



BAPTIST
WORLD
AID



10TH EDITION

ETHICAL FASHION REPORT

We acknowledge the traditional custodians of the land on which we are privileged to work and live. We give thanks to our Creator God for their stewardship and we pay our respects to Elders past and present.

OCTOBER 2024

Ethical Fashion

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Introduction

The 10th Edition Ethical Fashion Report comes amidst a particularly turbulent year for people the world over.

The global cost-of-living crisis has pushed families further into poverty, as it becomes harder to afford basics like food and healthcare. Many of the 50 million people living in modern slavery¹ can be found in global fashion supply chains working under forced labour conditions. Low-income countries are bearing the burden of environmental pollution and degradation as climate change events—extreme temperatures, rising sea levels, natural disasters—are predicted to force 200 million people to flee their homes by 2050², leaving them in need of work and at risk of exploitation from labour abuses or modern slavery.

Many of the 50 million people living in modern slavery can be found in global fashion supply chains working under forced labour conditions.

Given these risks, it's essential that garment workers have dignified work, free from forced labour, earning wages that consistently meet their needs; and that the environmental cost of production does not fall on the shoulders of communities most at risk of being exploited.

The Australian fashion industry is at crossroads. The cost-of-living crisis in Australia has led many companies to strip back what they consider to be 'non-essential' spending, which too often includes ESG (environmental, social and governance) actions. At the same time, the industry has been subject to increased scrutiny as consumers demand more from brands that they support and governments tighten regulations. As companies respond to pressure to reduce their environmental footprint, they must pursue a just transition by ensuring that these efforts do not come at the cost of advancing human rights—especially given that the communities most impacted by a changing environment are often the same ones exploited by the industry's supply chains.

The Ethical Fashion Report seeks to help build a fairer fashion industry where workers are afforded the respect they deserve and natural resources are stewarded responsibly.

To evaluate the progress of the brands that shape the global fashion landscape, our research produced over 13,000 data points representing our rigorous assessment of the practices of 120 companies (covering 460 brands in total). Significantly, this is the first full Ethical Fashion Report we have published since transitioning from an annual to a bi-annual

reporting cycle. Providing additional time allowed companies to make more substantial progress towards their ethical and environmental targets. The results, unfortunately, show that the pace of progress is still far too slow.

The average score increased from 29.2 in 2022 to 31.3 in 2024.

While a two-point increase is a small step in the right direction, these scores fall far short of the maximum score that can be awarded—100 points—and only the top-scoring 20% of companies managed to receive a score higher than 50 out of 100. The gap between company performance and best practice scores highlights significant failings within the fashion industry, including: the failure to assess and protect against key supply chain risks; preventing human and environmental exploitation; and paying workers a living wage. Additionally, companies are not adequately safeguarding the environment through sustainable fibre use, responsible water and chemical management and circularity practices. There is still much work to be done.

The 10th Edition Ethical Fashion Report is also a reminder that we all share responsibility for creating change—companies, governments and global citizens. As such, the report remains a call to action.

120
COMPANIES
REPRESENTING
460
BRANDS
HAVE BEEN
ASSESSED
IN 2024.



¹ <https://www.walkfree.org/global-slavery-index/findings/global-findings/>
² <https://education.nationalgeographic.org/resource/environmental-refugee/>

When everyone plays their part—from CEO to garment worker and senator to citizen—we can accelerate positive change that directly tackles worker exploitation and environmental harm in the fashion supply chain.

For this reason, the Ethical Fashion Report and Guide spotlights salient issues (listed below) that help stakeholders navigate our findings, identify obstacles and explore opportunities for further development.

The last four issues are new to the report. We have chosen to replace topics not because they



THIS EDITION, THE SPOTLIGHT ISSUES ARE:

PAYMENT OF A LIVING WAGE

USE OF SUSTAINABLE FIBRES

RESPONSIBLE PURCHASING PRACTICES

ADDRESSING GENDER INEQUALITY

WATER AND CHEMICAL STEWARDSHIP

CIRCULARITY

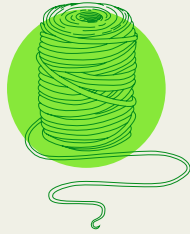
lack importance or have seen great progress, but rather to expand our advocacy efforts, company understanding and practices.

Ultimately, the Ethical Fashion Report is more than an honest assessment of the fashion industry. It's a call for

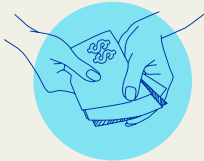
all stakeholders to accelerate the pace of change through collective action that leads to meaningful and lasting improvements. By working together, we can help ensure that justice, fairness and good stewardship of the environment are central to the industry's future.



The Current State Of The Global Fashion Industry



100 BILLION ITEMS ARE PRODUCED ANNUALLY BY THE GLOBAL FASHION INDUSTRY³



IN 2023, THE GLOBAL FASHION INDUSTRY WAS VALUED AT **\$1.7 TRILLION⁴**



300 MILLION PEOPLE+ WORLDWIDE WORK IN THE FASHION VALUE CHAIN⁴



92 MILLION TONNES OF TEXTILE WASTE IS GENERATED GLOBALLY EACH YEAR.⁵ THIS IS EQUIVALENT TO A RUBBISH TRUCK FULL OF CLOTHES ENDING UP IN LANDFILL EVERY SECOND⁶

³ <https://www.mckinsey.com/capabilities/sustainability/our-insights/style-thats-sustainable-a-new-fast-fashion-formula> ⁴ <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-fast-fashion> ⁵ <https://globalfashionagenda.org/resource/pulse-of-the-fashion-industry-2017/> ⁶ <https://www.bbc.com/future/article/20200710-why-clothes-are-so-hard-to-recycle>



ULTRA-FAST FASHION

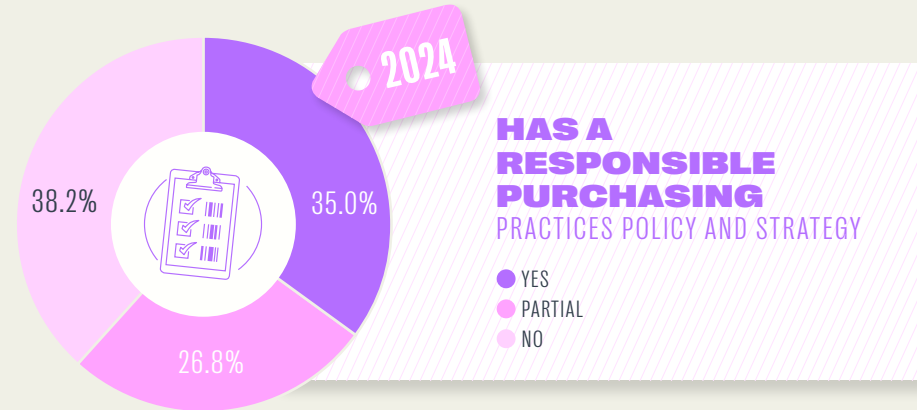
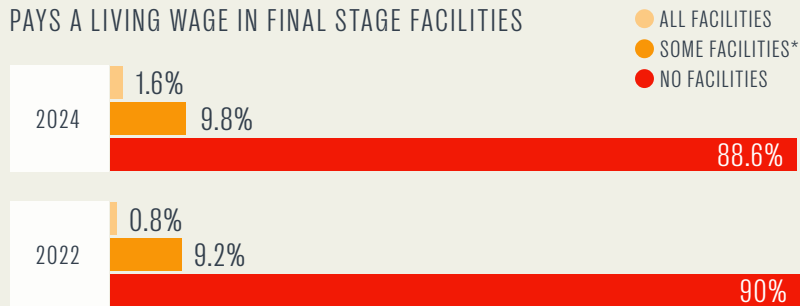
The recent surge in ultra-fast fashion has seen brands produce garments according to microtrends, significantly accelerating the rate at which the latest items are produced, marketed, sold to consumers and then subsequently pushed out of the trend cycle, ready for disposal.

This approach is predicated on a demand-based production model that is highly responsive to fluctuations in consumer demand. Ultra-fast fashion companies, as buyers, pressure their suppliers with short lead times and last-minute changes, often favouring small orders of a wide variety of styles to keep up with the latest microtrends.

In the last couple of years, large ultra-fast fashion producers have changed industry norms and, despite reputational controversies, dominate sales success. This leaves smaller companies struggling to compete, pinched for profits and needing to make difficult financial and business decisions that impact both workers' rights and environmental progress.

Key Company Insights

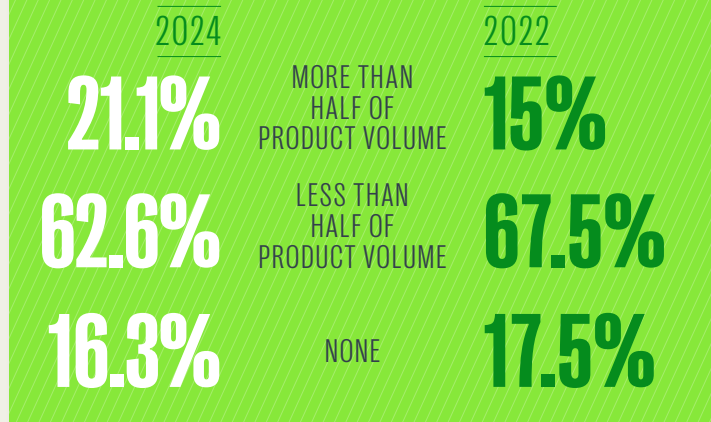
PAYS A LIVING WAGE IN FINAL STAGE FACILITIES



COLLECTS AND BENCHMARKS WATER USE DATA FROM WATER-INTENSIVE FACILITIES

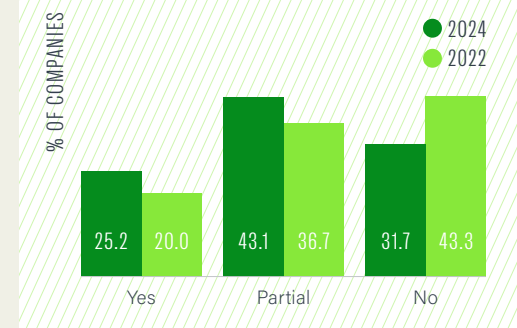


USES SUSTAINABLE FIBRES IN PRODUCTS



51.2%
OF COMPANIES IN 2024 DON'T HAVE ANY POLICY OR STRATEGY ADDRESSING GENDER INEQUALITY IN FINAL STAGE FACILITIES

GIVES CONSUMERS ACTIONS TO REDUCE ENVIRONMENTAL IMPACTS OF PRODUCT USE AND DISPOSAL



*Some covers a range from 1% to 99%, but the majority of scores within this range fall between 1-25%.



**WE'RE CALLING
ON EVERYONE
INVOLVED IN THE
FASHION SYSTEM
TO PLAY THEIR
PART IN BUILDING
A MORE ETHICAL
FASHION
INDUSTRY.**

Playing Your Part: Companies

This year's research and company scores reveal that companies vary widely in their commitment and progress towards ethical and sustainable supply chain practices, with each prioritising different areas.

It's also clear that all companies, even those in the top quintile of our 2024 assessment, have gaps in their ethical sourcing approach and must commit to continuous improvement and industry best practices.

As it stands, the fashion industry is failing the workers and environment that support it. Companies must make real change, moving away from models of exploitation and towards empowerment and sustainability.

Almost every team within a fashion company can contribute to environmental, social and governance progress for workers and the planet.

They need to identify where their current growth opportunities are and make consistent, realistic and tangible changes towards stronger practices. By focusing on what is within their control—either through direct relationships or the decision to source through certifications—they can achieve

sustained progress that ensures long-term organisational viability and buy-in.



You can't fix what you can't see

It's essential that companies assess and continually improve their internal practices and accountability to ensure they operate with integrity and reliability in their dealings with suppliers. Companies also need to work towards improved transparency by publicly reporting supplier lists, audit findings and key policies and goals. This opens the door for knowledge-sharing amongst companies and stakeholders in the industry and invites public accountability, encouraging the industry to adhere to a higher standard of honesty and self-reporting.



Make ESG everyone's responsibility

Almost every team within a fashion company can contribute to environmental, social and governance (ESG) progress for workers and the planet. Design teams can prioritise circular principles; finance teams can ensure that payments are made with reasonable conditions and timeframes; buyers can leverage their relationships with suppliers to incentivise ethical practices and marketing teams can accurately communicate sustainability

features and practices to consumers. Ultimately, embedding human rights and environmental targets into the responsibilities and key performance indicators of all teams—especially executives and board members—is essential for keeping ethical progress at the forefront of the company's agenda.



