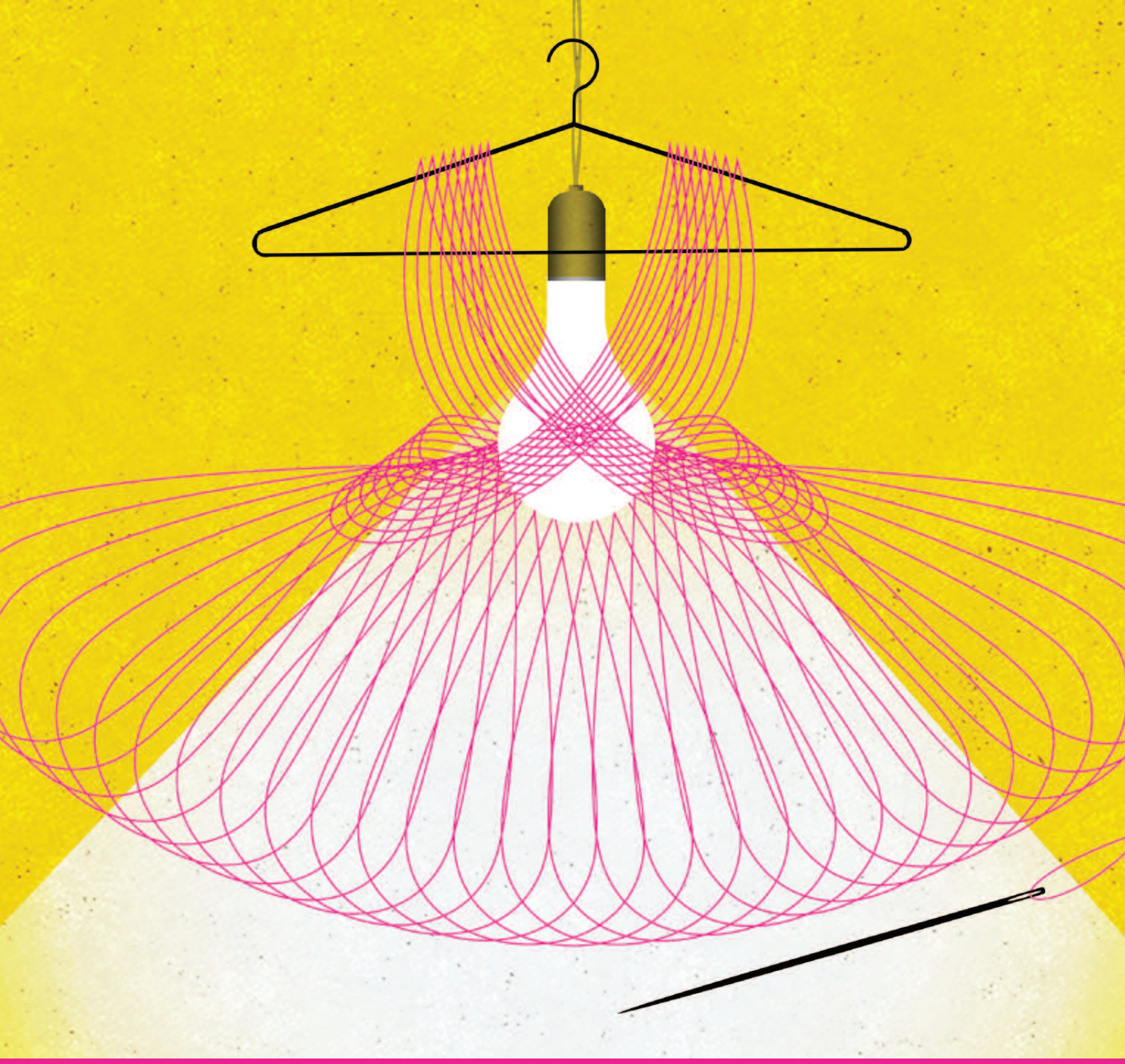

FOLLOW THE THREAD

The Need for Supply Chain Transparency in the Garment and Footwear Industry

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The Need for Supply Chain Transparency in the Garment and Footwear Industry

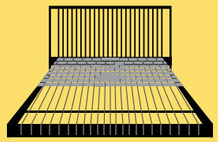
THE GLOBAL GARMENT INDUSTRY SUPPLY CHAIN

Growing, Ginning, Trading

1 Ginners receive cotton from multiple growers and sell to the global market through traders.

Spinning, Knitting or Weaving, Dyeing

2 Spinners use cotton from a variety of origins to produce yarn; fabric mills produce cloth.



BRAND ORDERS ITS APPAREL

Cutting, Sewing, Trimming

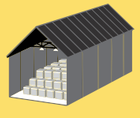
3a Cut-make-trim (CMT) factory manufactures garments.

3b A CMT factory that lacks in-house capacity for smaller processes subcontracts them to another facility, which then sends the garments back to CMT factory.

Embroidery, Printing, Washing

Warehousing, Shipping

4 CMT factory ships garments wholesale to the brand that placed the orders.



Retail

5 Brand distributes garments globally to retail and online stores.

I. SUMMARY

The garment and footwear industry stretches around the world.[1] Clothes and shoes sold in stores in the US, Canada, Europe, and other parts of the world typically travel across the globe. They are cut and stitched in factories in Asia, Eastern Europe, Latin America, or other regions. Factory workers in Bangladesh or Romania could have made clothes only weeks ago that consumers elsewhere are eagerly picking up.

When global supply chains are opaque, consumers often lack meaningful information about where their apparel was made. A T-shirt label might say "Made in China," but in which of the country's thousands of factories was this garment made? And under what conditions for workers?

There is a growing trend of global apparel companies adopting supply chain transparency[2]—starting with publishing the names, addresses, and other important information about factories manufacturing their branded products. Such transparency is a powerful tool for promoting corporate accountability for garment workers' rights in global supply chains.

Transparency can ensure identification of global apparel companies whose branded products are made in factories where bosses abuse workers' rights. Garment workers, unions, and nongovernmental organizations can call on these apparel companies to take steps to ensure that abuses stop and workers get remedies.

Publishing supply chain information builds the trust of workers, consumers, labor advocates, and investors, and sends a strong message that the apparel company does not fear being held accountable when labor rights abuses are found in its supply chain. It makes a company's assertion that it is concerned about labor practices in its supplier factories more credible.[3]

The need for information about factories involved in production for global brands has become painfully clear in recent years through deadly incidents that have plagued the garment industry.

The Rana Plaza building collapse in Bangladesh on April 24, 2013 killed over 1,100 garment workers and injured more than 2,000. In the year before the collapse, two factory fires—one in Pakistan's Ali Enterprises factory and another in Bangladesh's Tazreen Fashions factory—killed more than 350 workers and left many others with serious disabilities. These were the deadliest garment factory fires in nearly a century.

Until these tragedies occurred, virtually no public information was available concerning apparel companies that were sourcing from the factories involved. The only way to identify these apparel companies and advocate for accountability was to interview survivors and rummage through the rubble afterward to find brand labels.

A system of corporate accountability that requires people to scramble on the ground for brand labels is the antithesis of "transparency."

Over the past decade, a growing number of global apparel companies have published information on their websites about factories that manufacture their branded products. For more than a decade, adidas, Levi Strauss, Nike, Patagonia, and Puma have been publishing information on their supplier factories. Over time, more apparel companies and retailers with own-brand products joined them,[4] posting some information about supplier factories on their websites.

As more companies adopt supply chain transparency, it is becoming a cornerstone of responsible business conduct in the garment sector. Increasingly, brands and retail chains are beginning to understand that being an ethical business requires them to publish where their own-brand clothes or footwear are being made.

TRACING SUPPLY CHAIN TRANSPARENCY IN THE GARMENT INDUSTRY

Until less than two decades ago, no major apparel company published its global supplier factories network. The companies viewed the identity of supplier factories as sensitive business information, and thought disclosure would put them at a competitive disadvantage.

In the late 1990s and early 2000s, major apparel brands Nike and adidas began disclosing the names and addresses of factories that produced US collegiate apparel.[5] This was a result of a campaign led by a campus network, United Students Against Sweatshops (USAS), in dozens of universities. Universities included supply chain disclosure as part of their licensing agreements with top athletic apparel companies that produced their college logo apparel.

Subsequently, in 2005, Nike and adidas went further by publishing information about all of their supplier factories for all products—not just collegiate licensed apparel.

Over the past decade, a growing number of other global apparel companies, including North American companies with no connection to the US collegiate apparel sector like Levi Strauss and Patagonia, as well as some European apparel companies, began publishing supplier factory information.

A man removes clothing bearing a brand label from the devastated area of the collapsed Rana Plaza building in Dhaka, Bangladesh, on Friday, April 26, 2013.
© 2013 Jeff Holt/Bloomberg via Getty Images

APPAREL COMPANIES PUBLISHING SUPPLIER FACTORY INFORMATION IN 2016

As of December 2016, the following apparel companies were among those that published some supply chain information about their branded products:

adidas, C&A, Columbia Sportswear, Cotton On Group, Disney, Esprit, Forever New, Fruit of the Loom, Gap Inc., G-Star RAW, Hanesbrands, H&M Group, Hudson's Bay Company, Jeanswest, Levi Strauss, Lindex, Marks and Spencer, Mountain Equipment Co-op, New Balance, Nike, Pacific Brands, PAS Group, Patagonia, Puma, Specialty Fashion Group, Target USA, VF Corporation, Wesfarmers Group (Kmart and Target Australia, and Coles), and Woolworths.

