages are often too low for workers to make ends meet. This is as true in the United States and [parts of Europe](#) as it is in countries such as Bangladesh and India.

Although trade union membership in general tends to be relatively low across garment and textile producing countries for a variety of social, cultural, political and economic reasons, major brands and retailers should be doing more to focus their attention and provide support for these enabling rights.

**only 1 in 10**

**brands disclose the number of workers in their supply chain that are covered by collective bargaining agreements**

## GENDER AND RACIAL EQUALITY

New indicators in the 2021 Index look at whether major brands publish their actions on the promotion of racial equality within their business and we found that only 12% of brands publish relevant information.

We also looked to see what data brands share on the breakdown of job roles by race or ethnicity in their direct operations and found that only 16% of brands publish relevant data. When it came to publishing the ethnicity pay gap data in their supplier facilities, we found that only 2% disclose such data.

Over the past year, major brands have been communicating their public support for racial and ethnic equality – particularly in response to the Black Lives Matter and Stop Asian Hate movements that have gained global momentum in 2020 and 2021. This is why it's disappointing not to see their solidarity on social media extend to

transparent disclosure of racial and ethnic data on employment and pay differences in their own operations and supply chains.

Unfortunately, laws in France prohibit French companies, including several of the brands reviewed in the Index, from [collecting data based on race, ethnicity or religion](#). Therefore, it was not possible for French brands to receive these points. The lack of data that could help shine a light on this existing structural issue will hinder society's ability to tackle endemic racial and ethnic inequities.

Major brands are significantly more transparent on gender equality issues than on racial issues, but transparency on gender equality issues still remains too low. More than half of major brands (55%) publish data on the annual gender-based distribution of job roles within their direct operations, compared to 16% of brands doing so by race. This is, in part, due to gender pay gap reporting requirements in UK law mandating this disclosure among British companies with 250+ employees.

This makes a compelling case, firstly, for the value of legislation in increasing transparent disclosure on key social issues, and secondly, for mandated transparency on racial and ethnic data in companies' operations and their supply chains.

Meanwhile, over half of brands (55%) publish the gender breakdown of job roles within their direct operations, but only 6% publish this data for the supply chain (although this is an increase from just 2% last year). Just 3% of brands disclose data on the prevalence of gender-based labour violations in the supply chain, an increase from fewer than 1% of brands last year. [Various reports](#) show that gender-based discrimination, harassment and violence is widespread throughout textile and garment supply chains, yet so few brands appear to be publicly addressing this pervasive problem.

Public solidarity for social causes, including gender, racial and ethnic equality, can be a valuable PR tool for brands – with customers increasingly

expecting brands to speak out on these important and current issues. However, brands must go beyond saying that combatting racism and gender discrimination is a top priority and evidence this by providing evidence of addressing gender, racial and ethnic inequalities in their direct operations and supply chains.



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**NAZMA AKTER,**  
EXECUTIVE DIRECTOR AT **AWAJ FOUNDATION**  
AND PRESIDENT OF SOMMILITO GARMENTS  
SRAMIK FEDERATION IN BANGLADESH



**"We workers want profit share. Because we made your clothes, we make you profit, we make you rich, we make you famous...but we have nothing. Profit share is important. Collective bargaining is also very important. Women should lead and also share in opportunities, like increasing salary bonuses. Women should be empowered and treated with dignity and respect. Maternity leave should be ensured. Women have to get proper rest and shouldn't have to engage in hazardous work. Buyers need to disclose what is going on.**

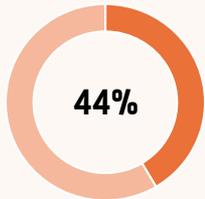
**How many factory workers, what kind of facilities are there? Do they have a union? There are all kinds of things that should be disclosed on factory lists.**

**Bangladesh is still locked down because of Covid-19, but the garment factories are open. But many workers have lost their jobs. Some have been terminated for going on maternity leave or becoming pregnant. Brand representatives have not physically visited the factories during the pandemic; they're monitoring online. I haven't heard of any brand doing any good things to support workers. Maybe a few brands have, but what have they done? It's difficult to know. Meanwhile, in reality, workers' lives haven't got any better. They have been struggling. We have had demonstrations, and we have been fighting locally and internationally with the #PayUp campaign. But brands don't seem to want to pay their bills on time or help workers. I am very disappointed and very angry. I'm not happy with the business people's role. They are greedy while workers live hand to mouth every day."**

