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2021

ETHICAL FASHION

Report



2021

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Report

October 2021

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INTRODUCTION

This 2021 *Ethical Fashion Report* is published at a moment when the world continues to experience significant disruption. At the time of writing, the COVID-19 pandemic has been raging for close to two years, global case numbers are at or near the highest levels thus far, and the largest cities in both Australia and New Zealand are in COVID-related lockdowns. The sixth Intergovernmental Panel for Climate Change report has provided a stark warning that humanity's current path is not sufficient to avert the worst impacts of climate change. It is the International Year for the Elimination of Child Labour yet abuses like forced and child labour continue to be found in global supply chains.

The global fashion industry is a key actor in responding to each of these challenges. More than 50 million people are employed in clothing production—many are among the most vulnerable to the impacts of COVID-19. Up to 10 per cent of global greenhouse gas emissions occur throughout the fashion supply chain and other environmental impacts from production are significant. The industry is among the top five for modern slavery risk.

In the first part of this 2021 report, Baptist World Aid (BWA) and Tearfund New Zealand (TFNZ) examine

these three big challenges—modern slavery, climate change, and COVID-19—and explore both the fashion industry's impact and the responses of major local and international fashion brands in Australia and New Zealand.

After last year's COVID Fashion Report Special Edition, this year's *Ethical Fashion Report* returns to the regular methodology, explained in full on pages 30–33. In short, some 98 companies representing 420 brands have been comprehensively surveyed across 18 different facets of their supply chains broadly covering: policies and governance, tracing and risk, supplier relationships and human rights monitoring, worker empowerment, and environmental sustainability. Each company has received a grade from A+ to F based on the evidence they have made available either publicly or directly to the *Ethical Fashion Report* research team. These grades can be found on pages 9–10. Key insights from each of these sections are examined in the second half of this report and detailed data is available in the EFR Technical Appendices.

Following the trend from recent years, we have witnessed continual improvement from the industry when it comes to foundational measures, such as establishing the right codes of conduct and policies,

and tracing supply chains. However, key measures that deliver outcomes for workers remain stuck at low levels, such as payment of living wages, comprehensive remediation when problems are identified, and active support for collective bargaining.

For the first time this year we are publishing the underlying mean score for the industry. At 33.6 out of 100, this average may startle some readers. It is broadly consistent with the trends from recent year—and in fact follows slow but continuous improvement over the eight years since we started publishing this report. It is nevertheless a reminder that there is still a long way to go.

Baptist World Aid and Tearfund New Zealand are committed to working toward a better world for all where all can experience the flourishing that God intends. We know that each actor in the fashion industry—from garment workers to suppliers, fashion brands to governments, retail employees to customers—has a role to play. This report shows that the work has begun, but also that there is much yet to do. Together, we must redouble our efforts to create a fashion industry that provides economic dignity and opportunity to its workers and enhances the sustainability and resilience of the planet. Thank you for reading on and joining us in this work.

MEET THE **PEOPLE** *who make* **OUR CLOTHES**

Sarika has worked in a garment factory in Dhaka, Bangladesh for four years as a helper in the sewing department. Her factory employs 3,000 workers including her husband, an operator of dyeing machines.

Sewing helpers work long hours, six days of the week. Although Sarika is paid for overtime, she feels she doesn't really have a choice.

'If they ask us to work 24 hours then I will have to work 24 hours.'

Still, Sarika enjoys her job and considers herself fortunate. When the COVID pandemic hit, millions of workers lost their jobs, while her wage was reduced by 40 per cent for only one month, then returned to normal.

She has friends at the factory and takes pride in her work, aspiring to one day become an operator like her husband.

'I am good at pairing the serial numbers with the "bodies" [garments]. So, everyone praises me for that.'

Sarika hopes to soon return to her village, build a home, and raise her child who currently lives with his grandmother. Her husband will need to continue working at the factory if they are to afford their child's schooling, and for Sarika to be home with him.

'Everyone has dreams. I want to work only for two more years and don't want to work anymore. That is why I want to work more hours now whether they make me work 12 hours or 24 hours.'

These are the difficult choices workers in the garment industry must make.



MEET

Sarika





MEET

Ramana

Ramana has worked in a few garment factories since getting her first job at 14 years old at the fabric mill where her parent worked. She's learned that depending on which factory she's working at, the experience can be very different.

'There are some shifts, where the behaviours of the bosses are not good,' she says. 'In our office the behaviour of the bosses [is] good. We feel comfortable talking to them. We feel comfortable working there.'

'Those whose behaviour is good, get good work from employees. And those who behave badly, make us feel angry... we won't work for him.'

At her previous factory, excessive overtime hours were considered normal and Ramana regularly worked 12- or 16-hour shifts. Now she always goes home at the end of her eight-hour shift – although, she and most of her colleagues rarely take time off.

'There are [some] people who because of poverty don't take a single day leave. Unless one is in

emergency no one takes leave of absence.'

Ramana has mixed feelings about her life in the garment industry.

'I am working from the age of 14. I feel sad that my parent's condition was not good and that is why we had to work in garments.'

Her husband lost his job during the pandemic and had to move away to earn money. She can't watch their infant son while at work, so he lives far away with her in-laws in their village. Her dream is to return in time and with money to send her son to school. For now, she focuses on the positives.

'My parents-in-law are good people, and no trouble is there. The place where I stay is also good. And the place where I work also has no problems. So I am very happy.'

Maanik has worked in the garment industry for ten years. Her work friends are like her family.

She moved to Dhaka from her rural village to support her family. She began as a helper in the sewing department and was later promoted to operator of a machine that removes factory dust and threads from clothing.

Maanik says, 'When I can earn money for my family and make development, it becomes an inspiration inside [my] heart.'

Although Maanik enjoys her job, it still doesn't pay enough for the life she wants. When asked if she earns enough to support her family she says, 'see [when] everyone works in a family to earn money then it is possible. But if only one person works then it is not possible. Everyone needs to earn money.'

Her school age son now works in a garment factory across the city.

MEET

Maanik

2021

INSIGHTS AT A *glance*

80
billion



garments
purchased annually
across the world

More than
50 million

people work
in the global
garment
industry



But there are
some BIG
CHALLENGES...



Fashion is
among the

top 5

most exposed
industries to
modern slavery risk



The
fashion
industry
contributes

up to
10%

of global
greenhouse
gas emissions



COVID-19 continues
to impact garment
workers who have
lost more than

>A\$16
billion

How fashion brands
are performing

420

Brands assessed in 2021
(98 companies)

20.5%

A+ A

56%

B C

23.5%

D F

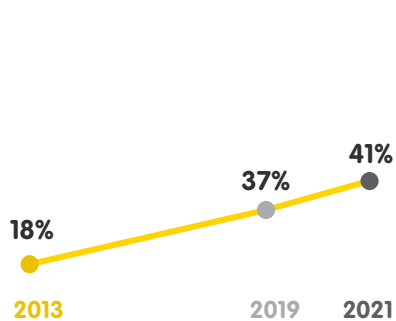
Average score
remains low at

33.6

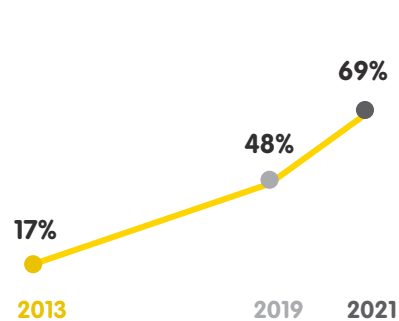
out of 100

THE CHANGES

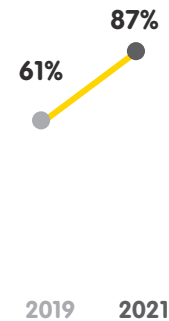
The industry is improving on the basics...



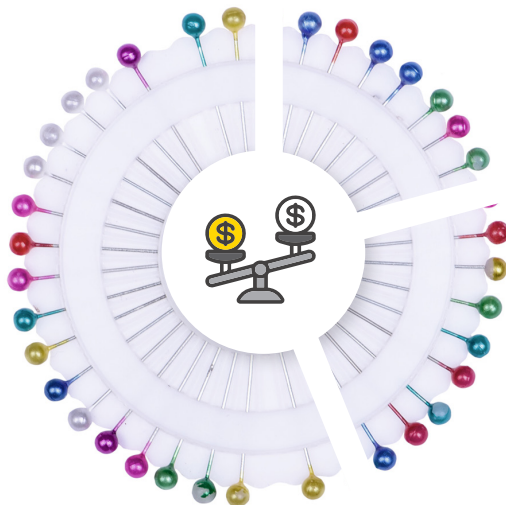
Companies publishing full final stage supplier lists



Companies actively working to trace their raw material suppliers



Companies starting to use sustainable fibres



But outcomes for workers are still to be achieved...

Only 15% of companies can demonstrate paying **living wage** in any final stage facilities – **only 4%** can show paying it in all final stage facilities

19% of companies can demonstrate successful corrective action plans for wage or overtime violations

54% of companies can point to active collective bargaining or worker unions/associations in some final stage facilities, **only 4%** can show it in all final stage facilities

Top Performers and Biggest Improvers

The *Ethical Fashion Report* is focussed on encouraging and pointing to positive progress.

FOUR COMPANIES ACHIEVED



10 COMPANIES
IMPROVED BY
MORE THAN
12%

Abercrombie & Fitch
Fruit of the Loom
Hotspots
Hugo Boss
Lacoste
Macpac
Mighty Good Basics
Mosaic Group
Pentland Brands
Showpo



Company Grades

Company	Overall Grade	Policy & Governance	Tracing & Risk	Supplier Relationships & Human Rights Monitoring	Worker Empowerment	Environmental Sustainability
Abercrombie & Fitch	C*	B	C	D	D	A
Adidas	A	A+	A+	B	C	A+
ALDI Stores	B	A	A	B	D	B
Ally Fashion	D	B	C	F	F	F
APG & Co	B	A+	A	B	D	B
AS COLOUR	A	A+	A	A	B	A
ASICS	C	A+	B	D	D	A
ASOS	B	A+	A	C	D	A
Bardot Pty Ltd	F _i *	F	D	F	F	F
Barkers Clothing	B*	A+	B	C	D	B
Best & Less	C	A	B	C	D	C
Big W	C	A+	A	C	D	C
Blue Illusion	D _i *	B	D	F	F	D
Boardriders	F _i *	C	D	F	F	F
Boden	B	A+	A	B	D	C
Boohoo	D	A+	D	F	F	B
Brand Collective	D	A	C	D	F	F
Brandbank	C	A	B	C	F	D
City Chic Collective	C	A	A	B	D	D
Coles	D _i *	B	C	D	F	D
Cotton On Group	B	A	A	B	D	A
Country Road Group	A	A+	A+	A	C	A
Cue Clothing Co.	C	A	B	C	C	B
David Jones	B	A+	A	B	C	B
Decjuba	D _i *	A	B	D	F	D
Etiko	A+	A+	A+	A+	A+	A+

Company	Overall Grade	Policy & Governance	Tracing & Risk	Supplier Relationships & Human Rights Monitoring	Worker Empowerment	Environmental Sustainability
Ezibuy	C	A+	C	C	D	D
Forever 21	F _i *	C	F	F	F	F
Factory X	B	A+	A	C	D	B
Farmers	F _i *	C	F	F	F	F
Fast Future Brands	F _i *	C	F	F	F	F
Forever New	C	A+	B	C	D	C
Fruit of the Loom	B	A+	B	C	D	A
Gap INC	B*	A+	A	B	D	A+
General Pants Group	C	A+	B	C	D	B
Gildan Activewear	B	A+	A	B	C	A
H&M	A	A+	A	B	C	A+
Hallenstein Glasson Holdings	A	A+	A	A	B	A+
HanesBrands	A	A+	A	A	B	A
Hotsprings	C	A	B	C	D	C
Hugo Boss Group	B	A+	A	B	C	A
Inditex	A	A+	A	A	B	A+
Industrie	D _i *	A	D	F	F	F
JD Sports	B	A+	A+	C	D	B
Jeanswest	F _i *	C	D	F	F	F
Joyya	A+	A+	A+	A+	A+	A+
Just Group	C	A+	B	B	F	F
Kathmandu	A	A+	A+	A	C	A
Kmart and Target Australia	B	A	A+	B	C	A
Kookai	C	A+	B	C	D	C
L Brands	C	A+	A	C	D	B
Lacoste	B	A+	A+	B	D	A

Company	Overall Grade	Policy & Governance	Tracing & Risk	Supplier Relationships & Human Rights Monitoring	Worker Empowerment	Environmental Sustainability
Levi Strauss and Co	B*	A+	A	C	D	A+
Lorna Jane	D _i *	C	D	F	F	F
Lowes	D	D	C	D	F	F
Lululemon Athletica	A	A+	A	A	C	A
Macpac	A	A+	A	B	D	A+
Marks & Spencer	B*	A+	A	B	D	A
Max Fashions	C*	A+	B	C	D	D
Mighty Good Basics	A+	A+	A+	A+	A+	A+
Mosaic Group	C	A+	B	C	D	C
Myer	D	A+	C	C	F	F
New Balance	B	A+	A	B	D	A
Next	B	A+	A	B	D	A
Nike	A	A+	A	B	D	A+
Nobody Denim	B	A+	A	C	D	B
Nudie Jeans Co	A	A+	A+	B	B	A+
Oroton Group	C	A	C	C	D	C
Outland Denim	A+	A+	A+	A+	A+	A+
Oxford	C	A+	B	D	D	C
Patagonia	A	A+	A+	A	C	A+
Pentland Brands	B	A+	A	B	D	B
Postie	B	A+	B	C	D	B
Princess Polly	B	A+	C	B	D	B
Puma	A	A+	A	B	C	A
PVH Corp	B	A+	A	C	D	A
R.M. Williams	D _i *	A	B	D	F	F
Ralph Lauren	C	A	C	D	D	A
Retail Apparel Group	B	A+	A	B	C	D
Rip Curl	B	A+	A	B	D	B
Rodd & Gunn	A	A+	A+	B	C	A
Seafolly	C	A+	B	C	D	C

Company	Overall Grade	Policy & Governance	Tracing & Risk	Supplier Relationships & Human Rights Monitoring	Worker Empowerment	Environmental Sustainability
Sheike	F _i *	F	F	F	F	F
Showpo	C	A+	B	C	D	D
Sussan Group	C	A+	B	C	D	F
The Iconic	C*	A+	B	C	D	B
The PAS Group Limited	D	A	C	D	F	F
The Warehouse Group	C*	B	B	D	D	D
ThreeByOne	B	A+	B	C	D	B
TJX Australia	D*	A	F	F	F	D
Under Armour	C*	A+	C	D	F	C
UNIQLO	B	A+	A	C	D	A
Universal Store	D	A	D	D	C	F
VF Corp	A	A+	A+	B	D	A+
Voyager Distributing Co	F _i *	D	D	F	F	F
Workwear Group	B	A+	B	B	D	B
Zimmermann	B	A	A	B	F	B

All company grades are determined on the basis of the evidence they provide in response to 46 questions covering different aspects of their supply chain. Full methodology details can be found on pages 30–33.