This is not a comprehensive list.[6]

This report takes stock of supply chain transparency in the garment industry four years after the industry disasters in Bangladesh and Pakistan that shook the global garment industry. To build momentum toward supply chain transparency and develop industry minimum standards, a coalition of labor and human rights groups asked 72 companies to agree to implement a simple Transparency Pledge. It also asked that companies declining to commit to the Pledge provide reasons for choosing not to do so.[7] Where companies engaged with the coalition, the coalition also sought additional information about their existing transparency practices. This report explains the logic and the urgency behind the Pledge and describes the responses we received from the companies contacted.[8] Further information about the apparel companies contacted, the reasons for choosing them, and the coalition's engagement process is outlined in Appendix I.

Supply chain transparency practices vary immensely among companies. Among those apparel companies that embrace transparency, the details they publish are inconsistent.[9] Many other companies refuse to publish supplier factory information at all, or divulge only scant information. Some companies attempt to justify non-disclosure on commercial grounds. But their explanations are belied by the experiences of other similarly situated companies that do publish and have shown that the benefits of disclosure outweigh perceived risks.[10]

Ultimately apparel companies can do far more than implement the Pledge to ensure respect for human rights in their supply chains. Nonetheless, this is one important step in a holistic effort to improve corporate accountability in the garment industry.

CIVIL SOCIETY COALITION ON GARMENT INDUSTRY TRANSPARENCY

In 2016, nine labor and human rights organizations formed a coalition to advocate for transparency in apparel supply chains. Coalition members are:

- **Global unions: IndustriALL Global Union, International Trade Union Confederation, and UNI Global Union.**
- **International labor and human rights organizations that focus on the apparel sector: Human Rights Watch, Clean Clothes Campaign, Maquila Solidarity Network, Worker Rights Consortium, International Corporate Accountability Roundtable, and International Labor Rights Forum.**

The coalition endorsed the Transparency Pledge as a minimum standard for supply chain disclosure. The Pledge is based on existing, positive industry practices. See below for more information on the Pledge.

II. THE CASE FOR SUPPLY CHAIN TRANSPARENCY

Supply chain transparency—starting with publishing names, addresses, and other important information about factories producing for global apparel companies—is a powerful tool to assert workers' human rights, advance ethical business practices, and build stakeholder trust. Consumers should know where the products they purchase are made. Workers should also know which apparel company's branded products they are making.

Companies have a responsibility to take steps to prevent human rights risks throughout their supply chains, and to identify and address any abuses that arise despite those preventative efforts. In order to live up to that responsibility, they should adopt industry good practices.

By publishing factory names, street addresses, and other important information, global apparel companies allow workers and labor and human rights advocates to alert apparel companies to labor rights or other abuses in their supplier factories.

An apparel company that does not publish its supplier factory information contributes to possible delays in workers or other stakeholders being able to access the company's complaint mechanisms or other remedies. Workers and labor rights advocates often expend substantial time and effort trying to collect brand labels or using other methods to determine which companies are sourcing from factories where human rights abuses are occurring. Meanwhile, they lose valuable time and put workers at risk of retaliation and continued exposure to dangerous or abusive working conditions. Such delays reduce the overall effectiveness of grievance redress mechanisms that apparel companies and other parties put in place.

Disclosing names, addresses, and other relevant information about supplier factories helps make it possible to determine whether a brand has sufficient leverage or influence in a particular factory or country to achieve remediation of worker rights abuses.

Supply chain transparency can also help check unauthorized subcontracting, in which factories that contract with apparel companies meet production demands by farming out some of the work, often to smaller, less regulated factories where labor rights abuses are common. This is a persistent challenge in the garment industry. If apparel companies published the names and addresses of all authorized supplier factories and their subcontract facilities, workers and other interested parties would know which factories are authorized to produce for the company and which are not.

Publishing supplier factory information can also help apparel companies avoid reputational harm. For example, workers may not know that a given apparel company has terminated business with a factory well before labor rights problems arose, and could seek a remedy from the wrong company. Many factories publish information on their websites about their business relationships with major brands that may be outdated and misleading. By publishing supplier factory information themselves, and updating it regularly, apparel companies would reduce the risk that they could be wrongly associated with abusive conditions in factories with which they long before cut business ties.

Moreover, it is difficult for companies to continually identify persistent labor rights problems in specific supplier factories, to detect unauthorized subcontracting, and to regularly verify progress toward corrective action if they limit their sources of information to purely business-led human rights due diligence procedures. These include inspections and labor compliance audits by apparel companies' own social compliance staff and third-party monitors engaged by them.

Brand inspectors and third-party monitors—even those that are diligent and professional—are at best able to visit factories periodically and for short periods. The quality and accuracy of third-party monitoring reports depend largely on the methodology used in the assessments, the independence of the assessors from the factory and the apparel company, and the weight given to testimonies from workers and other interested parties. These tools are not sufficient in and of themselves to detect all instances of abuse, unauthorized subcontracting, and other problems. Factory disclosure makes it possible for apparel companies to receive credible information from workers and worker rights advocates between periodic factory audits.

An easily achievable standard of disclosure is for apparel companies to publish on their company websites factory names and addresses (including country, city, and street address). Many leading apparel companies have already done this. In Section III, we describe additional steps apparel companies can and should take to make their supply chains more transparent.

Publishing supply chain information is consistent with a company's responsibilities under the UN Guiding Principles on Business and Human Rights (UN Guiding Principles), a set of guidelines that lay out steps companies should take to prevent, address, and remedy human rights abuses linked to business operations. The principles state that companies have a responsibility to "identify, prevent, mitigate and account for" adverse human rights impacts of their business operations, and to regularly report on progress made.[11]

The UN Guiding Principles also say that businesses should externally communicate how they address their human rights impacts in "a form and frequency that … are accessible to its intended audiences."[12] The commentary on the Guiding Principles states that the "responsibility to respect human rights requires that business enterprises have in place policies and processes through which they can both know *and show* [emphasis added] that they respect human rights in practice." Further, "[s]howing involves communication, providing a measure of transparency and accountability to individuals or groups who may be impacted and to other relevant stakeholders, including investors."[13]

In some jurisdictions, companies that publish supplier factory information can also help facilitate compliance with legal obligations under laws like the California Transparency in Supply Chains Act of 2010; "sweat-free" procurement laws adopted in dozens of US cities and a few states; the UK Modern Slavery Act 2015; and the French law on the corporate duty of vigilance, 2017.[14]

The transparency of global supply chains is also increasingly recognized by investors as a metric for evaluating the robustness of business human rights practices. The Corporate Human Rights Benchmark (CHRB), a collaborative effort by business and human rights organizations and investors, developed a public scorecard for the human rights practices of apparel, agricultural, and extractive companies. The benchmark has been endorsed by 85 investors representing US$5.3 trillion in assets.[15] CHRB's indicators include whether the company publishes supply chain information.

Specifically, the CHRB scorecard assesses whether "[t]he Company maps its suppliers and discloses its mapping *publicly* [emphasis added]." Apparel companies are given two specific scores depending on whether "[t]he company indicates that it maps its suppliers beyond tier one, including direct and indirect suppliers, and describes how it goes about this" and whether "[t]he Company also discloses the mapping for the most significant parts of its supply chain and explains how it has defined what are the most significant parts of its supply chain."[16] In order to assess the latter, companies were required to publish at least the names of its supplier factories for the 2016 pilot benchmark.[17]

Kevin Thomas, director of shareholder engagement of SHARE Canada, a nonprofit organization that represents institutional investors in Canadian and other international companies in apparel and other sectors, said that in 2016 at least 20 shareholder resolutions related to supply chains and human rights practices were filed in the US. He said:

> **[I]nvestors are looking for evidence that demonstrates that the company is effectively identifying human rights risks in its own operations and in the supply chain, and has an effective system to address those risks when they are identified. It's important that the company not only report on its policies and systems, but also the outcomes of its work – what is it finding, and how is it fixing it. Factory disclosure is a part of that process. [T]he company's willingness to disclose demonstrates to shareholders that it is confident in its due diligence process. [I]t also assists the company in catching unauthorized subcontracting, as well as developing useful relationships with stakeholders that can assist the company in identifying problem areas and solutions.**[18]

III. THE TRANSPARENCY PLEDGE

The objective of the Transparency Pledge is to help the garment industry reach a common minimum standard for supply chain disclosures by getting companies to publish standardized, meaningful information on all factories in the manufacturing phase of their supply chains. The civil society coalition that developed the Pledge based it on published factory lists of leading apparel companies and developed a set of minimum supply chain disclosure standards. These build on good practices in the industry.

The Pledge focuses on the "manufacturing phase" of an apparel company's supply chain, which comprises all factories authorized by the company to produce (that is, cut-make-trim, or CMT) along with others subcontracted by these CMT factories to perform "finishing" processes.[19]

The Pledge aims for consistency in disclosures, which is sorely needed, as shown by an analysis carried out by coalition members of supply chain information published by September 2016 by 23 global apparel companies. In the absence of standards, companies adopt different approaches to transparency, sometimes excluding important information that makes it effective. This analysis informed the content of the Transparency Pledge, as explained in Appendix II.

THE APPAREL AND FOOTWEAR SUPPLY CHAIN TRANSPARENCY PLEDGE ("THE TRANSPARENCY PLEDGE")

This Transparency Pledge helps demonstrate apparel and footwear companies' commitment towards greater transparency in their manufacturing supply chain.