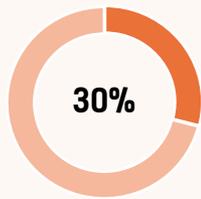
# 5. SPOTLIGHT ISSUES

## FINDINGS - MATERIAL USE, OVERCONSUMPTION & WASTE

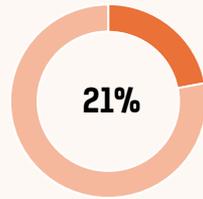
### SUSTAINABLE MATERIAL USE



publish a time-bound, measurable sustainable materials strategy

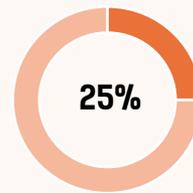


explain how they define so-called 'sustainable' materials

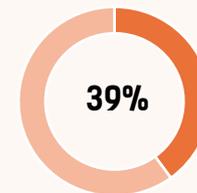


disclose data on the types of fibres sourced annually

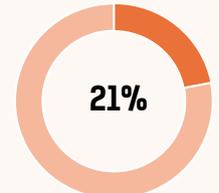
### PLASTICS



publish targets to reduce the use of textiles deriving from virgin fossil fuels

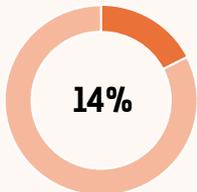


publish targets to reduce the use of packaging deriving from virgin plastics

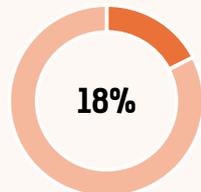


explain what the brand is doing to minimise the shedding of microfibres

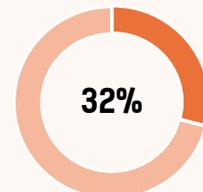
### BUSINESS MODEL AND CONSUMPTION



offer new business models that slow consumption

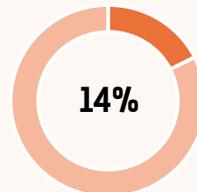


offer repair services to increase clothing longevity

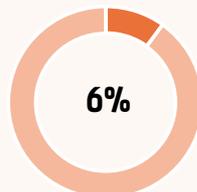


offer take-back schemes for unwanted clothing

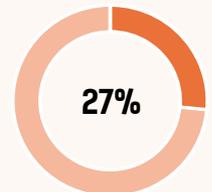
### WASTE AND RECYCLING



disclose the overall quantity of products made annually



publish the amount of pre-production textile waste generated in the annual reporting period



explain how they're working to develop textile-to-textile recycling solutions

## 5. SPOTLIGHT ISSUES

### ANALYSIS - MATERIAL USE, OVERCONSUMPTION & WASTE

#### SUSTAINABLE SOURCING & MATERIALS

**Almost half of major brands (44%) publish targets on sustainable materials yet less than a third (30%) provide a definition of what constitutes a 'sustainable' material.**

Research from [Global Fashion Agenda and McKinsey](#) suggests that more than 70% of the carbon emissions of a garment comes from upstream activities, specifically from energy-intensive raw material production, preparation and processing. The environmental impacts of raw material production are numerous and disproportionately impact the livelihood, health and safety of people working within the supply chain, local communities and surrounding biodiversity.

[Garment production has doubled since 2000, and the volume of clothes produced is expected to grow from 62 million](#)

[tonnes in 2015 to 102 million tonnes by 2030](#). It stands to reason that with current production processes as they are, the more clothes that are made, requiring a greater number of materials, the greater the risks are that we will see growing carbon emissions, waste, use of hazardous chemicals and release of microfibres into our waterways.

However, not all fabrics are created equal. Each fibre choice has a different set of environmental impacts to consider. For instance, conventional cotton cultivation requires pesticide use and a large amount of water to irrigate crops, with the potential to damage soil and human health and threaten water supplies. Meanwhile, polyester is made from petroleum, a fossil fuel, releasing microplastics when worn and washed. Moreover, research from [Mistra Future Fashion](#) finds that in general there is a lack of credible and comparable environmental data for different fibres with issues of toxicity and eutrophication (when the environment becomes enriched with nutrients that can lead to toxins harming marine habitats) relating to fibre production scarcely studied.

With this in mind, it is surprising that fewer than half (44%) of brands publish strategies on using more 'sustainable' materials, while 37% report on their progress towards achieving these aims. It is even more striking that only 30% of large brands explain what tools or processes they use to define what they consider to be a 'sustainable' material, while 21% publish data on the different types of fibres they source. This lack of transparency on the environmental impacts of different material choices helps make the case for more stringent regulation in this area, including the need for mandatory industry-wide standards with clear guidance and tools that help companies to mitigate the environmental impacts of the materials they use.

#### Reducing the use of plastic and materials made from virgin fossil fuels

[More than half](#) the world's garments are made from synthetic fibres, with the four most common being polyester, nylon, polyolefins and acrylic. Most synthetic fibres we wear are plastic and made from crude oil, a non-renewable fossil fuel. According to the [International Energy Agency](#), the production of synthetic fibres is estimated to account for 15% of plastic use and 1.35% of crude oil consumption globally. To put this into context, this is

higher than the annual oil consumption of Spain and means the [textile sector is the largest user of plastic after packaging and construction](#). The production of polyester is an energy-intensive process producing a high level of greenhouse gas emissions, while wastewater emitted from polyester processes contain volatile substances that can pose a threat to human health.

Despite this, only a quarter of major brands publish time-bound, measurable targets on reducing the use of textiles deriving from virgin fossil fuels and 18% publish progress against their targets. When it comes to packaging, more brands seem to have targets in place – 39% brands publish time-bound, measurable targets on reducing the use of virgin plastics and 36% disclose progress against targets.

Microfibres are tiny fragments that shed from our clothes into the natural world when we wear, wash and dispose of them. It is estimated that our clothes release half a million tonnes of microfibres into the ocean every year, equivalent to [more than 50 billion plastic bottles](#). Even more shocking, microplastics have now been found in the placenta of expectant mothers. The environmental and health impacts of microplastics are yet to be fully understood, but we have found that fewer than a quarter (21%) of major brands publish information about how they're working to minimise the shedding of microfibres.