Companies with an asterisk () beside their grade have been assessed on ‘Public Information Only’. This may be because they have chosen to only provide evidence through their public transparency initiatives or because they have opted not to engage. All evidence is assessed using the same validation criteria.

ⁱ Companies with an (i) beside their grades did not engage with the research process and have ‘Insufficient Public Information’ to assess more than 20 per cent of the EFR survey questions. Some of these companies may have additional measures in place within their supply chains but the grade remains an accurate reflection of their transparency. This transparency is critical as it enables accountability and provides the basis for informed consumer decisions.

A high-angle photograph of two women working on a large, traditional textile loom. The loom is filled with hundreds of vertical threads in various colors, including red, yellow, and blue. The women are wearing traditional headscarves and are focused on their work. A yellow banner with the text 'INDUSTRY Challenges' is overlaid on the left side of the image.

INDUSTRY *Challenges*

THE MODERN SLAVERY Challenge

FAST FACTS



40.3 million people are currently trapped in **modern slavery**

152 million children are in **child labour**

Modern slavery generates **an estimated global profit of US\$150 billion**

Source: ILO



The Modern Slavery Challenge

The fashion industry is in the top five global industries at risk of modern slavery.¹ Clothing supply chains operate in regions with high rates of poverty and employ large numbers of vulnerable workers. Modern slavery risks can occur at any point in the supply chain but are most concentrated in areas over which companies have the least visibility including at raw materials stage, and among sub-contracted, home, and migrant workers.

Agricultural workers

The raw materials in our clothing face the least scrutiny from clothing companies. Work is often seasonal and temporary, and children can be used for tasks such as cotton picking due to their small hands. Raw materials tracing is improving and in some cases is aided by use of technology, but as fibres like cotton are often blended at ginning and fabric production stages, certainty about provenance remains challenging.

Subcontractors and homeworkers

As companies have improved their required standards and processes of auditing in recent years, many of the greatest risks at manufacturing stages have moved into the subcontracting and homeworking spaces. In some cases, this is an acceptable practice, e.g. when a speciality skill is needed. However, oversight of subcontracting is difficult, and despite the commonality of code of conducts that prohibit the practice, unauthorised subcontracting and use of shadow factories remains common.

28% of companies know where at least **half their raw materials** are from.

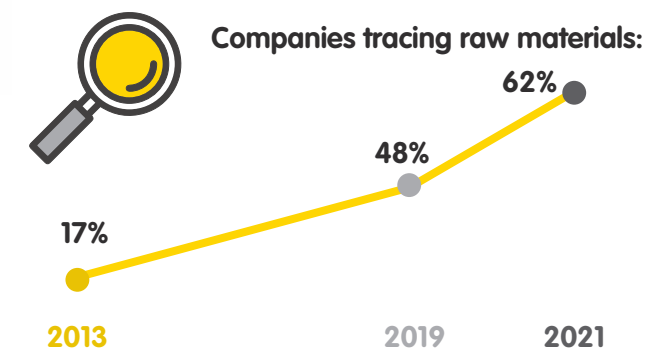


Figure 1

% Companies monitoring for forced labour risk

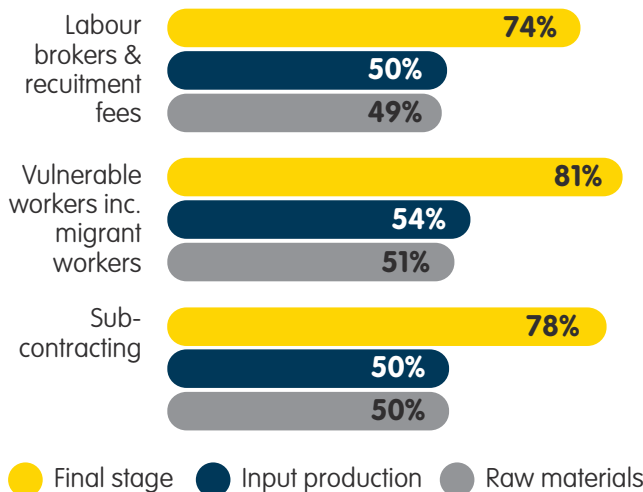


Figure 2

Migrant workers

Migrant workers are particularly vulnerable to forced labour because they are outside of the protections of their home country and often relied upon to send remittances to their family or community. Labour brokers and factory owners can take advantage of this vulnerability by charging exorbitant fees and retaining worker passports—both of which essentially imprison workers until they pay back their debt.

Companies are actively and consistently monitoring their facilities for these high-risk employment practices, but improvement is still needed across the board, particularly at inputs and raw materials.

Forced labour and modern slavery are too often enabled by business practices that:

1. Create low margin environments for suppliers where the incentive/necessity to reduce labour costs is high;
2. Implement insufficient supply chain policy, training, monitoring, and remediation processes;
3. Fail to empower workers through payment of living wages, prevent the joining of unions or other associations, and do not ensure the presence of robust worker voice mechanisms; and
4. Do not proactively identify and respond to heightened potential for exploitation in some high-risk jurisdictions.

¹2018 Global Slavery Index <https://www.globalslaveryindex.org/>

Along with ensuring their contracts and purchasing practices are fair, it is critical that fashion companies implement measures that respond to each of these gaps.

Monitoring and remediation

Companies need to ensure they have robust measures of control in place at each stage of their supply chain management. These should start with strong codes of conduct that are reflected in their contracts and include training for staff and suppliers on how to implement these codes, ongoing monitoring of workplace standards, and effective remediation processes for incidents where suppliers are not acting consistently with these standards.

Both traditional auditing and worker voice mechanisms play a role in effectively monitoring facilities for adherence to labour rights standards. Although grievance mechanisms have become more common, audits remain by far the most used monitoring system at every stage of the supply chain.

Setting Standards



Companies also continue to focus their monitoring efforts on the final stage of their supply chain. An emerging practice is the incorporation of worker voice processes, such as anonymous surveys and off-site worker interviews, into traditional audits. Forty-four per cent of brands included these processes in audits of at least some final stage facilities in 2021 compared with less than 30 per cent in 2019.

Companies using the following monitoring mechanisms

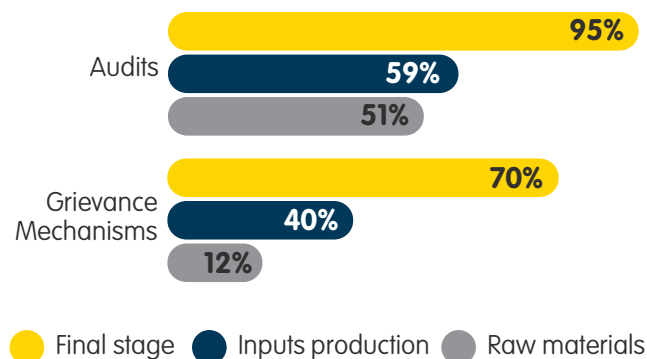


Figure 3

Only 26 per cent of companies have a remediation process in place at final stage and even fewer at inputs and raw materials. Many companies state they have never detected modern slavery in their supply chain. However, given the prevalence of forced and child labour in the fashion industry, this suggests a risk of complacency as companies fail to understand the extent to which garment workers are at risk of forced and child labour and are underprepared to deal with cases that are identified.

Worker empowerment

Empowered workers are significantly less likely to be at risk of labour exploitation and modern slavery. If a worker is able to quit an exploitative job without fear of falling into poverty and has the agency to demand their rights without fear of repercussions, some of the power differential that drives slavery-like conditions can be lessened. This can be achieved by ensuring they earn a living wage, and can collectively bargain for their rights as part of worker representative groups and unions.

There has been slow progress in these two areas. Only four companies—Outland Denim, Joyaa, Mighty Good Basics, and Etiko—pay a living wage at more than 75 per cent of their final stage facilities, and all have an



Empowered workers are significantly less likely to be at risk of labour exploitation and modern slavery.

explicitly centred ethical practice in their business models. Beyond this, 50 per cent of companies can demonstrate specific initiatives that are working to improve wages at one or more of their facilities.

Fifty-four per cent of companies could demonstrate active unions or worker representative groups at one or more of their final stage facilities, but only seven per cent could show this at more than 75 per cent of facilities. Only 41 per cent of companies have evidence of unions or worker representative groups at one or more of their raw materials facilities.

Mitigating risk in high-risk contexts

Close to four million people around the world are trapped in forced labour because of the actions of their governments—through prisoner labour, systemic upheaval based on culture, race, or religion, or indiscriminate periodic forced labour in a particular industry for low or no pay.



- 26** companies have **completed a comprehensive risk assessment** for all three stages of their supply chain
- 65** companies have **completed at least a basic risk assessment** of some stages of their supply chain
- 7** **have not evidenced any risk assessment** at any stage of their supply chain

The cotton industry has high levels of known risk of state-sponsored forced labour in some key growing countries including Turkmenistan, Uzbekistan, and the Xinjiang region of China.

Fashion companies have a responsibility to understand the key risks in the contexts in which they operate and ensure they have mitigation measures in place. In most cases this means higher levels of targeted monitoring. However, in some contexts, existing control mechanisms are deficient, e.g. where fully independent audits are not possible.

Remediation rather than boycott is the preferred response to forced labour risks where there is a reasonable likelihood of positive change occurring. However, in cases where governments may be complicit in human rights abuses, boycotts may be the only option to mitigate modern slavery risk in an individual company's supply chain, and to increase pressure for change on governments.

To encourage the eradication of these practices, 37 companies are signatories of the Uzbek Cotton Pledge and 22 have signed the Turkmen Cotton Pledge. Coordinated efforts to condemn the situation in China are still in their early days, however two companies have signed the End Uyghur Forced Labour Coalition's Call to Action, and several others have published independent statements committing to withdrawing their supply chains from the region.



...in cases where governments may be complicit in human rights abuses, boycotts may be the only option to mitigate modern slavery risk.

A woman with dark hair tied back, wearing a blue and white patterned shawl over a brown long-sleeved top, is harvesting cotton in a field. She is focused on her work, reaching into the cotton plants. The background is a vast field of cotton plants under a clear sky.

FORCED LABOUR

IN CHINA

China has been accused of persecuting its Uyghur Muslim minority population, imprisoning thousands in education camps and forced labour situations, primarily in the country's cotton industry in the Xinjiang region. As Xinjiang is the largest cotton producing region in China, it is difficult to verify that cotton products currently sourced from China are free from forced labour.

Modern slavery laws in Australia and New Zealand

AUSTRALIA

The Australian Commonwealth's *Modern Slavery Act 2018 (MSA)* requires businesses with a revenue of >\$100 million p.a. to assess and disclose their risks of modern slavery through annual modern slavery statements, which were required to be submitted for the first time in 2021. As of July 2021, 53 fashion companies surveyed for the *Ethical Fashion Report* had submitted a Modern Slavery Statement to the Australian Department of Home Affairs.

The Australian MSA contains some advancements on previous legislative measures in the UK and California, including specific requirements on what companies must include in their statements, and the requirement they be published to a central registry maintained by the Department of Home Affairs. The 53 fashion companies have largely met these requirements, however in most cases, statements have remained focussed on technical compliance and not on the risks and measures to mitigate them.

The current law also fails to provide strong clarity as to specific entities that are required to submit statements. As complex private and international ownership arrangements can obscure transparency about company revenue levels, the absence of a mechanism to clearly identify—and penalise—entities

that are required to report under the Act but have failed to do so, is a limitation in the current approach.

With the requirement for the MSA to be reviewed at the end of 2021, and more recent and robust comparable legislative regimes to consider, such as the EU move toward legislation requiring mandatory human rights due diligence, opportunities should be taken to 'strengthen and broaden' the Act and 'establish an independent body to oversee and enforce its implementation'. This is in line with the recommendations of the Senate Inquiry into the Customs Amendment (Banning Goods Produced By Uyghur Forced Labour) Bill 2020.

NEW ZEALAND

New Zealand has been slow to take action to combat modern slavery. The country's *Customs and Excise Act 1996* prohibits only the import of products made using prison labour. Attempts to amend the Act to broaden the law to cover all forced labour were unsuccessful in 2009 and 2016.

In early 2021, a coalition of 85 businesses called on the government to launch an inquiry into a national Modern Slavery Act, promised by the Labour government in 2020. Multiple organisations including Tearfund New Zealand and the Human Trafficking Research Coalition have also supported a petition demanding government action.



THE CLIMATE *Challenge*

The fashion industry
contributes up to **10%**
of global emissions



The Climate Challenge

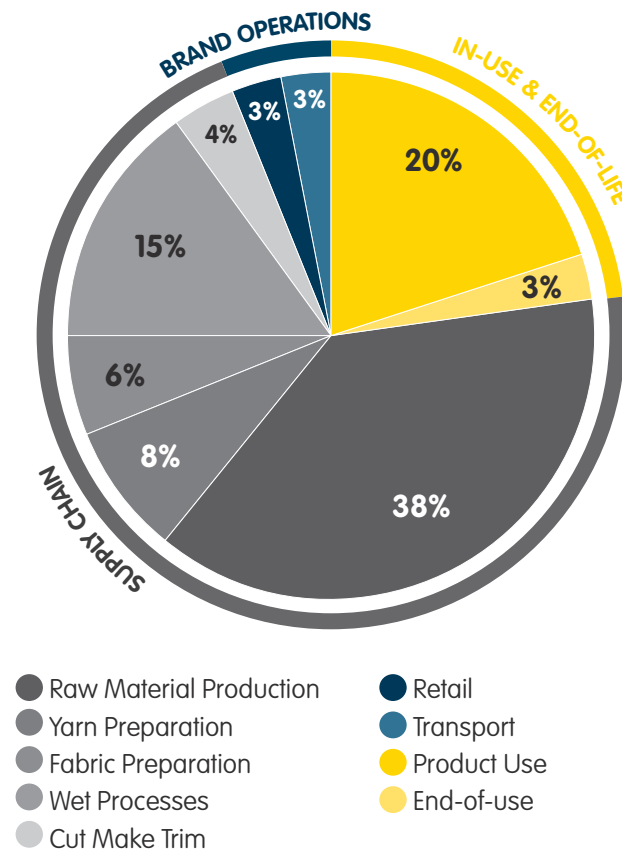
Climate change cannot be addressed by any individual actor. If the world is to limit warming to 1.5°C, as established in the Paris Agreement, responsibility must be shared between governments, private business, and citizens. The fashion industry, which currently contributes up to 10 per cent of global emissions – twice that of the global aviation industry, has a large role to play in this responsibility.