Transparency of a company's manufacturing supply chain better enables a company to collaborate with civil society in identifying, assessing, and avoiding actual or potential adverse human rights impacts. This is a critical step that strengthens a company's human rights due diligence.

Each company participating in this Transparency Pledge commits to taking at least the following steps within three months† of committing to it:

PUBLISH MANUFACTURING SITES

The company will publish on its website on a regular basis (such as twice a year) a list naming all sites that manufacture its products. The list should provide the following information in English:

1. **The full name of all authorized production units and processing facilities.***
2. **The site addresses.**
3. **The parent company of the business at the site.**
4. **Type of products made.****
5. **Worker numbers at each site.*****

Companies will publish the above information in a spreadsheet or other searchable format.

† The three-month time frame was extended to December 2017 based on the coalition's engagement with apparel companies. See Appendix I for details.

*** Processing factories include printing, embroidery, laundry, and so on.**

**** Please indicate the broad category—apparel, footwear, home textile, accessories.**

***** Please indicate whether the site falls under the following categories by number of workers: Less than 1,000 workers; 1,001 to 5,000 workers; 5,001 to 10,000 workers; More than 10,000 workers.**

WHY MINIMUM STANDARDS FOR DISCLOSURE

Based on an analysis of apparel companies' disclosure practices, it became clear that without minimum standards, companies' efforts toward supply chain disclosures suffered from a range of deficiencies:

- **A lack of a common understanding of what constituted the first tier of a brand's supply chain. For example, not disclosing any information about authorized subcontractors like external printers, embroiderers, and laundries that are essential to producing a finished product, without which it cannot be sold.**
- **Publishing only a part of all cut-make-trim supplier factories, without specifying what was included.**
- **Omitting factories' street addresses, making it impossible to know where in a given country or city a factory was located.**
- **Excluding names and addresses of factories used by licensees or agents.**
- **Not specifying if supplier factory information was published for all or only some brands owned by the apparel company.**
- **Not specifying whether the disclosure was for all or only some types of products.**
- **Not describing what was being excluded from the disclosure.**
- **Not stating what percentage of their total sourcing volume and supplier factories was published, the date the information was last updated, and how frequently such updates were made public.**
- **Not publishing this data in downloadable and searchable formats.**

KEY POINTERS FOR PUBLISHING SUPPLIER FACTORY INFORMATION

When publishing supplier factory information, global apparel companies should pay close attention to the manner in which they provide it. The following guiding points are important to make disclosure effective:

- Easy Access
  - — Make information easily and freely accessible on their websites.
  - — Make information available in formats that have downloadable files and enable machine-readable searches to cut down on the time needed to manually sift through these lists.

- Clarity
  - Clearly state what precisely is being published and what definitions are being used. (For example, describe how the company defines terms like "tier-1"; "core manufacturing partners.")
  - Clearly state whether all authorized subcontractors used by cut-make-trim factories for processes to complete a brand's products are being published.
  - Indicate the aggregate volume of business that is captured by the disclosure and the percentage of total supplier factories published. (For example, "The factories named represent 80 percent of the factories where the company's products are manufactured, and are responsible for production of 90 percent of the brand's products.")
  - Indicate exclusions from disclosures, if any, and impending plans to expand disclosures. (For example, whether it excludes factories used by licensees, agents, and discloses information for only some or all brands.)
- Regular Updates
  - Specify the date when the information was last updated and how frequently the information is publicly updated.

WHAT THE TRANSPARENCY PLEDGE DOES NOT DO

- The Pledge does not attempt to define the full extent of transparency in the garment industry. It deals with a narrow yet critical part of transparency in apparel supply chains. The full range of transparency practices in the garment industry should be broader and more holistic. Several aspects—ranging from grievance redress procedures and brand efforts to mitigate or remediate human rights problems, including the effectiveness of brands' compliance programs with respect to worker wages, hours of work, and their freedom of association—stand to benefit from greater transparency.
- The Pledge does not set a ceiling, but rather a floor, on what brands should publicly report. The coalition hopes that human rights and environmental advocates, governments, companies, investors, and other stakeholders in the sector will work to deepen and broaden transparency beyond what is included in the Pledge.
- Some brands have already taken steps that prove more is possible. They have published more details beyond just a factory name and address, indicating the precise number of workers in the factory, the gender breakdown of the workforce, and other details for every factory disclosed.[20] A very small number of apparel companies have published the textile factories where fabric used in their garments is made and more information beyond the "manufacturing phase" of the supply chain.[21]

IV. APPAREL COMPANY RESPONSES

The civil society coalition that developed the Transparency Pledge contacted 72 apparel and footwear companies asking them to sign on to and implement the Pledge. This section captures responses received as of April 7, 2017.[22]

There were a wide range of responses, which the coalition has grouped into three categories:

- First, some companies already embrace supply chain transparency and either agreed to add more factory details to meet the Pledge standards or to align their practices more closely with those standards.
- Second, some companies already publish supplier factory information but declined to add more details to align their disclosure practices with the Pledge standards, or failed to respond to the coalition letter. In the same category are other companies that reported that they intend to begin disclosing more supplier factory information but whose commitments fell far short of the Pledge standards.
- Third, some companies either did not commit to publishing any supplier factory information or did not respond at all.

These categories are based on commitments made by apparel companies—many of which have promised to begin publishing information for the first time—that they have indicated will be implemented in 2017. An update to this report will be issued in 2018 providing more details about apparel company disclosures and additional responses. Where appropriate the list of companies in each category will be revised, based on the disclosures and commitments that these companies make in the interim period.

Full Pledge or Close to Full Alignment with Pledge

Seventeen apparel companies agreed to publish all supplier factory information requested, meeting all the Pledge standards.[23] Another five companies fell just short of the Pledge standards.

FULL ALIGNMENT WITH THE PLEDGE

Apparel companies that previously published supply chain information and committed to publishing additional supplier factory information in full alignment with the Pledge standards are adidas, C&A, Cotton On, Esprit, G-Star RAW, Hanesbrands, H&M, Levis, Lindex, Nike, and Patagonia.

Apparel companies that had previously not published any supplier factory information and have committed to publishing this in full alignment with the Pledge are ASICS, ASOS, Clarks, New Look, Next, and the Pentland Brands.

The commitments of these global apparel companies help break new ground by promoting an industry-wide minimum standard for supply chain transparency.

JUST MISSING THE PLEDGE STANDARD

Since its first disclosure in September 2016, Gap updated its information, which now incorporates almost all aspects of the Pledge.[24] Marks and Spencer[25] and Tesco[26] outlined their plans to add more information to their current factory disclosure, which would bring them closer to alignment with the Pledge standard. John Lewis committed to publishing supplier factory information in 2017 in accordance with almost the full Pledge.[27] None of these companies committed to publishing information about parent companies of factories as requested.

Mountain Equipment Co-op added information in accordance with Pledge standards for cut-make-trim factories with a commitment to adding authorized subcontractors in the future.[28]

Some Transparency, More Needed

Some apparel companies (identified in textboxes below) already publish the names and addresses of their supplier factories, but do not disclose other information in line with the Pledge standards, and did not commit to doing more. Others have committed to taking steps to publish supplier factory information but with scant detail or without specifying what precisely they will disclose.

An apparel company should, at the very least, publish the minimum information needed to demonstrate that it "knows and shows" a key part of its supply chain: the names and addresses of all its cut-make-trim factories and authorized subcontractors that undertake processes needed to finish the product.

IN THE RIGHT DIRECTION

Columbia Sportswear and Disney have been publishing the names and addresses of their cut-make-trim suppliers and authorized subcontractors.[29] But they did not explicitly commit to doing more.[30]

New Balance, which was already publishing factory names and addresses, committed to adding product categories.[31]

PUMA added street addresses, worker numbers, and product categories for all factories it currently publishes.[32]

Coles publishes the names and addresses of its non-food suppliers (not only apparel) from India and China, which the company says includes all supplier factories, but it did not commit to doing more.[33]

Under Armour committed to publishing information for all cut-make-trim factories in accordance with Pledge standards in 2017.[34]

ALDI North and ALDI South published the names and street addresses of their tier-1 suppliers.[35]

LIDL committed to beginning disclosure in 2017, which would list the names and street addresses for all tier-1 factories producing own-brand products.[36]

Tchibo committed to publishing the names, addresses, and product types of cut-make-trim factories in 2017.[37]

VF Corporation committed to adding factory street addresses to its existing publication of owned and operated and tier-1 supplier factory names,[38] but this excludes "licensee and sub-contractor factories."[39]

Debenhams committed to publishing in 2017 the names and addresses of its tier-1 factories along with worker numbers by gender breakdown.[40]

Benetton published its tier-1 factories in 2017 listing the names, addresses, and product category.[41]

Arcadia Group has committed to publish the names and addresses of all cut-make-trim factories in 2017.[42]

MANY FACTORIES STILL MISSING FROM DISCLOSURE LISTS

The apparel companies named below publish the names and addresses of some factories. But these companies still leave out many cut-make-trim factories and their authorized subcontractor facilities from their factory lists.

