

Clean Clothes Campaign



Clean Clothes Campaign joined the Transparency Pledge Coalition in 2016. It laid down its position in transparency in a [position paper](#) earlier that year.

A coalition for transparency in the garment industry

In 2016, **9 organizations** working for human and labour rights reached out to more than **70 companies** urging them to align with the “Transparency Pledge” standard. A set of **5 data points** that companies in the apparel and footwear section should disclose as a minimum: factory name, address, parent company, worker numbers, product type.

In the report “Follow the Thread” in April 2017, the coalition announced that **17 companies** promised to align with the standard by January 2018. Many other companies made significant steps towards more transparency.

Transparency on the rise

Since 2017, the Transparency Pledge standard has become a widely recognized minimum standard, adopted not only by many apparel companies, but also by campaigning organizations such as Fashion Revolution, Changing Markets and Follow the Chain.

The 2019 [Fashion Transparency Index \(FTI\)](#), which follows the Pledge standard, shows that 35% of 200 surveyed brands have published their tier-1 factory lists. This is a steep climb from the 12.5% of 40 surveyed brands surveyed in 2016.

The growing number of companies disclosing supply chain information shows that often cited barriers to transparency such as competitive disadvantage and anti-competition law are no reason for a large amount of companies to refrain from transparency.

Similarly, recent disclosure of information by small and medium size enterprises and companies using buying agents debunked the often present narrative that transparency would be unreachable in these specific situations.

What's new?

Since 2017, the Transparency Pledge coalition put the spotlight on the transparency practices of **Responsible Business Initiatives** relevant for the fashion industry. Furthermore the coalition has reached out to a range of new companies, with a special focus on **online retailers**, as well as checked whether companies featured in the 2017 report adhere to the **Pledge standard**.



Responsible Business Initiatives (RBIs) in the fashion industry

The report zooms in on the **7 most widely known initiatives** in which apparel companies work together towards more sustainability and social compliance—amfori BSCI; the Fair Labor Association (FLA); the UK Ethical Trading Initiative (ETI); the Sustainable Apparel Coalition (SAC); the German Partnership for Sustainable Textiles (PST); the Fair Wear Foundation (FWF); and the Agreement on Sustainable Garments and Textiles (AGT).

None of these were showing any supply chain transparency before the Pledge coalition approached them with the demand to make supply chain transparency a membership requirement, even though all of them have prominent members that already publish their supplier lists

Many brands and retailers justify their decision not to publish information by hiding behind the absence of an RBI policy – ignoring the fact that the RBI policy is for a large extent decided by its corporate members.

In response to outreach by the Pledge coalition **1 RBI, the FLA**, showed significant progress, by requiring members to publish factory lists in line with the Transparency Pledge standard in machine-readable format by 31 March 2022.

The outreach sparked some progress in **1 RBI, the AGT**, which has implemented the standard internally, makes an aggregated factory list available to the [Open Apparel Registry](#), and actively encourages members to disclose individually along the Transparency Pledge standards.

2 RBIs showed a little progress: **The ETI** appears to be considering a range of transparency measures, including tier-1 supply chain disclosure, but only as a requirement for its upper levels of membership. In late October 2019, the ETI stated that its transparency recommendations would be implemented from October 2020 and spanned three areas: “ETI’s own transparency; ETI’s transparency about its members; and ETI members’ own transparency”, but declined to provide other details. **FWF** committed to making a searchable aggregated database available in the first quarter of 2020, which has data as required in the Transparency Pledge standard in order to strengthen its grievance redress mechanisms, but allows its members to opt-out of having information about their supplier factories appear in the searchable database and the stand alone aggregate list.

The other **3 RBIs, amfori, PST, and SAC**, have not made any commitments to link supply chain transparency to their membership criteria or scoring systems.



Online retailers

Shopping increasingly happens online rather than in brick and mortar stores. For this reason the coalition reached out to two of the most prominent online retailers: Amazon and Zalando.

Zalando responded positively and committed to disclosing its supplier lists by the end of 2019.

Amazon in November 2019 released a list of first-tier own brand suppliers in a step that falls short of the Pledge standard but is a move in the right direction, after a different first response.

Asos was already approached in 2016 and committed to the Pledge standard in the 2017 report.

Company update

As of early November 2019, of the 72 companies that the coalition first reached out to in 2016

- **22 companies** are either fully aligned or committed to aligning with the Transparency Pledge standard.
- **29 companies** publish at least the names and street addresses of their supplier factories, but still fell short of the pledge standard.
- **18 companies** have yet to publicly disclose supply chain information.

In addition, as of November 2019, **17 companies** not approached for the 2017 report are publishing their supplier factories list in full alignment with the Transparency Pledge standard or have committed to do so by 2020.

Moving beyond the Pledge standard

Many companies are disclosing information beyond the Pledge standard, including

- Gender breakdown of workforce in each factory.
- Migrant workers as share of workforce in each factory.
- Presence of unions or worker committees in the factory.
- Brands' internal ratings of supplier factories
- Factory information beyond tier 1, such as spinning mills, tanneries, and cotton farms.



Open data standard

The ultimate objective of publishing supplier factories lists is to make this information useful for both workers and companies. To achieve these goals, workers, their representatives, and other members of civil society should be able to search and use the factory information easily. The coalition therefore strongly urges companies to align their factory lists with the Open Data Standard for the Apparel Sector (ODSAS).

Companies can embrace ODSAS with **3 simple steps**:

- Publish a downloadable, machine-readable file at a regular common frequency in one or more of the following formats: csv, json, or xlsx;
- Publish supplier factory list using a common disclosure template; and
- Ensure that pages carrying supplier factory information use an open license (which gives permission for reuse).

Recommendations

To all companies regardless of size and business model

- Commit to and implement the Transparency Pledge in 2020 by disclosing names, addresses, and other details of supplier factories.
- Begin publicly disclosing other parts of the supply chains, including mills and farms.
- Align published factory lists with the Open Data Standard for the Apparel Sector and consider submitting the information to the Open Apparel Registry.

To all Responsible Business Initiatives (RBIs)

- Bridge the transparency gap among corporate members, regardless of size or business model, and exert leadership by making supply chain transparency a condition of membership, including membership levels.
- Introduce transparency requirements beyond tier-1 to progress toward upper levels of leadership, or to be part of the RBI board.
- Publish full survey responses that impact RBI governance, identifying clearly which members participated and how each of them responded.
- Require all supply chain information—whether published by companies or the RBI—to comply with the Open Data Standard for the Apparel Sector and consider submitting the information to the Open Apparel Registry.
- Mandatorily track which companies are transparent about their supply chains and periodically publish these lists to inform consumers, investors and broader civil society.

To all governments

- Enact laws that require and promote mandatory corporate human rights due diligence as well as non-financial reporting, for the global supply chains of companies, and integrate supply chain transparency requirements as part of such legislation.
- Amend customs-related regulations to ensure that all companies that import goods into the country are required to disclose the name and address of the manufacturer to the relevant customs authorities, and make this data publicly available.