## OVERCONSUMPTION, WASTE & CIRCULARITY

Overproduction, overconsumption and waste are growing challenges for the global fashion industry. It is estimated that the fashion industry produces ‘more than 100 billion garments and 20 billion shoes annually’ – most of which will be sent to landfill or incineration within just five years of being purchased\* and global demand is expected to grow.

Currently, the vast majority of clothing production follows a linear model where mostly non-renewable materials are extracted, made into products and ultimately either sent to landfill or incinerated when no longer used. This linear model has created an unprecedented amount of textile waste around the world, with serious negative social and environmental impacts.

Brand	Annual product volume in the reporting period
Adidas/ Reebok	528 million units for apparel production, 448 million pairs in footwear production
Esprit	23.5 million pieces
InditEX (Zara, Bershka, Massimo Dutti, Stradivarius)	545,036 tons*
Mango	158 million units
Morrisons	35 million items
Pimkie	25 million pieces
United Colours of Benetton	76 million pieces
URBN (Free People, Anthropologie, Urban Outfitters)	44 million products

\*tons of garments placed on the market; in last year’s report Inditex disclosed that 1.6 billion items had been made in the annual reporting period

## Lack of transparency on annual production volumes

Looking at the issues of overproduction, we have found that just 14% of major brands disclose the quantity of products they make each year. Either brands are not tracking this data or, as seems more likely, they’re just not sharing this information publicly. Data on annual production volumes, if shared publicly, would give people more detailed insights into the scale of overproduction globally, a significant issue that remains largely ignored and certainly opaque among the world’s largest brands and retailers.

## Very low transparency on the incineration of unsold goods

Meanwhile, only 6% of major brands disclose the quantity of items destroyed annually, including Burberry, H&M and Nike following scandals which linked them to burning their clothes. Items may be destroyed by luxury brands as a way to retain exclusivity and value or simply because they have too many unsold goods, production samples they cannot sell or goods that don’t meet safety standards. However, new legislation in

France and forthcoming legislation in the EU prohibits the destruction of clothes, with some notable loopholes that brands can get around.

## Clothing take-back schemes and reuse

It is also worth noting that while 32% of major brands describe having permanent clothing take-back schemes in place, only 22% disclose what happens to the clothes received through these schemes, which typically involves unwanted clothing being resold overseas rather than recycled into new textiles and clothing. Second-hand clothing from western countries has been flooding markets in the Global South, often to the detriment of local manufacturing businesses and the environment. In response, several countries in the Global South have banned the importation of second-hand clothes from the West, such as The Philippines and Rwanda. The lack of transparency on what happens to our clothes when we donate them underpins the colonial legacy of the garment trade. Many global brands extract resources and manufacture clothes cheaply, using very low paid workers in the Global South, only to collect them after consumers have stopped wearing them and send them back

to countries in the Global South as less-valuable resources, leaving communities to manage the environmental and social costs. See the viewpoint on page 93 from Liz Ricketts at The OR Foundation to read more about this issue.

## Major brands, the circular economy and textiles

Moving towards more circular processes and business models is essential to tackling fashion's waste problem. [The Ellen MacArthur Foundation](#) defines the circular economy as based on the three following principles: eliminate waste and pollution, keep products and materials in use and regenerate natural systems. Significantly, a growing number of major brands explain how they're developing circular solutions that enable textile-to-textile recycling – 27% of brands in 2021, up from 18% in 2020. However, only 3% of brands publish the percentage of their products that are designed to enable circularity – which allows for the raw materials in disused clothes to be transformed into raw materials for new clothes. Of the 8 brands disclosing such data, half – Balenciaga, Bottega Veneta, Gucci and Saint Laurent – use the Kering Material Circularity Index, which draws on the methodology developed by the Ellen MacArthur Foundation.

We looked to see if brands share detailed data on the different types of waste created both before and after production of garments and found that just 6% disclose the amount of pre-production waste generated annually (offcuts, scraps, end-of-roll fabrics), while 2% disclose the amount of post-production waste generated annually (deadstock, overstock, unsold goods, samples). This suggests that the vast majority of brands have little insight into the types and amounts of waste created in their supply chains, which will hinder the effectiveness and impacts of their circularity initiatives.

Another crucial way to tackle textile and clothing waste is by investing in efforts to slow consumption and increase clothing longevity, which would have a significant positive impact on the environment. However, we found that just 14% of major brands describe the implementation of new business models, such as renting and reselling, and 18% offer repair services, which would enable their customers to keep clothes in use for longer.

There is much more to unpack on the complex issues of overproduction, overconsumption, waste and the circular economy in the global fashion industry, but it is clear that greater transparency is a critical first step that most big brands still need to take.

BELOW: Cast-off woolen clothing is sorted again in large warehouses in Panipat, Tim Mitchell



## VIEWPOINT: A LACK OF TRANSPARENCY FROM MAJOR BRANDS ON OVERPRODUCTION, CIRCULARITY AND THE SECOND-HAND CLOTHING TRADE



LIZ RICKETTS  
CO-FOUNDER AND DIRECTOR OF  
THE OR FOUNDATION

The first thing that stands out to me is that more brands offer clothing take-back programs than repair programs. This isn't indicative of aligning with true principles of circularity and sustainability which would require companies and citizens alike to take responsibility for their products. Instead, these statistics show that the vast majority of big fashion brands are simply passing on the responsibility for the products they create and more generally evading accountability for the overconsumption patterns that they actively incentivise and normalise.