Woolworths has suppliers across many countries and responded that it already publishes the names and addresses of all factories in Bangladesh and "overall more than 40 percent" of its apparel supply chain.[43] Their subcontractor facilities are currently only partially disclosed (i.e. for Bangladesh) and the company says it is improving visibility of subcontractors in other countries.[44]

Based on the information given on their respective websites, Kmart Australia appears to publish all apparel factories in "high risk" countries that directly produce Kmart products[45] and Target Australia appears to publish the names and addresses of cut-make-trim factories.[46] But because these companies did not respond to the coalition's letter, the coalition has no information about the percentage of supplier factories they disclose and whether authorized subcontractors are included.[47]

The Hudson's Bay Company did not commit to adding more disclosures to its existing factory list, which carries the names and addresses of some, but not all, of its cut-make-trim supplier factories.[48]

Fast Retailing began disclosing the names and addresses of its "core factories list" producing for UNIQLO, the largest of its brands, for the first time in 2017.[49]

Other companies named in the text box below already disclose or have indicated they support some degree of supply chain transparency. But they either disclose or have committed to disclosing only factory names without street addresses. Some have only stated that they plan to begin disclosing in 2017, without indicating what precisely they will disclose.

BEGINNING TO DISCLOSE

Target USA was already disclosing factory names by country and city for manufacturing, textile, and wet-processing factories but did not respond in substance to the coalition's letter asking for more information to be published about supplier factories.[50]

Mizuno committed to publishing its "core factory list" in January 2017 with "names, location, and product category," but published the information without including factory street addresses.[51] This list also appears to include only a minority of all Mizuno's apparel supplier factories.[52] Abercrombie & Fitch and PVH Corporation communicated their decisions to publish all tier-1 factory names by country only.[53] Loblaw similarly committed to publish names of all factories where they "source apparel and footwear directly" and to include the country of manufacture but not the factory address.[54]

BEGINNING DISCLOSURE, BUT DETAILS UNKNOWN

BESTSELLER and Decathlon committed to beginning publishing supplier factory information in 2017 but did not specify the details of their disclosure.[55]

No Commitment to Publish

Some companies gave little or no response to letters requesting information about their disclosure practices or plans, or the Transparency Pledge.

Of the apparel companies and retailers with own-apparel brands who had previously not published any information for cut-make-trim factories, 10 did not send any response to the coalition's letter.[56] Another 15 did not commit to publish supplier factory information.[57]

NO COMMITMENT TO MAKE THEIR FACTORY LIST PUBLIC

Apparel companies that responded but did not indicate any impending commitment to publishing their supplier factories are American Eagle Outfitters, DICK'S Sporting Goods, Foot Locker,[58] The Children's Place, Walmart, Canadian Tire, Desigual, MANGO, KiK, Hugo Boss, Carrefour, Morrison's, Primark, and Sainsbury's.

Inditex declined to publish supplier factory information but makes this data available to IndustriALL and its affiliates as part of the reporting under its Global Framework Agreement.[59]

FAILED TO RESPOND TO COALITION'S CALL FOR TRANSPARENCY

Armani, Carter's, Forever 21, Urban Outfitters, Ralph Lauren Corporation, Matalan, River Island, Sports Direct, Shop Direct, and Rip Curl did not send any response to the coalition.

Debunking the So-Called Barriers to Transparency

Competitive Disadvantage

A few brands—KiK, Inditex, DICK's Sporting Goods, and The Children's Place—that declined to publish their supplier factory information cited competitive advantage.[60] However, many other large apparel companies and retailers with own-brand apparel products have published supplier factory information for years.[61] Five companies have published this information for more than a decade.[62] Garment industry giants are increasingly choosing to publish their supplier information, proving that transparency can easily coexist with being competitive.

In some cases, supplier factories already openly advertise on their websites the names of brands they produce for, even where a brand does not.[63]

Many apparel companies are also part of initiatives like the Fair Factories Clearinghouse and Sedex, where they voluntarily disclose and share non-competitive information with other brands, including supplier names, audit reports, and so on, even where they do not do so publicly.[64]

Moreover, apparel companies that import products into US markets are subject to the US law, which requires that customs authorities collect information on each shipping container that enters a US port, including the shipper (typically in the case of garments the overseas supplier) and the consignee (typically the apparel company or its agent).[65] Online subscription databases purchase this trade data and market it in searchable formats, allowing users, including competitors, to gather information about suppliers to apparel companies that import goods into the US.[66] But the costs of accessing such subscription-based databases are prohibitive for workers and many civil society organizations. While apparel companies can easily purchase subscriptions, workers and many labor advocates around the world cannot afford them. Despite the availability of these records, some companies are known to use various means of shielding their own names and their suppliers' names from appearing in this data.

Anti-Competition Law

KiK declined to publish information about their supplier factories, raising anti-competition concerns among others.[67] However, other brands selling products in Germany or other EU countries are governed by the same laws as KiK. They have been disclosing supplier information for many years; and more brands operating there have committed to begin public disclosure. These include companies that already disclose supplier factory information, such as adidas, C&A, Columbia Sportswear, Disney, Esprit, H&M, Levi's, Nike, Patagonia, and Puma; and others that have committed to beginning disclosure in 2017, such as ALDI North and ALDI South, BESTSELLER, Fast Retailing, LIDL, and Tchibo.

Moving Beyond Private Disclosure

In response to the coalition's recommendation that brands publicly disclose their supplier information, a few brands declined, citing their participation in other initiatives, like the Bangladesh Accord on Fire and Building Safety or global framework agreements (GFA) with IndustriALL and UNI Global Union.

When implemented effectively, such initiatives serve important human rights due diligence purposes. For example, the Bangladesh Accord requires brands to confidentially disclose their supplier factory information to the initiative's Steering Committee and staff, which makes public the names of all factories covered by the Accord and their performance on building safety issues, but without disclosing the specific brands that are supplied by each factory. An apparel company's global framework agreement with IndustriALL typically requires the company to disclose its factory lists to the global union. This creates a basis for the union to engage with the company on the behavior of particular supplier factories.

However, none of these agreements prevent brands from publishing their supplier factory information. A number of brands (named in the text box below) participate in the Bangladesh Accord and publish their supplier factory information. Apparel companies H&M, Tchibo, and Mizuno have shown that private, confidential reporting within the framework of legally binding agreements can and should complement publishing supplier factory information.

BRANDS THAT DO BOTH: PUBLISH SUPPLIER INFORMATION AND PARTICIPATE IN OTHER INITIATIVES

Bangladesh Accord members that have been publishing supplier factory information include adidas, C&A, Cotton On, Esprit, G-Star RAW, H&M, Kmart Australia, Lindex, Marks and Spencer, Puma, Target Australia, and Woolworths.

Accord members that will begin some disclosure in 2017 are Abercrombie & Fitch, ALDI North and ALDI South, BESTSELLER, Debenhams, Fast Retailing, John Lewis, Next, New Look, Loblaw, LIDL, PVH, Tesco, and Tchibo.

A number of brands that are a part of the German Partnership for Sustainable Textiles (the Textil Bündnis) publish their supplier information: adidas, C&A, Esprit, H&M, and Puma; others like ALDI North and ALDI South and LIDL began publishing supplier factory information in 2017; Tchibo will also publish its supplier factory information in 2017.

MANGO, in response to outreach about the Transparency Pledge, offered an alternative: disclosing only to members of the coalition that spearheaded the Pledge, or to parties that register with the company.[68] These proposals fall short of the level of supply chain transparency needed in the industry. Private disclosure of this type is not sustainable, and does little to improve human rights due diligence in global apparel supply chains.

V. THE WAY FORWARD

Supply chain transparency is an important first step toward more meaningful corporate accountability. As Esprit, one of the global apparel companies that committed to improve its disclosure practices to align with the Pledge, said: "[R]eleasing this information is not comfortable for many companies, but the time has come to do it."[69]

A number of companies have responded positively to the coalition's letter committing to add more information in accordance with the Pledge standards. More companies should step out of their comfort zone and join the transparency trend. They should commit to the Transparency Pledge standards.

Multi-stakeholder initiatives should also endorse the Transparency Pledge as a minimum standard for apparel supply chain transparency for their member companies, and publicly scorecard members on transparency practices.

Investors should also endorse the Transparency Pledge as part of broader efforts to promote effective human rights due diligence tools that are industry good practice and in accordance with the UN Guiding Principles on Business and Human Rights.

The Transparency Pledge is an important first step, but is not the end of the story. Far more can and should be done to promote deeper and wider transparency and human rights in garment industry supply chains.

All global apparel companies, including those acknowledged in this report as committing to the Pledge or close, should periodically review and upgrade their transparency practices.

These efforts should include expanding traceability and transparency beyond the cut-make-trim manufacturing phase to other aspects of the supply chain, including manufacture of yarn, fabric, and other inputs, and the production of raw materials like cotton.

While supply chain transparency is widely recognized as an important pillar on which corporate accountability is built, transparency alone does not result in improved working conditions or accountability. Brands should adopt transparent practices and complement them with other steps to strengthen human rights due diligence in their supply chains.

Countries where global apparel companies do business should pass legislation that promotes mandatory human rights due diligence in the global supply chains of companies, including mandatory publication of supplier information. These should build on the California Transparency in Supply Chains Act, "sweat-free" procurement laws adopted by dozens of local governments in the US, the UK Modern Slavery Act and the 2017 French law on corporate duty of vigilance.[70] Such legislation will go a long way in creating a level playing field in the garment industry.