Approximately 70 per cent of the fashion industry's emissions stem from supply chain activities which include manufacturing and raw materials production. The remaining 30 per cent is related to retail, consumer use, and end-of-life phases.² If the fashion industry fails to take significant emission reduction measures, the greenhouse gas (GHG) emissions attributed to the fashion industry are predicted to rise from 2.1 billion tonnes a year in 2018 to 2.7 billion tonnes a year by 2030.³

² McKinsey 2020 <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

³ McKinsey 2020 <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

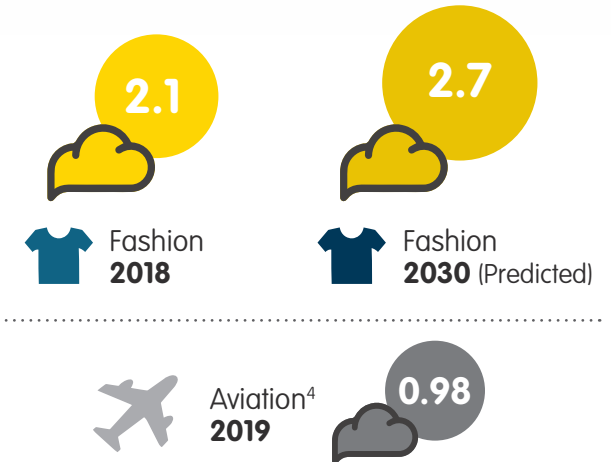
Apparel and Footwear Value Chain Emissions in 2018



Source: McKinsey 'Fashion on Climate' 2020

Figure 4

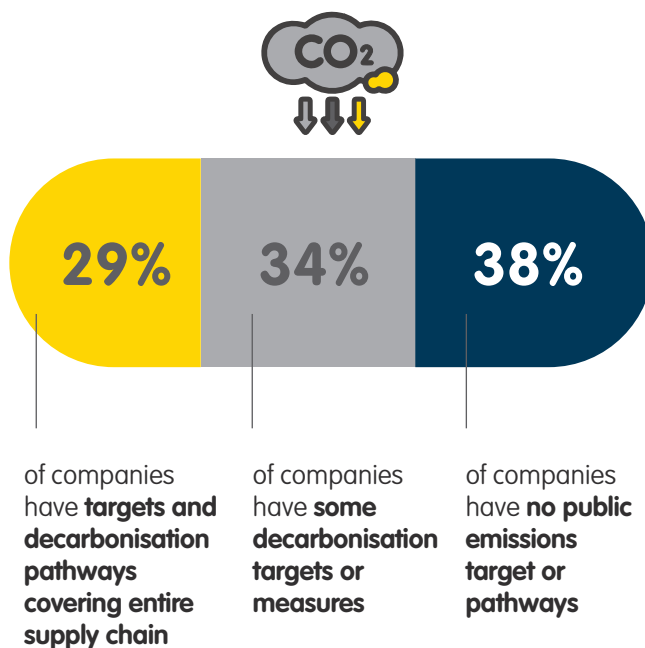
Baseline GHG Emissions (billion tonnes)



⁴Source: ICAO 2019 https://www.icao.int/environmental-protection/Documents/EnvironmentalReports/2019/ENVReport2019_pg17-23.pdf

If the world is to limit warming to 1.5°C... responsibility must be shared between governments, private business, and citizens.

Fashion's impact is an important piece of the broader climate crisis puzzle. The sixth Intergovernmental Panel on Climate Change (IPCC) report detailed humans' 'unequivocal' impact on climate. The report outlined that limiting global warming to 1.5°C or even 2°C is only within reach if immediate, rapid, and large-scale reductions in greenhouse gas emissions take place. The current trajectory will not be enough to avert the worst impacts across the globe in coming decades.⁵



The industry climate response

Despite the data, most companies are yet to take serious accountability for reducing supply chain emissions. Only 29 per cent of companies surveyed evidenced a public climate target and decarbonisation pathway for all three scopes of their supply chain (see diagram). This was assessed in alignment with the UN Fashion Industry Charter for Climate Action (UNFICCA), which requires companies to set a target for 30 per cent reduction by 2030.

Although still a small minority, this represents a ten-percentage point increase from the number of companies that evidenced an emissions reduction target in 2019. When companies that have taken partial measures to address their climate impact are included (i.e. they may have targets without a developed decarbonisation pathway, or their ambitions may cover only some scopes of their supply chain) the shift becomes more evident. Just nine per cent met that threshold in 2019, versus 34 per cent in 2021. Thirty-eight per cent of companies still lack publicly available targets or decarbonisation plans.

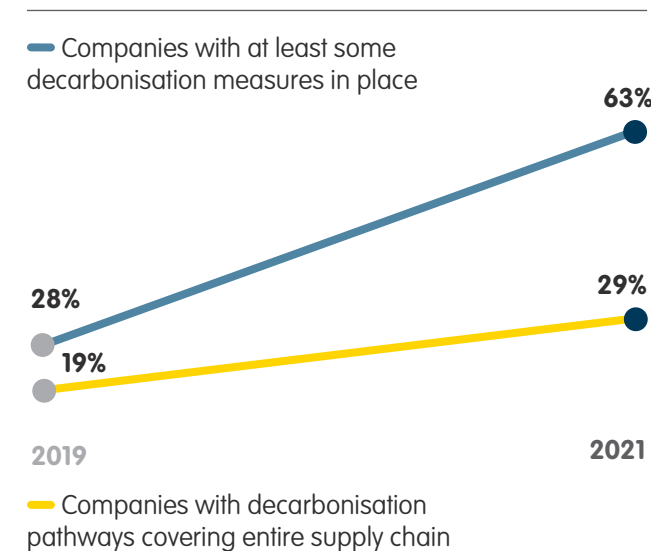


Figure 5

⁵ IPCC 2021 <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>

Unfortunately, Australian and New Zealand based companies lag behind their international counterparts on climate commitments. Of the 37 companies that lack any evidence of a commitment or strategy, 35 are Australian or New Zealand based. In comparison, of the 25 companies that did evidence a comprehensive commitment and strategy, only four are from Australia or New Zealand. This may speak to the comparatively smaller size of our local companies, with international players accessing deeper funds to finance emissions mapping and reduction schemes.

But while change within the largest companies, and therefore those that have the greatest overall impact, is positive, it remains critical that change is adopted throughout the whole industry.

Some of the stronger company responses come from large corporations which have either begun or have already had their targets approved by the Science Based Targets initiative (SBTi)—an initiative that independently validates the quality of a company's reduction strategy.

Whilst many brands have adopted targets and started taking action towards emissions reductions in Scopes 1 and 2 of their operations (i.e. company-owned retail stores, offices, and warehouses) the majority still lack commitments that address the area of greatest emissions reduction potential: Scope 3 (supply chain).

To achieve genuine reductions in Scope 3, companies must **partner with and invest in** their suppliers

to share the responsibility and associated costs. Suppliers need to be given assurance of future trading partnerships before they can invest in new technologies and processes, which will contribute to emissions savings but come at a short-term cost.

Virgin fibre production accounts for **38%** of all GHG emissions in the apparel value chain



SCOPES 1, 2, AND 3 refer to the different sources of emissions in a company's supply chain, and the level of direct control the company has over them.

SCOPE 1

Emissions generated from sources directly owned and operated by a company, e.g. a company-owned factory with an internal coal-fired power supply or company cars.

SCOPE 2

Emissions generated through the purchase of electricity, heat or steam from a third party, e.g. a company-owned factory or office that purchases power.


SCOPE 3

Emissions generated through indirect supply chain activities, e.g. emissions produced by factories the company does not own but engages for their clothing production.

Climate impact and circular fashion

One of the crucial ways to reach a carbon-neutral industry is through the adoption of circular business models. An increasing number of companies are approaching emissions reduction targets through a circular lens, recognising that production of virgin fibres is a highly emissions intensive process accounting for 38 per cent of all GHG emissions in the apparel value chain.⁶ Fashion's reliance on synthetic fibres does not help either—this segment alone accounts for 65 per cent of all clothing produced, using an estimated 342 million barrels of oil in yearly production.⁷

Each year,
more than 
800,000
tonnes of textiles
are sent to landfill
in Australia alone¹.

Less than
1% 
of textile
products are
recycled into
new garments.

For the first time, the *2021 Ethical Fashion Report* has introduced a focus on circularity by incorporating elements of three lifecycle phases: design, in-use and end-of-life impacts, and overproduction.

⁶ McKinsey 2020 <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

⁷ Climate Council 2021 <https://www.climatecouncil.org.au/resources/fast-fashion-climate-change/>

Our findings show that 25 per cent of all companies are yet to take any steps towards reducing the in-use and end-of-life impacts of their products through design, consumer facing strategies, or reducing overproduction. Further to this, only 25 per cent are taking steps across all three lifecycle phases.

Of the 28 companies with evidence of a climate target and decarbonisation pathway, 13 showed evidence of some action across all three lifecycle phases. This is in comparison to the 37 companies that could not evidence any form of climate target or decarbonisation pathway, of whom only two scored a YES or PARTIAL across all three lifecycle phases. There is a clear correlation between the adoption of circular business approaches and the ambition to reach emissions reduction targets.

10% reduction in
excess inventories could
reduce emissions by **158**
million by 2030¹.



**According to Baptist World Aid's
Australian Ethical Consumer Report,
70 per cent of consumers believe it is
a company's responsibility to ensure
responsible use of natural resources.**

WHAT IS

CIRCULAR FASHION



Circular fashion recognises the value of used clothing as a material resource that can be used to create further value in the form of new goods. Essentially, it's about 'closing the loop' to make sure we use existing resources, instead of extracting more from the earth.

The elephant in the room is fashion's reliance on sales growth within a system that encourages overproduction and overconsumption. To reach a carbon neutral world beyond 2030, fashion must re-evaluate business models that depend on continuous growth through the number of garments sold. Our research shows that half of companies are starting to examine the issue of overproduction. If the industry were to focus its efforts on minimising excess inventory by just 10 per cent, emissions could be reduced by 158 million tonnes by 2030.

The climate impact on garment producing nations

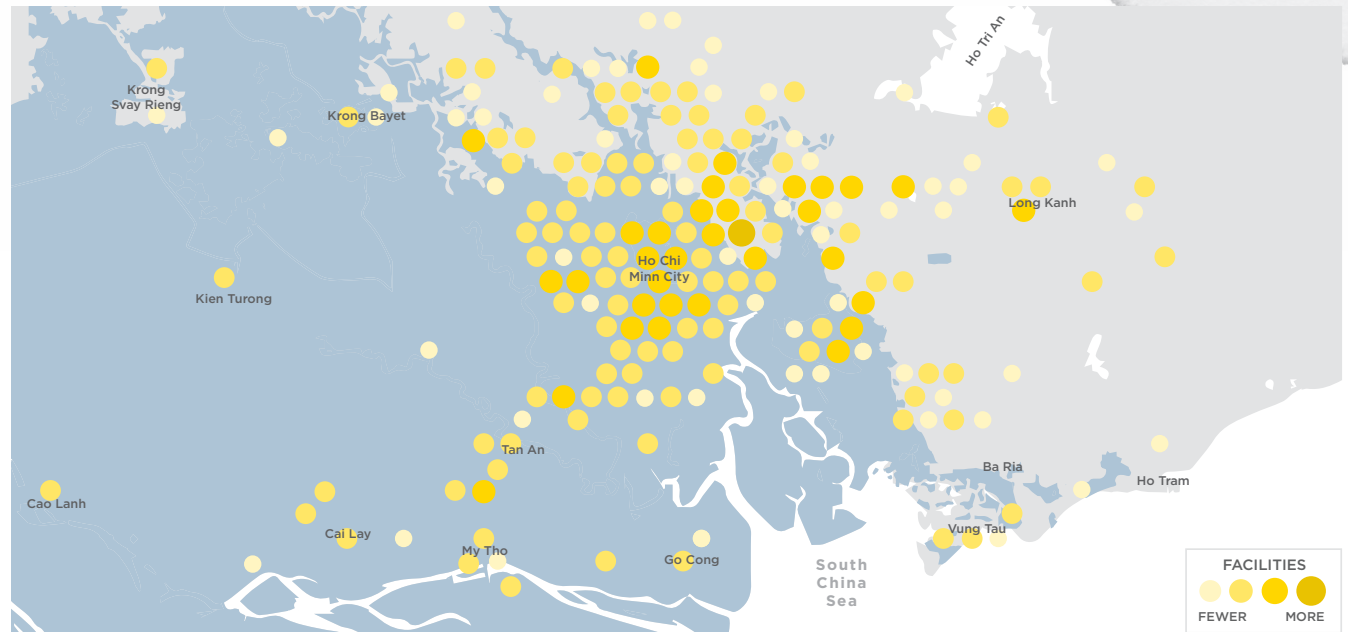
Consumers make up the last piece of the puzzle and must engage responsibly with consumption and disposal to ensure a closed loop at the end of a product's wearable life. While options are currently limited, system disruptors such as textile recyclers, rental platforms, and repair services will be integral to the future of fashion's circular shift.

Although climate change affects all of humanity, people living in low- and middle-income countries—where most of the world's garment production takes place—will face the greatest impacts. Rising sea levels, more frequent and severe natural disasters, and fresh water and food shortages could see more than a billion people displaced from their homes by 2050.⁸

Low- and middle-income countries are less likely to have sufficient infrastructure to address these ecological threats, or funding to prepare for and address disasters as they happen. The world's largest garment producing countries, such as China, Bangladesh, Vietnam, and Cambodia, are amongst the countries facing rising sea levels with projections showing large numbers of apparel factories could be underwater due to coastal flooding in coming decades.⁹ For example, projections illustrate almost 55 per cent of Ho Chi Minh City's garment factories could be flooded by 2030 (see Figure 6).

⁸ IEP 2020 https://www.visionofhumanity.org/wp-content/uploads/2020/10/ETR_2020_web-1.pdf

⁹ BetterWork 2021 <https://betterwork.org/wp-content/uploads/2021/07/DP-43-Repeat-Repair-or-Renegotiate-1.pdf>



Apparel and Footwear Manufacturing Sites and 2030 Projected Sea Level Rise in the Ho Chi Minh City, Vietnam and Mekong Delta region. Yellow dots represent garment factory locations, blue area represents sea level projections by 2030. Source: Betterwork 2021.