Most brands' take-back programs simply divert clothing from local communities and ship it off to second-hand markets in the Global South, where we know much of the clothing ends up in landfills, burnt or swept out to sea. The oversupply of second-hand goods also undermines indigenous sustainability logic and teaches citizens that clothing is disposable thereby seeding linear behaviours in communities that have long resisted the lure of disposability culture.

Without further commitments to repair, upcycling, designing for durability and capping production volumes, take-back programs do not require that brands take responsibility for the waste they create. These brands confuse the public by marketing their take-back programs as "recycling" or "circular" while also rewarding customers with incentives to buy more new goods. This is counterproductive and leaves consumers with misguided notions about the state of textile "recycling".

Furthermore, because most brands work with third parties such as I:Co and Soex to implement these take-back programs, they fail to create a feedback loop between the post-consumer waste stream and their design teams, missing valuable opportunities to assess wear patterns and to design for durability, repair and upcycling. This is further evidenced by the fact that only 3% of brands, that's just 8 companies out of 250 surveyed, disclosed the percent of products that are designed for the circular economy. Until these brands stop overproducing and are accountable to the communities that truly care for their waste, these take-back programs simply export waste to the Global South thereby extending the linear economy, not truly closing the loop.

From 2020 to 2021, only 9 more brands made efforts to disclose the quantity of clothing that they produce, bringing the total to 33 brands or 13% of those surveyed. Yet this is a number that every brand will know. Every company in the world knows how many products it manufactures, so

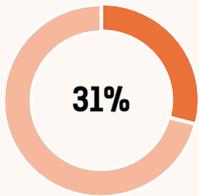
there is really no excuse for not disclosing this information. It speaks volumes to the fact that brands are afraid this will reveal their true impact on the planet and undermine the greenwashing claims that are made in their marketing campaigns.

Publishing data on the number of items would also force brands to confront the fact that supply and demand is not as straightforward as they claim. Brands intentionally overproduce because they cannot predict what people will buy and yet these same brands often claim that they only produce based on demand. This myth that supply and demand are neutral forces has been carried forward into the second-hand trade with brands suggesting that they only export what people in the Global South demand. If this were true then 40% of the clothing that flows through Kantamanto market in Ghana, where my work is based, would not go to waste. Disclosing production volumes would not only allow for more honest dialogue, but it would lead to more meaningful innovation across the value chain.

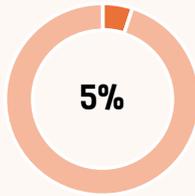
# 5. SPOTLIGHT ISSUES

## FINDINGS - WATER, CHEMICALS & CLIMATE

### WATER USE

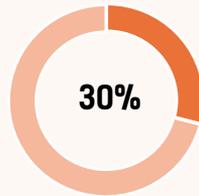


publish annual water footprint in company's own facilities

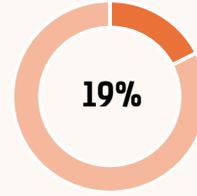


publish annual water footprint at raw material level

### HAZARDOUS CHEMICALS

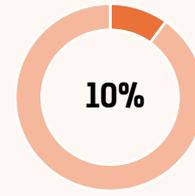


publish time-bound commitment to eliminate hazardous chemicals

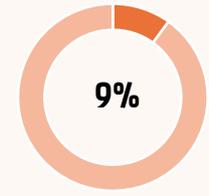


disclose process for conducting water-related risk assessments

### DEFORESTATION AND REGENERATION

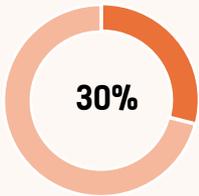


publish commitment to zero deforestation

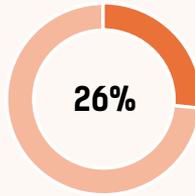


provide evidence of regenerative farming practices for one or more raw materials

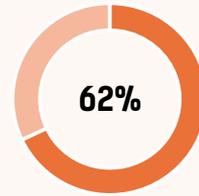
### CARBON FOOTPRINT



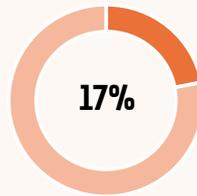
publish commitments to decarbonise



publishes Science Based Targets

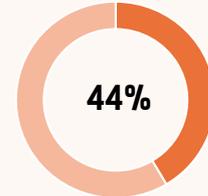


disclose annual carbon footprint in company's own facilities

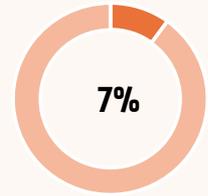


disclose carbon footprint at raw material level

### RENEWABLE ENERGY



publish data on renewable energy use in the company's own facilities



publish data on renewable energy use in the supply chain

## 5. SPOTLIGHT ISSUES

### ANALYSIS - WATER, CHEMICALS & CLIMATE

#### Wastewater treatment

Textile processing and garment manufacturing uses thousands of synthetic chemicals, many of which have been linked to cancer and, when improperly handled, can cause harm to the health of workers and their communities. [The UN estimates](#) that more than 80% of textile wastewater is returned to the environment untreated. [A report from CDP](#) outlines how wastewater is discharged or runs off into waterways, which can harm peoples' health, create unequal access to clean water and sanitation and damage soil fertility and the habitats of aquatic life. This, in turn, creates associated socio-economic problems for people dependent on the land and freshwater for food production and livelihoods. We added an indicator to the Index this year looking for disclosure of wastewater tests results in the supply chain and found that only 14% of major brands disclose some relevant data.