Don't let perfect be the enemy of good

Given that some areas of ethical performance can require financial and time investment, companies are encouraged to make incremental changes while working towards best practices. Some examples are piloting programs with key suppliers before broader roll-outs of initiatives, or using informed industry estimates for environmental impact accounting, while developing internal data collection methods. Thoughtfully considering how these changes can deliver multiple benefits allows for a stronger business case to be made for companies to progress towards their ethical goals.



Use reporting as a tool for improvement

Reporting on practice and progress can be more than a compliance exercise. Whether legislated, voluntary or industry-led, reporting frameworks offer valuable guidance





for benchmarking and next steps. For example, country-level legislation on modern slavery risk assessments requires companies to examine risks and report the effectiveness of their practices, highlighting areas that need improvement. Companies involved in our research can access their section scores and commentary to identify areas where they can improve for use in such reports. Additionally, our survey support document (found in the [appendix](#)) serves as an action plan for all companies, whether or not they participated in our research process.



Steward the whole product

Companies must expand their responsibility beyond headquarters, final stage manufacturing and retail stores. This involves assessing the impact of their products on human rights and environmental protection from the beginning to the end of their life cycles and taking considered steps to mitigate risks at each stage.

It's important for companies to gradually extend monitoring and supplier engagement programs beyond tier one or participate in schemes or Multi-Stakeholder Initiatives (MSIs) that provide similar ethical protections at upstream facilities. Certification schemes can provide assurances in parts of the supply chain where internal visibility and influence are limited, but should not replace a company's own supplier

engagement efforts. Additionally, companies can take initiative in designing and providing consumer strategies for the responsible end-of-life management of the garments being produced, ensuring that their commitment to sustainability extends beyond the point of sale.



Work together for progress

Since companies often share suppliers and resources, meaningful progress is best achieved through collaboration. From paying living wages to effective grievance mechanisms, many ethical supply chain practices occur at a factory level where multiple buyers can positively influence outcomes.

While ethical performance can be viewed as a competitive edge, the industry needs to shift to deliver tangible change for garment workers and communities.

To move the needle on these issues, companies must work together to increase leverage with suppliers, through structures like MSIs and NGO partnerships that facilitate cooperation. Acknowledging this, we have highlighted effective MSIs throughout this report.

While ethical performance can be viewed as a competitive edge, the industry needs to shift towards genuine collaboration to deliver tangible change for garment workers and communities. Partnering with suppliers to create win-win projects can, for example, reduce environmental impact while simultaneously empowering suppliers and contributing to company climate targets. Responsible Purchasing Practices, for instance, help foster strong working relationships, creating an environment where progress and collaboration thrive. By building bilateral partnerships with supply chains, companies can encourage better supplier conduct, increase visibility and establish robust systems of accountability.

At the time of writing this report, the Australian Competition and Consumer Commission's draft guidance on sustainability collaborations was in consultation with interested parties. While this guidance, when finalised, may ultimately influence Australian-based collaboration related to ethical fashion practices, our report includes recommendations consistent with global standards of best practice at this time. Companies may need to consider the impact of the draft guidance on their individual practices, operations and stakeholder engagement.

Playing Your Part: Global Citizens

Fashion is so much more than the clothes we see in shopfronts or on social media. It's about the choices we make—what we buy, how we treat what we have, how we discard things we don't need and what we choose to speak up about.

We're all part of fashion's system of supply and demand, which is good news because it means we can all do something to make that system fairer for workers, more beneficial for communities and less damaging to our environment. The problem can feel overwhelming, but each of us has influence and can make small decisions that can have a big impact.

While companies are responsible for the way clothes are produced and governments have the power to regulate the industry, as a global citizen, you can use your voice and purchasing power to influence their practices. You can also be part of the ethical fashion movement by making small changes to the way you consume, care for and dispose of your clothes. Here are some ways you can create change in the fashion industry, starting today.

Buy Less



Be a thoughtful consumer

Make thoughtful purchasing decisions by slowing down and considering whether you need an item before you buy it. Ask yourself if you need more 'stuff', or if there is there another way to find the items you're after. Can you make, reuse or repair what you already have, borrow from a friend, or repurpose something you already own? The most sustainable garment is the one you already have.



Take action together

We can do more when we work together. Some ways to take collective action are hosting a clothes swap with your friends or community group, [watching a documentary](#) about the impact of fashion together, sharing about our ethical fashion research on social media, or simply having conversations with your family and friends about ethical fashion.

The most sustainable garment is the one you already have.

Buy Better



Think before you buy

Reading this report to educate yourself on the complexity of ethical fashion issues is a great first step. Before making a purchase, research the brand you're buying from by using our [Ethical Fashion Guide](#). Here you can see scores for over 450 brands assessed on their efforts to ensure fair treatment of workers and reduce their environmental impact.



Do your own research

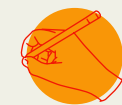
If a brand isn't included in our guide, do your own research and find out what actions they're taking to protect people and the planet. Search online to see if they use any third-party certifications or sustainable fibres, or if they have any initiatives in place that protect the rights of workers.

Expect More



Speak out to brands

Brands listen to their customers' demands, so tell them that the rights of workers and environmental practices are important to you and their practices will determine how you shop. Use our [online tool](#) to send a pre-written email to brands. For brands tracking well, thank them for their commitment and ask them to continue the good work. For brands lagging, let them know their performance matters and ask them to do better.



Speak out to government

While companies can improve their behaviour voluntarily, governments can create wide-scale change for workers and the environment by introducing laws that mandate better practices. Your local MP works for you. Write a letter or email and let them know you want to see Australia be a global leader on modern slavery, human rights and environmental protection laws.



Playing Your Part: Government

Australian values are based on freedom, respect, fairness and equality and are reflected in the legislation our government puts in place.

These laws provide for a secure, prosperous and peaceful place to live. The value of a 'fair go' is deeply ingrained in our culture, which means ending modern slavery and reducing the environmental impact of the fashion industry.

In alignment with our fellow [Be Slavery Free](#) Coalition members, we call on the Australian Government to take the following actions:



Amend the Modern Slavery Act (Cth 2018) to include mandatory human rights due diligence

One of the most important recommendations of the Modern Slavery Act Review is that the Act require entities to 'implement a due diligence system that will go beyond reporting. It will impose a duty on entities to take effective action to identify and assess risks and track performance in addressing them.' A common due diligence framework will allow the industry to harmonise and increase its impact.



Adequately resource the Commonwealth Anti-Slavery Commissioner

The passing of legislation to allow for the appointment of an Anti-Slavery Commissioner is a welcome move and we look forward to working with all stakeholders in the fashion industry to improve reporting practices in the industry.

The Commissioner will be required to work across government, industry and civil society to support compliance with the Modern Slavery Act. They will be seeking to improve transparency in supply chains and help fight modern slavery in Australia and abroad. The provision of \$8 million over four years to establish an Anti-Slavery Commissioner needs to be closely monitored to ensure the adequacy of this budget.



Ban imports of goods made with forced, bonded and child labour

Major markets are banning the importation of goods made with forced, bonded and child labour into their jurisdictions. For Australian businesses that are not using forced or child labour to remain competitive in Australia, such a ban is essential for creating the level playing field the Modern Slavery Act (Cth 2018) seeks to achieve. It is also

essential to ensure Australia does not become a dumping ground for the products prohibited from other markets.

We call on the Australian Government to:

- amend the Australian Customs Act 1901 to prohibit the import of services and goods made wholly or in part with forced labour (including child labour)
- empower the Australian Border Force to be able to issue 'rebuttable presumptions' for specific goods, companies and/or regions
- ensure these goods would be those determined by the government as having a high risk of being associated with forced labour.



Regulate the Seamless Scheme

Seamless is a voluntary scheme aiming to significantly reduce the 200,000 tonnes of clothing that goes to Australian landfill each year. The Hon. Tanya Plibersek, Minister for the Environment and Water, has been a powerful champion of a future without waste clothing. Her leadership and support are appreciated. Given the lack of real action being taken by companies shown in this report, we call on Minister Plibersek to regulate the scheme.

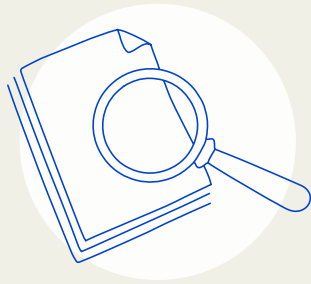
Modern slavery and textile waste are just two of the issues that remain a blight on the fashion industry. Their lack of visibility in Australia doesn't mean companies aren't complicit in these issues. While seeing these problems eradicated will take everyone's collaboration—consumers, business, civil society—government holds a key role in implementing policies that will affect wide-scale change for garment workers and helping bring about the justice they deserve.





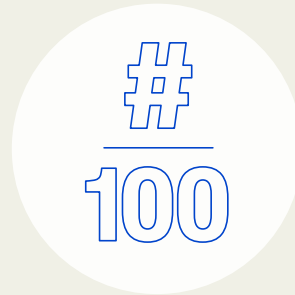
COMPANY SCORES

Understanding Company Scores



We Conducted Research

Our methodology is outlined in detail from page 45.



We Gave Brands A Score Out Of 100

To provide transparency, companies are scored out of 100 based on how they're going at protecting workers and the environment.

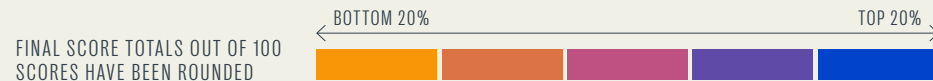


We Ranked Them Among Their Peers

Companies are ranked into five colours, ranging from the bottom scoring companies to the top scoring ones.

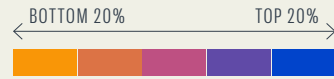
Company Scores

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2022
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
2XU	2*	0	1	<1	0	1	↑
Abercrombie & Fitch	31	4	11	8	2	7	↑
Accent Group	12*	3	3	4	<1	1	↓
Adidas	63	6	13	20	6	18	↑
Adidas (Footwear)	55	5	12	18	5	16	New
Aje	26	4	5	8	2	7	New
ALDI Stores	32	3	6	11	4	8	↓
Allbirds	40*	5	12	9	1	14	↑
Ally Fashion	3*	2	2	0	0	<1	↓
Amazon	13*	4	2	3	<1	4	↑
APG & Co	49	6	11	19	5	9	↑
AS COLOUR	65	6	11	23	11	13	↓
ASICS	30*	4	8	9	1	8	↓
ASOS	34*	5	9	7	5	9	↓
Bec & Bridge	1*	0	<1	0	0	1	New
Best & Less	20*	5	5	6	1	3	↓
Big W	31	5	6	8	5	6	↓
Birkenstock	15*	5	6	2	2	1	↑
Bisley	17*	3	4	7	0	3	↑
Blue Illusion	6*	3	1	<1	<1	3	↓
Blundstone	20*	2	6	4	1	7	↑
Boardriders	5*	2	<1	1	0	2	↑
Boden	32	6	9	9	3	5	↓
Boohoo	26	5	6	6	2	6	↑
Brand Collective (Apparel)	7*	2	2	2	1	<1	↓



COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2022
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
Brand Collective (Footwear)	20	5	5	6	2	2	↓
Brandbank	31	4	7	13	1	6	↑
Carhartt-WIP	13*	3	2	3	1	3	New
City Beach	3*	2	<1	1	0	0	↓
City Chic Collective	40	6	13	10	7	4	↑
Cotton On Group	45*	3	11	15	5	11	↑
Country Road Group	50	6	12	14	5	12	↓
Crocs	23*	5	7	5	0	7	New
Cue Clothing Co.	17*	2	5	5	4	1	↓
Culture Kings	9*	3	2	3	0	<1	↑
David Jones	41	6	9	11	7	8	↓
Decathlon	33*	4	4	9	3	14	↑
Decjuba	21*	4	7	6	1	4	↑
Decker Brands	41*	4	12	9	5	12	New
Dr Martens	37	5	10	10	1	12	New
F21 OpCo LLC	2*	2	0	0	0	0	↓
Factory X	49	6	11	16	5	12	↑
Fila	16*	5	4	3	1	4	New
Forever New	60	6	12	21	8	12	↑
Fruit of the Loom	30*	5	8	8	3	5	↓
Gap INC	45*	5	10	12	3	15	↓
General Pants Group	3*	0	2	1	0	1	↓
Ghanda	0*	0	0	0	0	0	New
Gildan Activewear	50	6	9	15	6	13	↓

*Depicts companies assessed on public information only.

