



The 2016 Australian Fashion Report

THE TRUTH BEHIND THE BARCODE



**BAPTIST
WORLD AID
AUSTRALIA**
Be love. End poverty.

THE TRUTH BEHIND THE BARCODE

2016 AUSTRALIAN FASHION REPORT

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Behind the Barcode is a project of Baptist World Aid Australia

www.behindthebarcode.org.au

Baptist World Aid Australia

Baptist World Aid Australia is an international aid and development organisation, with a vision to see a world where poverty has ended, where all people enjoy the fullness of life God intends. Established in 1959, the organisation works in 18 countries in Asia, Africa and the Pacific across four key areas; child-centred community development, community development, disaster management and advocacy. Baptist World Aid has been involved in campaigning various industries to end worker exploitation for over 8 years and began research into the Fashion and Electronics industries in 2010.





Executive Summary

This section provides an overview of the 2016 Australian Fashion Report, reflecting on the major findings and state of the industry.

EXECUTIVE SUMMARY

This is the third edition of the Australian Fashion Report. It is being launched on the eve of the third anniversary of the Rana Plaza factory collapse in Bangladesh, a tragedy which cut short the lives of 1,136 garment workers. When the factory came down, it simultaneously catapulted the poor and unsafe working conditions of the apparel industry to front page news and to the front of our minds.

The Rana Plaza shocked the collective conscience of consumers and decision makers across the world, helping to accelerate efforts to uphold the rights of workers throughout the entire apparel industry supply chain. Three years on however, the need remains pressing. There are presently 14.2 million people in forced labour exploitation and 168 million child labourers scattered across the global economy. Many of this number are forced to work in the farms and factories that feed the apparel industry. For millions of others working in the industry, wages remain so low that they are unable to lift themselves and their families out of poverty.

The Australian Fashion Report sheds light on what the industry and individual companies are doing to address forced labour, child labour and exploitation. Each report - since the launch of the first in 2013 - has tracked the progress within the industry. The change since 2013 has been significant. In this edition we have assessed 87 companies, awarding each a grade from A to

F based on the strength of their labour rights management systems to mitigate the risk of exploitation in their supply chain. This report marks a significant expansion of the work of previous reports adding 50% more companies, updating the research and adopting a new and enhanced rating tool. 78% of the companies assessed directly engaged in the research process - up from 54% in the first report.

Fairtrade companies, though still relatively niche, remain the standout when it comes to strong labour rights management. Etiko and Audrey Blue (inc. Mighty Good Undies) both received A+ grades. The next best performer was one of the world's biggest fashion retailers, Inditex (Zara), which received an A grade. Australian brands Cotton On Group, APG & Co (Saba, Sportscraft, Willow, JAG), Country Road Group and Pacific Brands all received a commendable B+.

The past 12 months have seen some substantial improvements in reported company performance, with APG & Co, Industrie and David Jones being the most significant. APG & Co demonstrated that it had substantially traced back to the inputs stage of its supply chain (it knew who its fabric suppliers were), and that it sourced from predominantly unionised factories for its final stage of manufacturing. Industrie demonstrated that it had significant traceability back to its input suppliers,

and that it had begun work to understand what percentage of its factories were currently paying a living wage. David Jones results reflect a strong uptick in investments to improve labour rights, significantly improving traceability and the quality of its auditing and supplier relationships.

These three companies are reflective of one of the most welcome trends in the industry - the improved company knowledge of suppliers. Knowing suppliers is critical to a strong labour rights management system. If companies don't know or don't care who their suppliers are, then they cannot ensure that workers are not being exploited. In 2013, we found that only half of companies had complete knowledge of who their suppliers were at the final stage of production (the manufacturing or 'cut, make and trim' suppliers). This has since increased to 70%. When we focus in on those companies that have been assessed across all three reports, the proportion rises to an impressive 94%.

It is clear that the industry is also increasing its efforts to know suppliers deeper into the supply chain. In 2013, 41% of companies had engaged in some effort to know their input suppliers (e.g. where their fabric is produced), this has now increased to 79%.

However, there is still much to be done. Only 31% of companies knew more than 75% of their input



EXECUTIVE SUMMARY

suppliers, and at the next tier down - at the raw materials level - only 5% of companies knew who all of their suppliers were.

Continuing to improve traceability will remain one of the most important challenges for the industry. While inputs and raw materials sit outside the purview of companies, the worst forms of worker rights abuse (including forced and child labour) will continue to remain prevalent in these parts of the supply chain.

One of the chief concerns for garment workers around the world is their wage. Minimum wages are so persistently low in most developing countries that workers remain trapped in a cycle of poverty. It is a welcome improvement then, that the amount of companies able to demonstrate that some portion of their workers were earning significantly above the minimum wage had increased to 32%, up from 14% a year before (see discussion on Living Wages on page 11).

In grading companies, the Australian Fashion Report looks at four key elements of the labour rights management system: Policies, Knowing Suppliers, Auditing and Supplier Relationships, and Worker Empowerment. It is our belief that these four areas, when implemented well and used in conjunction with one another, will mitigate the

risks of forced labour, child labour and exploitation throughout the supply chain.

In 2016 Baptist World Aid has adopted a new, updated tool to grade companies. One of the most significant changes of the new grading tool is an increased emphasis on traceability and the payment of a living wage. We believe that these areas represent a crucial focus for continued improvement throughout the industry. However, the change in grading tool means that the grades in this report are not directly comparable to past reports (see page 22 for more information).

It is worth emphasising that Baptist World Aid Australia does not do site inspections of factories. Therefore, our ratings are not an assessment of actual conditions on the ground, but rather an analysis of the strength of a company's labour rights systems. We rely on data that is publically available, alongside evidence of systems and practices that are provided by companies to conduct our assessments.

We welcome the increasing transparency and engagement of companies with our research team. However, it is clear that more work needs to be done in providing public transparency by the fashion industry. We note that less than half of companies have established a partial public list

of their suppliers, and only 16% had shared a full list. Additionally, only a fifth of companies were making the broad results of their monitoring efforts public. Transparency deepens the credibility of the claims companies make about their supply chains systems, and serves to engender trust between companies, consumers and decision makers. We encourage others to follow the leadership of companies like Nudie Jeans and replicate the recent efforts of Kmart Australia, Target Australia and Coles in sharing detailed supplier information with the public.

We believe in the positive impact that the fashion industry can have. The industry generates over a trillion dollars of export revenue, predominantly for low and middle income countries¹. In Bangladesh and Cambodia, the industry respectively accounted for 89.2% and 77.4% of total merchandise exports in 2014. In the Asia Pacific alone, more than 40 million people are employed in garment manufacturing². Millions of people have migrated from lives of subsistent rural agriculture into factory work, hoping to improve their situation and that of their families. The fashion industry is playing a substantial role in reshaping nations and helping

- 1 International Labour Organisation (ILO) (2015). Strong Export and Job Growth in Asia's Garment and Footwear Sector. Bangkok.
- 2 Huynh, P. (2015). Employment, Wages and Growth in the Asia Pacific: Finding new drivers of competitiveness. ILO



EXECUTIVE SUMMARY

OVERALL GRADES

communities lift themselves out of poverty.

At the same time however, we know that wherever measures haven't been sufficient to uphold the rights of workers, the industry has also helped to fuel forced labour, child labour, unsafe working conditions and exploitation.

We applaud the progress that has been made.

We hope that the information and analysis in this report will continue to assist consumers, governments and corporations to continue this trend; and in doing so, help the fashion industry realise its potential to contribute to a world free from poverty and exploitation.