Figure 6

THE COVID-19 *Challenge*



The COVID-19 Challenge

In 2020, the *COVID Fashion Report* examined how brands were supporting vulnerable workers in their supply chains. The report identified risks to garment workers, including unreasonable order cancellations and penalties resulting in wage loss, inadequate health and safety measures, mass layoffs without compensation, union busting, movement restrictions, and forced overtime when lockdowns lifted. More than one year later, these risks remain crucial to the wellbeing of vulnerable workers.

As the virus has morphed into deadlier variants, working conditions have become even more precarious throughout many of the industry's garment producing countries. Unsurprisingly, research shows that the pandemic has exacerbated pre-existing inequalities in the garment industry, particularly when it comes to gender discrimination.¹⁰

¹⁰ Better Worker 2021 <https://betterwork.org/wp-content/uploads/2021/07/DP-43-Repeat-Repair-or-Renegotiate-1.pdf>

¹¹ Better Worker 2021 <https://betterwork.org/wp-content/uploads/2021/07/DP-43-Repeat-Repair-or-Renegotiate-1.pdf>

¹² World Bank [worldbank.org](https://www.worldbank.org)

¹³ Worker Rights Consortium 2021 <https://www.workersrights.org/wp-content/uploads/2021/06/The-Unequal-Impacts-of-Covid-19-on-Global-Garment-Supply-Chains.pdf>

¹⁴ Better Work betterwork.org

¹⁵ Clean Clothes Campaign 2021 <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>

¹⁶ Worker Rights Consortium 2021 <https://workersrights.org/firedthenrobbed>

COVID-19's disproportionate effect on women in the supply chain



61%

of companies have a **gender policy or strategy in place**

21%

are **actively addressing discrimination and rights violations faced by women** garment workers

The International Labour Organization (ILO) found that gender-based violence against women increased significantly during the pandemic.¹¹ Throughout the past year, women in the supply chain—totalling 80 per cent of garment workers—faced disparate wage gaps, verbal and physical abuse, and discrimination, especially during layoff decisions.^{12 13 14} Suppliers refused to pay maternity benefits and many of the first furloughed or fired workers were pregnant women. Sixty-one per cent of the companies surveyed have some form of policy or strategy in place to address gender inequality. But only 21 per cent of these have a robust policy and strategy to address the specific discrimination and rights violations faced

by women garment workers (such as reproductive discrimination, unequal participation, and sexual harassment). These findings reflect progress, but also highlight the fashion industry's overall failure to prioritise women's rights and protections.

Wage theft and pandemic-driven debt

It is estimated that between March 2020 and March 2021 garment workers lost more than US\$11.85 billion due to widespread lockdowns, decreased or cancelled orders, and withheld payments.¹⁵ For workers fired during the pandemic, it is estimated that 95 per cent were not paid their legally owed severance compensation, with severance theft likely exceeding half a billion dollars across supply chains globally.¹⁶

For workers fired during the pandemic, it is estimated that 95 per cent were not paid their legally owed severance compensation.



of workers lost
ALL their pre-pandemic savings

Despite many workers losing their jobs due to the garment brands' decisions, research shows 97 per cent of fashion companies offered no financial assistance to cover the costs of furlough or severance.¹⁷ In response, key industry actors, including IndustriALL, Asia Floor Wage Alliance, and Clean Clothes Campaign proposed a 'severance fund' to be paid into by brands and buyers. Garment workers already earn dismal wages, which leave little to no funds for unexpected situations like COVID-19. One study showed 20 per cent of workers had lost all of their pre-pandemic savings.¹⁸ Severance theft has also forced families into near immediate starvation, with 75 per cent of workers reporting inadequate food intake and debt accumulation in order

to feed their families.¹⁹ This financial vulnerability is the direct result of the fashion industry's reliance on inadequate minimum wages, as opposed to a living wage that meets a family's needs and includes savings for unplanned events. Though we found 15 per cent of companies have committed to paying a living wage at final stage production, only nine per cent had calculated a living wage for all of their sourcing regions, and only four per cent paid a living wage to at least half of their final stage suppliers.



of companies have **committed to paying a living wage at final stage production**



currently pay a living wage to at least half of their final stage suppliers

Responsible purchasing practices

While suppliers are legally responsible for paying garment worker wages, this is difficult when brands negotiate prices that are below cost. Since the start of 2021, some brands have demanded bigger than average price cuts on new orders, and have told suppliers they must cut prices by an estimated 12 per cent relative to last year's price for the exact same product.²⁰ This is compounded by the production pressure of rapidly increasing orders, as many high-income countries resumed business as usual far quicker than garment producing countries.

There is a negative correlation between companies' purchasing behaviours and the ability of suppliers to uphold company mandated codes of conduct. This puts the lives and dignity of workers at risk and leads to harmful impacts on workers such as failure to pay wages and benefits, use of excessive overtime, use of subcontractors (where labour conditions are unmonitored), precarious employment resulting from increased use of temporary labour, and forced labour. To mitigate these risks, brands must have responsible purchasing practices (RPP) in place to ensure garment worker rights precede the importance of costings, delivery dates, and lead times (see Responsible Purchasing Practices on page 28).

¹⁷ Worker Rights Consortium 2021 <https://workersrights.org/firedthenrobbed>

¹⁸ Worker Rights Consortium 2021 <https://www.workersrights.org/wp-content/uploads/2021/06/The-Unequal-Impacts-of-Covid-19-on-Global-Garment-Supply-Chains.pdf>

¹⁹ Clean Clothes Campaign 2021 <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>

Labour rights monitoring— is it back to ‘normal’?

While 64 per cent of companies have a robust labour rights code of conduct for their suppliers, COVID-19 restrictions dampened companies’ ability to conduct their usual auditing processes to ensure compliance with this code. Instead of formal audits, many companies switched to self-assessment tools or virtual auditing. There is industry debate surrounding this digitisation, with some claiming that its convenience and low cost make it likely to permanently replace in-person audits post-pandemic.²¹



20%

of companies could carry out **formal auditing in 2020**

70%

have formally audited more than **half their suppliers in 2021**

The ILO has warned that virtual auditing is far less reliable, and a permanent shift would lead to a deterioration of supply chain accountability and a subsequent increase in labour rights violations.²² While many of the companies we surveyed relied on forms of virtual monitoring last year, we now see companies

gradually returning to formal auditing processes. In 2020, we found only 20 per cent of companies were able to carry out some formal auditing. This year, 37 per cent of companies have been able to formally monitor 100 per cent of final stage suppliers, with 77 per cent monitoring more than half. Unfortunately, this accountability does not extend to inputs production, with only six per cent of companies monitoring all of their traced inputs facilities.

Moving forward in the post-pandemic fashion industry

COVID-19 has shown how fragile the transactional brand-supplier approach is. There is now an opportunity to ‘re-imagine’ more mutual brand-supplier partnerships, whereby brands assume a fairer share of financial risk and investment in suppliers. Practically, brands can take greater responsibility for higher raw material and inputs costs and for ensuring a living wage for workers, rather than pushing this to suppliers.

However, research shows the emergence of a post-pandemic gap which sees companies requesting greater supplier flexibility (i.e. shorter production cycles, lower costs, faster shipments) while suppliers are asking for greater stability after the cancelled orders of 2020.²³ COVID-19 has left the fashion industry with two options: remain stagnant in its exploitative and unsustainable ways, or build back better with a more resilient, planet-friendly and people-focused model of production.



COVID-19 has left the fashion industry with two options: remain stagnant in its exploitative and unsustainable ways, or build back better with a more resilient, planet-friendly and people-focused model of production.

²¹ ILO 2021 https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms_814510.pdf

²² ILO 2021 https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms_814510.pdf

²³ Better Work ILO report

RESPONSIBLE

PURCHASING PRACTICES

Responsible purchasing practices (RPP) refer to the way companies engage with suppliers through the ordering/buying process. These practices can impact a supplier's ability to provide a safe workplace with fair working hours and pay.

Key practices include:

- Sufficient lead times
- Accepting financial liability for last-minute order changes
- Pricing negotiations
- Gauging supplier feedback
- Training applicable company staff on the policy

//

Brands can take greater responsibility for higher raw material and inputs costs and of ensuring a living wage for workers.



Only 7%

of companies share evidence of actively tracking the percentage of orders paid on time

(within 60 days) and percentage of retroactive order changes.



Results **IN-DEPTH**

Methodology

Ethical Fashion Report research survey

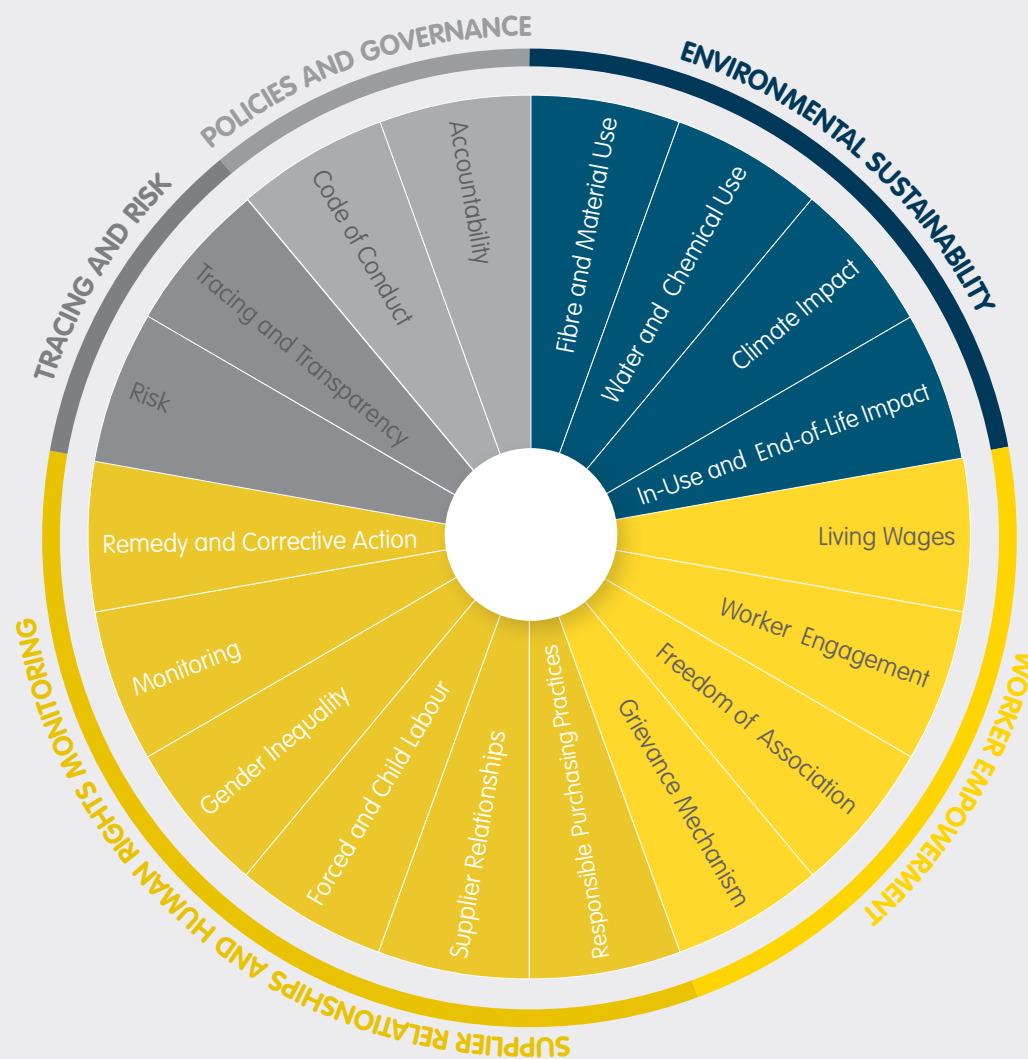
The 2021 *Ethical Fashion Report* (EFR) highlights the ethical sourcing practices in the fashion industry based on data derived from the EFR survey ('the survey').

The survey comprises five major sections and includes 46 questions that cover 18 indicators of supply chain practice. The 2021 survey is consistent with prior year surveys; however, it is reviewed every two years to ensure issues of emerging salience are adequately covered and that questions and their validation criteria reflect the current understanding of ethical sourcing best practice. This has led to new questions being added that relate to supply chain governance, the submission of Modern Slavery Statements, and circular models of environmental sustainability.

Research and company engagement process

Evidence collection occurred between February and July 2021. Companies were provided with the survey along with a comprehensive Survey Support Document that outlined expected standards for each question.

Each company's available data received at least two comprehensive preliminary reviews by a dedicated researcher. The reviews were based on an initial search of publicly available information in February/March and on any draft submissions made by the company in May/June (or a second scan of public information in the case of non-responsive companies. These preliminary reviews





and accompanying outstanding questions were provided to companies to ensure they had opportunity to respond and/or provide additional information. A third full review then took place based on the company's final submission by mid-July. A second researcher conducted a full independent review of each company's evidence to ensure accuracy and consistency before their evidence was finalised and scored.

Company selection

Ninety-eight companies covering 420 brands were included in the EFR research in 2021*. They included seven new companies and 91 companies previously included in the 2020 *COVID Fashion Report* and/or previous editions of the *Ethical Fashion Report*.

Following the selection criteria first introduced in 2020, all companies previously assessed in the EFR that remain solvent and are estimated to have an annual revenue in excess of AU\$50 million per annum (NZ\$30 million for New Zealand companies) have been included within the research. Smaller companies were given the option to participate but were not included if they chose not to engage.

Companies that are found to have met the revenue threshold, but have not been previously included, will be progressively added to the cohort. This includes the seven new companies assessed for the first time this year.

This selection process ensured the largest companies with the greatest consumer reach and subsequent impact on workers and the planet were included, while smaller companies that prioritised ethical sourcing were able to participate and have their efforts recognised.

The 2021 report does not include exclusively footwear focused brands. A special edition of the EFR that includes a broader scope of footwear brands will be launched in 2022.

Evidence assessment

A YES/PARTIAL/NO grading system was employed for most questions and was applied with reference to evidence thresholds set out in a detailed Survey Support Document provided to all companies at the start of the research period. Some questions (e.g. percentage of supply traced) used a percentage figure to award credit. Companies receive credit based on the evidence they provide.

A full set of data sheets outlining the yes/partial/no assessments for each question are provided in the EFR Technical Appendices document that accompanies this report. The evidence requirements for each question are also available in that document.