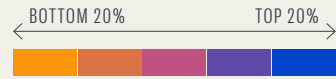


FINAL SCORE TOTALS OUT OF 100 SCORES HAVE BEEN ROUNDED

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2022
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
Globe International Limited	16	5	4	4	0	3	↑
Gymshark	39	5	12	10	5	7	New
H&M	57*	4	11	16	7	19	↑
Hallenstein Glasson Holdings	49	6	9	16	6	13	↓
HanesBrands	64	6	12	17	10	19	↑
Hot Springs	21*	4	7	6	3	1	↓
Hugo Boss Group	40*	5	9	9	4	13	↓
Inditex	66	6	10	21	10	19	↑
Industrie	6*	2	2	2	<1	<1	↓
JD Sports	54	6	12	15	3	19	↑
Jeanswest	9*	2	5	2	<1	1	↑
Just Group	36	6	7	14	5	4	↑
Kmart and Target Australia	58	6	12	19	8	13	↑
KMD Brands	60	6	13	21	7	13	↑
Kontoor Brands	30*	4	8	9	1	9	New
Kookai	15*	3	5	6	<1	2	↓
Lacoste	43	5	12	10	3	14	↓
Levi Strauss and Co	56*	6	11	16	4	19	↑
Lorna Jane	40	6	7	13	7	6	↑
Lowe's	12*	3	3	5	0	2	↑
Lululemon Athletica	58	6	12	17	6	17	↑
Macpac	52	6	10	16	5	15	—
Marks & Spencer	48*	5	12	11	4	16	↑
Mighty Good Basics	90	6	15	27	24	19	↑
Mosaic Group	36	5	8	12	6	5	↑
Munro Footwear Group	37	6	7	14	4	6	↑

COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2022
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
Myer	19*	4	6	6	2	1	↓
New Balance	60	6	12	18	7	17	↑
New Balance (Footwear)	57	6	11	18	6	17	New
Next	46*	5	12	13	6	10	↑
Ngahua Group	0*	0	0	0	0	0	—
Nike	51*	5	10	16	4	16	↑
Nine West	0*	0	0	0	0	0	—
Novo Shoes Pty Ltd	8	5	2	2	<1	0	↑
Nudie Jeans Co	53	5	11	13	9	15	↓
On Holding	31*	5	8	7	2	10	New
Oroton Group	36	5	6	12	3	11	↑
Overland	15	4	4	3	1	4	↑
Patagonia	69	6	12	21	10	20	↑
Pentland Brands	32	5	10	10	3	4	↓
Princess Polly	54	6	10	18	6	14	↑
PUMA	61	6	11	19	8	17	↑
PVH Corp	43*	5	10	12	5	12	↓
R.M. Williams	49	4	12	15	5	13	↑
Ralph Lauren	42	6	8	10	3	15	↑
Rebel Sport	17*	5	3	6	1	3	↑
Retail Apparel Group	55	6	9	21	8	11	↑
Rodd & Gunn	68	6	14	23	10	14	↑
Seafolly	6*	0	4	1	0	1	↓
Sheike	11	4	3	4	<1	0	↑
SHEIN	20	4	4	5	2	5	↑

*Depicts companies assessed on public information only.



FINAL SCORE TOTALS OUT OF 100
SCORES HAVE BEEN ROUNDED

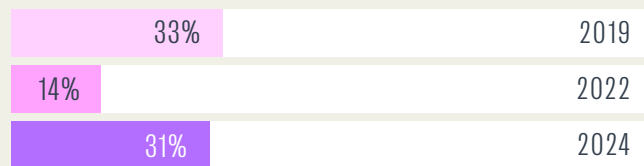
COMPANY	FINAL SCORE	POLICIES & GOVERNANCE	TRACING & RISK	SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	WORKER EMPOWERMENT	ENVIRONMENTAL SUSTAINABILITY	SCORE CHANGE FROM 2022
TOTAL SCORE AVAILABLE	100	6	15	33	25	21	
Showpo	21	4	4	8	1	3	↓
Skechers	22*	5	5	8	1	2	New
SKIMS	31	6	7	11	3	4	New
Spotlight Group	6*	2	1	1	<1	3	↑
Stussy	0*	0	0	0	0	0	New
Sussan Group	39	5	8	17	5	4	↑
Temu	0*	0	0	0	0	0	New
The Iconic	33*	5	7	9	2	9	↑
TJX Australia	8*	3	<1	1	<1	4	↑
Toms	16*	4	4	5	2	2	↑
Under Armour	28*	5	5	8	1	9	↑
UNIQLO	50	6	12	15	4	13	↑
Universal Store Holdings Ltd	37	4	8	12	4	9	↑
Vestito (TS14+)	7*	2	2	3	0	<1	↑
VF Corp	55	6	12	15	5	17	↑
Victoria's Secret & Co	44	5	9	18	3	9	↑
Weyco Group	15*	2	2	3	0	8	↑
Windsor Smith	0*	0	0	0	0	0	—
Wittner	10*	0	3	1	0	6	↓
WM Ritchie	2*	2	0	0	0	0	↓
Wolverine Worldwide	16*	3	4	4	1	3	↑
Workwear Group	49	6	8	18	5	11	↑
Zimmermann	51	5	9	17	6	14	↑

*Depicts companies assessed on public information only.
REFER TO PAGE 42 FOR AN EXPLANATION OF THE SECTION SCOPE.



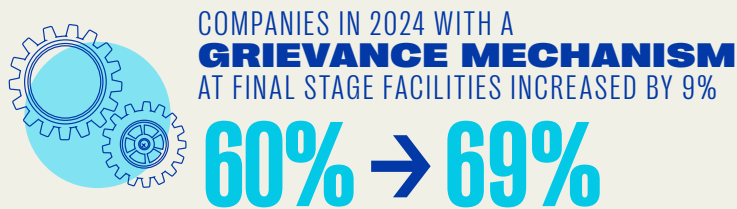
Have Companies Made Progress On The 2022 Spotlight Issues?

HOW DO COMPANIES RESPOND TO LABOUR EXPLOITATION?



Pandemic disruptions to the supply chain hindered resolution of Corrective Action Plans (CAPs) but encouragingly, the percentage of companies that were able to evidence some CAP resolution has almost returned to pre-pandemic levels.

ARE COMPANIES LISTENING TO THEIR WORKERS?



ARE COMPANIES TAKING CLIMATE ACTION SERIOUSLY?

COMPANIES AWARDED FULL CREDIT FOR THEIR CLIMATE COMMITMENT & STRATEGY

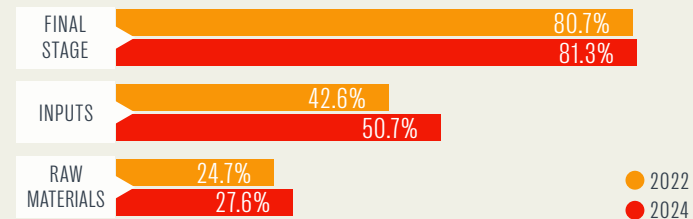
18 COMPANIES IN 2022 **24** COMPANIES IN 2024

Still half of the companies assessed could not evidence any commitment to climate action.



DO COMPANIES KNOW WHERE THEIR MATERIALS COME FROM?

Average traced amount at each tier:



While traceability is not highlighted as a Spotlight issue in the 10th Edition Ethical Fashion Report, supply-chain tracing is one of the primary lenses through which much of this report should be understood. Tracing determines how widely companies can apply their best-intentioned policies and practices. Without significant progress in tracing, companies cannot genuinely address the needs of the people in their supply chains or adequately mitigate the impact they're having on the environment.

Traceability beyond the final stage was a key focus of the 9th Edition report (2022) and while it may not be highlighted in the same way this year, its importance remains undiminished. Companies that fail to trace where their fabrics, components and raw materials come from are left with blind spots regarding the human rights and environmental impacts within their supply chains. Even the most robust policies and practices can only ensure the safety and dignity of the fraction of workers that are directly known to the company (primarily at final stage), leaving the rest of the workers in the supply chain unaccounted for. Our research revealed that companies are still lacking the necessary awareness and influence beyond the final stage to drive meaningful change and consequently, the scope of the Gender Empowerment and Living-Wage spotlights is limited to the final stage.



Beyond final stage, tracing of inputs facilities improved in 2024, with the average traced number of facilities increasing from 42% to 50%. Seven additional companies have also provided evidence of having fully traced their inputs facilities compared to the 9th Edition Report. Progress on tracing at the raw materials level remains limited however, with only a minor increase of 3% in 2024, from 24% to 27%. Furthermore, it's concerning to see that over 40% of companies still lack any visibility into this tier of production.

Traceability often heavily relies on the use of certification schemes, especially at the raw materials level. Certifiers can serve as a valuable alternative for managing the labor-intensive relationships between companies and their suppliers and provide a standardised framework for establishing and understanding ethical practice. However, it's important to recognise that certification standards should be used to identify and fill gaps in supply chain knowledge, rather than to simply bolster sustainability claims in consumer marketing or replace company tracing efforts.

Enslaved By Cotton

Traceability of materials and suppliers remains essential in preventing severe human rights abuses within the supply chain. Around 20% of the global cotton market comes from the Xinjiang province of China, where the Uyghur community lives. In 2020, it was revealed that at least 570,000 Ughur people and other minority populations were forced to pick cotton and work in garment factories through a state-imposed labour transfer program, although the real number is likely to be much higher. These workers are constantly under intrusive surveillance while they labour, with the threat of imprisonment for failure to comply. While industry awareness and some legislation have been developed to address this in recent years, many Australian and international fashion brands still source cotton from the factories where Uyghur people have reportedly been transferred. Due to this, companies must remain vigilant and ensure their supply chains are free from such exploitation.





IN THE SPOTLIGHT

INDUSTRY CHALLENGES

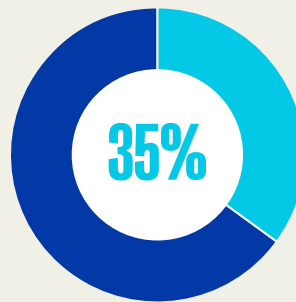
Responsible Purchasing Practices

Responsible purchasing is about establishing and implementing purchasing practices that benefit everyone in the supply chain, not just the commercial interests of buyers. According to one report, it calls for a 'trusting, direct and honest relationship where both parties are able to negotiate and share risks equally and a purchaser who is committed to supporting human rights within the supply base.'⁷

Responsible Purchasing Practices (RPPs) are a company's commitment to consider behaviours that directly influence worker conditions, such as the amount of lead time on orders, payment terms, liability, order volume forecasting and commitments to suppliers such as an assurance of future orders. More than an idealistic intention, RPPs work best when enshrined in formal policy and when companies take the time to train staff on the link between buying practices and human rights outcomes for garment workers.

Code Of Conduct Is Not Enough

It's widely understood that fast fashion purchasing practices—for example, short lead times for orders, last-



OF COMPANIES ARE IMPLEMENTING A RESPONSIBLE PURCHASING PRACTICES POLICY.

minute changes or bargaining prices down—lead directly to inadequate pay and unjust conditions for workers. When suppliers are pressured to meet orders and adapt to changes quickly and at lower costs, they often resort to excessive overtime or unregulated subcontractors.

Companies often expect exemplary ethical behaviour from their suppliers, as outlined in their Code of Conduct, to meet investor, global citizen and regulatory expectations. Equally, they must acknowledge the part they play in enabling suppliers to

create just and safe conditions for the garment workers, when they act responsibly and collaboratively.

The problem with limiting responsibility to a Code of Conduct is that it places onus of worker rights and safety onto suppliers, without acknowledging the company's responsibility to address the ethics of their own buying practices and the contradictory impact of unethical buying practices. For example, a Code might stipulate that workers should not be subject to excessive overtime, but if the company significantly increases order quantity with little notice, the supplier won't have the time or resources to plan accordingly, which puts workers at risk of working excessive overtime.

Research from the Better Buying Institute (BBI)⁸ shows a direct link between not having adequate RPPs and factory non-compliances.

Rather than relying on a Code, companies should have an open dialogue with suppliers about forecasting and order costings.

⁷ Buying Matters' Consultation: Sourcing fairly from developing countries, Traidcraft
⁸ Better Buying Special Report, Better Buying Institute, January 2023



Then the supplier has the security to, at a minimum, recruit the right number of workers and pay them fairly for their work, or ideally, invest in improvements like wellbeing programs, safety upgrades, or environmental and energy efficiency measures.

How Did Companies Perform?

We assessed responsible purchasing according to three measures: whether the company has a policy on RPPs, including a strategy for implementation; whether the company tracks data to understand the influence of their purchasing behaviour; and whether the company is incentivising suppliers to improve labour standards for their workforce.