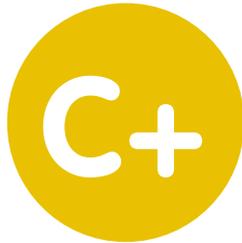
OVERALL GRADE	Policies				Knowing Your Suppliers	Auditing & Supplier Relationships	Worker Empowerment
C-	F	D+	C	A	C	D+	F
A-	B+	A	A+	A	C	D+	C+
C	F	C-	C+	A+	F	C-	F
F	F	F	F	F	F	F	F
B-	C-	C+	B+	B+	C-	C+	C-
B+	C	B+	B+	A+	C	B+	C
C+	D-	C-	C+	A+	D	C-	C+
B-	D+	C+	B	A+	D+	C+	B
C+	D+	C	C+	A+	F	F	F
C+	A-	B+	A+	A+	F	F	F
A+	F	F	C+	A-	C+	D+	C-
C-	F	F	F	B+	F	F	F
D-	D+	D+	C+	A+	D	D	F
C	D	C-	C+	A+	D	C-	C+
C+	D+	C+	B	A+	D+	C+	B
F	F	F	F	F	F	F	F
F	F	F	F	F	F	F	F
C+	C+	D+	C-	B	C+	D+	C-
B-	C+	B+	A	A+	C+	B+	A+
B+	D+	B+	A	A+	B	B	A+
B+	D+	B+	A	A+	F	D	D+
B-	C+	C+	C+	A+	F	F	D
B-	C-	C	B+	A+	C	C+	C+
C+	C-	C	C+	A+	C	C+	C+
B	D+	C	C+	A+	C	D-	D+
B	A-	B	B+	A+	B	F	F
A	D+	D+	C	A+	C	C	C
C	F	F	F	F	F	F	F
C	F	F	F	F	F	F	F
D+	F	D	D+	A	F	D	D+
D-	F	F	D	C+	F	F	D
D-	F	F	D	C+	F	F	D
B	C	C+	B+	A+	C	C+	B
B	C-	C	B+	A+	C	C	C
C+	C-	C	C+	A+	C	C	C
D+	D-	D+	D+	A+	D	D+	D
D+	F	F	F	B+	D+	C-	B+
F	F	F	F	F	F	D	D+
F	F	F	F	F	F	F	F
C+	D+	C	C	A+	C	C	C
B+	C-	B	A+	A+	C	B	A+
B	F	D	D+	C-	F	D	D+
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A	B	A+	A+	A+	C	C	C
B-	C	C	B+	A+	C	C	C
B	C	C+	B+	A	C	C+	B+
B	D	C	B-	A+	D	C	B-
C+	D	D+	C+	A+	D	D+	C
B-	D+	C	B+	A+	D	C	B+
B	D+	C	B	A+	D	C	B
C	F	F	F	F	F	F	F
C+	D+	C	C	A+	C	C	C
B+	C-	B	A+	A+	C	B	A+
B	F	D	D+	C-	F	D	D+
D+	F	D	D+	A	F	D	D+
A	B	A+	A+	A+	C	C	C
B-	C	C	B+	A+	C	C	C
B	C	C+	B+	A	C	C+	B+
B	D	C	B-	A+	D	C	B-
C+	D	D+	C+	A+	D	D+	C
B-	D+	C	B+	A+	D	C	B+
B	D+	C	B	A+	D	C	B
C	F	F	F	F	F	F	F
C+	D+	C	C	A+	C	C	C
B+	C-	B	A+	A+	C	B	A+
B	F	D	D+	C-	F	D	D+
D+	F	D	D+	A	F	D	D+
A	B	A+	A+	A+	C	C	C
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B	D	C	B-	A+	D	C	B-
C+	D	D+	C+	A+	D	D+	C
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C	F	F	F	F	F	F	F
C	F	F	F	F	F	F	F
D+	F	D	D+	A	F	D	D+
D-	F	F	D	C+	F	F	D
B	C	C+	B+	A+	C	C+	B
B	C-	C	B+	A+	C	C	C
C+	C-	C	C+	A+	C	C	C
B	D+	C	C+	A+	D	D+	D
B	D+	C	B+	A+	D	C	B+
B	D+	C	B	A+	D	C	B
F	F	F	F	F	F	F	F
F	F	F	F	F	F	F	F
C+	C+	D+	C-	B	C+	D+	C-
B-	C+	B+	A	A+	C+	B+	A+
B+	D+	B+	A	A+	B	B	A+
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B-	C+	C+	C+	A+	F	F	D
B-	C-	C	B+	A+	C	C+	C
C+	C-	C	C+	A+	C	C	C
B	D+	C	C+	A+	D	D+	D
B	D+	C	B+	A+	D	C	B+
F	F	F	F	F	F	F	F
F	F	F	F	F	F	F	F
C+	C+	D+	C-	B	C+	D+	C-
B-	C+	B+	A	A+	C+	B+	A+
B+	D+	B+	A	A+	B	B	A+
B+	D+	B+	A	A+	F	D	D+
B-	C+	C+	C+	A+	F	F	D
B-	C-	C	B+	A+	C	C+	C
C+	C-	C	C+	A+	C	C	C
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F	F	F	F	F	F	F	F
F	F	F	F	F	F	F	F
C	C	D+	C-	B	C	D+	C-
C+	C+	D+	C-	B	C	D+	C-
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D+	F	F	D	C+	F	F	D
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B	D	C	B-	A+	D	C	B-
C	D	D+	C+	A+	D	D+	C
B-	D+	C	B+	A+	D	C	B+
B	D+	C	B	A+	D	C	B
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C	D	D+	C+	A+	D	D+	C
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C	F	D	D+	A	F	D	D+
C	F	F	D	C+	F	F	D
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B-	C	C	B+	A+	C	C	C
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B	D	C	B-	A+	D	C	B-
C	D	D+	C+	A+	D	D+	C
B-	D+	C	B+	A+	D	C	B+
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C+	C+	D+	C-	B	C	D+	C-
B-	C+	B+	A	A+	C	B+	A+
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B-	C	C	B+	A+	C	C	C
B	C	C+	B+	A	C	C+	B+
B	D	C	B-	A+	D	C	B-
C	D	D+	C+	A+	D	D+	C
B-	D+	C	B+	A+	D	C	B+
B	D+	C	B	A+	D	C	B
F	F	F	F	F	F	F	F
F	F	F	F	F	F	F	F
C	C	D+	C-	B	C	D+	C-
C+	C+	D+	C-	B	C	D+	C-
B-	C+	B+	A	A+	C	B+	A+
C	F	D	D+	A	F	D	D+
C	F	F	D	C+	F	F	D
D+	F	F	D	C+	F	F	D
A	B	A+	A+	A+	C	C	C
B-							

EXECUTIVE SUMMARY

INDUSTRY OVERVIEW



companies assessed



median grade



companies received
A range grades



companies received
F grades

While there is an increased focus on wages for final stages of production, next to nothing is being done further down the supply chain



78%

More than three quarters of companies have started tracing their inputs suppliers



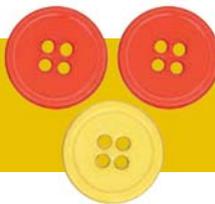
- More than half of all companies have systems in place for workers to report and have investigated health and safety incidents
- Over half of all companies have a policy in place to rehabilitate child or forced labour



48%

Almost half of companies assessed are now publicly stating which countries they source from

One third of all companies could prove that they were paying significantly above minimum wage to a portion of workers in their final stage of production



Two thirds of companies are working to actively improve leverage and relationships with suppliers through supplier consolidation or industry collaboration



Industry challenges

- 5% of companies know where all of their raw materials are coming from
- 16% of companies have fully traced where their inputs are coming from

Companies are still averse to transparency

- 3% publicise data about the wages they pay to workers
- 16% publish supplier lists
- 21% make broad auditing results public

EXECUTIVE SUMMARY

PROGRESS STATS



>20%

An additional 20% of companies now have robust policies that prohibit the use of regular and excessive overtime



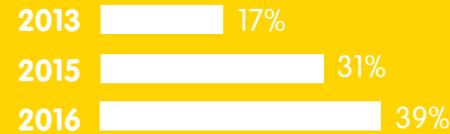
- There has been an additional 25% of companies implementing procedures to prevent unauthorised sub-contracting or ensure sub-contractors adhere to labour standards.
- An additional 25% of companies are now tracking suppliers use of temporary and contract workers.