[The coalition invites additional endorsements from labor and human rights organizations, apparel companies, and investors interested in supporting the move for industry-wide minimum standards for transparency in garment supply chains, starting with the Transparency Pledge. Inquiries may be sent to: transparency@hrw.org or any coalition member.]

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APPENDIX I: BRAND OUTREACH PROCESS AND RESPONSES

In October and November 2016, coalition representatives wrote to 72 apparel and footwear companies asking them to commit to and implement the Transparency Pledge.

Forty-five of the 72 had not previously published information on any factories producing for them at the time the coalition wrote them a letter; 23 had started publishing details of their global supplier factory lists either in 2016 or earlier; and four others were known to disclose their US collegiate supplier factories without attaching non-disclosure clauses, making this information available in the public domain. A list of all apparel companies that received coalition letters is provided in Appendix III.

The apparel companies that had not previously disclosed any information were selected based on a combination of factors: geographical spread; brands serving different markets such as fast fashion, sports apparel, and footwear; retailers and supermarkets with own-brand products in apparel and footwear; and those sourcing from countries where factories have consistently been criticized for recurring labor rights problems, including Bangladesh and Cambodia.

All apparel companies were given about one month to respond in writing. Some companies sought additional time to complete internal discussions or because they requested clarifications about the Pledge; the coalition accommodated these requests. Overall, discussions with companies continued until early April 2017. In this phase, the coalition was also open to learning more about constraints on transparency for individual brands and internal decision-making processes.[71] The overall timelines for brands to commit to implementing the bulk of the Pledge was extended by the coalition to December 2017, with additional flexibility to add smaller pieces of information in 2018.

A detailed chart outlining apparel companies' responses is provided in Appendix III.

APPENDIX II: PLEDGE RATIONALE

Pledge details and reasons they were included are described below.

LEVEL OF DETAIL	RATIONALE
Name and street address	Publishing the name and street address of the factory was existing good practice as of September 2016, at which time more than 15 apparel companies were disclosing the names and addresses of factories. Name and street address are the basic details needed to identify a factory. Without an actual address, it is difficult to accurately verify information about a factory. This is especially the case where a factory has multiple names or branches and all are not accurately indicated on a supplier list. Disclosing the address would minimize inaccurate report-backs to an apparel company about factories in its supply chain.
Worker numbers	As of September 2016, four apparel companies were publishing actual worker numbers at each factory published on their list. The Pledge incorporated this idea with a modification to allow apparel companies to broadly indicate the approximate number of workers in a factory. A rough indication of worker numbers reveals the size of the operation. This is useful to gauge the potential risks to workers where there are fire and building safety concerns; concerns regarding freedom of association in countries where the laws set a high threshold for the number of workers needed to form a factory-level union; and workers' compensation in case of sudden factory closures.
Product type	A number of apparel companies were indicating product types without revealing any commercially sensitive information. The Pledge incorporated this idea by seeking apparel companies to reveal what was being produced in each factory (that is, to indicate whether it was apparel, footwear, home textiles, and accessories).

LEVEL OF DETAIL	RATIONALE
Parent company information of the factory disclosed, at least for all production (cut-make-trim) factories	Two apparel companies were disclosing this information. Parent companies, especially big holding groups that own a factory, should take more responsibility for human rights due diligence in a factory they control or have majority ownership of because of their leverage and financial capacity.[72] Apparel companies' sourcing strategies and business relationships with their vendors contractually influence human rights due diligence responsibilities. These vendors may or may not own factories that manufacture branded products for the apparel company. Collecting and disclosing the names of parent companies for all cut-make-trim sites was the minimum threshold that the coalition aimed to achieve. The coalition has also viewed as acceptable and useful the disclosure of vendor name, and an indication of whether the vendor owns or otherwise controls the factory.
Searchable and downloadable format	Many apparel companies publish information on their websites but do not make the information easily searchable. Manual and individual searches are extremely time-consuming, making it difficult to find out quickly, for example, which factories are on a particular apparel company's supplier lists. As more apparel companies publish their supplier factory information, searchable and downloadable databases will become increasingly important. While the coalition has been flexible with regard to the formats in which apparel companies should publish, we have advocated for open-source searchable and downloadable formats in order to facilitate fast reporting of risks to labor rights and redress for grievances.
Frequency of updates	Most apparel companies were not stating clearly how frequently the information was being updated. The coalition urged brands to update the information at least twice a year. But it has opted for flexibility, accepting a brand's commitment to updating the information at least once a year.

APPENDIX III:
BRAND RESPONSES RECEIVED BY COALITION

Company	Headquarters	Published supplier factory—cut-make-trim (CMT) and subcontractor—information prior to Pledge Letter?	Supplier factory information published meets or will meet Full Pledge by December 2017?
Abercrombie & Fitch	US	None	Not full Pledge, but will begin publishing supplier factory information in 2017.
Adidas	Germany	Names of all tier-1 factories, including those used by licensees as well as authorized subcontractors, by country and city. Names of all tier-2 wet process suppliers, by country and city. Separate lists of supplier factories used for the Olympic Games.	Full Pledge alignment.
ALDI North and ALDI South	Germany	None	Not full Pledge, but will begin publishing supplier factory information in 2017.
American Eagle Outfitters	US	None	No commitment to publish supplier factory information.
Arcadia Group	UK	None	Not full Pledge, but will begin publishing supplier factory information in 2017.
Armani	Italy	None	No response to coalition letter.
ASICS	Japan	None	Full Pledge alignment.
ASOS	UK	None	Full Pledge alignment.
Benetton	Italy	None	Not full Pledge, but will begin publishing supplier factory information in 2017.
BESTSELLER	Denmark	None	Not full Pledge, but will begin publishing supplier factory information in 2017.
C&A	Netherlands	Names and addresses of all CMT factories. Excluded: Brazil, Mexico, and processing factories.	Full Pledge alignment.
Canadian Tire	Canada	None	No commitment to publish supplier factory information.

CURRENT/ANTICIPATED DISCLOSURE BY DECEMBER 31, 2017 VS. PLEDGE STANDARDS

Names and street addresses of CMT factories and their subcontractors	Worker numbers	Product types	Parent company information	Frequency of disclosures	Time Frame to Implement Pledge
Names of tier-1 factories (CMT for woven, denim, knit, sweater, intimates, and accessoroies) with country of manufacture, but without street address.	No	No	No	2 times per year	2017
Yes	Yes	Yes	Yes	2 times per year	2017
Names and addresses of tier-1 (CMT) factories but not their subcontractors.	No	No	No	1+ times per year	2017
No	No	No	No	NA	NA
Names and addresses of tier-1 (CMT) factories but disclosure of authorized subcontractors will need more time.	No	No	No	1+ times per year	NA
No	No	No	No	NA	NA
Yes	Yes	Yes	Yes	1 time per year	2017
Yes	Yes	Yes	Yes	6 times per year	2017
Names and addresses of tier-1 (CMT) factories but not their subcontractors.	No	Yes	No	1 time per year	NA
Company stated that tier-1 (CMT) factories will be published but did not provide more information about what precisely will be disclosed for each factory.	No information	No information	No information	No information	2017
Yes	Yes	Yes	Yes	2 times per year	2017
No	No	No	No	NA	NA

CURRENT/ANTICIPATED DISCLOSURE BY DECEMBER 31, 2017 VS. PLEDGE STANDARDS

Company	Headquarters	Published supplier factory—cut-make-trim (CMT) and subcontractor—information prior to Pledge Letter?	Supplier factory information published meets or will meet Full Pledge by December 2017?	Names and street addresses of CMT factories and their subcontractors	Worker numbers	Product types	Parent company information	Frequency of disclosures	Time Frame to Implement Pledge
Carrefour	France	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Carter's	US	None	No response to coalition letter.	No	No	No	No	NA	NA
Clarks	UK	None	Full Pledge alignment.	Yes	Yes	Yes	Yes	2 times per year	A vast majority of the supplier factory information will be published in 2017. Five percent of non-footwear accessories to be published in 2018.
Coles	Australia	Names and addresses of CMT factories, but not subcontractors. Company states that its supplier factories use minimal subcontracting.	No additional commitments to meet Pledge standards maintaining status quo.	Names and addresses of CMT factories, but not subcontractors. Company states that its supplier factories use minimal subcontracting.	No	No	No	1 time per year	NA
Columbia Sportswear	US	Names and addresses of factories from which they directly source and any external subcontractors engaged to perform finishing processes (mostly limited to collegiate suppliers since the others have in-house capacity).	No additional commitments to meet Pledge standards maintaining status quo.	Yes	No	No	No	1 time per year	NA
Cotton On Group	Australia	Names and addresses of CMT factories used by top 20 suppliers.	Full Pledge alignment.	Yes	Yes	Yes	Yes	Multiple	2017
Debenhams	UK	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names and addresses of tier-1 factories which includes all CMT factories some external processing such as embroidering and washing may not be included.	Yes	No	No	No information	2017
Decathlon	France	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Company did not provide more information about what precisely will be disclosed for each factory.	No information	No information	No information	No information	2017
Desigual	Spain	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
DICK'S Sporting Goods	US	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Disney	US	Names and addresses of all facilities part of Disney's vertical supply chain and any facility in its vertical supply chains where Disney intellectual property is located, which includes any laundry, printing, embroidery facility if Disney intellectual property is incorporated into that finished product or component.	No additional commitments to meet Pledge standards maintaining status quo.	Names and addresses of all facilities in its vertical supply chain, including subcontractors, where Disney intellectual property is located.	No	No	No	1 time per year	NA
Esprit	Germany	Names and addresses of CMT factories and their authorized subcontractors.	Full Pledge alignment.	Yes	Yes	Yes	Yes	2 times per year	2017
Fast Retailing	Japan	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Published name and addresses of "Core Factories" producing for UNIQLO brand, representing 80 percent of the total volume of orders for UNIQLO brand. Plans to publish a list of GU's "major partner factories" in 2017. No clear commitment to publish subcontractors in 2017.	No	No	No	1 time per year	2017