When it comes to implementing an RPPs policy, there was an increase in companies that received full credit, from 30% in 2022 to 35% of companies in 2024.

While we welcome this increase, given that implementing responsible purchasing is entirely within a fashion company's control, we call on companies to make a more significant improvement in this area in the coming years.

For tracking data related to responsible purchasing, including orders paid on time and changes made to orders, while there was an improvement from 9% in 2022 to 20% in 2024, 80% of companies that responded to our survey were still not able to fully evidence tracking this data.

As companies can't improve on what they can't track, we encourage all companies to regularly measure the effectiveness of their RPPs policy.

A preferred supplier program, which selects suppliers that meet high levels of social and environmental compliance, is an incentive for factories to strive for continual improvement.

The survey results showed an increase in the number of companies who evidenced a positive supplier incentivisation program—47% in 2024 compared to 41% in 2022.

We firmly believe that trusting, long-term relationships between companies and their suppliers are vital for driving incremental change.

Win-Win Outcomes

Companies can fall into the trap of setting publicly accountable goals for ethics and sustainability, without recognising the investment it will take from their suppliers to meet them. If they start by improving what's within their control—their

80%



OF COMPANIES THAT RESPONDED TO OUR SURVEY WERE STILL NOT ABLE TO FULLY EVIDENCE TRACKING RPP DATA.

own purchasing practices—they can then help create a context for suppliers to reduce their non-compliances and make progress towards a better work environment.

RPPs provide a stable partnership and a commitment to fair practices. They strengthen leverage when asking suppliers to make meaningful progress towards ensuring a safe and just working context for workers, or investing in energy efficient or environmentally friendly measures.



BRAND SPOTLIGHT PRINCESS POLLY

Guided by the [Common Framework for Responsible Purchasing Practices \(CFRPP\)](#), the team at Princess Polly has developed a RPPs policy against which they regularly benchmark their performance. The online fashion brand has a strong grasp on the impact of their own practices through regular monitoring and identifying key responsible purchasing data points. Using this data, they break down both day-to-day and longer-term strategic practices into the five pillars of the CFRPP: Integration and Reporting, Equal Partnership, Collaborative Production Planning, Fair Payment Terms and Sustainable Costing, to stay on track.

Princess Polly states that 'ensuring our workers are respected, safe and healthy is at the forefront of all our decisions and they are using their influence to create positive change in these areas. With a strong foundation of RPPs, they have recently rolled out a Preferred Factory Program that rewards suppliers with order guarantees and a closer partnership, according to a clearly communicated points system based on production, sourcing, worker experience and worker voice.

Research from the Better Buying Institute shows that supplier incentivisation schemes and strong Responsible Purchasing Practices (RPPs) provide factories with greater stability and reliable cashflow. This stability allows factories to create more secure working conditions for their employees and improve overall facility safety, while also helping companies meet their public goals. These 'win-win' outcomes are worth pursuing, not only for supplier relationship-building, but also for the cascading impacts on broader areas of worker empowerment.



Industry Initiatives Spotlight: Better Buying Institute

Founded in 2019, the Better Buying Institute's (BBI) rating system provides an independent assessment of which purchasing practices a company needs to focus their improvement efforts on.

The organisation gained momentum after order cancellations during COVID uncovered the impact of purchasing behaviour on worker wages and rights.

The current power dynamics in buyer-supplier relationships means that suppliers are regularly audited on their performance, but buyers' practices undergo less scrutiny. BBI addresses this discrepancy by providing feedback for companies to improve their purchasing practices, enabling them to build stronger partnerships with suppliers.

BBI defines the five principles of RPPs⁹ as visibility, stability, time, financials and shared responsibility. This gives a meaningful and aggregated platform for a company to gain insight into their own practices so they can know which decisions will positively impact workers.

⁹ <https://betterbuying.org/research-tools/five-principles-of-responsible-purchasing-practice/>

DATA INPUTS

Responsible Purchasing Practices

The *Ethical Fashion Guide* uses data from three questions in the Ethical Fashion Report survey to give an indication of progress on employing Responsible Purchasing Practices in relating with suppliers.

5.1 Does the company have a policy on Responsible Purchasing Practices in relation to supplier engagement, including a strategy for the implementation of the policy?

5.2 Does the company track data related to Responsible Purchasing Practices, including percentage of orders paid on time and percentage of retrospective changes made to orders or payment terms?

6.3C Does the company have a preferred supplier program by which final stage suppliers are incentivised for strong labour rights and/or environmental sustainability records?

Addressing Gender Inequality

Given women form the majority of the fashion industry's labour force, it's vital to consider the unique experiences of female garment workers as we continue to address injustice in fashion supply chains.

Women carry three times the load of unpaid and domestic care compared to their male counterparts and are disproportionately affected by the widespread failure of factories to meet legislative requirements of paid sick/carer's leave or breastfeeding breaks. According to the International Labour Organization (2021), factory managers have been found to mandate pregnancy testing as a part of the recruitment process, not wanting to bear the potential costs and disruption of maternity leave. For those who undertake home working arrangements to care for children, working conditions and lack of rights are often overlooked by employers.¹⁰

Women in factories are also at higher risk of sexual harassment due to significant power imbalances, as garment workers are often young women far from home, living in shared dormitories and working under male supervisors.

Female garment workers can also struggle to move into higher paying roles within a factory, as the more lucrative jobs associated with machine operation can be deemed 'too risky' or 'technical' for women. They are also often overlooked for leadership positions as they don't have opportunities to be educated, keeping them out of positions of influence where they can advocate for others in their facility.¹⁰

Taking Action Against Inequality

The pace and tight margins of the fast fashion industry discourage suppliers from addressing gaps in their regulatory frameworks, leaving workers at risk of injustices like discrimination and harassment.

Global fashion companies have the power to affect real change here and should make clear, gender-specific protections in their codes, monitor supplier compliance and engage in initiatives that empower female workers and protect their rights.

¹⁰ <https://www.ilo.org/publications/moving-needle-gender-equality-and-decent-work-asias-garment-sector-0>



OF COMPANIES WERE ABLE TO EVIDENCE STRONG POLICY AND STRATEGIC PROTECTION FOR WOMEN IN SUPPLY CHAINS.

It's crucial that companies invest in trusted, confidential and accessible grievance mechanisms and train female workers on how to use them so instances of discrimination, abuse and violence don't continue unnoticed. Women must also be given opportunities to lead and represent their workforce through managerial positions, worker representative committees and trade union leadership.

How Did Companies Perform?

Our survey used two measures to determine how companies protect the rights of women in their supply



chains: whether they tracked the use of people at risk of having their rights denied in supplier factories (including female workers); and whether they have a policy addressing gender inequality in the supply chain, including a strategy to address discrimination and rights violations faced by women in the garment industry.

On tracking data, 76% of companies could provide evidence of monitoring the use of workers at risk of abuse (including female) workers in 2024—a marked increase from 68% in 2022. This is mostly due to worker classification being included in auditing templates.

For addressing discrimination, just under half of companies could evidence any policy or strategy addressing gender inequality in the supply chain; this decreased slightly from 54% in 2022 to 48% in 2024. Only 21% of companies were able to evidence strong policy

COMPANIES THAT COULD PROVIDE EVIDENCE OF MONITORING THE USE OF WORKERS AT RISK OF ABUSE



protection for women in supply chains, coupled with strategies to address discrimination and rights violations—a similar result to the 2022 survey.

While some progress has been made in monitoring workers at risk, the research reveals many companies are still not consistently using this data to advance gender empowerment in their supply chains. This suggests that companies may lack the awareness, commitment, or resources to invest in initiatives that could significantly improve conditions for women in the supply chain.

The challenges facing women in manufacturing are far more likely to be hidden, systemic or cultural. Fashion companies need to be clear in setting expectations with suppliers, pursuing effective channels to prevent discrimination and abuse, and elevating women's voices at their factories—rather than simply ticking a box on an audit form.

Upholding Women In The Workplace

Targeted workplace initiatives can improve outcomes for women at work; but they also have a flow-on effect that positively impacts their families, communities, and the productivity of companies themselves. Factories that take the experiences of their female workers seriously report better productivity and profitability, and decreased staff turnover and absenteeism. In a study conducted by CARE International,¹¹ workers in Vietnam reported that their productivity was reduced by 35-40% due to the prolonged anxiety and insecurity associated with gender-based violence in the workplace.

Some fashion companies, suppliers and industry bodies are working together to provide meaningful benefits for female workers, from maternal and women's health clinics at work to financial and technological literacy training, or providing training and career opportunities.

While the fashion industry is making slow and steady progress towards a more effective system, the stagnation of progress on strategic change for women shown in our 2024 survey results raises concern that women's



BRAND SPOTLIGHT

KMART & TARGET

Approximately 60% of Kmart and Target Australia's supply chain workforce are women, some of whom lack access to basic services to support their health and wellbeing, or educational opportunities to further their professional development.

To address this issue, Kmart and Target Australia set themselves the goal of supporting health, education, or professional skills training for at least 100,000 women by 2025 and they've already exceeded it.

'Over the past five years, we've actively engaged and collaborated with RISE/BSR's HERproject,' said Albert Yeung, Head of Ethical Sourcing at Kmart Group. 'Through our partnership, we've enrolled over 109,000 women in the program, which spans across 57 factories in Bangladesh, India and Vietnam. The impact assessments show these programs are effective in bolstering women's confidence and skills so that we can collectively continue to advance gender equality.'

¹¹ Care International 2020. *Where Are the Women? The Conspicuous Absence of Women in COVID-19 Response Teams and Plans, and Why We Need Them.*

needs and voices are not being considered as we pursue a just transition. For the health of the industry and the dignity of women that work within it, companies must listen to and make space for respecting the rights, voices and talents of women.

Change will come where there is commitment and advocacy at every level.

Fashion companies can use their position of influence with factories to set clear expectations for female representation and respect. NGOs and industry initiatives can also be leveraged to provide training, empowerment and trustworthy worker voice channels, so women can be heard at all levels.

Together, we can call for legislative protections that uphold the rights of women in the fashion industry.



Industry Initiatives Spotlight: RISE

RISE (Reimagining Industry to Support Equality) represents a new coalition of the fashion industry's four largest women empowerment programs: HERproject, BetterWork, Gap Inc.'s P.A.C.E. program and CARE International. It is committed to market transformation through incentivising buyers and suppliers and to pursuing progress by influencing practices within economic and industry bodies.

Bringing together the strengths, training programs and in-country connections of partner organisations, RISE offers training to companies on gender-based violence and harassment, workers' rights and responsibilities, financial health and digital literacy. RISE members can enrol the factories in their supply chain to RISE's programs, receive training and access impact data for their own reporting.

DATA INPUTS

Addressing Gender Inequality

The Ethical Fashion Guide uses data from two questions in the Ethical Fashion Report survey to give an indication of progress on addressing gender inequality in their supply chains.

7.3C Does the company track suppliers' use of vulnerable workers at final stage facilities? (Including migrant, temporary/contract, female, low-wage workers and workers from minority groups.)

8.1C Does the company have a policy addressing gender inequality at final stage facilities, including a strategy to address discrimination and rights violations faced by women in the apparel industry?

Hasina's Story: 'What Will We Eat If We Lose Our Job?'

Hasina lives in Bangladesh, and has been working in the garment industry since she was 13 years old.

Each day, the mother-of-three sits behind a machine with hundreds of other garment workers, labouring to meet her factory's hourly production target. It's tiring work that requires intense concentration to avoid injury to her fingers. But due to the demands of fast fashion, factories like Hasina's face pressure from buyers to produce a higher volume of garments at a faster rate and lower cost. If Hasina doesn't meet her target, she is scolded by her boss and forced to stay back after hours to complete her number of pieces, without overtime pay.

'If we produce 20 pieces less, then we have to complete the work staying back after



office hours,' Hasina said. 'If we need to work more, then they will not give us overtime.'

Hasina's factory undergoes regular audits, which is when a representative from a buyer, or group of buyers, visits the factory to assess its working conditions. This goes some way towards ensuring workers' rights are being upheld, but the problem is that violations can go undetected, especially when the process doesn't provide a way for workers to speak freely about their conditions. At Hasina's factory, for example, staff are instructed to not disclose their lack of overtime pay, so the factory can keep receiving orders from buyers.

'They want us to say that they don't make us work for free. We have to say this, otherwise the company won't get orders. So out of fear, the labourers don't say anything,' Hasina said.

'We have to accept this because what will we eat if we lose our job?'