Traceability deeper into the supply chain has steadily increased of the last three years.

Companies tracing inputs suppliers



Companies tracing raw materials suppliers



2016



>20%

An additional 20% of companies are investing in training suppliers to understand the risks of child labour, forced labour and human trafficking.

The number of companies investing in paying fairer wages to workers has increased significantly over the last three years



PROGRESS CASE STUDY

DAVID JONES

While they recognise there is more work to do, in the past 12 months David Jones has made a significant investment in establishing its ethical sourcing program and gaining a better understanding of its supply chain. The new program has engaged more than 1,200 suppliers, expanded its policies in relation to working conditions in suppliers' factories and developed the first David Jones Ethical Sourcing Strategy.

The five-year strategy outlines the company's strategic intent to have a positive impact on social, ethical and environmental standards along its supply chain and will see the company strengthening its policies in relation to ethical sourcing, conducting due diligence over multiple tiers of its supply chain, improving traceability of raw materials and building the capacity of stakeholders to achieve improvements in working conditions.

Good progress has been made in the first full year of the program. A comprehensive review of David Jones' Supplier Code of Conduct strengthened existing provisions in relation to ethical sourcing and aligned the standard with internationally recognised best practice. The code has been communicated throughout the supply chain and so far 98% of David Jones' first-tier suppliers have

countersigned it or provided evidence of having equivalent standards in place.

All 1,200 first-tier suppliers have been engaged in the ethical sourcing program. Central to this engagement has been an online questionnaire. Responses to the questionnaire have enabled David Jones to map 100% of its first-tier private label supply chain, achieve partial traceability of raw materials and inputs suppliers, and provided greater insight into the supply chain impacts of David Jones' branded suppliers.

David Jones is at the beginning of its ethical sourcing journey but is a business committed to the continued implementation and improvement of its ethical sourcing performance and to having a positive impact in the supply chain.



2

Living Wage

This section explores the importance of paying a Living Wage, examining the state of the industry, the potential cost of implementation and the status of companies in working to improve wages.

LIVING WAGE

The apparel industry is among the most labour intensive industries in the world. Throughout the Asia Pacific alone, it employs more than 40 million people and continues to grow rapidly year after year¹. Its importance as a provider of global employment means that if the fashion industry provided decent jobs and paid living wages it would transform the lives of millions of workers and their families. A living wage is a wage that is sufficient for workers to be able to afford the basics (food, water, shelter, clothing, power, healthcare and education) for themselves and their dependants, while having a little left over for emergency savings or discretionary spending.

A living wage is recognised as a human right, yet the reality for the vast majority of garment sector workers is that wages are set so low that the workers and their families remain trapped in a cycle of poverty. It should come as no surprise that the chief concern among workers in this industry is their wage.

Minimum wages in the garment industry for selected economies²:

All rates presented are effective as on 1 January 2015 and refer to the lowest skill grade for new entrants. For countries with decentralised minimum wage systems, figures reflect relevant rates in the main garment producing locations. Source: ILO compilation from official national sources.



India employs 16.8 million workers in the garment sector, while Bangladesh employs 4.2 million. Monthly minimum wages for the industry in these countries are just \$78USD and \$71USD respectively,

some of the lowest manufacturing wages in the world³. Providing a living wage would dramatically transform the lives of workers in these nations and the regions in which they work.

It's also worth recognising that most workers in the global garment sector are young and female. Sadly, the problem of low wages is exacerbated further for women, who consistently earn less than their male counterparts in the industry. This also means though that it is young women who have the most to gain from actions and initiatives that improve wages.

Historically, however, the garment industry has chased the lowest possible production costs, regardless of social impact. At both country and factory level, this has put pressure on decision makers to maintain low wages. For nations, it means they can attract investment and jobs and for factory owners, it means they can attract contracts from buyers. As a result, millions of young women have been trapped in situations where they are underpaid and overworked, deprived of their right to a decent job and a chance to lift themselves and their families out of poverty.

¹ International Labor Organization (ILO) (2015). Strong Export and Job Growth in Asia's Garment and Footwear Sector. Bangkok.

² International Labor Organization (2015). Growth Continues for Cambodia's Garment and Footwear Sector.

³ Huynh, P. (2015). Employment, Wages and Growth in the Asia Pacific: Finding new drivers of competitiveness. ILO



LIVING WAGE

How Much Would It Cost to Improve Wages?

Consumers are often curious to know how much extra it would cost per garment to ensure workers receive a decent wage. This question is more complicated than it first seems. Given the business model of most apparel manufacturers, there are a range of difficulties in passing price increases directly onto workers. However, a number of researchers and groups have attempted to estimate what the additional cost to the consumer would be if it could be achieved.

A study by the Fair Wear Foundation found that the additional amount needed for factory workers to receive a living wage in the outdoor apparel industry would range from less than 1% to 7% of the retail price. As a dollar amount, this translates to from several cents to about US\$5⁴.

NPR estimated the total labour cost of t-shirt production in Bangladesh at around 50c US per t-shirt⁵. To achieve a living wage, then, the additional cost may be as low as 40c US per t-shirt.

Finally, a recent estimate cited by the International Labour Organisation (ILO) suggests that labour costs account for only 3-7% of the total price that a

brand pays to purchase a pair of denim jeans made in Bangladesh, China and Vietnam⁶.

The overall message is clear: labour costs account for only a small portion of the overall cost of a product. While substantial challenges remain for many companies in the implementation of wage increases, it is clear that the payment of a living wage can easily be absorbed by consumers and companies. Moreover, these difficulties must be overcome if apparel production is to become truly ethical.

Progress and Company Performance

Fortunately, significant progress has been made towards lifting wages in recent times. A labour shortage in China, the world's biggest garment exporter, has driven a rise in wages in its key urban manufacturing regions. Ongoing discontent with the level of wages in Cambodia, combined with strong industrial action (which at times has been met with state violence) has seen the minimum wage double in the past 5 years. And since global attention was drawn to the Bangladesh garment sector in 2014, the minimum wage has increased by 87%.

Importantly, an increasing number of fashion companies are engaging in initiatives to spur this progress on and drive improvements in wages. Our research found that a **third of companies, up from just 14% in 2015, were able to demonstrate improved wages** for at least some portion of workers. About the same percentage of companies were engaged in initiatives to improve wages.

A fifth of companies have developed a living wage methodology for each region they operated in, a crucial step in understanding the gap between what workers are being paid and how much they should be paid. A further fifth have begun work down this path.

The standout performers when it came to ensuring living wages are being paid, are two Fairtrade companies **Etiko** and **Audrey Blue** (Inc. Mighty Good Undies). These two companies have consistently been able to demonstrate that workers are receiving a living wage across two stages of production: inputs and manufacturing.