#### Hazardous chemicals

It is more encouraging to see that a growing number of major brands are sharing information publicly about their efforts to eliminate the use of hazardous chemicals, likely due in large part to the influence of the [Greenpeace Detox My Fashion campaign](#) that pushed brands to commitment to zero hazardous chemicals by 2020. 30% of major brands publish time-bound measurable targets on this issue, up from 24% last year, while 31% share data on progress towards eliminating hazardous chemicals, up from 19% last year. Nevertheless, the majority of brands still do not share any commitments or progress on efforts to eliminate hazardous chemicals from our clothing or from their manufacturing processes.

#### Water consumption

In general, textile production uses an enormous amount of water at various stages of the supply chain – from cotton cultivation to leather tanning to dyeing, treating and laundering fabrics. Textile production has been linked not just to water pollution but to exacerbating water scarcity, predominantly in countries in the Global South where the majority of textiles are produced. This is particularly the case with cotton, which requires excessive amounts of water to grow. Considering the level of concern around this issue, disclosure of water consumption data remains low among major brands and retailers. 31% of brands publish the annual water footprint in the company's owned and operated facilities (head office, retail stores, distribution centres, warehouses, etc.), which marks no increase on last year. Significantly fewer brands (14%) publish the annual water footprint at the manufacturing and/or processing

facility level and just 5% disclose water consumption data at the fibre production and/or raw material level. Finally, 19% of brands disclose a process or methodology for conducting water-related risk assessments, which are essential to understand the threat of water pollution and water scarcity in the supply chain – this was a new indicator for this year.

BELOW: collage by Bronwyn Seier



## VIEWPOINT: *WHY MORE TRANSPARENCY ON THE USE OF HAZARDOUS CHEMICALS IN CLOTHING IS ESSENTIAL*



**VIOLA WOHLGEMUTH**  
CONSUMPTION AND TOXICS CAMPAIGNER AT  
GREENPEACE GERMANY

Greenpeace welcomes the new Transparency Index from Fashion Revolution. It shows that Detoxing fashion is spreading beyond those brands that committed to zero discharges of hazardous chemicals during Greenpeace's **Detox My Fashion** campaign, which saw 80 companies (30 fashion brands and 50 suppliers) committing to Detox, following its launch in 2011.

The textiles industry is well known as a major user of hazardous chemicals (1) and industrial polluter of freshwater worldwide (2), among other things. For many years local communities have witnessed multi-coloured rivers, as a result of effluent from the dyeing and processing of clothes

for global and local clothing brands. It is encouraging that more brands are taking responsibility for this problem. The Detox My Fashion campaign shifted the focus of the industry away from hazardous chemicals in the final product, towards the bigger problem of use and discharge of hazardous chemicals in the supply chain.

The Index shows that this trend is increasing, with 64 brands (26%) saying that they are using a Manufacturing Restricted Substances List, which focuses on eliminating hazardous chemicals used by supply chain factories. The number of brands making time-bound commitments to reduce their use of hazardous chemicals, as well as reporting on progress towards these targets, has also increased.

To add credibility to these claims, reports of progress need to be verified by the publication of data on the discharge of hazardous chemicals into wastewater – at the moment only 36 brands (14%) say they are reporting their suppliers' wastewater data. This lack of transparency prevents local communities, public interest groups

and consumers from finding out where hazardous chemicals are being discharged and what progress has been made to eliminate this problem.

Also of concern is that not many brands publish water footprint reports for suppliers and fibre production, despite the high number of brands with a policy on this. Action on the environmental impacts at supply chain facilities needs to be holistic – starting with thorough chemical management and applying this approach to water and resource consumption, atmospheric emissions, energy consumption, and the release of greenhouse gases.

There is no shortage of professional expertise to support brands in improving the environmental impact of their supply chains – from the ZDHC to OEKO-TEX® and bluesign®. And, of course, fast fashion puts pressure on suppliers to speed up and cut corners, so slowing down the over-production of fashion is critical for reducing all the impacts of fashion, both environmental and social.

**This lack of transparency prevents local communities, public interest groups and consumers from finding out where hazardous chemicals are being discharged and what progress has been made to eliminate this problem.**

1. UNEP (2013), Global Chemicals Outlook – Towards Sound Management of Chemicals, p.14; <https://www.unenvironment.org/resources/report/globalchemicals-outlook-towards-sound-management-chemicals>

2. Business for Social Responsibility (2008) Water management in China's apparel and textile factories, p.2. [www.bsr.org/en/our-insights/report-view/watermanagement-in-chinas-apparel-and-textile-factories](http://www.bsr.org/en/our-insights/report-view/watermanagement-in-chinas-apparel-and-textile-factories)

## CLIMATE AND BIODIVERSITY

The global fashion industry is environmentally damaging on many levels – from the way materials are produced, to how they're manufactured into clothes, to how they're shipped around the world, and finally to how we buy, care and dispose of the clothes we wear.