CURRENT/ANTICIPATED DISCLOSURE BY DECEMBER 31, 2017 VS. PLEDGE STANDARDS

Company	Headquarters	Published supplier factory—cut-make-trim (CMT) and subcontractor—information prior to Pledge Letter?	Supplier factory information published meets or will meet Full Pledge by December 2017?	Names and street addresses of CMT factories and their subcontractors	Worker numbers	Product types	Parent company information	Frequency of disclosures	Time Frame to Implement Pledge
Foot Locker	US	Previously disclosed names and addresses for suppliers of collegiate apparel line that is currently inactive.	No commitment to publish current own-brand supplier factory information.	No	No	No	No	NA	NA
Forever 21	US	None	No response to coalition letter.	No	No	No	No	NA	NA
G-Star RAW	Netherlands	Names, addresses, product types, parent company, and worker numbers for CMT factories.	Full Pledge alignment.	Yes	Yes	Yes	Yes	2 times per year	2017
Gap Inc.	US	Names and addresses of CMT factories and their authorized subcontractors.	Almost full Pledge alignment.	Yes	Yes	Yes	No	2 times per year	Gap did not make any new commitments to align with the Pledge by December 2017. The company updated its supplier factory information to be more closely aligned with the Pledge.
H&M Group	Sweden	Names and addresses of supplier factories and vendors (suppliers), processing factories, and some fabric suppliers.	Full Pledge alignment.	Yes	Yes	Yes	Yes	4 times per year	2017
Hanesbrands	US	Names and addresses of collegiate suppliers and owned factories.	Full Pledge alignment.	Yes	Yes	Yes	Yes	4 times per year	2017
Hudson's Bay Company	Canada	Names and addresses of some, but not all, supplier factories.	No additional commitments to meet Pledge standards; maintaining status quo.	Names and addresses of some, but not all, CMT factories.	No	No	No	1 time per year	NA
Hugo Boss	Germany	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Inditex	Spain	CMT factories not published. Names and addresses of direct and indirect wet processing factories published.	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
John Lewis	UK	None	Almost full Pledge alignment.	Yes	Yes	Yes	No	2 times per year	2017
KiK	Germany	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Kmart Australia	Australia	Names and addresses of factories in "high risk" countries.	No response to coalition letter.	Names and addresses of factories in "high risk" countries.	No	No	No	No information	NA
Levi Strauss	US	Names and addresses of CMT factories and authorized subcontractors.	Full Pledge alignment.	Yes	Yes	Yes	Yes	2 times per year	2017
LIDL	Germany	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names and addresses of tier-1 factories which includes all CMT, but does not include all processing facilities.	No	No	No	2 times per year	2017
Lindex	Sweden	Names and addresses of CMT factories.	Full Pledge alignment.	Yes	Yes	Yes	Yes	1 time per year	2017

CURRENT/ANTICIPATED DISCLOSURE BY DECEMBER 31, 2017 VS. PLEDGE STANDARDS

Company	Headquarters	Published supplier factory—cut-make-trim (CMT) and subcontractor—information prior to Pledge Letter?	Supplier factory information published meets or will meet Full Pledge by December 2017?	Names and street addresses of CMT factories and their subcontractors	Worker numbers	Product types	Parent company information	Frequency of disclosures	Time Frame to Implement Pledge
Loblaw	Canada	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names of all factories where they "source apparel and footwear directly" with country of manufacture but not street address.	No	No	No	2 times per year	2017
MANGO	Spain	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Marks and Spencer (M&S)	UK	Names and street addresses, worker numbers, gender breakdown, and product types.	Almost full Pledge alignment. M&S will continue with its Plan A disclosure commitments and add processing factories and also make its existing disclosure available in a searchable format.	Yes	Yes	Yes	No	2 times per year	2017
Matalan	UK	None	No response to coalition letter.	No	No	No	No	NA	NA
Mizuno	Japan	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names along with country of manufacture of "Core Suppliers," that is, 125 factories disclosed of 464 tier-1 suppliers as reported on Mizuno website.	No	Yes	No	No information	Began disclosure in 2017.
Morrison's	UK	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Mountain Equipment Co-op (MEC)	Canada	Names and addresses of all CMT factories and some processing facilities.	Almost full Pledge alignment.	Names and addresses of all CMT factories and some processing facilities.	Yes	Yes	Yes	2 times per year	Additional details for CMT factories to meet Pledge standards will be published in 2017. Names and other details of authorized printers will be added subsequently.
New Balance	US	Names and addresses of direct supplier factories, excluding US wholly-owned facilities.	Not full Pledge, but will add product type, and update annually in searchable format.	Names and addresses of direct supplier factories, excluding US wholly-owned facilities.	No	Yes	No	1 time per year	2017
New Look	UK	None	Full Pledge alignment.	Yes	Yes	Yes	Yes	At least annual	2017
Next	UK	None	Full Pledge alignment.	Yes	Yes	Yes	Yes	2 times per year	2017
Nike	US	Names, addresses, product category, worker numbers, gender and migrant worker breakdown, and authorized subcontractor.	Full Pledge alignment.	Yes	Yes	Yes	Yes	4 times per year	2017
Patagonia	US	Names, addresses, product category, worker numbers, gender breakdown, and parent companies of CMT and authorized subcontractors. Some fabric suppliers indicated. One cotton farm also disclosed.	Full Pledge alignment.	Yes	Yes	Yes	Yes	1 time per year	2017
Pentland Brands	UK	None	Full Pledge alignment.	Yes	Yes	Yes	Yes	2 times per year	2017
Primark	UK	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Puma	Germany	Name of factory by country, city for tier-1 "core suppliers" and tier-2 material and component suppliers.	Almost full Pledge alignment for tier-1 "core suppliers" factories.	Names and addresses of tier-1 "core suppliers" amounting to 80 percent of their total business volume. But authorized subcontractors (if any) are not included in the definition of "core suppliers."	Yes	Yes	No	1 time per year	2017

CURRENT/ANTICIPATED DISCLOSURE BY DECEMBER 31, 2017 VS. PLEDGE STANDARDS

Company	Headquarters	Published supplier factory—cut-make-trim (CMT) and subcontractor—information prior to Pledge Letter?	Supplier factory information published meets or will meet Full Pledge by December 2017?	Names and street addresses of CMT factories and their subcontractors	Worker numbers	Product types	Parent company information	Frequency of disclosures	Time Frame to Implement Pledge
PVH Corporation	US	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names of CMT factories along with country of manufacture but without street address.	No	No	No	2 times per year	2017
Ralph Lauren Corporation	US	None	No response to coalition letter.	No	No	No	No	NA	NA
Rip Curl	Australia	None	No response to coalition letter.	No	No	No	No	NA	NA
River Island	UK	None	No response to coalition letter.	No	No	No	No	NA	NA
Sainsbury's	UK	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Shop Direct	UK	None	No response to coalition letter.	No	No	No	No	NA	NA
Sports Direct	UK	None	No response to coalition letter.	No	No	No	No	NA	NA
Target Australia	Australia	Based on information on its website, Target Australia appears to disclose the names and addresses of CMT factories.	No response to coalition letter.	Names and addresses of CMT factories appear to be disclosed. The coalition has no information about percentage of supplier factories disclosed or other exclusions, if any.	No	No	No	Company website says "regular basis."	NA
Target USA	US	Names and countries of CMT suppliers, textile and wet processing factories.	No additional commitments to meet Pledge standards; maintaining status quo.	Names of CMT factories along with country of manufacture but without street address.	No	No	No	4 times per year	NA
Tchibo	Germany	None	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names and addresses for CMT factories.	Yes	Yes	No	No information	NA
Tesco	UK	Names and addresses of Bangladesh supplier factories only.	Almost full Pledge alignment.	Yes	Yes	Yes	No	2 times per year	2017
The Children's Place	US	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Under Armour	US	Only suppliers factories for collegiate apparel.	Not full Pledge, but will begin publishing supplier factory information in 2017.	Names and addresses for all CMT factories (but not embellishers or subcontractors).	Yes	Yes	Yes	No information	Pledge details for CMT factories will be published in 2017.
Urban Outfitters	US	None	No response to coalition letter.	No	No	No	No	NA	NA
VF Corporation	US	Names of factories by country for all VF brands of all VF-owned and operated, and direct sourced, tier-1 supplier factories.	Not full Pledge, but will include street addresses to align more with the Pledge.	Names and addresses of all CMT factories but not those used by licensees and subcontractors.	No	No	No	Regular	2017
Walmart	US	None	No commitment to publish supplier factory information.	No	No	No	No	NA	NA
Woolworths	Australia	Names and addresses of all sites in Bangladesh are disclosed, and overall more than 40 percent of the supply chain (for apparel and footwear) is published.	No additional commitments to meet Pledge standards; maintaining status quo.	Names and addresses of all sites in Bangladesh are disclosed, and overall more than 40 percent of the supply chain (for apparel and footwear) is published.	No	No	No	4 times per year	NA

[1] The terms garment industry, apparel industry, and garment and footwear industry are used interchangeably in this report. All references to the garment or apparel industry also include the footwear industry.