Other commendable efforts include Nudie Jeans, which intentionally operates in facilities that are active in establishing collective bargaining agreements; Kmart Australia, which has

⁴ Fair Wear Foundation (2014), Living Wage Engineering

⁵ Estimates taken from National Public Radio's Planet Money T-Shirt Project (2013)

⁶ Huynh, P. (2015). Employment, Wages and Growth in the Asia Pacific: Finding new drivers of competitiveness. ILO



LIVING WAGE

shown significant progress in one year- establishing living wage benchmarks in a number of regions and demonstrating that (for a few facilities) wages are paid at or above this level; Patagonia, which, in its Fair Trade USA certified factories, pays a premium that directly benefits all workers in the factory; and Pacific Brands, which have been engaging in initiatives to share productivity improvement benefits directly with workers (see page 51 for more information).

The initiatives which are among the most promising overall are those which work with unions or those seeking to establish collective bargaining agreements. The ILO affirms that nations with higher levels of collective bargaining also have a tendency toward better wages for low income earners⁷. For companies producing in Australia, Ethical Clothing Australia (ECA) accredited brands have annual audits conducted by the Textile Clothing and Footwear Union of Australia (TCFUA) to ensure that facilities are compliant with local law and paying wages at appropriate Australian industry rates (see page x). One of the most exciting global developments is the establishment of the Action, Collaboration, Transformation (ACT) initiative; an initiative between international brands

and retailers, manufacturers, and trade unions which seeks to establish industry-wide collective bargaining agreements to address the issue of living wages. The ACT initiative has included H&M, ASOS, Inditex (Zara), Arcadia, Esprit, Kmart Australia, Target Australia and Coles.

The progress is promising, but more work needs to be done. Two thirds of companies in the industry are still not taking any action on paying living wages. Crucial next steps for the industry will involve establishing living wage benchmarks, pursuing collective bargaining agreements, engaging in multi-stakeholder initiatives, consolidating and developing deeper relationships with the supply base to improve influence with factories and working collaboratively to lobby government decision makers to raise minimum wages.

Companies who received credit for investing in paying fairer wages to workers

American Apparel
APG & Co
Audrey Blue
Cotton On Group
Country Road Group
Cue Clothing Co
David Jones
Etiko
Forever New
Glassons
H&M
Inditex
Industrie
Jeanswest
Jets
Just Group
Karen Walker
Kmart Australia
Kookai
Liminal Apparel
Nudie Jeans
Pacific Brands
Patagonia
R.M. Williams
rrepp
Simon de Winter
Specialty Fashion Group
Sussan Group

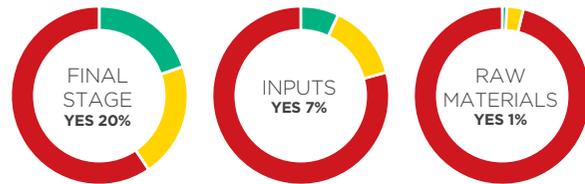
⁷ International Labor Organization, (ILO) Global Wage Report 2014/15.



LIVING WAGE

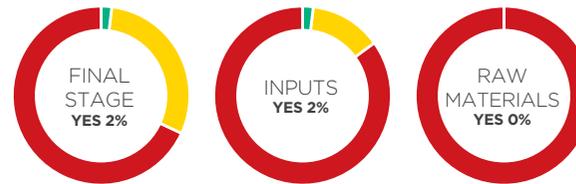
INDUSTRY OVERVIEW

Has the brand developed a living wage methodology and calculated a living wage for each region that it operates in?



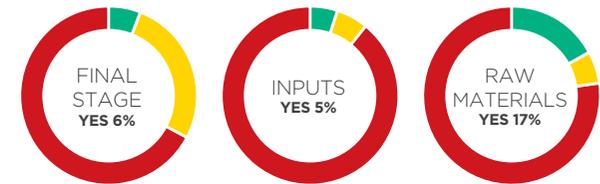
Many companies identify that one of the most significant impediments towards paying workers in the garment industry a living wage is the absence of global consensus on how to define and calculate a living wage. We have given credit to brands for adopting a methodology for themselves in the particular regions their supply chain operates in, or for participating in a multi-stakeholder initiative towards this end. Collecting current wage data and having a living wage benchmark is a critical first step in understanding the 'wage gap' and directing efforts and investments to improve wages. It is encouraging to see that 41% of companies are taking some steps towards adopting a methodology for at least some portion of their supply chain.

What percentage of companies pay a living wage? (partial for payments substantially above minimum wages?)



There are two companies, Etiko and Audrey Blue (Inc. Mighty Good Undies), which were able to produce evidence that they pay workers a living wage in both final stage and inputs facilities. A further 30% of companies were able to show that they either paid a living wage to a portion of their final stage workers, or that they pay some of them substantially above the legal minimum wage. The ultimate goal is for all workers to be paid a living wage, but these efforts to pay above the legal minimum are also welcomed until that goal is reached.

What percentage of facilities have projects to improve wages? (Partial = some)



Until the apparel industry widely pays workers a living wage, it is important that companies take active steps to improve worker incomes above the legal minimum in low wage countries where we know workers live in poverty. Some of these projects involve active engagement with unions and other worker representatives to negotiate collective bargaining agreements addressing wages workers agree to. Others involve efforts to continually improve wages above a benchmark, such as the legal minimum wage. Initiatives such as Fairtrade and Better Cotton Initiative are specifically associated with improving the incomes of cotton farmers through improving the terms of trade, greater yields through improved farming practices, and facilitated access to markets, hence the relatively high number of companies investing in projects at a raw materials level.

3

Methodology

This section outlines the research methodology, providing an overview of the research process, company engagement and defines the apparel supply chain.

METHODOLOGY

The grades awarded in this report are a measure of the efforts undertaken by each company to mitigate the risks of forced labour, child labour and worker exploitation throughout their supply chains. Higher grades correspond to companies with a labour rights management system that, if implemented well, should reduce the risk and extent of worker exploitation in the production of that company's products.

This is the third edition of the Australian Fashion Report. In this edition we have chosen to adopt a new grading tool. The new tool increases the emphasis on traceability (how well companies know their supply chains) and the payment of living wages. We believe these two areas of focus are amongst the most important considerations when it comes to improving worker welfare. The new grading tool has been developed in the 12 months since the publication of our last report and reflects our desire to see continual improvement across the fashion industry. The tool was developed with input from supply chain specialists, NGOs and apparel industry experts.

For the majority of companies, this grading tool has made it more difficult to achieve high grades. As such, while many of the specific initiatives are comparable across reports, the grades in this report should not be compared with past

reports. Some companies that have invested in improvements in their labour rights management systems will not see this investment reflected in a grade improvement relative to their 2015 grade, while other companies that have not made substantial investments will likely receive a lower grade. For reference, we have included a proxy of what a company's grades would be if it was assessed using the old tool on page 22.

Apparel production traverses multiple stages across a supply chain. The production of a simple t-shirt for example, may move from collecting and planting cotton seeds, to harvesting cotton plants, to processing the harvest at a gin (where fibres are separated from the seed), to spinning the fibres into yarn, to weaving that yarn into fabric, to dyeing the fabric, which is then cut to shape, sewn together and trimmed. This whole process can take place across vast distances between countries and regions. For example, the cotton in our clothes may be grown in the United States, spun and woven in Indonesia, before being cut and sewn in Bangladesh.

The grading tool used in this report assesses 40 specific criteria and looks at three critical stages of the supply chain as a proxy for the entire supply chain. These three stages are: raw materials, inputs and final stage production. The raw materials stage considers the harvesting/collection of the

primary fibre used in the production process (e.g. the cotton harvest). The inputs stage considers the transformation of that fibre (e.g. spinning fibres into yarn at mills). In the final stage of production, we consider the assembly of the final product (i.e. the factories responsible for cut, make and trim).

The 40 criteria assessed in our report fall into four broad categories.