Despite these hardships, Hasina is a strong woman who is determined to see her family escape poverty. Since

working in a garment factory doesn't pay enough to meet her family's needs, even when combined with her husband's wage, Hasina needed a source of additional income. Fortunately, Baptist World Aid's local Partner facilitates Community Development programs in her community. With their support, Hasina now grows and sells produce from her garden, keeps chickens and recently bought a cow.

Hasina also helps her friends at the factory when they fall behind on work, as she doesn't want them to 'suffer as I have.' She and her friends have tried to protest about their working conditions, but have so far been unsuccessful.

'For us poor, we cannot be so choosy. No matter how they behave "roughly", we must go there to work,' she said.

Hasina longs to see an improvement in how her factory treats its workers. When global citizens and the fashion industry advocate for reform alongside her, her voice is amplified.



IN THE SPOTLIGHT

Payment Of A Living Wage

A living wage is the minimum income needed for a worker to provide for themselves and their family, covering essentials such as food, housing, healthcare, clothing, transport, education and some savings for unexpected events.

Unlike the legal minimum wage, which in many garment-producing countries falls far short of covering these essentials, a living wage ensures that workers can maintain a reasonable standard of living for their families. Many workers and their families live in poverty despite working long hours, so it's important that a living wage can be earned within a standard work week (no more than 48 hours) and without the need for excessive overtime work.

What Happens When Wages Fall Short?

For garment workers and their families, being denied a living wage has severe consequences across all aspects of life.

Nine out of 10 workers interviewed in Bangladesh¹² cannot afford enough food for themselves and their families, forcing them to regularly skip meals or go into debt. This type of food

insecurity, along with lack of funds for adequate healthcare, leads to malnutrition, chronic health issues and weakened immune systems. Workers who must work excessive overtime hours are also at risk of physical and mental exhaustion, made worse by the pressure to forgo annual leave or sick leave so they can earn extra money to support their families.

Workers often live in overcrowded, substandard housing with limited access to clean water and sanitation. Many families of garment workers can't afford to send their children to school, or are forced to pull their children out of school so they can work in a factory to earn more money for the family. This perpetuates an intergenerational cycle of poverty.



NO IMPROVEMENT IN THE NUMBER OF COMPANIES THAT HAVE PUBLISHED A COMMITMENT TO PAY A LIVING WAGE, WITH A SLIGHT DECLINE FROM 37% IN 2022 TO 36% IN 2024

The Cost-Of-Living Tension

For people living in countries like Australia, a rising cost-of-living makes lower-priced clothes and shoes far more appealing and in some cases, a necessity. But there's a tension, as the cost of living is also impacting the people that produce those low-cost garments. Paying the cheapest prices on discretionary items can mean that the workers who make our clothes are unable to earn enough to provide their family with the basics of life. While many Australians are tightening their budgets, it may only add as little as \$1 to the cost of an item to enable significant improvements in wages and living conditions for



ONLY 2 COMPANIES ARE PAYING A LIVING WAGE AT ALL FINAL STAGE FACILITIES.



¹² <https://www.oxfam.org.au/wp-content/uploads/2021/11/Made-in-Poverty-the-True-Price-of-Fashion-Oxfam-Australia.pdf>

garment workers who earn far less than what they need to survive. Clothing affordability for Australians impacted by cost-of-living pressures should be the responsibility of our government and collective society, not the burden of workers overseas.

How Did Companies Perform This Year?

Progress on living wages remains the slowest out of all the key spotlight issues in this year's survey.

There was no improvement in the number of companies that have published a commitment to pay a living wage, with a slight decline from 37% of companies in 2022 to 36% in 2024. When it comes to adopting a living wage methodology and calculating a living wage for each region the company operates in, 46% of companies were awarded some or full credit, an increase from 40% in 2022.

However, alarmingly, only two companies could demonstrate the payment of a living wage at all final stage factories in line with their chosen methodology. This reveals a significant gap between benchmarking and paying a living wage to garment workers across all final stage facilities.

It also highlights the urgent need for companies to use the living wage methodologies and calculations they are engaging in and turn their commitments into real action.

Only 14 companies could evidence payment of a living wage at some of their final stage facilities—a slight increase from 12 companies in 2022. However, 10 of these companies could only evidence payment at 1-25% of their facilities, which could be as little as only one facility. Additionally, the percentage of companies implementing projects to improve wages at the final production stages remained stagnant at just under 40%.

These low scores highlight the ongoing complexity of achieving and verifying living wages in the supply chain and the need for an industry-wide, collaborative approach in this area.

Everyone deserves to be fairly compensated for the work that they do and fair compensation is an essential step towards creating a more just fashion industry where workers' rights and wellbeing are respected.

Calculating A Living Wage

Understanding what a living wage looks like to supply chain workers in different regions is a complex process and it's important that companies conduct their own due diligence when making these calculations for their workers.

A country's minimum wage and living wage are not the same, which makes it challenging to accurately calculate a living wage, especially considering global fashion companies are often headquartered in contexts far removed from producing regions. Some credible third-party audit templates reference living wage compliance, but auditors don't have a uniform approach for calculating and benchmarking a country's living wage (some for example, may not fully capture the difference between wages earned through overtime and various incentives or in-kind benefits).

Companies can and should adopt a comprehensive approach to living wage payment. This includes conducting factory audits with third-party sources that capture details of worker pay and factory production capacity; hearing from workers themselves through direct worker



BRAND SPOTLIGHT NUDIE JEANS

In 2021, Nudie Jeans launched a living wage pilot project with [Fair Wear Foundation](#) (FWF) members and one of their shared suppliers, Mergü, in Türkiye.

This project aimed to address the significant gap between national minimum wages and the actual cost of living by contributing the difference for the company's share of production. Nudie Jeans paid their portion of living wages based on their share of the factory's total production, which typically ranges from 3% to 7%. This model advocates for shared responsibility, where each brand producing at the factory helps bridge the gap between minimum wages and living wages.

While Nudie Jeans hopes their efforts will inspire other brands to follow suit, they acknowledge that achieving living wages for all workers remains a complex challenge. Nudie Jeans believes that a collaborative approach, where brands collectively take responsibility, offers the most realistic path towards ensuring fair compensation for workers throughout the supply chain.

surveys and collective bargaining; making credible commitments to living wages with clear timelines for achieving key milestones; implementing worker-centric policies; ringfencing labour costs in price negotiations to ensure fair compensation for workers and practicing Responsible Purchasing Practices across buying, planning and procurement teams.

Collaboration is essential to making progress on living wages, as many companies buy and source from the same factories and no single brand can achieve this alone.

By partnering with other buyers and fostering strong relationships with suppliers, brands can pool their influence and resources to create a more significant impact. Together, these efforts can drive systemic change, ensuring that living wages are consistently paid across shared facilities.



Industry Initiatives Spotlight: ACT

ACT (Action, Collaboration, Transformation) is a global initiative dedicated to advancing fair wages across textile, clothing and footwear supply chains. Through collaboration with industry stakeholders—brands, trade unions and suppliers—ACT works to establish living wage benchmarks, promote transparent wage policies and enhance labour practices for garment workers.

Recently, ACT achieved a significant milestone by facilitating individual binding agreements between fashion brands and the global union, IndustriALL, in Cambodia. These agreements mark a crucial step towards the first-ever brand-supported collective bargaining agreement in the garment and footwear sector, setting a new precedent for wages, freedom of association and Responsible Purchasing Practices.

By joining ACT, companies not only strengthen their corporate social responsibility commitments but also contribute to a more stable, motivated workforce and long-term sustainability in their supply chains.

DATA INPUTS

Payment Of A Living Wage

The Ethical Fashion Guide uses data from four questions in the Ethical Fashion Report survey to give an indication of progress on payment of living wages.

11.1C Has the company published a credible commitment to pay living wages based on a clear methodology with timeline and key milestones?

11.2C Has the company adopted a living wage methodology and calculated a living wage for each region that they operate in?

11.3C What percentage of final stage facilities pay a living wage?

11.4C What percentage of final stage facilities have projects to improve wages?

Use Of Sustainable Fibres

While all fibres have some environmental impact, sustainable fibres are those that improve environmental and social outcomes over the production and life cycle of products, when compared to conventional counterparts in the fashion industry. They can include natural plant-derived fibres like organic cotton, animal fibres such as responsibly sourced wool and synthetic fibres like recycled polyester. Even fibres deemed to have some sustainable attributes are not all equal, performing variably across different metrics ranging from carbon emissions in production to shedding of fibres in use.

The Impact Of Your Fibre Choices

As one of the largest global industries, fashion is also among the most damaging, with significant harm occurring during raw materials production, the use of garments and their eventual disposal.

Producing garments using conventional fibres often requires heavy water use, toxic chemicals and resource-intensive processes, contributing to pollution and biodiversity loss. The environmental impact of non-sustainable fibres also extends beyond production; when

used and washed, these garments can release microplastics into water systems. In addition to improving water and energy efficiency, transitioning to sustainable materials is crucial for mitigating the fashion industry's significant environmental impact and helping companies meet their sustainability and climate goals.

According to the [Textile Exchange's Preferred Fibre and Material Matrix](#), sustainable fibres include materials designed to have a lower environmental footprint by minimising resource use, pollution and waste throughout their life cycle. For instance, organic cotton grown without toxic pesticides and synthetic fertilisers reduces harm to human health and the environment through biodiversity loss. While recycled fibres help divert waste from landfills and reduce the need for virgin resources.



To genuinely commit to a sustainable fibre strategy, companies must first seek to truly understand the impact of their fibre choices.

This is where completion of an environmental impact assessment of their commonly used fibres, or a life cycle assessment of their products is truly beneficial. These assessments identify the impact of the materials used, so companies can more effectively transition to sustainable alternatives where it matters most.

How Did Companies Perform This Year?

Our survey evaluates how companies are incorporating sustainable fibres into their products. Specifically, we examine whether companies have assessed the environmental impact of their top three most used fibres; how they've integrated the findings into product design and production; and the percentage of their final products made from sustainable fibres.

Over a third of companies have assessed the environmental impacts of their top three fibres and implemented learnings—including clear targets and strategies for greater fibre sustainability—from their assessment into product design and production. This percentage has remained stable at 37% of companies in both 2022 and 2024.



Positively, 84% of companies are incorporating sustainable fibres into their final products. Although this has not changed significantly from 2022, the average proportion of sustainable fibres in a company's product range has increased from 22% in 2022 to 30% in 2024.

Over half of the companies surveyed are using sustainable fibres in a small percentage of their products—up to 25%, but in some cases, as low as 1%. As demand for sustainable products continues to increase and more brands invest in a circular economy, we hope to see companies expand the use of sustainable fibres in their product lines. By adopting a wider use of sustainable fibres, fashion companies can make greater progress towards reducing their environmental footprint, supporting ethical labour practices and investing in sustainable fibre innovation and scale.

Greenwashing

As preference for lower impact options continues to grow, some companies are taking advantage of this trend by overinflating or falsely advertising their use of sustainable fibres without proper verification. Brands making exaggerated or misleading claims about the sustainability of their products, a practice known as 'greenwashing', is an increasing concern in the fashion industry. A report released last year by the Australian Competition and

Consumer Commission (ACCC) found the textiles, garments and shoes sector had the second-highest proportion of concerning environmental claims.

This has made transparency and reliable certification standards more important than ever. Adding to the confusion, some swing tags claim to be made from recycled materials but often this only applies to the tag itself—not the entire garment—which could mislead shoppers. For true transparency, brands need to employ advanced fibre tracing practices and specify exactly which parts of the product are made from sustainable or recycled materials, so consumers can make informed choices.

Only by being fully transparent can brands truly contribute to a more human rights-based and environmentally responsible fashion industry and prepare themselves for the likely introduction of stricter greenwashing regulation.



OF COMPANIES ARE INCORPORATING SUSTAINABLE FIBRES INTO THEIR FINAL PRODUCTS.



INDUSTRY SPOTLIGHT

CERTIFICATIONS AND GOOD EARTH COTTON

Fibre certification schemes are designed to ensure the authenticity of sustainability claims and provide customers with confidence that the products they purchase meet specific environmental and ethical standards. But as the demand for sustainable products skyrockets, some certification programs have struggled to keep up, leading to instances of falsified certifications that misrepresent a product's sustainability credentials.

To address this, brands must conduct thorough due diligence on certifications, which should include, at a minimum, examining transaction certificates. Additionally, tracking the chain of custody of materials through every step of the supply chain and investing in new technologies like RFID (Radio Frequency Identification) can provide verifiable proof of the origin and sustainability of materials.