*All industry-level data in this report reflects the full sample of 98 companies. However only 97 companies are listed in company and brand grades as one company was found to not meet revenue thresholds after the research had been conducted.

Weighting and calculation of numeric scores

Each section was given an overall weighting as outlined in the chart below.

Wherever relevant, the weightings for sections were further disaggregated to reflect measures taken at each supply chain stage.

The higher weighting given to final stage production reflects that this is the stage where most fashion brands have direct supplier relationships and the greatest leverage for change. However, given the increasing concentration of risk—both to human/labour rights and to environmental sustainability—at the early stages of the supply chain, a significant weighting is still given to these stages. To retain simplicity, and as a proxy for the wider supply chain at input and raw material stages, companies were only required to report on the fibre or process that had the greatest labour rights materiality (either because of the inherent risk associated with that fibre/process, or due to the volume of total supply chain it represents).

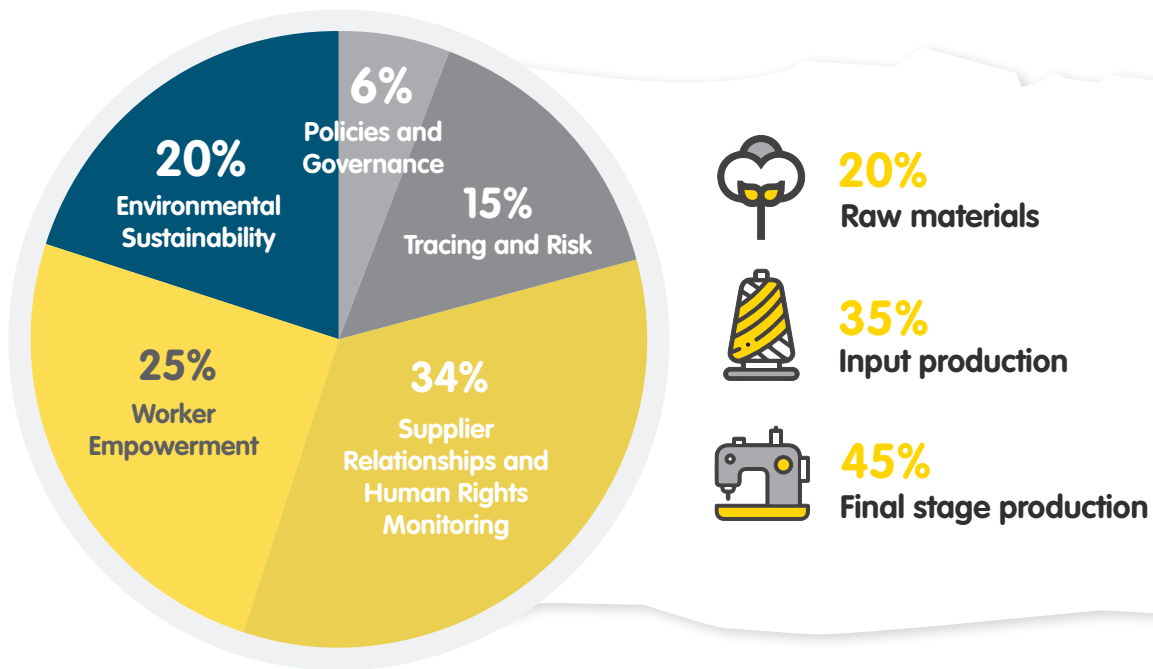


Figure 7

Translating numeric scores to brand grades

Each company's numeric scores were graded as outlined in the table below. This scale used the mean company score (33.6 in 2021) as the threshold between a B and C grade. Companies scoring B or above are performing at or above the average industry standard, while those scoring C and below are currently performing below the industry average. The same grading scale was applied to individual sections.

This is the first time the grading scale for the *Ethical Fashion Report* has been published and is included this year in the interest of increasing transparency of the project's methodology.

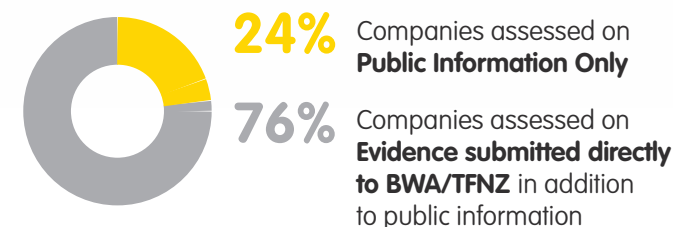
Grade	Score	Number of Companies
A+	75.00% +	4
A	50.00–74.99%	16
B	33.60–49.99%	30
Average Score = 33.6%		
C	20.00–33.59%	25
D	5.00–19.99%	14
F	<5%	9

Figure 8

Public information or direct disclosure?

An asterisk (*) next to a grade means the company was assessed on 'Public Information Only'. Importantly, this denotes the source of evidence for the company and is not a reflection on their level of engagement. Some companies have highly developed ethical sourcing programs and maintain high levels of interaction with the research team but chose to only provide evidence through their public transparency initiatives. All evidence—whether disclosed publicly or provided directly to the EFR research team—was assessed using the same validation criteria.

Public transparency is important and the standard toward which we encourage all companies to work. However, we recognise that investment in improving supply chain measures may precede resourcing of dedicated transparency initiatives—particularly for small to mid-sized Australian/New Zealand companies. While we encourage greater transparency, we continue to assess both public information and that which was provided directly to the Baptist World Aid/Tearfund New Zealand (BWA/TFNZ) team on the same basis.



Non-responsive companies with insufficient evidence

An 'i' appears next to companies that chose not to engage directly with this research and whose publicly available information is limited. This indicates that no more than 20 per cent of the EFR survey questions could be meaningfully assessed. The appropriate grade related to their performance (D_i or F_i) was still provided as it represents an accurate reflection of the supply chain measures about which they have been transparent to consumers and/or BWA/TFNZ.

While some of these companies may have additional measures in place, the grade remains an accurate reflection of their current transparency. This transparency is critical as the basis for informed consumer decisions and to enable accountability.

All companies that were included in this report were given the option to provide a 100-word clarifying statement if they wished. These are included in the EFR Technical Appendices.

Policies and Governance

Policies and governance data at a glance

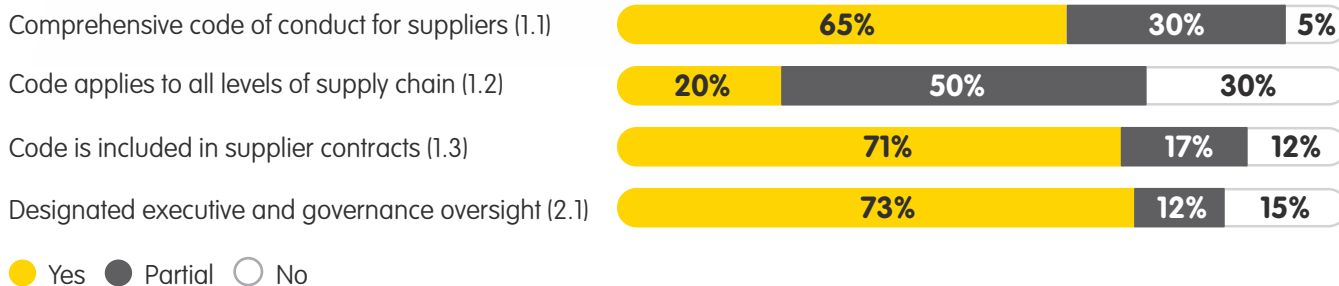


Figure 9

Sixty-five per cent of companies surveyed have a robust code that covers the four ILO Fundamental Principles and Rights at Work and two Ethical Trading Initiative (ETI) standards. Companies use codes of conduct to communicate basic working standards expected from suppliers; it is therefore essential that companies enforce these standards throughout the supply chain to ensure the rights of all workers. Seventy per cent of companies could provide evidence that the code had been communicated to at least two stages of the supply chain, with 20 per cent demonstrating the code had reached all stages. As the further removed levels of the supply chain are at greatest risk of worker exploitation, companies must increase their efforts to ensure inputs and

raw material suppliers operate in line with code standards. Encouragingly, these findings indicate that many companies are already acknowledging that their responsibility extends beyond final stage production.

Identifying clear points of accountability for human rights and environmental sustainability at both management and governance level is crucial to ensuring that ethical sourcing priorities are embedded within a company's operations. It reduces the risk that ethical considerations are siloed from core operations, or responsibilities pushed to relatively junior staff without appropriate board or management involvement in mitigating risks.

CODE OF CONDUCT

The most common reason companies did not receive full credit for their code of conduct is because it did not specify one or both of the following:

1. Working hours (including overtime) should not exceed 60 hours in any seven-day period,
2. The right to freedom of movement for employees—enabling them to enter and leave employment willingly and voluntarily and prohibiting supplier practices of withholding employee identity documents, such as passports.

Excessive overtime and forced labour are two major risk areas in the garment industry. It is therefore essential for companies to address these two issues in their supplier code of conduct.

A specific question about accountability was introduced to the EFR survey for the first time in 2021. Seventy-three per cent of companies surveyed could identify and describe at least two senior level positions tasked with implementation and oversight of supply chain policies; however, not all of these explicitly included a point of governance responsibility. Australian modern slavery statements are to be signed off by a member of the company's board. This, and the growing legal and shareholder activism on environmental protection, are the first steps which have led to a greater understanding of the director's fiduciary responsibilities for labor rights, and the environmental outcomes from a company's operations.

Top COMPANIES

16 companies received full credit

- AS Colour
- David Jones
- Etiko
- H&M
- Inditex
- Joyya
- Just Group
- Kathmandu
- Macpac
- Mighty Good Basics
- Outland Denim
- Patagonia
- Rodd & Gunn
- UNIQLO
- VF Corp
- Workwear Group

Tracing and Risk

Tracing and Risk Data at a Glance

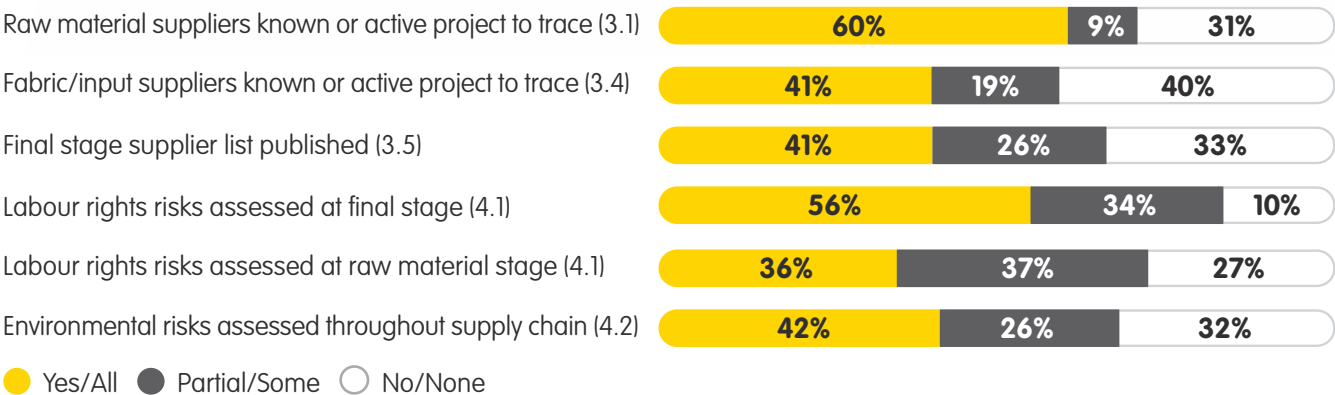


Figure 10

The industry has improved across all eight tracing and risk focussed questions compared to 2019, which is an excellent indication that the industry baseline continues to shift in the right direction.

The number of companies now tracing some raw materials suppliers—historically the most difficult and hidden tier of supply chains to trace—has increased. **When companies that have projects in place to trace unknown suppliers are included, this has jumped from just 17 per cent of companies in 2013 to 69 per cent this year.**



This is predominantly attributed to an increase in companies sourcing through certification-based tracing schemes.

Transparency on tracing efforts has also seen a manifold increase, with the number of **companies publishing a full or partial final stage supplier list now sitting at 67 per cent, up from 20 per cent in 2013.**



This is a promising increase for an industry which for many years cited ‘trade secrets’ and ‘commercial confidence’ as primary reasons for refusing to publish this information. With the majority of companies now publishing for final stage, those who are yet to take this step are being left behind by their peers as the industry broadly accepts this as standard.

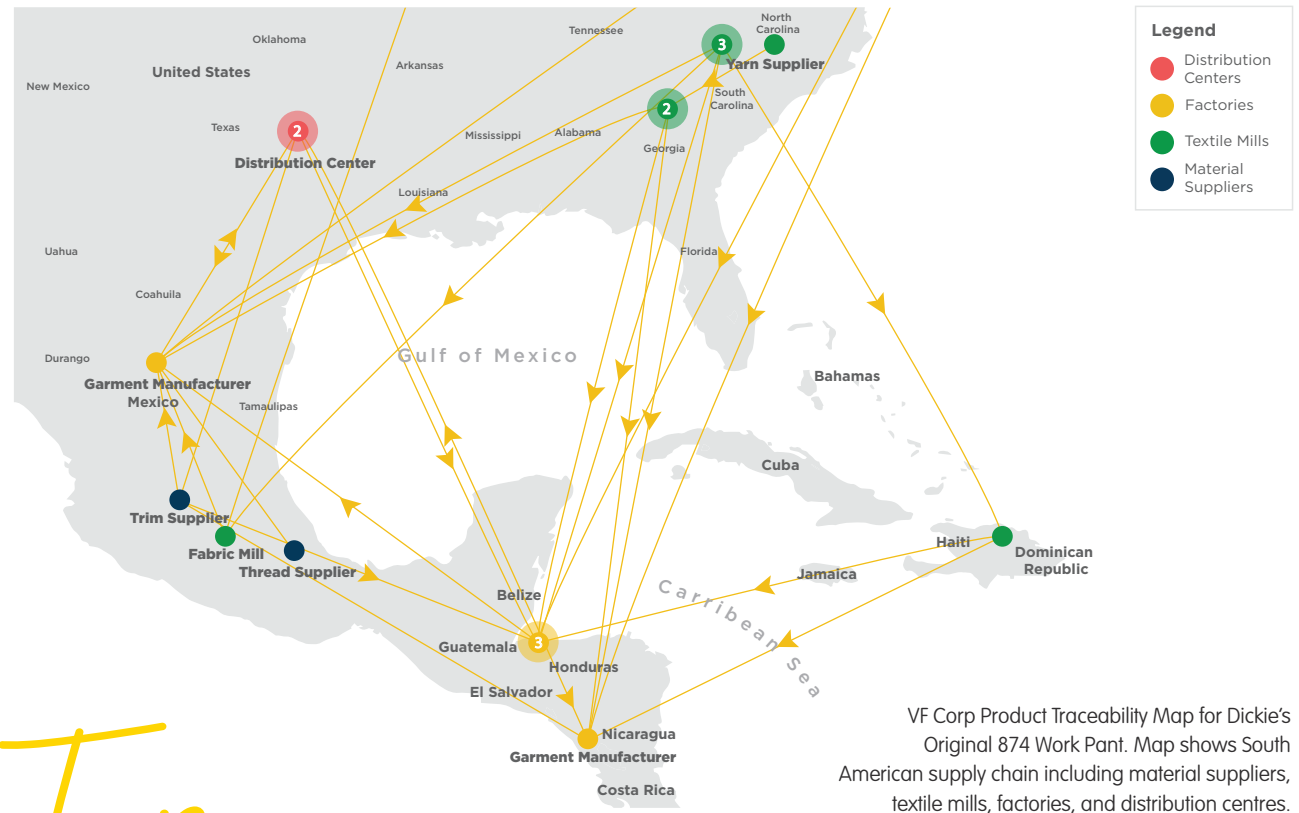
Labour rights risk assessments are another area of great improvement, with 90 per cent of companies undertaking these integral assessments for final stage suppliers (70 per cent and 73 per cent for inputs and raw materials, respectively). This is partly attributable to the requirement for supply chain transparency in *Modern Slavery Act* reporting.