[2] This report uses the phrase "global apparel companies" or "apparel companies" to refer to companies, retailers, and supermarkets that sell their branded clothing and footwear products. Many global apparel companies, including adidas, H&M, Levi Strauss, and VF Corporation, own multiple brands.

[3] The phrase "supplier factory" refers to a factory engaged in the production of apparel and footwear. This term is distinct from "suppliers," which some apparel companies use to mean "vendors."

[4] Retailers and supermarkets typically sell apparel and footwear belonging to a number of different brands, only some of which they own. For example, a shoe retail chain may sell its own-brand shoes as well as other name brands, like adidas, Nike, and Puma.

[5] William McCall, "Nike Discloses Factory Locations," *Washington Post*, October 8, 1999, http://www.washingtonpost.com/wp-srv/aponline/19991008/aponline182943_000.htm (accessed March 21, 2017).

[6] Apart from information compiled by advocacy groups, there is no centrally available public repository that tracks which apparel companies are publicly disclosing information about their supplier factories. This list incorporates the latest information released by Fashion Revolution about the names of brands that make their supplier factory information public: Fashion Revolution, "Transparency is Trending," March 2017, http://fashionrevolution.org/transparency-is-trending/ (accessed March 20, 2017).

For information about US companies licensed to produce collegiate apparel and making these supplier factory names public, see Worker Rights Consortium, "Factory Database," http://www.workersrights.org/search/ (accessed April 1, 2017); and International Labor Rights Forum, "Tracking Corporate Accountability in the Apparel Industry," April 5, 2017, http://laborrights.org/apparelcompanychart (accessed April 6, 2017).

[7] For more information, see Section III, "The Transparency Pledge."

[8] Ibid. See also Section IV, "Apparel Company Responses."

[9] See Section III, Transparency Pledge, and Appendix III.

[10] See Section IV, "Debunking the So-Called Barriers to Transparency."

[11] United Nations, *UN Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework (UN Guiding Principles)*, 2011, http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf (accessed February 10, 2017).

[12] Ibid, p. 23.

[13] Ibid, p. 24.

[14] The California Transparency in Supply Chains Act of 2010, http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0651-0700/sb_657_bill_20100930_chaptered.pdf (accessed February 18, 2017); for a list of US cities with sweat-free procurement policies and codes of conduct, see Sweatfree Purchasing Consortium, "Resource Library," http://buysweatfree.org/resource_library (accessed March 28, 2017); UK Modern Slavery Act 2015, http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted (accessed February 18, 2017); the French law on corporate duty of vigilance, http://www.assemblee-nationale.fr/14/ta/ta0924.asp (accessed March 2. 2017).

[15] Corporate Human Rights Benchmark, 2016, https://business-humanrights.org/en/corporate-human-rights-benchmark (accessed February 18, 2017). The benchmark was developed by a steering committee comprised of six organizations. These include Aviva Investors, Calvert Investments, The Dutch Association of Investors for Sustainable Development (VBDO), and Vigeo Eiris, a group that also advises on responsible investment.

The benchmark is endorsed in the UN Guiding Principles Reporting Framework Investor Statement, http://www.ungpreporting.org/early-adopters/investor-statement/ (accessed February 18, 2017).

[16] Corporate Human Rights Benchmark, *Corporate Human Rights Benchmark Pilot Methodology 2016*, March 2016, https://business-humanrights.org/sites/default/files/CHRB_report_06_singles.pdf (accessed February 18, 2017), p. 97.

[17] Email communications from Eniko Horvath, senior researcher, Business and Human Rights Resource Center, to Human Rights Watch, March 27 and March 28, 2017. The Business and Human Rights Resource Center is one of the organizations that is part of the CHRB's Methodology Group.

[18] Email communication from Kevin Thomas, SHARE, to Human Rights Watch, February 24, 2017.

[19] The Pledge does not use the first and second tier terminology to avoid confusion because different brands define tiers differently. Where a CMT factory does not have the in-house capacity to undertake printing, embroidery and other embellishments, laundry, and related processes without which a product cannot be readied for shipment, typically the factory outsources these functions to other specialist factories. These authorized subcontractors should also be disclosed.

[20] For example, Nike, "Nike Manufacturing Map," http://manufacturingmap.nikeinc.com/ (accessed August 23, 2016). For every factory disclosed, Nike publishes information about number of workers, percentage of female workers, and percentage of migrant workers; Marks and Spencer (M&S), "M&S Supplier Map," https://interactivemap.marksandspencer.com/ (accessed August 23, 2016). For every factory disclosed, M&S publishes information about product type, number of workers, and percentage of male and female workers; Patagonia, "The Footprint Chronicles," http://www.patagonia.com/footprint.html (accessed August 23, 2016).

[21] H&M Group, "Supplier List," http://sustainability.hm.com/en/sustainability/downloads-resources/resources/supplier-list.html (accessed August 23, 2016). H&M disclosed a number of fabric and yarn mills that supplied the factories producing apparel. Patagonia, "The Footprint Chronicles." Patagonia disclosed a number of textile mills in its supply chain as well as one cotton farm.

[22] For information after this date, visit the brand website for any new developments.

[23] In evaluating company responses to the Pledge, the coalition has opted for flexibility on frequency of updates to supplier factory lists. As explained in more detail in Appendix II, this decision was based on its discussions with companies.

[24] Email communication from Gap to the coalition, March 22, 2017.

[25] Email communication from Marks and Spencer to the coalition, December 20, 2016. Marks and Spencer did not commit to additional disclosures in response to the Pledge. They informed the coalition that their existing plans already intended to extend disclosures in January 2017. This will add "[B]eauty suppliers and Homeware suppliers, which will complete the public transparency of … entire first tier product Global clothing and home supply chains." Marks and Spencer also stated that its representatives were "[a]lready in discussions of how to improve and increase the level of transparency. This includes adding 2nd tier processing sites and some raw materials and we will keep you posted throughout 2017 on these plans."

[26] Email communication from Tesco to the coalition, March 16, 2017.

[27] Email communication from John Lewis to the coalition, November 1, 2016.

[28] Mountain Equipment Co-op committed to adding all details as requested in the Pledge for all its "first tier" factories whose names and addresses it was already disclosing. It also noted that it was collecting information about external printers used by its authorized cut-make-trim (CMT) factories. But these would be disclosed as part of its ongoing efforts to deepen supply chain transparency and will happen over the next three years.

[29] Letter from Columbia Sportswear to the coalition, December 20, 2016 (on file with the coalition). Even though Columbia did not commit to additional disclosures in response to the Pledge, it stated that the company was "[c]ommitted to continuously improving transparency … and were open to further dialogue … about it."

Email communication from Disney to the coalition, December 21, 2016. Disney declined to add more details or commit to the full Pledge, stating that "Disney's facility list is the largest list published to date, with over 6,000 facilities identified," but said they "remain open to further dialogue about transparency practices."

[30] Ibid.

[31] Email communication from New Balance to the coalition, February 22, 2017.

[32] "Puma Global Core Factory List 2017," http://about.puma.com/damfiles/default/sustainability/supply-chain/manufacturing-map/PUMA-Global-Core-FTY-List-2017_final.pdf-dfb64160fd36df1141c4cac5d3ad248d.pdf (accessed April 7, 2017). Letter from Puma to the coalition, December 19, 2016; email communication from Puma to the coalition, March 21, 2017. Puma's core factory list covers 80 percent of its business volume for tier-1 suppliers but also tier-2 material and component suppliers. However, it does not include tier-1 subcontractors (if they exist) since those do not fall under Puma's definition of "core supplier."

[33] "Coles non-food suppliers," https://www.coles.com.au/about-coles/ethical-sourcing/non-food-suppliers (accessed April 1, 2017). Email communications from Coles to the coalition, December 6, 2016 and March 16, 2017. Coles stated that the majority of its production was done in-house by its cut-make-trim suppliers and that reliance on subcontractors was minimal. All subcontractors were not disclosed.

[34] Email communications from Under Armour to the coalition, December 20, 2016 and March 7, 2017.

[35] Email communication from ALDI North and ALDI South to the coalition, December 20, 2016. ALDI North and ALDI South stated that the companies were taking measures to restructure their supply chain and "aim to set internal goals regarding increased supply chain transparency," and subsequently published their factory lists. ALDI North Factories List, http://www.aldi-nord.de/print/01_verantwortung/ALDI_Nord_Hauptproduktionsstaetten_Lieferanten.pdf (accessed April 1, 2017); ALDI South Factories List, https://unternehmen.aldi-sued.de/de/verantwortung/lieferkette/transparenz-in-der-lieferkette/ (accessed April 1, 2017). Email communications from ALDI North and ALDI South to the coalition, March 20 and March 29, 2017. ALDI North and ALDI South defined tier-1 "mainly as CMT factories (of which many do have processes like laundry, printing, embroidery, etc.)."

[36] LIDL, "Disclosure of main production facilities for textiles & footwear worldwide," https://www.lidl.de/de/transparenz-in-der-lieferkette/s7376023 (accessed April 1, 2017). Email communications from LIDL to the coalition, November 21, 2016 and February 28, 2017. LIDL includes within its definition of tier-1 manufacturing stages depending on vertical integration or contractual arrangement. These may include some processes like printing, washing, and so on, but not all authorized subcontractors.