Overall, we don't know quite how big fashion's carbon footprint is – partially because supply chains are complex and measuring greenhouse gas emissions is difficult to do. Few brands appear to be gathering and disclosing emissions data beyond their direct operations. However, [research from the Global Fashion Agenda \(GFA\) and McKinsey](#) estimates the fashion industry accounts for 4% of global greenhouse gas emissions.

The effects of climate change are not felt equally across the world, and many production countries are already grappling with the negative impacts of global heating, which includes rising sea levels, deadly heat waves, droughts, fires and storms. Furthermore, ["those who work in and live near textile manufacturing facilities bear a disproportionate burden of environmental health hazards,"](#)

including air pollution. [According to the International Labor Organization \(ILO\)](#), global heating has severe implications for urban areas where many garment factories are heavily concentrated, some with poor ventilation and cooling systems which leads to increasing heat-related occupational health and safety risks, and women, whom make up the vast majority of the workforce, tend to be hardest hit. Extreme heat waves and deadlier storms may lead to more disruption in garment manufacturing in the near future, which could negatively impact companies' bottom lines.

Despite the urgency and severity of the climate crisis, less than a third of major brands (30%) have published a time-bound and measurable commitment to decarbonise their direct operations and supply chains (i.e. Scope 1, 2 and 3 emissions).

### Disclosing carbon emissions data

[Over 70% of emissions](#) in fashion's supply chains occur during raw material production and processing. Despite this, only 17% of brands publish their carbon footprint at raw material level and 26% at manufacturing/processing level, compared to 62% publishing emissions for their own operations and facilities.

We see a similar pattern on the topic of renewable energy use, with 44% of brands disclosing renewable energy use data in their direct operations, but only 7% disclosing renewable energy use data in the supply chain. Additionally, only 18% disclose absolute energy reduction data in the supply chain. This may be due to the difficulty of capturing carbon and energy data down the supply chain, where brands need to rely more heavily on estimates as environmental data may not yet be monitored and measured within their suppliers' facilities.

If major brands do not track carbon emissions in the supply chain right down to raw material level, they cannot accurately measure their climate impacts. Furthermore, brands cannot easily be held to account for reducing emissions if they do not publish this vital data.

### Slow increase in public commitment from major brands to reach net-zero carbon.

As a growing number of big brands establish targets on decarbonisation, it is important to differentiate between carbon neutrality and net-zero carbon as these terms are often interchangeably used, causing a great deal of confusion.

Carbon neutrality is defined by an internationally recognised standard [PAS 2060](#), which sets out requirements for the quantification, reduction and offsetting of greenhouse gas emissions. Whereas net-zero carbon is achieved by reducing greenhouse gas emissions in line with the Paris Agreement of a 1.5°C pathway and balancing any remaining greenhouse gas emissions with [carbon removal \(e.g. carbon capture and storage\)](#).

There are key differences between carbon neutrality and net-zero carbon set out below and based on the [Science-based Targets Initiative definition](#):

	Carbon Neutrality	Net-zero carbon
Scope	Carbon neutrality has a minimum requirement of covering Scope 1 & 2 emissions with Scope 3 encouraged.	The boundary of net-zero includes global Scope 1, 2 and 3 emissions of the organisation.
Level of ambition	No requirement for a company to reduce its emissions on a certain trajectory in order to be carbon neutral.	To be net-zero, an organisation must be reducing its emissions along a 1.5°C trajectory across Scopes 1, 2 and 3.
Boundary	To achieve carbon neutrality, an organisation must purchase carbon offsets that either result in carbon reductions, efficiencies or sinks.	A net-zero claim can only be achieved if an organisation's entire value chain is accounted for.
Aim	To achieve carbon neutrality, an organisation must purchase carbon offsets that either result in carbon reductions, efficiencies or sinks.	A commitment to net-zero carbon means reducing greenhouse gas emissions with the goal of balancing the emissions produced and emissions removed from the earth's atmosphere.  To achieve net-zero carbon, the company would need to reduce and also invest in projects that remove carbon emissions from the atmosphere.

Under the 2015 Paris Agreement, national governments have committed to limiting global temperature increase to well below 2°C and pursuing efforts to limit temperature increase to 1.5°C. Companies play a key role in meeting these commitments. Science-based targets provide companies with a clearly defined pathway to reduce greenhouse gas emissions in line with the Paris Agreement.

Our research has found that a growing number of major brands are making public commitments to achieving net-zero carbon emissions and establishing Science Based Targets (26% this year compared to 16% in 2020). With this in mind, nine brands (4% in 2021, up from 3% in 2020) have been developing tools to account for their environmental costs and mitigate them. One best practice example is Kering Group's (Balenciaga, Bottega Veneta, Gucci and Saint Laurent) [Environmental Profit & Loss accounting tool](#), which measures environmental footprint data across its operations and supply chain and translates this data into monetary value.