POLICIES: Policies form the standards that companies want their production to adhere to. They are the baseline by which a company can measure the effectiveness of its overall efforts to uphold worker rights. We seek to evaluate whether a company's policies prohibit forced labour and child labour, allow for freedom of association and include provisions for worker health and safety. We also evaluate whether the company's intent is that its policies should cover its entire production process and whether the company is undertaking important measures which allow for improved working conditions in facilities (including working with others and not excessively squeezing prices).

KNOWING SUPPLIERS: In order to ensure that worker rights are being upheld, companies need to know which facilities are responsible for the production of their product. In this category, we seek to evaluate how much of the supply chain

METHODOLOGY

a company has traced, what it does to monitor and address subcontracting and what efforts it is undertaking to trace the remainder of its supply chain. We also evaluate how willing a company is to be held accountable (whether it allows others to also know its suppliers).

AUDITING AND SUPPLIER RELATIONSHIPS: Once a company knows which facilities are producing its product, monitoring these facilities and building relationships become the next critical steps in ensuring policies are adhered to and improvements in working conditions are being delivered. While no auditing process is perfect, high quality auditing helps to provide a better understanding of the conditions of workers. A focus on strengthening relationships allows trust building, and increases a company's capacity to drive change. When considering monitoring efforts, we evaluate what percentage of production facilities are audited, whether unannounced and offsite worker interviews are used, whether checks are done on high risk activities like using labour brokers and charging recruitment fees, and whether the company is transparent about its results and remedial actions. We also evaluate whether companies are actively involved in building supplier relationships through consolidation, collaboration, supplier training and long term relationship building.

WORKER EMPOWERMENT: Critical to understanding whether any labour rights system is able to demonstrate and improve working conditions, is understanding the degree to which workers are empowered, allowed a voice, and have had their most critical concerns addressed.

Workers themselves have the best visibility of working conditions. This is why it is vital to ensure that their voices are heard. In this section we evaluate whether workers are able to unite through democratic trade unions, whether collective bargaining agreements have been established and whether effective grievance mechanisms are in place.

Chief amongst the concerns of workers in the apparel industry is ensuring that they earn enough to support themselves and their families. In this section of assessment, we also evaluate whether workers are receiving a living wage and assess the company's efforts in moving towards this outcome.

Research Process

In conducting a brand evaluation, our research team first assesses a company's own publications alongside relevant independent reports and data such as third party audit findings. Our team then sends its findings - marked against the aforementioned assessment criteria - to the

company for comment and further input, which is reviewed in turn. We seek to engage with companies, collect evidence and understand their processes and systems. We usually allow six to eight weeks for this process to take place.

In this edition of the report, 78% of brands have engaged directly with our research process.

We actively seek to engage companies (and pursue contact with non-responsive companies) using at least three different mediums: phone calls, emails and letters. All non-responsive companies receive our findings twice by post. Letters are also mailed to the board chair and CEO. This process ensures that in almost every instance where a company has not responded, it is because it has intentionally chosen not to do so.

Companies which are non-responsive, along with those that do not provide any substantive information, are indicated in this report by an asterisk next to their name.

If companies do not disclose, or are unwilling to disclose, what they are doing to ensure that workers are not exploited in their supply chains, then it becomes near impossible for consumers and the public to know if these brands are investing sufficiently to mitigate these risks. A number of brands that chose not to engage

METHODOLOGY

with this report have indicated to Baptist World Aid Australia that they are eager to engage in the research efforts of future reports. Our team remains open to engaging with and regrading all non-responsive companies, and to sharing our findings in future publications.

What do the grades mean?

Higher grades correspond to companies that have stronger systems in place to mitigate the risks of forced labour, child labour and exploitation. That is, companies with the best grades (A and A+) are those companies that have a strong code of conduct, are investing substantially in knowing who their suppliers are, and are actively monitoring and building relationships with those suppliers to ensure adherence to their code of conduct. These companies are also actively seeking to empower workers and taking active measures to ensure that their workers are receiving a living wage. In combination, these steps substantially reduce the risks of slavery and exploitation. Low graded companies are those that are not taking these initiatives, or if they are, have chosen not to disclose it.

It is important to note that a high grade does not mean that a company has a supply chain which is free from exploitation. Rather, it is an indicator of the efforts and the strength of the systems a company is undertaking to reduce the risk of exploitation. Furthermore, our grading methodology is designed to spread companies out along the 'A-F continuum' based on the relative strength of their efforts, similar to awarding grades on a bell curve (i.e. best performers receiving A's, worst receiving F's and many in the middle). It is also worth noting that we do not do site inspections of suppliers and production facilities and, in some instances, we have relied on audit data provided to us by companies to verify conditions and benefits that workers receive.

Perhaps the most significant area where we assess demonstrated improvements in working conditions is wages. Wages are of chief concern to workers and, as such, are arguably one of the most accurate impact barometers for improved worker rights. In our assessment of wages, companies are asked to demonstrate whether they have calculated a living wage for each region they operate in, whether workers are receiving that living wage and, if workers are not receiving it, whether workers are earning above the legal minimum wage. See page 11 for more information on Living Wage.

Company Structures

Many companies have a wide array of brands or, in some cases, separate corporate entities, that are held by their company structure. Where companies have indicated to us that these separate entities or brands use differing labour rights management systems, we accordingly graded them separately. Kmart Australia, Coles and Target Australia for instance, all have separate grades despite being part of the one parent company: Wesfarmers. Similarly, a number of department store companies (like David Jones) will have a variety of arrangements with the brands stocked by their stores. In such circumstances, our grading process only considers those brands that are owned or exclusively distributed by these department stores.

We list each of the separate brands that apply to each company structure (and the grade they receive) on our brand index page (page 56). The grades in this report are also published with the specific brands they apply to in our consumer shopping guide, the Ethical Fashion Guide, which can be ordered from our website.

For more information about this report and our methodology, or to find out more about other Baptist World Aid Australia advocacy campaigns, see www.behindthebarcode.org.au.

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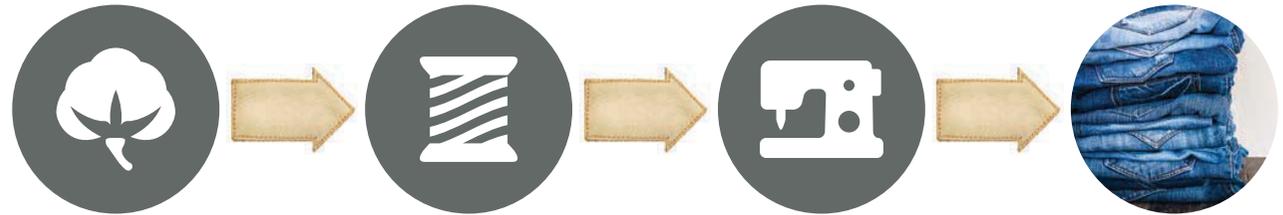
STAGES OF PRODUCTION

Scope of Evaluations

Most apparel travels through various parts of the world and through many hands before reaching store shelves. Even within the apparel industry, there are dozens of hands and countries. Other supply chains are more vertically integrated. The making of a garment involves harvesting, manufacturing, transportation, and many phases in between.

Our assessments focus on three steps along this chain: we evaluate each company's management of the production of one main raw material, one main input, and the final production stage. In apparel, this usually means we look at cotton farming, textiles production (fabric making), and cut-make-trim manufacturing (where fabric is cut and sewn into garments). Some companies are doing more to address issues in other phases, like leather production; in these cases we cater our assessment to best evaluate the company's initiatives.