[37] Email communication from Tchibo to the coalition, March 30, 2017.

[38] Email communication from VF Corporation to the coalition, February 20, 2017.

[39] See VF Corporation, "Factory List," http://responsiblesourcing.vfc.com/factories-list/ (accessed February 27, 2017).

[40] Email communications from Debanhams to the coalition, November 7, 2016 and March 17, 2017. Debanhams defined tier-1 as cut-make-trim factories including those with in-house capacity to perform processes like laundry, printing, etc.

[41] "Benetton Supplier List 2016," http://static.benettongroup.com/wp-content/uploads/2015/06/Benetton_Supplier_List_2016.pdf (accessed April 4, 2017).

[42] Email communication from Arcadia Group to the coalition, April 7, 2017.

[43] Email communication from Woolworths to the coalition, March 3, 2017.

[44] Ibid. In response to a clarification asking whether all manufacturing and processing sites were disclosed, the company said: "Partially - we have good visibility of this in Bangladesh and are focused on improving this in other markets." Email communication from Woolworths to the coalition, January 30, 2017. Woolworths committed to exploring whether Pledge standards can be integrated into its ongoing review of its ethical sourcing strategy, but the company did not provide a time frame for when this review is expected to be completed.

[45] Kmart Australia, "Factory List," http://www.kmart.com.au/ethical-factories (accessed March 5, 2017). Kmart Australia says on its website that its factory list includes "all apparel and general merchandise factories in *high risk countries* [emphasis added] that *directly* produce [emphasis added] Kmart Australia products."

[46] Target Factory Partner List, https://www.target.com.au/company/about-us/ethical-sourcing/factory-list (accessed March 5, 2017).

[47] At time of writing, Kmart Australia and Target Australia had not responded to the coalition's letter.

[48] Letter from the Hudson's Bay Company to the coalition, November 4, 2017 (on file with the coalition).

[49] Email communications from Fast Retailing to the coalition, March 22 and March 27, 2017. Fast Retailing stated, "Though not an exhaustive list of UNIQLO factories, it does indeed show all of the factories that UNIQLO currently engages in a long-term, continuous nature, accounting for the vast majority of our production." In 2017, the company will be expanding its factory list to include another brand, GU's "major partner factories."

[50] This is based on information provided by Target USA on its website. "Global Factories List (as of March 24, 2017)" https://corporate.target.com/_media/TargetCorp/csr/pdf/Target-Global-Factory-List-Q1-2017.pdf (accessed April 7, 2017). On its website, Target states, "Target publishes a list of all factories, as well as textile and wet processing facilities producing Target owned-brand products.... This list is subject to change and updates will be provided on a quarterly basis."

Target USA began publishing supplier factory information before the coalition wrote to the company. The company did not respond to the coalition's letter.

[51] Letter from Mizuno to the coalition, November 14, 2016 and email communication from Mizuno to the coalition, January 31, 2017 (on file with coalition).

[52] "Mizuno Core Factory List as of January, 2016," http://media.mizuno.com/~/media/Files/com/csr/partner/17_0131_en.pdf (accessed January 31, 2017). Mizuno's disclosure list has 125 factories, while their website says that there are "240 factories, which constitute ... main contract manufacturing," and further that Mizuno has "464 factories that are Tier 1 suppliers." The definition of Tier 1 is not included on its disclosure page.

[53] Email communication from Abercrombie & Fitch to the coalition, November 6, 2016; email communication from PVH Corporation to the coalition, April 4, 2017.

[54] Email communication from Loblaw to the coalition, November 7, 2016; "Loblaw Apparel Supply Chain Disclosure, February 2017," http://www.loblaw.ca/content/dam/lclcorp/pdfs/Responsibility/LCL%20Apparel%20Supply%20Chain%20Disclosure%20V1%20EN%20(Feb117)FINAL.pdf (accessed March 20, 2017).

[55] Email communication from BESTSELLER to the coalition, February 24, 2017. The company committed to disclosing all "tier one" suppliers and said, "Tier 1 are CMT," excluding authorized subcontractors from within its scope. The company did not have more details about what precisely would be disclosed about its CMT suppliers.

Email communications from Decathlon to the coalition, November 3, 2016 and February 14, 2017.

Emails acknowledging receipt of the coalition's letter with a preliminary response that the company is discussing the letter without a clear indication of the company's position on supply chain transparency have been counted as not having responded.

Details of company responses sent on company letterhead are available as an Annex online.

Letter from Foot Locker to the coalition, November 4, 2016 (on file with the coalition). Foot Locker has previously disclosed the names and addresses of its cut-make-trim supplier factories that produced goods licensed by US colleges and universities and did not commit to adding more information about factories that produce its other own-brand products. This information was made publicly available on the website of the Worker Rights Consortium, http://www.workersrights.org/search/index.asp?search=results&licensee=Team+Edition+Apparel (accessed April 6, 2017). It appears, however, that Foot Locker is no longer marketing this line of apparel, and, relatedly, no longer discloses any supplier factory information.

Letter from Inditex to the coalition, November 7, 2016 (on file with the coalition). Inditex publishes its direct and indirect wet processing supplier list, https://www.wateractionplan.com/documents/186210/199857/6.1.INDITEX+SUPPLY+CHAIN_WET_PROCESS_v1May2016.pdf/90f1e765-5ca2-4cc3-9215-88e0f1cc12a4 (accessed April 1, 2017). See below for more information about brands like H&M, Mizuno, and Tchibo that have global framework agreements with IndustriALL and publish or have committed to publishing supplier factory information.

Letter from KiK to the coalition, November 7, 2016; letter from Inditex to the coalition, November 7, 2016 (on file with the coalition); email communication from DICK's Sporting Goods to the coalition, March 6, 2017; email communication from The Children's Place to the coalition, March 20, 2017.

See Text Box in the Summary for a list of apparel companies that publish supplier factory information.

adidas, Levi's, Nike, Puma, and Patagonia.

For example, Rupashi Group, http://rupashigroup.com/ (accessed March 3, 2017 and screenshot on file with Human Rights Watch). The group states on its website that it produces for Forever 21, Zara, and other brands that do not publish their supplier factory information; Ha-Meem Group, http://www.hameemgroup.net/ (accessed March 3, 2017 and screenshot on file with Human Rights Watch). The group states on its website that it produces for Zara, Mango, and American Eagle Outfitters among other brands that do not publicly post information on their websites.

Fair Factories Clearinghouse, "Benefits of Membership," http://www.fairfactories.org/Home/Benefits-of-Membership (accessed February 23, 2017); Sedex, http://www.sedexglobal.com/ (accessed February 23, 2017).

19 US Code § 1484, Entry of Merchandise, https://www.law.cornell.edu/uscode/text/19/1484 (accessed March 21, 2017).

Subscription databases exercise rights under the US Freedom of Information Act to purchase trade data from US Customs and market it in searchable formats to users, including competitors' apparel companies. See for example, Import Genius, "Our Clients," https://www.importgenius.com/how-it-works/our-clients (accessed February 18, 2017). Import Genius lists sourcing professionals as part of its clientele and says: "Hundreds of importers use our service to view the U.S. shipping history for overseas suppliers in any industry.... They can search by company name or product keywords to identify the manufacturers already supplying their competitors, from world-class brands to small-time importers." In fact, Import Genius clearly says that it serves "competitive intelligence analysts," providing "unrivaled access into the supply chain activities of ... major competitors." Panjiva, https://panjiva.com/ (accessed February 18, 2017). Panjiva advertises that one of the database's advantages is to "[u]nderstand [the] market share by seeing where ... competitors source their goods, and which entities are involved in the shipment of goods."

Letter from KiK to the coalition, November 7, 2016 (on file with the coalition).

[68] Email communication from MANGO to the coalition, November 24, 2016. MANGO said it was developing a system to create a username and password upon request to its CSR department through which supplier information can be accessed by "any organisation that may be interested, as long as they do not have any competitive conflict."

[69] Letter from Esprit to the coalition, November 23, 2016 (on file with the coalition).

[70] See for example, ITUC, "Closing the loopholes—How legislators can build on the UK Modern Slavery Act," https://www.ituc-csi.org/IMG/pdf/uk_modern_slavery_act.pdf (accessed March 7, 2017).

[71] The coalition was responsive to pragmatic concerns raised by brands where they expressed an agreement in principle with the Pledge goals. For example, the original Pledge that was sent to apparel companies urged them to implement the Pledge within three months of committing to it. Some brands willing to implement the Pledge explained that they needed additional time to alter internal data gathering systems, go through a trial phase of data collection, and then publicize the information. In some cases, brands' existing contractual agreements with vendors carried confidentiality clauses, which needed to be renegotiated, requiring more time.

A parent company is a company that has majority ownership or control over a disclosed factory in the apparel company's supply chain. This could be more than one factory within the same country (Ha-Meem Group; Azim group; Windy Group; and so on in Bangladesh) or across different countries (for example, Korean SAE-A Group). Furthermore, a parent company can own one factory that is in the brand's supply chain and other factories (including non-apparel factories, non-manufacturing business, etc.) that are not in the brand's supply chain. In some cases, these are not different from the factory itself, in which case they do not need to be separately disclosed but merely indicated as being the same. Because human rights due diligence responsibilities in subcontracted relationships flow through the supplier, the coalition set the minimum threshold limit for data at parent companies of cut-make-trim factories.


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