Good Earth Cotton, an innovative Australian cotton producer, addresses this by combining sustainable, low-impact farming methods with FibreTrace technology. This technology is embedded directly into their cotton at the gin and verified with a handheld scanning device to ensure it is 100% traceable and authentic. By also focusing on soil carbon sequestration through a comprehensive life cycle assessment, Good Earth Cotton provides a low-impact alternative to conventional cotton. Although relatively new, it has already been adopted by Australian companies like R.M. Williams and Country Road Group and its potential impact is promising.



Industry Initiatives Spotlight: Textile Exchange

Textile Exchange is a global non-profit organisation dedicated to driving positive impact in the fashion and textile industry by promoting the adoption of sustainable materials and responsible practices.

To support this mission, the organisation developed the Preferred Fibre and Material Matrix: a tool that assesses the sustainability of various materials based on their impact on climate, water, chemicals, land use, biodiversity, resource use, waste, human rights and initiative integrity.

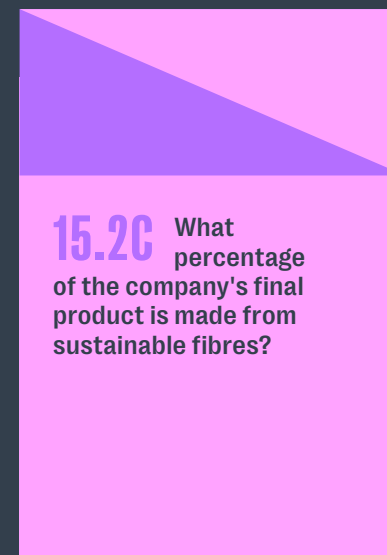
For companies conducting a desk-based environmental impact assessment, Textile Exchange's Matrix is a comprehensive and accessible tool. It supports informed decision making that aligns with environmental and social goals, helps reduce overall footprint and advances sustainability throughout supply chains.

By participating in Textile Exchange's programs, fashion companies can further engage in responsible practices, collaborate on industry-wide initiatives and ensure their material choices support a more sustainable fashion industry.

DATA INPUTS

Use Of Sustainable Fibres

The [Ethical Fashion Guide](#) uses data from one question in the Ethical Fashion Report survey to give an indication of progress on use of sustainable fibres.



IN THE SPOTLIGHT

Water And Chemical Stewardship

The global fashion industry sits at a precarious intersection, being reliant on fresh water while also threatening the health and supply of water in the regions it operates in.

From growing raw materials to dyeing textiles and tanning leather, companies use a vast amount of water throughout their supply chain. At the same time, our changing climate is making water cycles less predictable. Many communities around the world must address the compounding impact of water scarcity and flooding, and the health and environmental impacts of water pollution caused by manufacturing hubs.

According to the United Nations Industrial Development Organization, water stewardship is using water in a way that is socially equitable, environmentally sustainable and economically beneficial.

The fashion industry must take responsibility for measuring and addressing its water impact, especially as companies typically process materials and produce

garments in places where water vulnerability is high, for example the heightened flood risks in the delta city of Dhaka, Bangladesh.

Current efforts by companies are falling short—not only in terms of environmental sustainability and ecological justice for affected communities, but also in ensuring the financial sustainability of their own operations.

Good water stewardship not only protects workers, communities and the local environment from harm, it also improves the industry's own profitability, as regulatory and affordability challenges inevitably increase when fresh water becomes less accessible in a region. It's in the fashion industry's interests to use water responsibly and reduce water pollution both at the point of production and throughout a garment's life cycle.



How Did Companies Perform This Year?

Our research assesses water stewardship by asking companies whether they test for compliance against defined lists of chemical inputs, what percentage of their water-intensive facilities they collect water use and wastewater quality data from and whether they have set goals to improve on the results from each of these.

Our survey found 41 companies (33%) did not evidence any testing, monitoring or improvement targets across water use and wastewater. Even where companies are performing testing, it is only for a small portion of their overall water use, with 67% of companies evidencing water use or wastewater quality data collection for less than

one quarter of water-intensive facilities in their supply chain.

Of the companies that collected water usage data at their facilities, 59% received full or partial credit for using that data to implement a water use plan. While it's promising to see companies taking steps to create water use plans, it's concerning that these plans are often based on limited data from their own supply chains. This highlights a significant gap in monitoring at inputs, as comprehensive data collection is crucial for meaningful and effective water management.

Companies need to continue expanding their understanding of water use in their supply chain and translate that knowledge into outcomes that improve water efficiency and better protect the environment and wellbeing of communities around the world.



41 COMPANIES SURVEYED DID NOT EVIDENCE ANY TESTING, MONITORING OR IMPROVEMENT TARGETS ACROSS WATER USE & WASTEWATER.



FASHION'S TOXIC PROBLEM

Chemicals are used in the clothing manufacturing process to achieve a certain look and feel. They can also enhance the performance and longevity of fabric, but not all these chemicals are healthy to have against human skin. These chemicals not only pose risks to the health of those who produce or wear the garments, but also threaten local ecosystems, wildlife and agricultural practices.

It's considered best practice to regularly test the chemicals used in manufacturing against two lists: a Restricted Substance List (RSL) which lists permitted levels of non-hazardous chemical content in finished products, and a Manufacturing Restricted Substances List (MRSL), which defines restricted hazardous substances that should not be used or discarded into the environment during manufacturing.

Our survey showed a significant increase in the number of companies that have an RSL and MRSL against

which it tests water compliance, with 30% of companies receiving full credit in 2024 compared to 20% in 2022.

This progress is a welcome improvement likely due to growing awareness of chemicals in clothing. Over the last few years, the toxicity of ultra-fast fashion garments has entered public conversations as global citizens become more cognisant of the presence of heavy metals in clothing. In active and outdoor wear, stain and water resistance are achieved through the use of 'per- and polyfluoroalkyl substances' (PFAs), a group of over 4,000 chemicals known as 'forever chemicals' because they do not fully break down naturally in the environment and are toxic to animals. Public and regulatory attention on their use has caused many companies to introduce or intensify their commitment to chemical compliance and testing, which goes to show that companies will tend to report and make progress on the areas where consumers ask for change.

Progress At An Industry Scale

Water stewardship progress can be attributed more often to the strength of industry initiatives and certifications rather than direct company engagement with their water-intensive tier two suppliers.

This is especially true in the raw materials stage of production. As much as 65% of a garment's water use in the manufacturing process comes from growing, extracting and processing raw materials.¹³ Companies are increasingly addressing water efficiency at this early stage by seeking out certified raw material sources that provide assurance and a standard of distinction that would otherwise be hard for brands to access.

For companies that might have less influence on a mill or tannery's processes due to their visibility of this tier, standardised certifications and monitoring also provide a reliable way to ensure practices meet minimum requirements on water use.



65% OF A GARMENT'S WATER USE IN THE MANUFACTURING PROCESS COMES **FROM GROWING, EXTRACTING & PROCESSING RAW MATERIALS.**

Some common certification standards in the fashion industry are the Global Organic Textile Standard, the Global Recycled Standard and the Leather Working Group's Leather Manufacture Audit Standard.

Another useful tool for companies aiming to improve their water footprint is Higg Facility Environmental Module (HIGG FEM), a comprehensive assessment that evaluates a supplier's environmental performance, including water stewardship practices. HIGG FEM offers a streamlined way for brands to partner with suppliers who meet environmental standards, rather than personalised assessments for each individual supplier.

Similarly, the Zero Discharge of Hazardous Chemicals (ZDHC) Roadmap to Zero program provides a standardised framework for water stewardship and data collection, allowing companies to implement effective sustainability measures without starting from scratch. Despite the widespread availability and strength of tools like HIGG FEM and the ZDHC Roadmap to Zero program, progress in water stewardship has been slow. Suppliers may still require training, support, or incentives from companies to fully engage with these programs, underscoring the need for brands to trace beyond the final production stages to ensure meaningful supplier involvement.

¹³ WWF Report, Figure 4: https://wwfint.awsassets.panda.org/downloads/wwf_hm_water_strategy_report_220823_final.pdf



BRAND SPOTLIGHT

PUMA

To achieve their 2025 goal of reducing water consumption at their core suppliers by 15% per pair or piece (compared to a 2020 baseline), PUMA implemented a water roadmap aimed at raising supplier awareness, improving processes and fostering collaboration with cleaner production initiatives like Clean by Design and Partnership for Cleaner Textile. They also conducted Life Cycle Assessments of their top-selling products to better understand their water footprint and refine reduction strategies.

By 2023, PUMA achieved a 21.5% reduction in water use per pair of footwear and a 4.9% reduction for textiles. These reductions were primarily the result of water efficiency measures, such as installing water recycling systems in several textile mills in late 2022.



Industry Initiatives Spotlight: ZDHC

The ZDHC body brings together major brands, suppliers, solution providers and chemical suppliers to phase out the use of hazardous chemicals in the apparel and footwear supply chain.

Alongside developing an industry-recognised Manufacturing Restricted Substances List (MRSL), the organisation has developed globally recognised standards and implementation frameworks for chemical input management and wastewater output. ZDHC invites businesses to participate in their Roadmap to Zero program, which offers training and tools to their committed community of over 300 signatories. This helps companies play their part in creating sustainable chemical management within the fashion industry.

DATA INPUTS

Water And Chemical Stewardship

The Ethical Fashion Guide uses data from five questions in the Ethical Fashion Report survey to give an indication of progress on water and chemical use.

16.1 Does the company have a Restricted Substances List (RSL) and a Manufacturing Restricted Substances List (MRSL) against which it tests compliance?

16.2 For what percentage of water intensive facilities has the company collected and benchmarked water use data?

16.3 Has the company used the above data to implement a water use plan?

16.4 For what percentage of wet-processing facilities has the company collected wastewater quality data?

16.5 Of these, do all have wastewater improvement strategies? E.g. Wastewater quality testing to a standard, wastewater treatment systems.

Circularity

Circularity in fashion involves designing, producing and using products in a way that maximises their lifespan, minimises emissions and waste and keeps resources in continuous use. This approach aims to create a closed-loop system where products are repaired, repurposed, reused, or recycled instead of discarded like in a linear system. The Ellen MacArthur Foundation is a thought leader in this area, bringing stakeholders together to advance our transition to a circular economy.

Circularity begins with assessing and taking responsibility for the environmental impact of a product, from design through to end-of-life in its current form. It can involve practices such as designing garments with features that allow for easy repair and maintenance, using materials that are easily recyclable or biodegradable (such as monofibres) and assessing the environmental impact of a product during use, such as energy used for washing. It also includes designing products for disassembly (such as shoes made without glues) so they can be easily taken apart and recycled. Offering consumers options to return used garments for repair or recycling is also effective for delivering more circular solutions.

Fashion Waste: Problem Or Opportunity?

Globally, 92 million tonnes of textile waste is produced each year and the equivalent of a rubbish truck of clothes is burned or buried in landfill every second.¹⁴

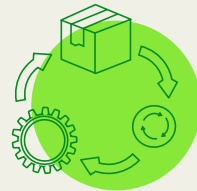
To address this alarming trend and meet consumer demand for more sustainable products, brands need to move from the conventional 'cradle to grave' model where products are made, used and discarded, to a circular 'cradle to cradle' approach.

To effectively contribute to global climate goals, adopting circular practices at scale requires collective effort from brands, manufacturers, policymakers and consumers. By working together to implement circular

design principles, invest in recycling technologies and build infrastructure for textile collection and sorting, the fashion industry can create cost-efficient systems. Shared learning across the sector will also promote innovation and efficiency, resulting in more impactful and sustainable outcomes that drive long-term environmental improvements.

How Did Companies Perform This Year?