Our evaluations focus on three main production phases of each supply chain:



Raw Materials

Each evaluation looks at one of the following phases:

- Cotton (farming)
- Wool, rawhide etc (husbandry, shearing etc)
- Crude Oil for synthetic fibres, plastics, etc. (extraction, refining)

Inputs Production

Each evaluation looks at one of the following phases:

- Textiles production (ginning, spinning, knitting, dyeing, embroidery)
- Leather (tanning)
- Plastic (processing, moulding)

Final Stage Production

Each evaluation looks at one of the following phases:

- Cut-Make-Trim (CMT) manufacturing (cutting, sewing, printing)

Brand

METHODOLOGY

STAGES OF PRODUCTION



Key: 100% 76-99% 51-75% 26-50% 1-25% 0%

* = non responsive companies

METHODOLOGY

GRADE ESTIMATES

Company	2015 Grade	2016 Grade estimate using old tool	2016 Grade
Abercrombie & Fitch*	C	C+	C+
Adidas Group	B+	A+	A+
Aldi	B+	B-	C
Ally Fashion*	F	F	F
American Apparel	B+	B+	B+
APG & Co	D-	A	C+
Arcadia Group	B	B	B+
AS Colour	B+	B+	B+
ASOS	B	B	C+
Audrey Blue/Mighty Good	A+	A+	C
Bardot	C	C	C
Best & Less*	D-	D	D-
Big W	B-	B-	C
Billabong	C	B-	C+
Boden	B	B	F
Boohoo.com*	F	F	F
Brand Collective*	F	F	F
Breakaway	B	B+	B+
Coles	B-	B-	B+
Cotton On Group	A	A	B+
Country Road Group	B+	A	B+
Cue Clothing Co	B+	B+	B+
David Jones	B+	B+	C-
Designworks	C	B	F
Esprit	B	A	B
Etiko	A+	A+	A+
EziBuy	C	B-	C
Factory X*	F	F	F
Fast Future Brands	D+	C-	F
Forever 21*	D-	D	D-
Forever New	B	A	C+
Fruit of the Loom	B	A	A
Fusion Retail Brands	D+	C-	D+
Gazal*	D-	D	D-
General Pants*	F	F	F
Glassons	C+	B	D-
H&M	B+	A	A-
Hanesbrands Inc.	B	A	A
House of Quirky	D+	C	D+
Inditex	A	A+	A
Industrie	B-	B+	F
Jeanswest	B	A	B
Jets	B	A	B
Just Group	D	D	D
Karen Walker	C	B-	C
Katmandu	B-	B+	B
Kmart Australia	B	A	B
Kookai	C	B-	C
L Brands*	D+	C-	C-
Lacoste	C+	B	B
Levi Strauss & Co.*	B+	B	B+
Liminal Apparel	A-	A+	A
Lorna Jane*	D	D+	D+
Loves	C	C+	C+
Lululemon Athletica	C	B-	B+
Macpac	D+	C-	C-
Metalicus	C+	B	F
Myer	C+	B	C-
New Balance	C+	B	B-
Nike*	C+	B	B
Nudie Jeans	B+	A	C
Oroton Group	D+	C-	C
Pacific Brands	B+	A	B
Patagonia	A-	A+	A-
Pavement United Brands*	F	F	F
Pretty Girl Fashion Group	C+	B	D
Puma	B-	B+	B
Pumpkin Patch	D	D+	B
PVH Corp*	C	B-	C
Quiksilver	C	B-	D+
Retail Apparel Group	C+	B	C-
Review	C+	B	F
R.M. Williams	C+	B	D-
Roger David*	F	F	F
Rrepp	A-	A+	A
Seed Heritage*	F	F	F
Simon de Winter	C	B-	B-
Speciality Fashion Group	C+	B	C
Sussan Group	B	A-	B
Target Australia	B-	B+	B-
The Gap Inc.*	C+	B	B
Tree of Life	C-	C+	C+
UNIQLO	B	A-	B
VF Corporation	B-	B+	B
Voyager Distributing Co*	F	F	F
Webster Holdings	C	B-	D-
Yarra Trail	C+	B	F

In this edition of the Australian Fashion Report we have chosen to adopt a new grading tool. The new tool increases the emphasis on traceability (how well companies know their supply chains) and the payment of living wages. We believe these two areas of focus are amongst the most important considerations when it comes to improving worker welfare. The new grading tool has been developed in the 12 months since the publication of our last report and reflects our desire to see continual improvement across the fashion industry. The tool was developed with input from supply chain specialists, NGOs and apparel industry experts.

For the majority of companies, this grading tool has made it more difficult to achieve high grades. As such, while many of the specific initiatives are comparable across reports, the grades in this report should not be compared with past reports. Some companies that have invested in improvements in their labour rights management systems will not see this investment reflected in a grade improvement relative to their 2015 grade, while other companies that have not made substantial investments will likely receive a lower grade. For reference, we have included a company's 2015 grade (note that some companies were not assessed in 2015) as well as a proxy of what a company's 2016 grades would have been if it was assessed using the old tool.

Total grade: A B C D F N/A

* = non responsive companies

4

Production In Focus

This section examines the prevalence of child labour, forced labour and worker exploitation in a global context. It providing insights into specific risks of abuse that exist in garment production across multiple countries.

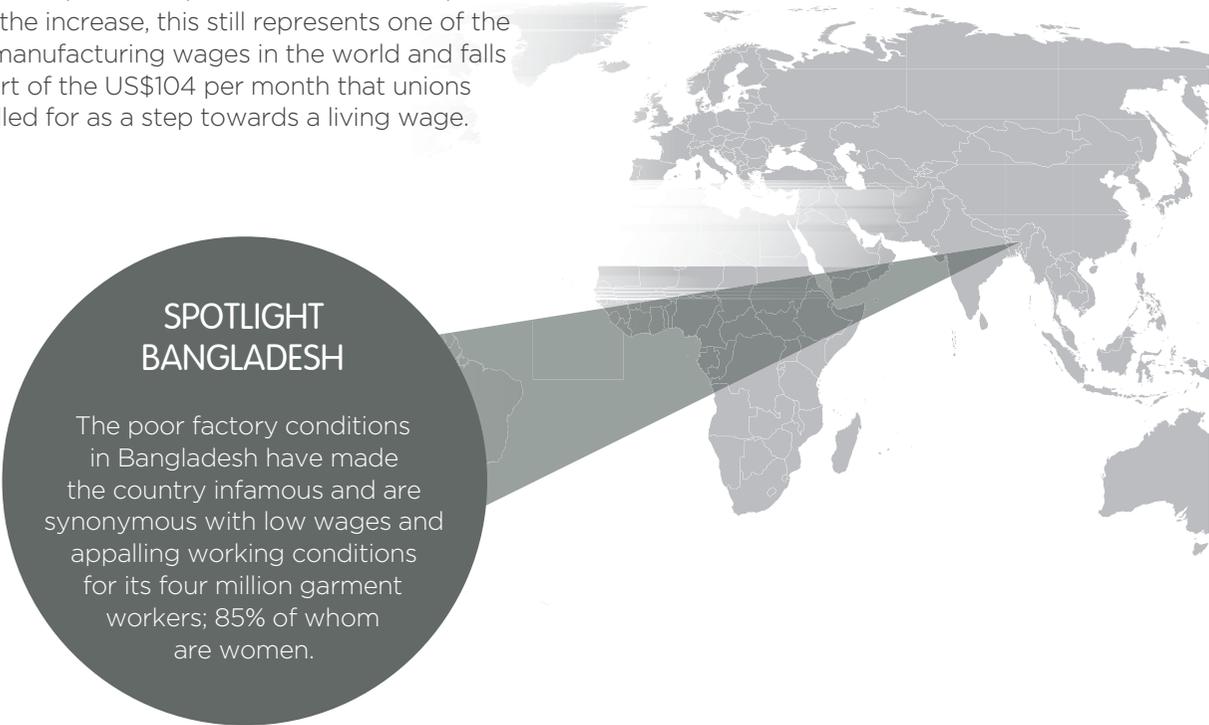
PRODUCTION IN FOCUS

BANGLADESH

With a garment industry that has doubled in size over the last decade alone, Bangladesh is quickly climbing the ranks of the world's leading garment exporters. The industry now employs four million garments workers, 85% of whom are women. However, the cheap production costs which have fuelled the industry's rapid growth have also led to Bangladesh becoming infamous for its low wages and unsafe factories.