**Few major brands have committed to regenerative agricultural practices and to zero deforestation despite accelerating biodiversity loss.**

[Forests are home to 80% of the world's terrestrial biodiversity](#) and are critical habitats that support the livelihoods and cultures of indigenous communities while providing [important ecosystem services](#) such as clean water, carbon sequestration and pollination, among others.

Materials such as leather and viscose, which is made from wood-pulp and used widely in clothing, have been linked to the destruction of ancient and endangered forests, cutting down trees that are vital tools in fighting the climate crisis and devastating the homes and livelihoods of indigenous communities. [Research from Canopy](#) estimates that more than 200 million trees are logged every year and turned into cellulosic fabric (e.g. viscose, rayon, modal and lyocell), leaving fewer than 20% of the world's ancient forests intact.

With this in mind, we have found that only 10% of brands publish time-bound and measurable commitments to zero deforestation. However, this is compared to just 2% of brands last year, which is encouraging progress. It could be the case that more brands have made public commitments to net-zero deforestation.

Zero deforestation means no forest areas are cleared or converted, while net-zero deforestation allows for the clearance or conversion of forests in one area as long as an equal area is replanted elsewhere. However, we chose only to look for zero deforestation commitments because it is more ambitious and arguably easier to measure.

Finally, the topic of regenerative agriculture is becoming increasingly popular among sustainability advocates in the global fashion industry. As it seems like it might become the next big industry buzzword, we decided to add an indicator to the Index this year to see how many brands share information about this topic publicly.

Regenerative agriculture can be [defined as 'a system of farming principles and practices that increases biodiversity, enriches soils, improves watersheds, and enhances ecosystem services.'](#) Most fashion brands depend on agriculture to source raw materials, yet we found that only 9% of major brands disclose evidence of implementing regenerative farming practices for at least one raw material source.

In one interesting example, [Burberry has recently launched a Regeneration Fund](#), which supports carbon insetting projects in partnership with [Pur Projet](#). Carbon insetting is a process which focuses on a brand's own supply chain and promotes biodiversity, helps restore ecosystems and supports the livelihoods of local producers, as well as storing carbon at source and removing it from the atmosphere through agroforestry.

However, it is important to note that regenerative agriculture has been practiced in communities all over the world for thousands of years. The conversation about shifting to regenerative agricultural models should focus on valuing the knowledge of indigenous communities and returning to more traditional methods of farming, which will require deeper reflections on our shared colonial past as an industry and as a global society.

**"If there is no traceability and transparency in the supply chains, brands cannot be aware of the effect of their business practices on human rights and neither on the environment."**

Dr Flavia Loscialpo and Eleonora Mongelli

## VIEWPOINT: *TRANSPARENCY ON CARBON FOOTPRINTS IS KEY TO CREDIBILITY OF BRANDS' SCIENCE-BASED TARGETS*



**PAULINE OP DE BEECK**  
EU BUSINESS DEVELOPMENT MANAGER AND  
SUSTAINABLE FASHION LEAD FOR **THE CARBON TRUST**

**It is heartening to see the increase in transparency in all areas in this 2021 report and the new indicators that have been added this year are really important. A large number of brands have signed up to sector pledges like the UN Fashion Charter and the G7 Fashion Pact, but transparency on carbon is the only way we can be confident that they are taking the necessary actions to fulfil these pledges. Plus, while the increase in reporting is welcome, many brands that have signed up to these pledges have yet to disclose their emissions and set science-based targets.**

Once an organisation has set targets, being transparent about the underlying boundaries, assumptions and emissions profile that constitutes them is crucial in order to understand if they are indeed aligned with the requirements of the Paris Agreement and the Science Based Targets initiative. Transparency on carbon is essential because we want to be able to understand how these targets truly reflect a company's impact and the specific challenges that a company will be addressing.

For example, disclosure of Scope 1 and 2 emissions (own operations) and target implementation plans, reveals what proportion of an organisation's energy procurement is renewable, what action is being taken to increase that and what energy efficiency measures are being taken/planned to reduce energy usage.

Being transparent and reporting on Scope 3 footprints (value chain) is crucial to understanding the scale of change an organisation needs to make, given that these emissions commonly make up 80-90% of a brand's footprint. Explaining what the most carbon intensive materials and processes are, and how these fit into reduction targets, not only demonstrates an organisation's willingness to act on these emissions but also helps ensure accountability for year-on-year reductions.

Initially, these footprints will often be based largely on estimations due to a lack of supply chain visibility. Supplier engagement for accurate reporting and, ultimately, then achieving these reductions in the supply chain is key. With this data, and an increased focus on accurate material reporting, the industry should move to a lifecycle analysis (LCA) based

approach. This is particularly important so that brands can demonstrate the emissions associated with their specific buying processes and not just the industry average. An LCA approach should also ensure that brands are making informed choices about material switching and process innovation.

Improved accuracy and transparency on carbon footprints is key to the credibility of any organisation's science-based targets and/or net-zero commitments and something that you can find out more about from the **Carbon Trust**.

# FINAL THOUGHTS & RECOMMENDATIONS

# TAKE ACTION ON TRANSPARENCY

## *WHAT NEEDS TO HAPPEN NEXT?*

Anyone anywhere should be able to find out how, where, by whom and at what social and environmental costs their clothes are made. This requires greater transparency across fashion's global value chain.