Transparency – VF Corp product maps and Open Apparel Registry

Publishing factory lists is beneficial to garment workers, first and foremost. It means companies can be held accountable and contribute to remediation when issues are identified, such as health and safety violations or forced labour.

Whilst many companies have been averse to publishing this information in recent years, VF Corp has led the industry in supply chain transparency by publishing interactive product traceability maps for more than 65 of its brands' most iconic products. The maps show the locations and links between suppliers from final stage to raw material processing for each product. Further to this, indicators such as factory certifications and breakdown of worker demographics are listed for linked suppliers.

VF Corp is also one of many brands utilising the Open Apparel Registry (OAR), which is a multi-stakeholder initiative taking factory transparency to a new level. Instead of individual companies publishing lists on their respective websites, OAR provides a free mutual platform for the industry to upload their lists onto a global map which assigns each production facility a unique identification number. Any individual can search this database via brand, factory, or location, enabling them to link multiple brands working in the same factories.



Top 10 COMPANIES

- Adidas
- Etiko

- JD Sports
- Joyya

- Lacoste
- Mighty Good Basics
- Nudie Jeans Co

- Outland Denim
- Rodd & Gunn
- VF Corp

Supplier Relationships and Human Rights Monitoring

Supplier relationships and human rights monitoring data at a glance*

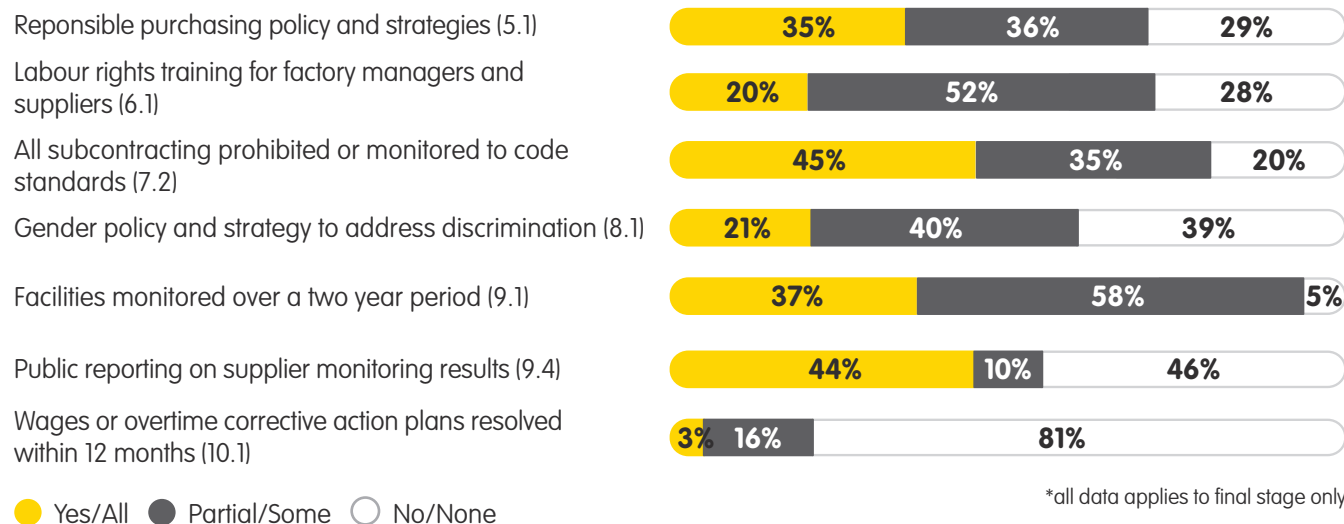


Figure 11

Labour rights monitoring is a major tool companies use to identify exploitative practices and facilitate remediation.

Ninety-five per cent of companies surveyed have audited at least some final stage factories over the past two years. This is a 10 per cent increase from 2019, with 37 per cent auditing all traced final stage facilities.

95%
audited in
2021
up from 85% in 2019

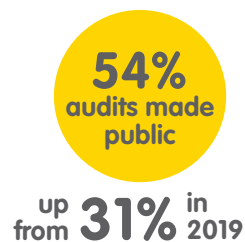
Visibility into inputs production and raw materials was much lower, with only 12 per cent of companies auditing over half of traced inputs facilities, and one per cent auditing over half of raw materials. While the increase in auditing from 2019 shows companies are increasingly investing in labour rights management, the low level of visibility at inputs and raw materials is concerning as lower accountability allows labour rights abuses to occur more easily.

Another significant finding was the apparent shift away from unannounced auditing. Less than half of companies surveyed used unannounced audits, with many declaring this practice outdated and claiming its implied lack of trust jeopardises supplier relationships.

Instead, some of these companies have opted for a more trust-based, collaborative approach to audits, such as staff visits and worker voice mechanisms. Limitations with unannounced audits are well known but to date have still played an important role as part of a suite of measures to safeguard the interests of workers. Therefore, any lessening of their role needs to be backed with evidence that alternative measures are providing greater protection.

One major point of progress is the increase in company transparency of monitoring results.

With 54 per cent of companies publicly disclosing audit findings and some providing the number of facilities with corrective action plans (CAPs) in comparison with 31 per cent in 2019.



This indicates a shift in both transparency and trust between companies and consumers, with companies hoping that consumers will see disclosure of breaches and remediation as a sign of an effective social compliance system, rather than an indication of failure. While this shift is positive, only 19 per cent of companies could provide evidence resolving at least 1–25 per cent of CAPs pertaining to wages and/or overtime within 12 months.

SUPPLIER

TRAININGS

Monitoring methods, such as audits, can only provide a snapshot of working conditions as observed at periodic intervals. It is equally important that suppliers and factory managers are skilled at identifying workplace issues which may arise in front of them, and training is one way a company can support this. Seventy-two per cent of companies invest in some training for final stage suppliers, but only 20 per cent invested in trainings that covered all requirements: legal conditions of employment, health and safety, right to freedom of association, and grievance mechanisms.

Hallenstein Glasson Holdings – Gender inequality risk assessment

The majority of workers in the garment industry are women, and many of them are at risk of gender-based discrimination and rights violations, such as sexual harassment, reproductive discrimination, wage disparity, and unequal representation. Hallenstein Glasson Holdings has conducted a robust country-specific gender inequality risk assessment and implemented gender-specific monitoring processes to mitigate these risks. For example, they found that domestic migrant women are the most at-risk workers in China's garment industry, and that women garment workers earn approximately 24.6 per cent less than men.

Hallenstein Glasson Holdings specifically addresses these issues in their third-party auditing, ensuring that female voices are included in worker interviews to provide crucial insight on issues applicable to the female workforce. They also collect data on the number of females in upper management roles, and monitor pay across all wage brackets, including gender-related information on wages. Through female worker interviews, they make sure reproductive rights are upheld by checking whether women who take maternity leave are at risk of facing discrimination—such as loss of seniority or wages—and ensuring factories do not force pregnancy testing before or during employment. Through these actions,

Hallenstein Glasson Holdings demonstrates a clear commitment to supporting women garment workers and mitigating gender inequality in the supply chain.

AS Colour – Partnership with Reemi

Research shows that 73 per cent of factory workers in Bangladesh miss an average of six days of work each month (with no pay) due to menstrual issues.²⁴ This is because most Bangladeshi women do not use sanitary products due to affordability, accessibility and stigma.

AS Colour identified women's health as under-prioritised in the garment industry and partnered with Reemi, a non-profit organisation, to change this. Together, they provide health education and innovative, culturally appropriate, self-sterilising menstrual solutions to female garment workers in two of AS Colour's factories. Through this collaboration, AS Colour demonstrates its commitment to investing in female worker empowerment and improving income for women in their supply chain.

'Our strategy to address gender discrimination is to partner with organisations that provide education and support to workers. Our partnership with Reemi is part of this strategy, as, through this, female workers are given access to menstrual healthcare information, as well as menstrual products. This empowers women and helps them to realise their value in the workplace. It also prevents them from having to take time off work when they're menstruating.'

The graphic features a large, stylized 'Top 10' in yellow script and blue numbers, with 'COMPANIES' in white capital letters on a dark blue background. Below this, a yellow box contains a list of ten companies, each preceded by a blue dot.

Top 10 COMPANIES

- AS Colour
- Etiko
- Hallenstein Glasson Holdings
- Inditex
- Joyya
- Kathmandu
- Lululemon Athletica
- Mighty Good Basics
- Outland Denim
- Patagonia

²⁴ Mission | Reemi

Worker Empowerment

Worker empowerment data at a glance

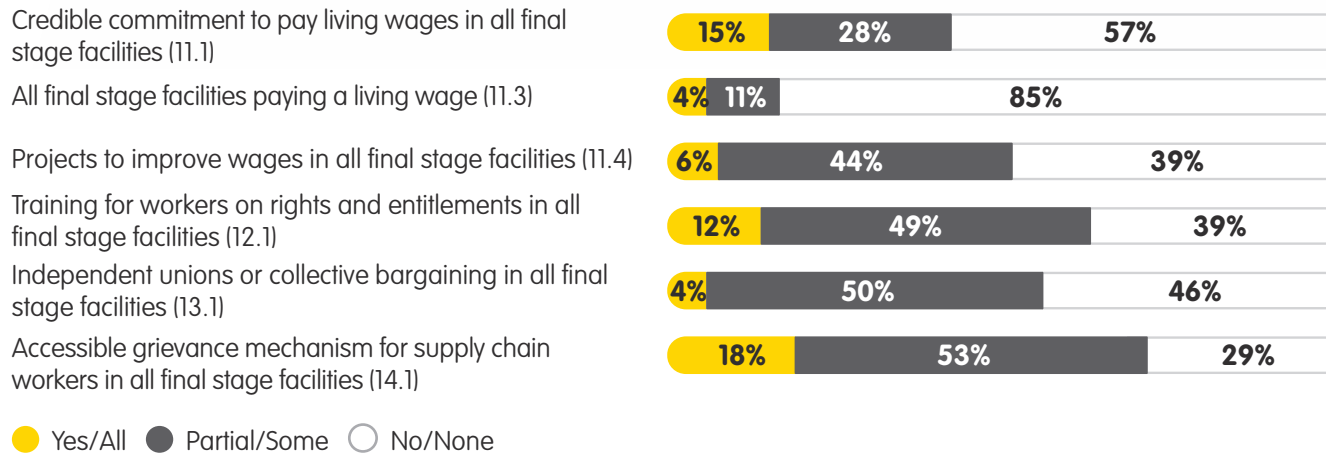


Figure 12

Real change in the fashion industry will come not only from the voluntary action of fashion companies, but also from the empowerment of garment workers armed with knowledge, resources, and agency to demand change themselves. Despite its importance, Worker Empowerment efforts persistently lag behind other areas of ethical sourcing, with 75 companies receiving either a D or an F grade in 2021.

Some improvement is evident in grievance mechanisms and freedom of association. Fifty-four per cent of companies have final stage facilities with formal unions or representative groups, compared to 47 per cent in 2019.

Seventy-two per cent of companies have grievance mechanisms at some final stage facilities, up from 49 per cent in 2013.



up from
49%
in 2013

Slightly more companies are training workers to ensure they can access these mechanisms, up from 59 per cent in 2019 to 61 per cent in 2021.

²⁵ <https://www.globallivingwage.org/about/anker-methodology/>

Low wages remain problematic.²⁵ **Forty-three companies** have made a public commitment to pay a living wage, nearly doubling the number in 2019 (24).

43
companies
committed to
living wage

nearly
100%
increase
from 2019

This growth may reflect a maturation of ethical sourcing practices as companies begin moving beyond basic initiatives (e.g. implementing a code of conduct) and toward accepting accountability for the outcomes workers experience. Encouragingly, it is supported by an increase in companies with projects to improve wages in at least one final stage facility from 41 per cent to 50 per cent over the last two years.

While commitments and initiatives to improve wages are moving in the right direction, outcomes for workers remain low. In fact, the number of companies which could evidence that at least some final stage suppliers pay a living wage has decreased from 20 per cent in 2019 to 15 per cent in 2021. It is likely that the disruption of COVID-19 and problems with unpaid wages during this period have contributed to this decline.



Living Wage Coalitions

In 2021, only four per cent of companies we surveyed could demonstrate paying a living wage to 100 per cent of garment workers at their final stage facilities. These companies—**Etiko, Joyya, Mighty Good Basics, and Outland Denim**—have business models that explicitly centre ethical considerations and utilize certification programs to ensure workers are paid fair wages.

Worryingly, things have barely changed since 2013 when only two small Fairtrade companies could demonstrate paying a living wage to all workers, and just two more could demonstrate living wages at some final stage facilities. This stagnation implies that living wages are possibly the most difficult issue facing the fashion industry.

For companies with extensive multi-tiered supply chains, paying a living wage requires coordinated and cascading responsibilities, resourcing, and action by all supply chain actors. Multi-stakeholder initiatives can play an important role here.

Fair Labour Association's Fair Compensation Strategy

As part of its Fair Compensation Strategy, the Fair Labour Association (FLA) requires member companies to collect and analyse where low wages persist in their supply chains and develop a strategy which is then monitored by the FLA.