These concerns were brought into the light in the wake of the 2013 Rana Plaza factory collapse which killed 1,136 workers. However, this tragedy has also been a catalyst for significant change, birthing initiatives like the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety (see page 33), to which, hundreds of brands are now signatories. These industry collaborations have seen brands collectively working to improve the safety of thousands of factories, providing an avenue to respond to global pressure to improve the industry.

Change is also underway to improve wages in the industry, with the minimum wage increasing almost 87% from US\$38 to US\$71 a month. However, despite the increase, this still represents one of the lowest manufacturing wages in the world and falls well short of the US\$104 per month that unions have called for as a step towards a living wage.



SPOTLIGHT BANGLADESH

The poor factory conditions in Bangladesh have made the country infamous and are synonymous with low wages and appalling working conditions for its four million garment workers; 85% of whom are women.

References:

- The World Bank, 'World Development Indicators', 2015.*
- NPR, 'Next Stop Bangladesh as We Follow Planet Money's T-Shirt', 2013.*
- War on Want, 'Sweatshops in Bangladesh', 2013.*
- Reuters, 'Bangladesh Exports up 10pc on garment sales', 2013.*
- Garrett Brown, 'Bangladesh Blowback: hopes are raised for improved garment factory safety', 2014.*

PRODUCTION IN FOCUS

INDIA



SPOTLIGHT INDIA

The prevalence of forced and child labour throughout India is well documented, with the garment sector being no exception.

The prevalence of forced and child labour throughout India is well documented, with the garment sector being no exception. The southern state of Tamil Nadu, home to 65% of the country's fabric mills, is one such region where the incidence of exploitation is rife. The practice of recruitment agents hiring young women from poor, rural villages to work in fabric mills often results in situations of bonded labour. Recruiters target girls as young as 11 years old who, once employed by the fabric mills, face severe limitations of freedom of movement; limited access to their parents and the outside world; no payments for working overtime; harsh treatment by supervisors; and unsafe working conditions. The hefty commissions earned by recruiters for supplying the girls as workers to factories, perpetuates this practice. So too are parents allured by this kind of employment agreement, which promises to pay the girls a financial lump sum on the completion of their employment (which can be used as a dowry). It is estimated that up to 300,000 young women are victims of this kind of trafficking.

In recent years, the global exposure of this bonded labour system in India has ignited momentum for change. Groups like Stop the Traffik and the Ethical Trading Initiative are taking a multi-stakeholder approach to address the issue on the ground, bringing much needed attention to the plight of hundreds of thousands of exploited women. While meaningful action is developing, the severity of exploitation (with reports of sexual abuse and even death) demands a stronger stance from global apparel companies to trace the origins of their fabric suppliers.

References:

- Ethical Trading Initiative, 'Reframing the role of recruitment agents in Tamil Nadu's textile sector', 2015*
- Fair Wear Foundation, 'The Sumangali Scheme and India's Bonded Labour System', 2015*
- Stop the Traffik, 'Make Fashion Traffic Free Report', 2014.*
- International Federation for Human Rights, 'The Hidden Reality of Indian Garment Workers', 2014.*

PRODUCTION IN FOCUS

UZBEKISTAN

For many years, the use of child and forced labour has been reported as widespread in the harvest of cotton from Uzbekistan. The world's fifth largest producer of cotton has millions of people forced into its cotton fields every year; working under appalling conditions and oppressed by threats of violence and penalties. For decades this included the use of child labour, but in recent times the prevalence of child labour in Uzbekistan's cotton harvest has dramatically decreased. The government renounced the use of child labour after hundreds of global apparel brands pledged to boycott Uzbekistani cotton. It was a significant step forward.

Recent monitoring reports from the International Labor Organization (ILO) have indicated that Uzbekistan is making gradual progress in its bid to eradicate child labour, reporting that child labour is no longer being used on a systematic basis. However, the use of child labour has largely been replaced by the exploitation of adult workers. It has been documented that public service organisations - such as schools and hospitals - were forced to send 30%- 60% of their staff as workers for the entire length of the harvest period; forcing these

essential services to work at a greatly diminished capacity. What is more, brutal silencing of anyone who speaks out against these human rights abuses (with those who protest facing detention, torture and exile) is not uncommon. As long as these human rights breaches persist, so must global pressure from international brands and consumers.

SPOTLIGHT UZBEKISTAN

Recent monitoring reports from the International Labor Organization (ILO) have indicated that Uzbekistan has been making gradual progress in its bid to eradicate child labour.



References:

- Cotton Campaign, 'Chronicle of Forced Labour in Uzbekistan', 2015.*
- Cotton Campaign, 'End Forced Labour in the Cotton Sector of Uzbekistan', 2012.*
- International Labour Organization, 'Worst Forms of Child Labour Convention (No. 182) - Uzbekistan'. 2014.*
- International Labour Rights Forum, 'Retaliation in Uzbekistan', 2015.*

PRODUCTION IN FOCUS

CHINA

The phrase “Made in China” is what many of us have come to expect when looking at the labels on our clothes. It is therefore no surprise to find that China is the world’s largest producer of textiles and clothing, having dominated the global industry for decades, it currently employs over 11 million people. Due to the country’s rapid economic growth in recent times, parts of China can boast comparably strong working conditions compared to other garment producing neighbours in Asia. However, the Chinese fashion industry still raises significant concerns for workers.

Excessive working hours remain a primary issue for Chinese workers, with 70-hour work weeks not uncommon. The lack of government initiatives to enforce structures which support worker rights has resulted in many workers being unaware of their right to refuse overtime. As such, workers are more easily coerced into working excessive hours which threaten their health and safety. While it is true that Chinese wages are significantly higher than those of other garment producing nations in Asia, the cost of living is also much higher; and many workers still struggle to earn a living wage. This is especially true when wages are considered within the context of reasonable working hours (48 hours per week according to the Ethical Trading Initiative and ILO).

The fact that there is very little access to legitimate unions, and severely restricted access to collective bargaining, compounds these issues, making them very difficult to address. Activism concerning labour rights in China has been severely repressed by the country’s government. However, the prevalence of Labour Rights NGO’s in China has risen in recent years. Workers are now more keenly engaging in protests – a clear indication that they are more actively asserting their rights.



SPOTLIGHT CHINA

China is the world’s largest producer of textiles and clothing, having dominated the industry for decades. It currently employs over 11 million people.

References:

- International Labor Organisation, 'Wages and Working Hours in the Textiles, Clothing', 2014.*
- Monash University, 'Working Hours in Supply Chain Chinese and Thai Factories', 2010.*
- Clean Clothes Campaign, 'Facts on China's Garment Industry', 2015.*
- Business Insider, 'China's 168 million migrant workers are discovering their labor rights', 2015.*
- Ethical Trading Initiative, 'ETI Base Code', 2016.*

PRODUCTION IN FOCUS

CAMBODIA



SPOTLIGHT CAMBODIA

Cambodia is definitely the home of garment production for many of the world's largest brands.