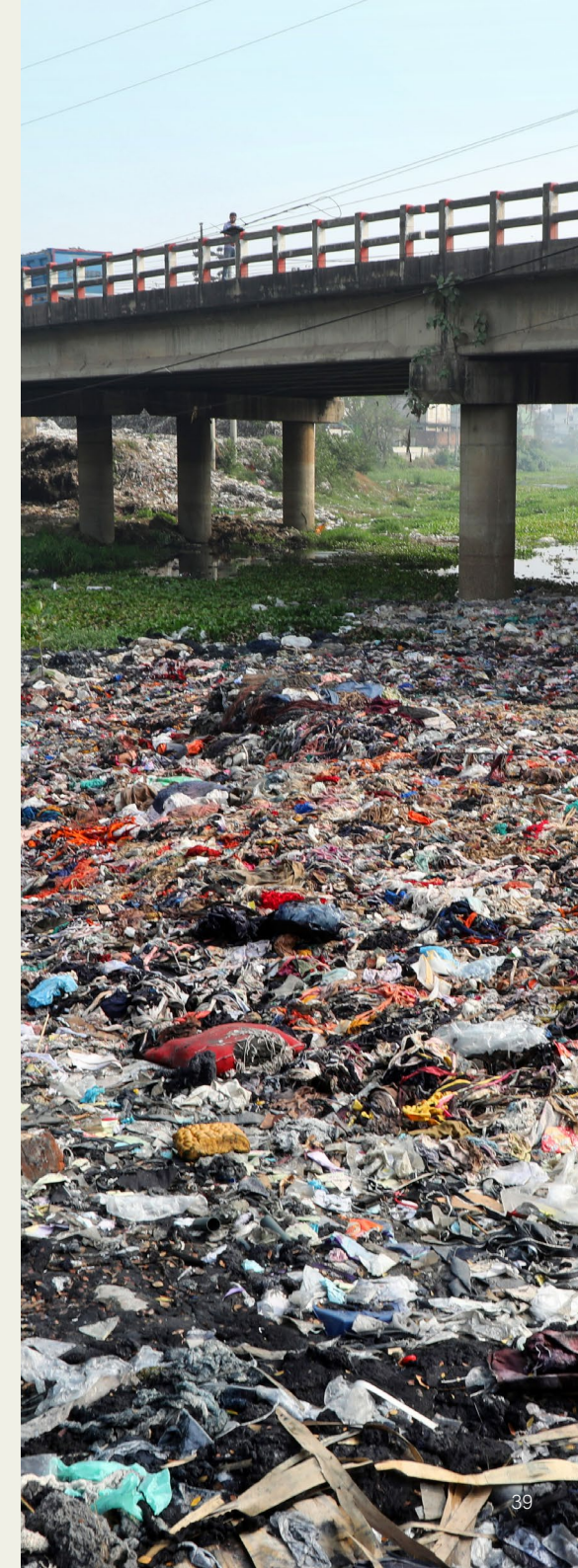
We assessed companies on their commitment to integrating circularity into their practices. This includes evaluating whether they consider the environmental impact of products throughout their entire life cycle, employ design strategies that reduce environmental harm and effectively communicate the environmental impacts of product use and disposal to their customers.



50%

OF COMPANIES PROVIDING EVIDENCE OF LIFE CYCLE ASSESSMENTS AND IMPLEMENTING CIRCULAR DESIGN PRINCIPLES INCREASED BY 10% SINCE 2022.

¹⁴ <https://www.ellenmacarthurfoundation.org/topics/fashion/overview>



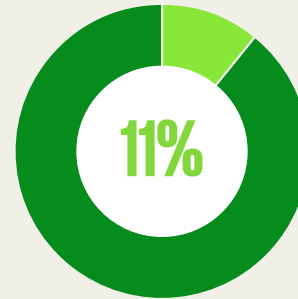
Positively, the percentage of companies providing evidence of life cycle assessments and implementing circular design principles increased from 40% in 2022 to 50% in 2024. Additionally, the number of companies communicating product use and disposal impacts to consumers and offering actionable strategies to reduce these impacts rose slightly, from 20% in 2022 to 25% in 2024.

However, only 11% of companies in 2024, down from 17% in 2022, are measuring or mitigating the impacts of overproduction and disposal. These results show that while companies have made progress in assessing product life cycles and reducing downstream impacts, gaps remain in tackling core issues like overproduction and waste management. To create a truly circular industry, addressing these core challenges holistically is essential.

Empowering Global Citizens To Close The Loop

In the journey toward circularity, both companies and global citizens play pivotal roles. Companies can exercise significant control over upstream processes such as design, production and sourcing. Downstream activities, like how products are used, cared for and eventually disposed of, are largely in the hands of consumers.

This creates a unique challenge: how to inspire customers to participate in the circularity process. Embracing circularity involves a fundamental reimagining of the way we think about clothes—from rapid consumption and disposal, to stewarding the resources required to make clothing and investing in garments that last. Companies must



OF COMPANIES ARE MEASURING OR MITIGATING THE IMPACTS OF OVERPRODUCTION AND DISPOSAL.

engage with their customers through clear messaging and education, offering guidance on extending the life of products, participating in recycling or take-back programs and choosing sustainable alternatives that align with a circular economy.

This encourages collaboration between brands and global citizens, ensuring products stay within a circular system, while also providing a competitive advantage that positions a brand positively. Sustainability then becomes a shared effort, rather than just a marketing message.



NUMBER OF COMPANIES OFFERING ACTIONABLE STRATEGIES TO REDUCE IMPACTS ROSE FROM

20% IN 2022 TO **25%** IN 2024



BRAND SPOTLIGHT

R.M. WILLIAMS

Product stewardship was embedded in the R.M. Williams brand ethos long before circularity became an industry focus, and their Seamless membership highlights their ongoing pursuit of circularity. They design for durability and reparability and choose techniques that allow for easier care and repair.

R.M. Williams empowers customers to make sustainable choices by offering recycling and repair services, along with care guides and products to ensure their products continue their circular journey even after they leave the store. One in every 10 boot transactions in FY24 was a repair rather than new purchase. This was made possible by offering clear and customisable options to truly repair just what is needed, rather than completely replace the item. Where repair is not feasible, they offer boot recycling in store, which diverted 2,800 pairs of boots from landfill in 2023.



Industry Spotlight: Seamless

Moving beyond the good intentions of individual fashion companies, we've seen the emergence of industry and government-regulated initiatives like Seamless. We call on the Australian Government to look to examples like the French fast fashion tax and consider mandating the Seamless initiative to drive progress toward circularity in the fashion industry.

Each year, Australians on average buy 56 items of clothing and 200,000 tonnes of clothes are sent to landfill.¹⁵ The Seamless program aims to turn this around by working towards achieving clothing circularity in Australia by 2030. The program promotes responsible stewardship, encouraging both industry stakeholders and global citizens to make more sustainable choices, advocating for the reuse, recycling and responsible disposal of textiles and aligning with global efforts to mitigate the environmental impact of the fashion industry.

Seamless is funded by a levy of four cents per imported garment, paid by

clothing brands and retailers who are voluntary members of the scheme.

If 60% of the market participates, the program is expected to generate a funding pool of \$36 million per year, which will be used to support the transition to a circular fashion economy in Australia. At the time of publication, 70 clothing brands were members, while more than 180 other industry stakeholders from across the value chain had signed on as supporters of the scheme.

The French government has taken a legislative approach to promoting responsible stewardship. In March 2024, it introduced a clothing tax on every piece of fast fashion sold. The revenue generated from this tax is intended to support the development of more sustainable fashion practices, including recycling initiatives and the reduction of textile waste.


This legislation is part of France's broader strategy to foster human rights practices within the fashion sector and to hold companies accountable for their environmental impact. By imposing this tax, the government aims to discourage ultra-fast fashion and encourage brands to adopt more sustainable practices and production methods.

¹⁵ National Clothing Product Stewardship Scheme Clothing Data Report, Australian Fashion Council, 2022

DATA INPUTS

Circularity


The Ethical Fashion Guide uses data from three questions in the Ethical Fashion Report survey to give an indication of progress on reducing in-use and end-of-life impact.



18.1 Has the company assessed the environmental impacts of the in-use and end-of-life phases of its products and consciously implemented specific design features/strategies to address these issues?



18.2 Does the company communicate environmental impacts of product use and disposal with consumers, providing actionable strategies for reducing impact?



18.3 Has the company assessed the environmental impacts of overproduction and disposal of finished goods and implemented a strategy to reduce this impact, including reporting?

What's Covered In Our Research

Our research and engagement with fashion companies focuses on their supply chains and how they impact human rights and environmental practices. We examine practices and indicators that fall into five key pillars explored below.

POLICIES & GOVERNANCE	1	CODE OF CONDUCT
	2	ACCOUNTABILITY
TRACING & RISK	3	TRACING AND TRANSPARENCY
	4	RISK
SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	5	RESPONSIBLE PURCHASING PRACTICES
	6	SUPPLIER RELATIONSHIPS
	7	FORCED AND CHILD LABOUR
	8	GENDER INEQUALITY
	9	MONITORING
	10	REMEDY AND CORRECTIVE ACTION
WORKER EMPOWERMENT	11	LIVING WAGES
	12	WORKER ENGAGEMENT
	13	FREEDOM OF ASSOCIATION
	14	GRIEVANCE MECHANISM
ENVIRONMENTAL SUSTAINABILITY	15	FIBRE, MATERIAL USE AND WASTE
	16	WATER AND CHEMICAL USE
	17	CLIMATE IMPACT
	18	IN-USE AND END-OF-LIFE IMPACT



POLICIES & GOVERNANCE

Fashion companies can clearly define the values and minimum standards they expect from both themselves and their business partners by establishing coherent formal policies. These policies also serve as a baseline for measuring how effectively companies support worker rights throughout their supply chain.

In this section, we assess whether companies have a robust Code of Conduct that covers safety and essential working conditions across their supply chain. We also evaluate whether companies have defined and publicly disclosed a structure of executive governance and accountability for ethical performance.

TRACING & RISK

Companies that invest in comprehensively tracing the source of the components and materials that make up their products are in a better position to understand and manage both the human and environmental impacts of production.

In this section, we assess the extent of each company's efforts to trace their

supply chain and their commitment to being transparent and publicly accountable for those efforts. We also evaluate how diligently companies have been identifying and addressing human rights and environmental risks throughout their supply chain.

While many companies have made significant progress in both tracing and transparently reporting on their supply chains, visibility of facilities beyond the final stage of production remains limited. Despite the challenges, increasing supplier visibility is critical to improving the working conditions of people across the entire supply chain.

SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING

Companies that build strong relationships based on trust through active dialogue with their suppliers are better equipped to drive positive change across their supply chain. A key part of this process is consistent supplier monitoring, which enables companies to partner with management and staff at facilities to identify and address issues affecting worker safety and wellbeing. These partnerships are further strengthened when brands provide training and support to both their internal teams and suppliers, emphasising the importance of upholding labour, environmental and safety standards.

In this section, we assess companies on the extent and quality of their supplier auditing practices and their efforts to build strong supplier relationships through consultation, training, consolidation and industry collaboration. We examine whether the companies' audits are announced and contain worker surveys or offsite-interviews—and if they include checks for key risk factors like the use of labour brokers, unauthorised subcontractors and recruitment fees. We also assess companies on their transparency in reporting on the results of their auditing and remedial efforts.

While companies with robust auditing programs are better positioned to address instances of worker exploitation and non-compliance, no supplier engagement program is perfect. We highlight specific challenges faced by female workers who make up most of the supply chain and the importance of addressing gender inequality and discrimination through strategic and policy-based intervention.

WORKER EMPOWERMENT

While fashion companies have a responsibility to use their resources and make decisions that drive positive reform in the supply chains and regions they operate in, the pursuit of meaningful change must be guided by

the voices and needs of workers. Workers who understand and are empowered to collectively advocate for their rights have much greater leverage when seeking better conditions and wages from their employers. Workers' concerns are also more likely to be heard and addressed when they are given an effective and accessible way to voice them—without fear of reprisal.

Companies are increasingly committed to supporting and validating the presence of unions and collective bargaining in their supplier facilities, as well as implementing effective grievance mechanisms that are focused on worker input. However, there continues to be a troubling lack of progress in companies taking responsibility for ensuring that the workers who make their products are paid a living wage that provides for their basic needs.

In this section, we assess companies on their public commitment and progress towards ensuring that workers throughout their supply chain are paid a living wage, as well as their support for collective bargaining and unionisation. We also assess the availability of effective grievance mechanisms for workers in their supply chain and whether workers are trained on their rights and how to access them.

ENVIRONMENTAL SUSTAINABILITY

The fashion industry significantly impacts the natural world at every stage—from farming and processing materials to the distribution, use and disposal of the clothes we wear. These processes consume vast amounts of water, land and natural resources while also contributing to chemical pollution, carbon emissions and waste.

In this section, we evaluate how brands assess the environmental impact of their products and material choices throughout their life cycle and how they implement strategies based on these findings. We investigate how brands use circular design principles to reduce the environmental impact of products during their use and disposal, and how they empower consumers to do the same. Brands are also assessed on their management, use and disposal of water and chemicals, as well as their commitment to climate action and reducing greenhouse gas emissions.

Progress in this section has outpaced others in our report, as more companies are acknowledging their responsibility to reduce the industry's collective environmental burden.

However, there is still work to be done. We highlight how effective use and reuse of water, resources and waste across the fashion supply chain can lead to better environmental outcomes for the industry.

SURVEY SCOPE

While our research captures a broad understanding of a company's impact—focusing primarily on social and environmental aspects of the supply chain—this scope means that some ethical issues are not directly addressed. For example, while animal rights are inherently important, they are not directly addressed in this research. They are, however, partly covered in sections where they intersect with labour rights or broader environmental sustainability concerns, such as the use of sustainable fibres.