The FLA Strategy uses the globally accepted Anker Methodology to take the guesswork out of calculating living wages; however, wages have only been calculated for India, Bangladesh, and Vietnam thus far.

Eleven companies assessed by the *Ethical Fashion Report* are participating in the FLA's Fair Compensation Strategy

- Adidas
- Fruit of the Loom
- Gildan Activewear
- HanesBrands
- Hugo Boss Group
- Kathmandu
- New Balance
- Nike
- Patagonia
- Puma
- UNIQLO

Action Collaboration Transformation – Living Wages through Collective Bargaining

Action Collaboration Transformation (ACT) strives to improve wages through two strategic pillars: Freedom of Association and five Purchasing Practice Commitments.

The two pillars provide a comprehensive approach to wage improvement by empowering workers to collectively bargain for living wages and assisting companies to recognise their influence on working conditions through their purchasing decisions. At the same time, ACT does not provide wage calculations, so collective bargaining attempts may not result in the payment of a living wage, even if it does improve working conditions and compensation or benefits. The initiative is also limited to Bangladesh, Cambodia, Myanmar, and Turkey.

Nine companies assessed by the *Ethical Fashion Report* are participating in the ACT initiative

- ASOS
- Big W
- Cotton On Group
- H&M
- Inditex
- Kmart and Target Australia
- Next
- Pentland
- PVH Corp

Environmental Sustainability

Environmental sustainability data at a glance

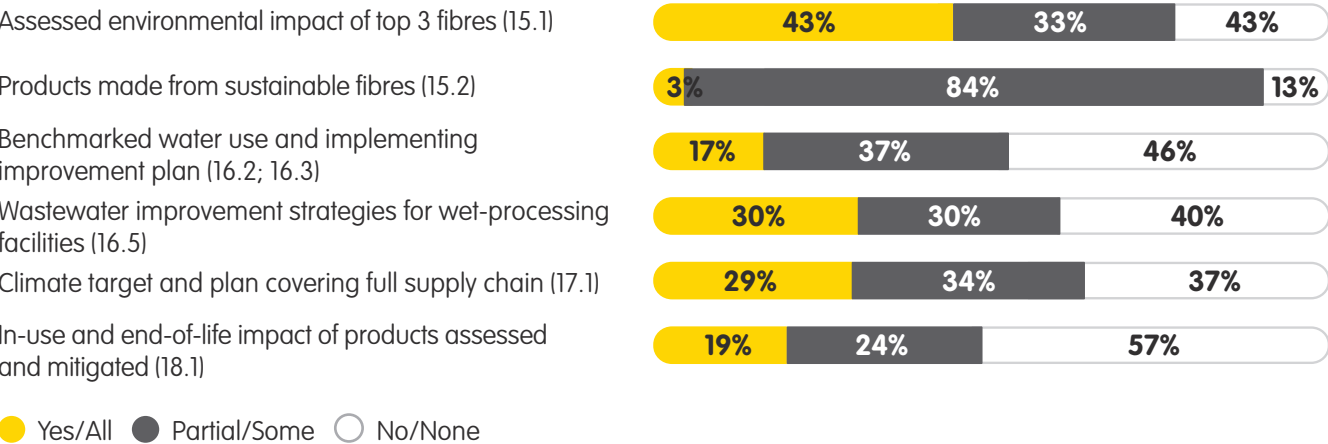
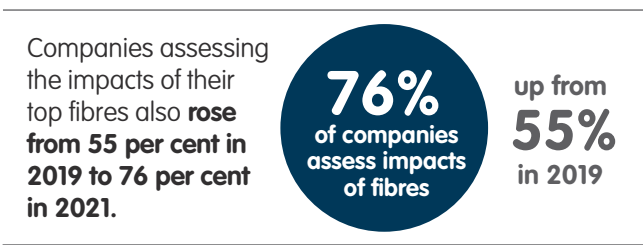


Figure 13

The Environmental Sustainability section assesses eleven questions covering Fibre and Material Use, Water and Chemical Use, Climate Impact, and In-Use and End-of-Life Impact. The focus section on climate impact on pages 18–23 explores the industry performance on climate, and in-use and end-of-life environmental impact metrics in greater detail.

In 2021, there was significant improvement in the uptake of sustainable fibres. The increase in the percentage of companies using some sustainable materials in their collections rose from 61 per cent in 2019 to 87 per cent in 2021.



As the emissions impact of raw fibre production accounts for almost 40 per cent of all lifecycle emissions, this is a promising shift.²⁶

These increases speak to increased awareness of environmental impacts and demand from

consumers for more sustainable options. However, only 16 per cent of companies are using sustainable options for more than half of their total fibre volume. The relatively small number to have meaningfully transitioned their fibre content, points to the importance of ensuring that sustainability considerations are embedded in sourcing decisions and not simply reduced to a speciality option.

Just over half of all companies are now benchmarking water use and wastewater quality at wet-processing facilities, sitting at 58 per cent and 62 per cent respectively (up from 51 per cent and 50 per cent in 2019). Of these companies, strategies for improvement have also strengthened, with those evidencing a water use plan sitting at 54 per cent this year up from 35 per cent in 2019, and those evidencing a wastewater strategy up to 60 per cent from 46 per cent in 2019. With water security becoming an increasingly pressing issue, it is promising to see a strengthened response from the industry named the second most water-intensive and water-polluting industry globally.²⁷ But with just under half of companies yet to take action much work remains.

²⁶ McKinsey 2020 <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

²⁷ UNEP 2018 <https://www.unep.org/news-and-stories/story/putting-brakes-fast-fashion>

ASICS REBORN WEAR PROJECT

ASICS REBORN WEAR PROJECT combines climate action, circular models, and sustainable fibres to showcase an innovative approach to fashion design on a global stage. ASICS were tasked with creating uniforms for the Japanese Olympic and Paralympic teams. As part of their commitment to achieve net-zero emissions by 2050 (including an intermediary 2030 target of 63 per cent scope three carbon reductions), they set a target of using 100 per cent recycled polyester in their collections. For the Olympian and Paralympian uniforms, they collected approximately four tonnes of donated used sportswear items from citizens throughout Japan and recycled the polyester items into new fabric and shoes worn by Japanese teams.

Outside of their Olympics work, ASICS continue to lead the industry on climate action through collaborative multi-stakeholder initiatives. In 2018, they became the world's first sporting goods company to have their 2030 emissions reduction target approved by the Science Based Targets initiative. They were also the first sporting goods company to support the Financial Stability Board's Task Force on Climate-Related Financial Disclosures, and further to this are a signatory of the United Nation's Fashion Industry Charter for Climate Action.



Top 10 COMPANIES

- Adidas
- Etiko
- H&M
- Joyya
- Levi Strauss and Co
- Mighty Good Basics
- Nike
- Outland Denim
- Patagonia
- VF Corp

Nobody Denim's 'Good Earth Cotton'

Conventional cotton agriculture is a water and carbon intensive process. Most companies lack visibility at the farm level for their raw materials, which makes reducing their impact in this area difficult. Nobody Denim wanted to source cotton with a lower impact on the planet, so they partnered with FibreTrace to produce a collection which is traceable from the cotton farm in Moree, NSW, to their stores.

FibreTrace use blockchain technology to embed scannable, luminescent pigments into cotton fibres. This allows the cotton to be scanned and marked

at each processing tier from ginning and spinning, through to final stage production. Each FibreTrace verified product is marked with a QR code on the swing tag which enables consumers to read about the journey the product took. The cotton farm producing fibres for this collection is independently certified carbon positive, which means that through innovative agricultural practice, it produces less CO² than it absorbs. For this reason, the cotton has been called 'Good Earth Cotton'.



Source: Nobody Denim

NEXT STEPS &

RECOMMENDATIONS

FOR FASHION COMPANIES

Despite COVID-19's continued disruption to production and retail markets, the 2021 Ethical Fashion Report shows that many companies have made progress in ethical sourcing. Foundational elements including policy—and increasingly supplier tracing—continue to improve. Yet this is still to translate to significantly changed outcomes for workers and the environment.

Each company's pathway to ethical sourcing needs to be owned internally and developed in ways that come to life within the culture and practices of their own business. However, there are common challenges such as the impact of modern slavery, climate change and COVID-19 which the entire industry must continue to prioritise. Specifically, companies need to:

1. Consolidate the foundations of ethical sourcing through ensuring continuous improvement and

socialisation of internal policy, accountability, and training.

2. Work toward greater levels of transparency on supplier lists, the practices and initiatives the company is implementing, and incidents that have occurred in the company's supply chain.

3. Identify where core commercial practices need to change, including through *ensuring responsible purchasing practices are non-negotiable* and assessing the implications of a company's business model on overproduction.

4. Actively partner with suppliers and collaboration initiatives to further deliver outcomes for workers *ensuring a step change in the payment of living wages, the ability of workers to join unions or worker associations, and access to strong worker voice, grievance, and remediation processes.*

5. Make decisions informed by risk by *paying particular attention to the locations, supply chain stages, and particular processes where modern slavery and other forms of labour exploitation are most prevalent* and adopting targeted monitoring and mitigation measures.

6. Embed consideration and responsibility for sustainability throughout the entire production process, starting with adopting supply chain-wide climate commitments and following through to examine circularity and the impact of fibre and production decisions on the natural world.

FOR INDIVIDUALS

While the *Ethical Fashion Report* largely focuses on the steps that companies have or need to take, we all have a role to play in creating a better world for all. No matter where you are on your ethical journey, there are steps you can take to help move yourself, and the fashion industry, closer to an ethical future. The '5 As' listed on the right are simple measures you can incorporate into your life today. Even though the steps may seem small when taken by one person, when taken by many, these steps help individuals contribute to systemic change – both in the fashion industry and in consumer culture.

Agency

- Remember we all have power to contribute to change.
- Take the www.myshoppingtype.com.au quiz to see where you are on your journey towards becoming an ethical consumer.



Attitude

- Hone your interest and understanding by reading articles, reports, and blogs about ethical consumption. Head to baptistworldaid.org.au to learn about issues within the fashion industry.



Awareness

- You've already got this copy of the 2021 *Ethical Fashion Report* – that's great! Read back through it to better understand how the fashion industry is tracking on key issues facing workers and the environment.



- Download or grab a copy of the accompanying *Ethical Fashion Guide* to have an easy to access list of your favourite brands and check how their ethical practices scored.

Action

- Make some small switches to purchase from brands that score well in the *Ethical Fashion Guide*.
- Buy second hand to reduce waste.



Advocacy

- Start a conversation with your friends or family about ethical consumption. Use our handy online guide to get started.
- Use our online tool to send an email to your favourite brands, encouraging them to improve their ethical sourcing and sustainability practices.



Brand-Grade Tables

Company Name	Brand Name	Overall Grade
Abercrombie & Fitch	Abercrombie & Fitch	C*
Abercrombie & Fitch	Gilly Hicks	C*
Abercrombie & Fitch	Abercrombie Kids	C*
Abercrombie & Fitch	Hollister Co.	C*
Adidas	Adidas	A
Adidas	Reebok	A
ALDI Stores	Torque	B
ALDI Stores	Lily and Dan	B
ALDI Stores	West Bay	B
ALDI Stores	Workzone	B
ALDI Stores	Crane Performance	B
ALDI Stores	Crane Snow	B
ALDI Stores	Aldi	B
ALDI Stores	Extreme Crane	B
ALDI Stores	Serra	B
ALDI Stores	Higgledee	B
ALDI Stores	Higgledee Baby	B
ALDI Stores	INOC	B
ALDI Stores	Barely Basics	B
ALDI Stores	Barely Essentials	B
Ally Fashion	You + All	D
Ally Fashion	Ally Fashion	D
APG & Co	SABA	B
APG & Co	Sportscraft	B
APG & Co	Jag	B
AS COLOUR	AS Colour	A
ASICS	Onitsuka Tiger	C

Company Name	Brand Name	Overall Grade
ASICS	ASICS	C
ASOS	Made In.	B
ASOS	Venture Brands	B
ASOS	Collusion	B
ASOS	Crooked Tongues	B
ASOS	Noak	B
ASOS	ASOS DESIGN	B
ASOS	Reclaimed Vintage	B
ASOS	Heart and Dagger	B
ASOS	ASOS 4505	B
ASOS	ASOS collabs	B
ASOS	ASOS EDITION	B
ASOS	ASOS MADE IN KENYA	B
ASOS	ASOS WHITE	B
ASOS	Supply	B
Bardot Pty Ltd	Bardot	F _i *
Bardot Pty Ltd	Bardot Junior	F _i *
Barkers Clothing	Barkers	B*
Best & Less	Best & Less	C
Big W	Big W	C
Blue Illusion	Blue Illusion	D _i *
Boardriders	Billabong	F _i *
Boardriders	Quiksilver	F _i *
Boardriders	Von Zipper	F _i *
Boardriders	DC Shoes	F _i *
Boardriders	Element	F _i *
Boardriders	Roxy	F _i *

Company Name	Brand Name	Overall Grade
Boardriders	RVCA	F _i *
Boden	Boden	B
Boohoo	Karen Millen	D
Boohoo	boohooMAN	D
Boohoo	Burton	D
Boohoo	coast	D
Boohoo	Wallis	D
Boohoo	MissPap	D
Boohoo	Nasty Gal	D
Boohoo	Dorothy Perkins	D
Boohoo	PrettyLittleThing	D
Boohoo	boohoo	D
Boohoo	Debenhams	D
Boohoo	Warehouse	D
Boohoo	Oasis	D
Brand Collective	Mossimo	D
Brand Collective	ELWD	D
Brand Collective	Elwood	D
Brand Collective	Elka Collective	D
Brandbank	Seed Heritage	C
Brandbank	Commonry	C
Brandbank	French Connection	C
City Chic Collective	City Chic	C
Coles	Coles	D _i *
Coles	Mix	D _i *
Cotton On Group	Cotton On Body	B
Cotton On Group	Cotton On Kids	B

Company Name	Brand Name	Overall Grade
Cotton On Group	Cotton On	B
Cotton On Group	Factorie	B
Cotton On Group	Rubi	B
Cotton On Group	Supre	B
Country Road Group	Trenery	A
Country Road Group	MIMCO	A
Country Road Group	Witchery	A
Country Road Group	Politix	A
Country Road Group	Country Road	A
Cue Clothing Co.	Veronika Maine	C
Cue Clothing Co.	Cue	C
David Jones	David Jones	B
David Jones	David Jones Classic Collection	B
David Jones	David Jones Junior	B
David Jones	Organic Baby by David Jones	B
David Jones	Agenda	B
David Jones	Alta Linea	B
David Jones	Milana	B
Decjuba	Decjuba Girls	D_i*
Decjuba	D-Luxe	D_i*
Decjuba	Decjuba	D_i*
Etiko	Etiko	A+
Ezibuy	Isobar	C
Ezibuy	Euro Edit	C
Ezibuy	Capture	C
Ezibuy	Capture Woman	C
Ezibuy	Urban	C
Ezibuy	Southcape	C
Ezibuy	Mia Luce	C