By working together, as one collective voice, we must demand that companies become more transparent and that governments must require transparency from the brands we buy.

We want to see an industry where transparency and accountability are so deeply embedded across the entire value chain that the Fashion Transparency Index is no longer needed. However, greater transparency is only the first step towards making change in the global fashion industry and, unfortunately, a first step that is still very much needed across much of the industry.

Ultimately, transparency will help us to create a global fashion industry that conserves and restores the environment and values people over growth and profits.

**So, our call to you is this – do not use this Index to inform your shopping choices but rather use these findings to inform your activism. Scrutinise the major brands and hold them to account on their claims.**

For individuals, this means calling on:

- ❑ Major brands and retailers to be more transparent on all the issues included in the Fashion Transparency Index – get in touch with brands and ask them #WhoMadeMyClothes? #WhatsInMyClothes? and #WhoMadeMyFabric?
- ❑ Policymakers to create legislation that holds big brands accountable for human rights and environmental impacts the length of the value chain
- ❑ Shareholders and investors to use their power to influence big brands to be more transparent and do better for the planet and the people who make our clothes
- ❑ Civil society, such as trade unions and NGOs, to ensure that brands' policies and practices translate into positive outcomes in the places where clothes are made

### For major brands and retailers, this means:

- ❑ Publish your supply chain right down to raw material level as soon as possible, doing so in alignment with the [Open Data Standard for the Apparel Sector](#)
- ❑ Be completely transparent on all the topics covered in the Fashion Transparency Index, continuously updating public disclosure in response to evolving risks
- ❑ Implement robust due diligence on human rights and environmental risks and publicly evidence the outcomes and impacts of your efforts
- ❑ Work collaboratively on due diligence with your peers, especially when they operate in the same facilities, and with rights holders, especially women workers and trade unions, and then share these efforts publicly
- ❑ Support legislation that requires greater transparency and corporate accountability on environmental and human rights issues in the global fashion industry

### For policymakers, this means:

- ❑ Support better regulations, laws and government policies that require transparency and corporate accountability on environmental and human rights issues in the global fashion industry
- ❑ Support better enforcement of existing laws, including sanctions, on social and environmental issues that relate to the global fashion industry
- ❑ Be more proactive at responding to 'red flags' and risk factors associated with labour exploitation and environmental damage in the global fashion industry
- ❑ Read and listen to the viewpoints of workers and communities affected by the global fashion industry, see pages 56, 64, 73, 81, 83, 87, 92, 95, 99, to inform your policymaking activities

### For investors and shareholders, this means:

- ❑ Ask major fashion brands and retailers for clear governance and accountability on human rights and environmental issues
- ❑ Ask for board level accountability on human rights and environmental issues and demand that executive pay is tied to improved impacts on these issues
- ❑ Demand that the board has expertise on the complexities and nuance of human rights and environmental issues
- ❑ Prioritise meaningful and credible environmental, social and governance (ESG) factors into your investment strategies
- ❑ Call for mandatory transparency and corporate accountability legislation on environmental and human rights issues in the global fashion industry

### For civil society, journalists and academics this means:

- ❑ Use this data and our findings, available in this report and on [Wikirate.org](#), to scrutinise and verify the public claims made by brands and hold them to account
- ❑ Raise the flag when brands make public claims that do not reflect the reality on the ground
- ❑ Use this data to collaborate with other stakeholders and brands themselves to address issues found in supply chains and prevent them in the future
- ❑ Stand together in calling for mandatory transparency and corporate accountability legislation on environmental and human rights issues in the global fashion industry

# THANK YOU!

The Fashion Transparency Index 2021 was written by Sarah Ditty, Ciara Barry, Liv Simpliciano and Delphine Williot in June 2021. The report was designed by Emily Sear, Maria Maleh and Ipsa Dhariwal. The research was carried out between November 2020 and April 2021 by:

Sarah Ditty, Carry Somers, Ciara Barry, Delphine Williot, Liv Simpliciano, Ilishio Lovejoy, Sienna Somers, Lian Sing, Ysabl Marie D. Dobles, Isabella Luglio, Nicky Allan, Dr. Fiori Zafeiropoulou, Shruti Singh, Nora Milena Vehling, Michelle Ying-Chi Lai, Clara Buckens, Julia Handler, Alex Scott, Manon Thomas-Delbeke, Veronica Vanessa Stone.

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Thanks to all of the representatives from the brands and retailers who participated in the Fashion Transparency Index this year. We know that brands receive frequent requests for information from civil society and NGOs, and it's difficult to respond to them all and still get work done. Your participation is both vital and appreciated.

The Fashion Transparency Index is funded by the [Laudes Foundation](#), and we thank them for their ongoing support.

Fashion Revolution's Fashion Transparency Index has led the way in increasing transparency across fashion brands' supply chains, while pushing the industry to be more accountable.

With your support we can keep calling on brands to be more transparent as an essential first step towards a better and fairer industry, while advocating for a more dignified quality of life for the people who make our clothes.

Please support us to continue to carry out this crucial work in creating a fashion industry that is more transparent and accountable by becoming a regular supporter or making a one-off donation [here](#).



Laudes ———  
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# FTI 2021

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