Furthermore, some areas of the fashion industry's ethical impact stem from the way the entire system functions. One key example is overproduction and consumption and the way these trends feed into, and are fed by, fast fashion business models. The survey seeks to address specific actions that individual companies may take to mitigate

these issues, such as considering circular design considerations (Question 18.1), consumer education initiatives (Question 18.2) and strategies to reduce overproduction and its impacts (Question 18.3).

As the Ethical Fashion Report's methodology is centred around evidence of brands taking specific actions to develop more ethical practices, it does not fully capture the cultural impact of fast fashion business models. We seek to address these impacts as a part of our broader advocacy efforts, which include community education and raising awareness about the impacts of overconsumption, while promoting more sustainable alternatives that benefit both people and the planet.





METHODOLOGY

Methodology

The 10th Edition Ethical Fashion Report and accompanying Ethical Fashion Guide continue to build on the strengths of the Ethical Fashion Report methodology and research approach, developed and refined over the last 11 years. After changes were made in 2022 to the way grades were represented for greater clarity and transparency, the report was thoroughly reviewed in 2023 to ensure the research scope and criteria remain aligned with industry best practice.

This 10th edition of the report marks the move to a two-year reporting cycle (rather than annual), acknowledging the often slow pace of progress in the areas we assess and allowing time for companies to advance towards their commitments. The 10th edition addresses the question: 'Over time, are brands genuinely making meaningful progress towards their own ethical goals and industry best practice expectations?'

How We Conduct The Research: The Ethical Fashion Report Survey

The Ethical Fashion Report Survey was developed in 2013 with input from industry and academic experts and sets the scope for what is assessed through the research. Each year, the survey questions and associated validation

criteria are refined based on ongoing learning and industry development. In 2023, the Baptist World Aid Ethical Fashion team conducted a more comprehensive review drawing on external expertise. This level of review is conducted every three to four years.

This Ethical Fashion Report is based on a survey that is substantially unchanged from 2022. The survey has five major sections and comprises 48 questions covering 18 different indicators of supply chain practice.

As a result of the 2023 review process, two new questions were added. Question 3.4 asks brands for their total production volume as a data point on the company's contribution to the fashion industry's impact. Question 15.3 asks companies whether they measure their pre- and post-production waste to understand the scope of their impact, as fashion waste occurs even before garments and footwear are sold. All other changes were minor adjustments for clarity.

Who We Include: Company Selection

Overall, 120 companies covering 460 brands were included in the scope of the Ethical Fashion Report research. This consists of 105 companies that were included in the 9th Edition Report (2022) and 15 new companies. Fifteen

120 COMPANIES COVERING 460 BRANDS WERE INCLUDED IN THE EFR RESEARCH IN 2024. THIS CONSISTS OF 105 COMPANIES THAT WERE INCLUDED IN THE 2022 EDITION AND 15 NEW COMPANIES.

companies assessed in 2022 were not included in this year's research as they had fallen under the revenue threshold criteria explained below.

The research aims to include all companies that meet the qualifying criteria established in 2020: (1) they own clothing or footwear brands operating in Australia; (2) they are financially solvent; and (3) they are estimated to have annual revenue exceeding AUD \$50 million. As there is no publicly available list of companies that meet these criteria, they are identified based on prior inclusion in the Ethical Fashion Report, information available from the Commonwealth Modern Slavery Register, desk-based research and industry recommendations. As more companies meeting the criteria are identified, they are included in future research rounds.

FOOTWEAR

The scope of the report was expanded in 2022 to include any footwear brands that met the established criteria. In 2024, we extended our

pilot approach, which began in 2022 with only one company, to separately survey the footwear and apparel supply chains of three existing companies, ensuring that brands recognised for both their footwear and apparel are clearly assessed across both product categories.

SMALLER COMPANIES

Some smaller companies—particularly those founded with an intentional ethical focus—provide strong examples of what good practice can look like and are great incubators of innovative approaches to ensuring worker rights and environmental sustainability. Smaller companies can play a crucial role in driving change by offering examples of alternative business models.

Smaller companies included in previous Ethical Fashion Report editions have the option to opt-in to participate in the research. There's one brand in this category.

How We Collect And Assess Data: Research And Company Engagement Process

Ethical Fashion Report research data was collected through a mixture of direct and indirect engagement with companies in the period between February and July 2024.

CERTIFICATIONS

Many companies included in the Ethical Fashion Report use third parties to certify parts of their supply chain for selected materials and/or processes. The research process involves direct engagement with some of the most widely used certifiers, including Better Cotton, Fair Trade Australia & New Zealand, Global Organic Textile Standard (GOTS), Cotton Australia and Leather Working Group (LWG). These certifiers are also invited to complete a survey and provide supporting evidence. When a company can demonstrate that they are using one of these certifiers, credit is awarded for relevant questions based on the certifier's survey answers and evidence.

Along with the survey, companies were provided a comprehensive Survey Support Document (included in the appendices to this report) that outlines expected standards for each question. Ethical Fashion Report researchers met with companies, as requested, to ensure the expectations and rationale of the survey were clear. This process supports the research and contributes to tangible improvement in how the fashion companies operate.

Companies were required to submit their responses to each question, along with accompanying evidence, through a secure online research portal.

Company scores were based on an initial public data scan in February 2024, followed by a review of company submissions in April or a second public scan if no submission was provided. A final review and cross-checking process was completed in June 2024, and any outstanding questions from researchers were shared with companies to ensure they had the opportunity to respond and/or provide additional information. Following this, each survey underwent an independent peer review to ensure accuracy and consistency of the evidence before finalising all survey responses and calculating the scores.

All surveys were completed in full in 2024, with no data or information carried over from previous years without validation with a company representative or current public reporting.

Company Submission Or Public Information Only?

Some companies' scores are followed by an asterisk (*), indicating that they were assessed based on public information only. This simply denotes the source of evidence used for the assessment and does not reflect the company's commitment to ethical sourcing practices. Some companies have well-developed ethical sourcing

programs but have chosen to only provide evidence through their public transparency initiatives. All evidence—whether publicly disclosed or provided directly to the Ethical Fashion Report research team—is evaluated using the same validation criteria.

Public transparency is important and the standard we encourage all companies to work towards. While companies assessed on public information only may have additional measures in place, their score accurately reflects their current level of transparency. Transparency is crucial for enabling informed decisions by global citizens and ensuring accountability.

In 2024, 49% of companies were assessed on public information and 51% on company submission.



51%
OF COMPANIES
ASSESSED
ON PUBLIC
INFORMATION

49%
OF COMPANIES
ASSESSED
ON COMPANY
SUBMISSION

How Scores Are Calculated: Assessment And Weighting

A YES/NO/PARTIAL grading system is used for most survey questions, and is applied according to evidence thresholds detailed in a Survey Support Document provided to all companies at the start of the research period. Some questions use a percentage figure to award credit (e.g. percentage of suppliers traced). Each section of the survey is assigned an overall weighting for how it contributes to the final aggregate score a company receives, as outlined below.

POLICIES & GOVERNANCE	6%
TRACING & RISK	15%
SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING	33%
WORKER EMPOWERMENT	25%
ENVIRONMENTAL SUSTAINABILITY	21%

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

Final stage production has the greatest weighting of any single stage of the supply chain, reflecting the reality that this is the stage most fashion brands have direct relationships and the greatest leverage for change.

However, given the extent to which the industry needs to work to improve its supply chain practices, it's clear that all companies—including those who perform relatively well—still have some distance to go. Most of the overall weighting is divided between earlier stages of the supply chain, given the risks associated with raw materials and inputs production to both human rights and environmental sustainability. To retain simplicity and as a proxy for the wider supply chain, at the inputs and raw material stages, companies are only required to report on the fibre or process that has the greatest labour rights materiality (either because of the inherent risk associated with that fibre/process, or due to the volume of total supply chain it represents).

FINAL STAGE	45%
INPUTS	35%
RAW MATERIALS	20%

Translating Research Into Brand Scores

No updates were made to the representation of scores in 2024, after significant changes in 2022 regarding the way the underlying research is translated into public information about the performance of individual companies and their brands.

The aggregate score for each company and their associated brands

is the central piece of information communicated in the report. Companies are given a score out of 100 and this score represents their performance against the standard outlined in the Ethical Fashion Report survey. It provides transparency about the degree of progress a company has made and the extent to which they need to work to improve their supply chain ethics.

Alongside the numeric score, we also provide a colour coded indication of company performance. Scores are presented in a coloured circle that represents a company's relative performance when considered against its peers. Companies are divided into quintiles, with a royal blue circle representing a company that is in the top 20% of all companies, a light orange circle representing a company that is in the bottom 20% and three shades

showing those at steps in between, as depicted below. While this is like the A to F grading approach in previous reports, it is not directly transferable.

A 'good score' or 'blue dot' should not be considered as a sign to global citizens that they can set aside any ethical concerns and go buy from that brand. The score shows if a company is transparently investing in improving and developing safeguards for the labour rights and environmental sustainability issues present in its supply chain. In this sense, it is a better option for consumers to consider brands with a higher score, but goods purchased from these companies should not be considered 'completely ethical'.



The Ethical Fashion Report provides both a resource and a prompt for global citizens and other stakeholders to consider what needs to change to make the fashion industry more ethical for its workers and for the planet, by increasing transparency of company practices and showing how they perform against a standard.

Breakdown Of Companies' Performance

In addition to an overall result, the Ethical Fashion Report provides a detailed breakdown of each company's performance across the five key sections of the survey. This information, available in the report, is also presented as numeric scores rather than grades. These scores reflect the aggregated results from the questions included within each section.

While the aggregated section results are included in this report, the [Ethical Fashion Guide](#) focuses on six spotlight issues. These issues are not necessarily more important than other questions—rather, they represent key areas of concern highlighted by our research data to inform readers. The ratings for each spotlight issue are based on assessments of each company's responses to the relevant questions. By reporting on performance in these specific areas, readers are provided with more context on what these ratings mean. We explored each of the six issues in detail in earlier sections of this report, along with their connections to other areas of the survey. The questions related to each spotlight issue are explained in the relevant sections throughout this report and the performance brackets have been determined using the calculations outlined below.

ETHICAL FASHION GUIDE SPOTLIGHT ISSUE RATING	CALCULATION
Leading	Company scored 100% of available credit for questions included in the spotlight.
Above Average	Company scored 51-99% of available credit for questions included in the spotlight.
Working On It	Company scored 26-50% of available credit for questions included in the spotlight.
Getting Started	Company scored 1-25% of available credit for questions included in the spotlight.
No Evidence	Company scored 0% of available credit for questions included in the spotlight.



About Baptist World Aid Australia

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

- We partner with like-minded agencies overseas to support communities as they emerge from poverty, challenge injustice and build resilience.
- We partner with Christians and churches in Australia, particularly those from the Baptist movement, in generous giving, ethical consumption, courageous advocacy and faithful prayer to achieve justice for people living in poverty.

Established in 1959, Baptist World Aid works with local Partners in 22 countries in

the Pacific, Middle East, Southeast Asia, South Asia and Africa. Our activities cover four key areas:

- Community Development projects that build lasting solutions to poverty for entire communities;
- Child Sponsorship programs that assist children to break down the barriers of poverty—for themselves and their whole community;
- Disaster work that saves lives before, during and after a disaster strikes;
- Standing with the oppressed and marginalised through advocacy research and education, advocating for a more just world.

Baptist World Aid has been campaigning to end worker exploitation for over 11 years, beginning its

research and reporting on the fashion industry in 2013.

We are committed to refining and adapting our approach to our Ethical Fashion research in line with industry knowledge and developments. Your feedback is always appreciated and can be sent to hello@baptistworldaid.org.au.

It's important that this research is as accessible as possible to the everyday Australian, so we can have the greatest reach and empower global citizens to make informed decisions and speak out to brands. Our work is completely funded by donations made by generous supporters. If you find value in this research, please consider donating to our 'End Worker Exploitation' fund.

[CLICK HERE TO DONATE TO BAPTIST WORLD AID'S END WORKER EXPLOITATION FUND.](#)



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We'd like to thank everyone who contributed to the 10th Edition Ethical Fashion Report. We are grateful to all company and certifier representatives who engaged with the research this year. Thank you for the time and extraordinary effort that went into collating and sharing data with us.

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We'd also like to thank supporters of the research, the Ethical Fashion Report and of Baptist World Aid. Your continued support and engagement contribute towards creating a better world for all.



THANK YOU



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