Company Name	Brand Name	Overall Grade
Ezibuy	Emerge	C
Ezibuy	Emerge Woman	C
Ezibuy	European Collection	C
Ezibuy	Ezibuy	C
Ezibuy	Addition Elle	C
Ezibuy	Grace Hill Woman	C
Ezibuy	Grace Hill	C
Ezibuy	Sara	C
Ezibuy	Heine	C
Factory X	L'URV	B
Factory X	Princess Highway	B
Factory X	Dangerfield	B
Factory X	Gorman	B
Farmers	Farmers	F_i*
Fast Future Brands	TEMT	F_i*
Fast Future Brands	Mirrou	F_i*
Fast Future Brands	Valleygirl	F_i*
Forever 21	Forever 21	F_i*
Forever New	Forever New	C
Joyya	Joyya Apparel	A+
Fruit of the Loom	Vanity Fair	B
Fruit of the Loom	Fruit of the Loom	B
Fruit of the Loom	Russell Athletic	B
Fruit of the Loom	Spalding	B
Gap INC	Old Navy	B*
Gap INC	Gap	B*
Gap INC	Hill City	B*
Gap INC	Athleta	B*
Gap INC	Intermix	B*
Gap INC	Banana Republic	B*
Gap INC	Janie and Jack	B*

Company Name	Brand Name	Overall Grade
General Pants Group	BNWR	C
General Pants Group	Ksubi	C
General Pants Group	Candidate	C
General Pants Group	Neon Hart	C
General Pants Group	Don't Ask Amanda	C
General Pants Group	GP Co Basics	C
General Pants Group	GP Tees	C
General Pants Group	General Pants Group	C
General Pants Group	Alice in the Eve	C
General Pants Group	Arvust	C
General Pants Group	Insight	C
General Pants Group	Standard	C
General Pants Group	Subtitled	C
Gildan Activewear	MediPeds	B
Gildan Activewear	Comfort Colors	B
Gildan Activewear	Gildan Hammer	B
Gildan Activewear	Peds	B
Gildan Activewear	Prim + Preux	B
Gildan Activewear	Therapy Plus	B
Gildan Activewear	Gold Toe	B
Gildan Activewear	Gildan	B
Gildan Activewear	Alstyle	B
Gildan Activewear	Secret	B
Gildan Activewear	Secret Silky	B
Gildan Activewear	American Apparel	B
Gildan Activewear	Anvil by Gildan	B
Gildan Activewear	Silks	B
Gildan Activewear	Kushyfoot	B
H&M	Afound	A
H&M	Weekday	A
H&M	COS	A

Company Name	Brand Name	Overall Grade
H&M	Monki	A
H&M	& Other Stories	A
H&M	H&M Home	A
H&M	H&M	A
H&M	Arket	A
Hallenstein Glasson Holdings	Glassons	A
Hallenstein Glasson Holdings	Hallenstein Brothers	A
Hanesbrands	Gear for Sports	A
Hanesbrands	Berlei	A
Hanesbrands	Kayser	A
Hanesbrands	Bonds	A
Hanesbrands	Bras N Things	A
Hanesbrands	Champion	A
Hanesbrands	Bali	A
Hanesbrands	Leggs	A
Hanesbrands	Voodoo	A
Hanesbrands	Platinum	A
Hanesbrands	Playtex	A
Hanesbrands	Wonderbra	A
Hanesbrands	Razzamatazz	A
Hanesbrands	Bonds Explorer	A
Hanesbrands	Rio	A
Hanesbrands	GTM	A
Hanesbrands	Hanes	A
Hanesbrands	Hestia	A
Hanesbrands	Sheer Relief	A
Hanesbrands	Sheridan	A
Hanesbrands	JMS	A
Hanesbrands	DIM	A

Company Name	Brand Name	Overall Grade
Hanesbrands	Maidenform	A
Hanesbrands	Alternative Apparel	A
Hanesbrands	Jockey (Australia & NZ)	A
Hotsprings	P.E. Nation	C
Hotsprings	Cooper St	C
Hotsprings	Rebecca Vallance	C
Hugo Boss Group	Boss	B
Hugo Boss Group	Hugo	B
Inditex	Zara Home	A
Inditex	Bershka	A
Inditex	Üterque	A
Inditex	Massimo Dutti	A
Inditex	Zara	A
Inditex	Oysho	A
Inditex	Pull&Bear	A
Inditex	Stradivarius	A
Industrie	Roler	D _i *
Industrie	Industrie	D _i *
Industrie	Indie kids	D _i *
JD Sports	McKenzie	B
JD Sports	Supply & Demand	B
JD Sports	Sonneti	B
JD Sports	Pink Soda Sports	B
JD Sports	Duffer	B
JD Sports	Status	B
Jeanswest	Jeanswest	F _i *
Just Group	Peter Alexander	C
Just Group	Dotti	C
Just Group	Portmans	C
Just Group	Just Jeans	C
Just Group	Jacqui E	C

Company Name	Brand Name	Overall Grade
Just Group	Jay Jays	C
Kathmandu	Kathmandu	A
Kmart & Target Australia	Target	B
Kmart & Target Australia	Kmart	B
Kookai	Kookai	C
L Brands	PINK	C
L Brands	Victoria's Secret	C
Lacoste	Lacoste	B
Levi Strauss and Co	DENIZEN from Levi's	B*
Levi Strauss and Co	Dockers	B*
Levi Strauss and Co	Signature by Levi Strauss & Co.	B*
Levi Strauss and Co	Levi's	B*
Lorna Jane	Lorna Jane	D _i *
Lowes	Beare & Ley	D
Lowes	Traders Workwear	D
Lowes	Cougars	D
Lowes	Robert Huntley	D
Lowes	Huntley & Sons	D
Lowes	Lowes	D
Lululemon Athletica	Lululemon Athletica	A
Macpac	Macpac	A
Marks & Spencer	Marks & Spencer	B*
Max Fashions	Max	C*
Mighty Good Basics	Mighty Good Basics	A+
Mosaic Group	Beme	C
Mosaic Group	Katies	C
Mosaic Group	Liz Jordan	C
Mosaic Group	Maggie T	C
Mosaic Group	W. Lane	C
Mosaic Group	Crossroads	C

Company Name	Brand Name	Overall Grade
Mosaic Group	Noni B	C
Mosaic Group	Rivers	C
Mosaic Group	Rockmans	C
Mosaic Group	Amber Rose	C
Mosaic Group	Autograph	C
Mosaic Group	Millers	C
Mosaic Group	Table Eight	C
Myer	Basque	D
Myer	Tokito	D
Myer	Blaq	D
Myer	Trent Nathan	D
Myer	Chloe & Lola	D
Myer	Vue	D
Myer	Milkshake	D
Myer	Miss Shop	D
Myer	Piper	D
Myer	Regatta	D
Myer	Reserve	D
Myer	AHG	D
Myer	Heritage	D
Myer	Soho	D
Myer	Sprout	D
Myer	Myer	D
New Balance	New Balance	B
New Balance	Warrior	B
Next	Next	B
Next	Label/Mix	B
Next	Lipsy	B
Nike	Jordan	A
Nike	Nike	A
Nike	Converse	A

Company Name	Brand Name	Overall Grade
Nobody Denim	Nobody Denim	B
Nudie Jeans Co	Nudie Jeans Co	A
Oroton Group	Oroton	C
Outland Denim	Outland Denim	A+
Oxford	Oxford	C
Patagonia	Patagonia	A
Pentland Brands	kangaroos	B
Pentland Brands	Berghaus	B
Pentland Brands	Canterbury of New Zealand	B
Pentland Brands	Speedo	B
Pentland Brands	Mitre	B
Pentland Brands	ellesse	B
Pentland Brands	Endura	B
Pentland Brands	Red or Dead	B
Pentland Brands	SeaVees	B
Postie	Postie	B
Princess Polly	Princess Polly	B
Puma	Puma	A
Puma	Cobra Golf	A
PVH Corp	Tommy Hilfiger	B
PVH Corp	True & Co.	B
PVH Corp	Van Heusen	B
PVH Corp	Warner's	B
PVH Corp	Olga	B
PVH Corp	Calvin Klein	B
PVH Corp	Geoffrey Beene	B
PVH Corp	ARROW	B
PVH Corp	IZOD	B
R.M. Williams	R.M. Williams	D*
Ralph Lauren	LAUREN	C

Company Name	Brand Name	Overall Grade
Ralph Lauren	POLO	C
Ralph Lauren	Chaps	C
Ralph Lauren	Club Monaco	C
Ralph Lauren	Ralph Lauren	C
Ralph Lauren	RLX	C
Retail Apparel Group	Tarocash	B
Retail Apparel Group	Connor	B
Retail Apparel Group	yd.	B
Retail Apparel Group	Rockwear	B
Retail Apparel Group	Johnny Bigg	B
Rip Curl	Rip Curl	B
Rodd & Gunn	Rodd & Gunn	A
Seafolly	Seafolly	C
Seafolly	Milea	C
Sheike	Sheike	F _i *
Showpo	Showpo	C
Sussan Group	Sussan	C
Sussan Group	Sportsgirl	C
Sussan Group	Suzanne Grae	C
The Iconic	Locale	C*
The Iconic	Mika Muse	C*
The Iconic	Dazie	C*
The Iconic	Atmos&Here	C*
The Iconic	Double Oak Mills	C*
The Iconic	Endless	C*
The Iconic	Aere	C*
The Iconic	Spurr	C*
The Iconic	St Swim	C*
The Iconic	Staple Superior	C*
The PAS Group Limited	Black Pepper	D
The PAS Group Limited	Review	D

Company Name	Brand Name	Overall Grade
The PAS Group Limited	Marco Polo	D
The PAS Group Limited	Mooks	D
The PAS Group Limited	Yarra Trail	D
The PAS Group Limited	Lonsdale	D
The PAS Group Limited	Everlast	D
The PAS Group Limited	Slazenger	D
The Warehouse Group	Beach Works	C*
The Warehouse Group	Kate Madison	C*
The Warehouse Group	The Warehouse	C*
The Warehouse Group	Blue Denim Co	C*
The Warehouse Group	Urban Equip	C*
The Warehouse Group	Match	C*
The Warehouse Group	Maya	C*
The Warehouse Group	Navigator South	C*
The Warehouse Group	Active Intent	C*
The Warehouse Group	Debut	C*
The Warehouse Group	Pickaberry	C*
The Warehouse Group	Garage	C*
The Warehouse Group	Rivet	C*
The Warehouse Group	H&H	C*
The Warehouse Group	Schooltex	C*
The Warehouse Group	Amco	C*
The Warehouse Group	An'D	C*
The Warehouse Group	Intrepid	C*
The Warehouse Group	Back Country	C*
The Warehouse Group	Basics Brand	C*
The Warehouse Group	Basics Maternity	C*
ThreeByOne	Neuw Denim	B
ThreeByOne	Abrand Jeans	B
ThreeByOne	Rolla's Jeans	B
TJX	TK Maxx	D*

Company Name	Brand Name	Overall Grade
Under Armour	Under Armour	C*
UNIQLO	UNIQLO	B
Universal Store	Perfect Stranger	D
Universal Store	Token	D
Universal Store	Common Need	D
Universal Store	Neovision	D
Universal Store	L&T	D
Universal Store	Luck & Trouble	D
VF Corp	Dickies	A
VF Corp	Terra	A
VF Corp	The North Face	A
VF Corp	Timberland	A
VF Corp	Kipling	A
VF Corp	Kodiak	A
VF Corp	Bulwark	A
VF Corp	VANS	A
VF Corp	VF Solutions	A
VF Corp	Walls	A
VF Corp	Napapiriji	A
VF Corp	Altra	A
VF Corp	Eagle Creek	A
VF Corp	Eastpak	A
VF Corp	Red Kap	A
VF Corp	Horace Small	A
VF Corp	Smartwool	A
VF Corp	Icebreaker	A
VF Corp	Jansport	A
Voyager Distributing Co	Kachel	F _i *
Voyager Distributing Co	Ping Pong	F _i *
Voyager Distributing Co	Ginger Tree	F _i *
Voyager Distributing Co	Jump	F _i *

Company Name	Brand Name	Overall Grade
Workwear Group	KingGee	B
Workwear Group	NNT Uniforms	B
Workwear Group	Hard Yakka	B
Zimmermann	Zimmermann	B

All company grades are determined on the basis of the evidence they provide in response to 46 questions covering different aspects of their supply chain. Full methodology details can be found on pages 30–33.

Companies with an asterisk () beside their grade have been assessed on ‘Public Information Only’. This may be because they have chosen to only provide evidence through their public transparency initiatives or because they have opted not to engage. All evidence is assessed using the same validation criteria.

ⁱ Companies with an (ⁱ) beside their grades did not engage with the research process and have ‘Insufficient Public Information’ to assess more than 20 per cent of the EFR survey questions. Some of these companies may have additional measures in place within their supply chains but the grade remains an accurate reflection of their transparency. This transparency is critical as it enables accountability and provides the basis for informed consumer decisions.

About Baptist World Aid Australia

Baptist World Aid Australia is an international aid and development organisation, with a vision to see a world where poverty has ended, where all people enjoy the fullness of life God intends. In order to achieve this vision, Baptist World Aid Australia works through two equally important partnerships:

- It partners with like-minded agencies overseas to empower communities to lift themselves out of poverty, challenge injustice and build resilience; and
- It partners with Christians and churches in Australia, particularly those from the Baptist movement, in generous giving, ethical consumption, courageous advocacy and faithful prayer in order to achieve justice for people living in poverty.

Established in 1959, Baptist World Aid Australia works with local partners in 20 countries in the Pacific, Middle East, Southeast Asia, South Asia and Africa. Its activities cover four key areas:

- Community Development projects build lasting solutions to poverty for entire communities;
- Its Child Sponsorship program assists children to break down the barriers of poverty—for themselves and their whole community;
- Its work in disaster saves lives before, during and after a disaster strikes; and
- Baptist World Aid Australia stands with the oppressed and marginalised, advocating for a more just world.

Baptist World Aid Australia has been campaigning various industries to end worker exploitation for over nine years, beginning its research into the fashion and electronics industries in 2010.

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