While it may not be one of the world's leaders in garment exports, Cambodia is still home to garment production for many of the world's largest brands. With companies like H&M, Levi's, Gap and Nike all sourcing from Cambodia, the country has witnessed rapid growth in its textile industry in recent years. Currently, 85% of all new jobs created in the country are in the garment sector.

However, garment workers in Cambodia face significant exploitation in the workplace. Wages in Cambodia are notoriously low, with a minimum wage of US\$140 per month, falling far short of all living wage calculations (which groups like the Asia Floor Wage calculate to be US\$283 per month). Low wages contribute to excessive amounts of overtime, with many workers working 10-12 hours per day, often seven days per week. Significant health and safety risks are also common, with mass fainting frequently reported.

Breaches of worker rights in Cambodia have led to investment in many multi-stakeholder initiatives which aim to empower the country's workers and improve the working conditions in factories. These include groups like Better Factories Cambodia and Action Collaboration Transformation (ACT) which are working toward better wages and representation for workers. Workers themselves have been active in demanding higher wages with large protests driving an increase in minimum wage from 2015, to US\$140 per month. While this still falls short of the US\$177 plus bonuses that workers are demanding, it is a positive indicator that the seeds of change have been planted.

References:

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- International Labor Organization, 'Better Factories Cambodia: Garment Industry 32nd Compliance Synthesis Report', 2015.*
- Clean Clothes Campaign, 'A wage you can live on', 2016.*
- Human Rights Watch, 'Labor Rights Abuses in Cambodia's Garment Industry', 2015.*

PRODUCTION IN FOCUS

MYANMAR

With the nation only recently opening up to international trade, Myanmar is certainly “the new kid on the block” in the garment sector. The introduction of the garment industry to the country has propelled rapid growth, with an average of two factories opening per week over the last few years.

Unfortunately, this growth in investment has not significantly benefited the fledgling industry’s workers, with many finding themselves trapped in poverty. A study conducted by Oxfam showed that the base wage for most workers in garment factories was US\$1.50 per day, with some factories paying as little as US\$0.60 per day. This figure represents the lowest garment worker wage in the world. Low wages make workers vulnerable to unsafe working conditions, and drives excessive overtime as workers attempt to earn enough to support themselves and their families.

The ILO has reported that child labour within the industry is also a major concern and that its incidence is widespread, a result of household poverty and lack of education about the issue. It has been found that children can earn more in garment factories than other jobs, making this sector particularly vulnerable to the risk of child labour.

While the growing garment industry in Myanmar has the potential to bring economic growth and development to the country, the often appalling treatment of workers in garment factories means that global brands which produce in Myanmar must proceed with caution; ensuring that they have strong labour rights management systems in place to counter the prevalent exploitation which already exists.



SPOTLIGHT MYANMAR

A study conducted by Oxfam showed that the base wage for most workers in garment factories was US\$1.50 per day, with some factories paying as little as US\$0.60 per day.

References:

Oxfam, ‘Made in Myanmar: Entrenched poverty or decent jobs for garment workers?’, 2015.

International Labor Organization, ‘Knowledge, attitudes and practices (KAP) study on child labour in Yangon, Ayeyarwady Region and Mon State’, 2015.

International Labor Organization, ‘Myanmar garment sub-sector value chain analysis’, 2015.

Deutsche Presse-Agentur, ‘Myanmar adds new factory per week as textile sector booms’, 2015.



Industry Initiatives

This section provides an overview of various certification and industry collaboration efforts that continue to support suppliers throughout the entire supply chain to better understand and provide decent working conditions.

INITIATIVES

Fairtrade

Fairtrade is an ethical and sustainable certification system which provides assurances that products, such as cotton, have been sourced in accordance with social and environmental standards and from a transparent supply chain which is 100% traceable from retailer to cotton farm. Initially the Fairtrade system was created to improve prices and market access for smallholder farmers, it has since evolved to require the respect of workers' rights across the apparel supply chain.

Companies in this report which sell products certified by Fairtrade include: Audrey Blue, Etiko, Liminal Apparel, rrepp, Kathmandu, Nudie Jeans and Patagonia. The higher grades received by these brands reflect the fact that the Fairtrade system offers traceability, auditing and wage improvements at multiple stages of the supply chain. It is also worth noting that not all Fairtrade certified cotton is sold to brands such as these: a significant portion is sold annually to other retailers and mixed with conventional cotton to be used in products which are sold without the Fairtrade certified mark.

The Fairtrade system protects farmers' livelihood by providing a Minimum Price, a fixed floor price, to protect against market fluctuations in addition to paying a Fairtrade Premium to small producer organisations within the scheme, to assist the community and cooperative to develop.

The current Fairtrade Cotton Standard, does not guarantee that living wages are paid in the supply chain. A few of the brands listed above have received living wage credit where they were able to demonstrate that their particular suppliers are paying their workers either a living wage, or a wage substantially above the legal minimum wage. Encouragingly, Fairtrade has just this year released its new Textile Standard which is intended to provide greater protection to workers in more stages of the apparel supply chain. The new

Textile Standard also includes a concrete plan to move towards payment of a living wage to textile factory workers over a six-year period.

Companies in this report that are Fairtrade accredited include: *Audrey Blue (Inc. Mighty Good Undies), Etiko, Liminal Apparel, rrepp and Kathmandu, Patagonia, and Nudie Jeans (for a portion of their cotton).*

Ethical Clothing Australia

Ethical Clothing Australia (ECA) is a joint industry-union initiative which works with Australian textile, clothing and footwear companies to ensure their Australian supply chains are transparent and legally compliant.

The ECA accreditation program maps a company's local supply chain throughout the entire cut-make-trim process, including all value adding processes. This is done via annual third-party compliance audits conducted by the Textile, Clothing and Footwear Union of Australia. ECA accreditation ensures that all Australian workers are receiving the correct wages and entitlements as per the current Textile, Clothing and Footwear Award, and other legislation including the National Employment Standards. The compliance process also ensures that workplace facilities for both factory-based workers and homeworkers are safe and meet WHS requirements.

ECA accreditation applies only to Australian made textiles, clothing and footwear and does not extend to offshore production, or any raw materials.

Companies in this report that have ECA accreditation for their Australian made product line include: *Cue, Jets, Jeanswest (Homespun range only) and R.M. Williams.*



INITIATIVES

Better Cotton Initiative

The Better Cotton Initiative (BCI) is a program designed to accelerate the adoption of better management practices in cotton cultivation to achieve measurable reductions in key environmental impacts, while improving social and economic benefits for cotton farmers. The initiative aims to establish Better Cotton as a sustainable mainstream commodity by training farmers to grow cotton in a way that cares for the environment, for water, soil health, and natural habitats. BCI farmers achieve better yields and more financial security through access to global markets, while improving the working conditions in their fields.

BCI offers apparel companies greater traceability of their cotton supply chain as well as assurance that farmers have received training which actively encourages decent working conditions, including the elimination of child labour. The initiative also assesses a portion of their cotton producers each year to drive continual improvement and to ensure decent working conditions are maintained.

Companies which source Better Cotton received credit in this report for having a project to improve farmer income. Increased profitability is achieved due to the combination of reduced farm input use, improved yields as a result of training, and better market access.

Companies assessed who reported sourcing Better Cotton include: *Adidas, ASOS, Country Road Group, David Jones, Esprit, H&M, Inditex, Kathmandu, Levi Strauss & Co., Nike Inc., Puma, Tommy Hilfiger (PVH Corp in this report), VF Corporation.*

Make Fashion Traffik Free Protocol

The Make Fashion Traffik Free Protocol is an initiative of Stop the Traffik Australia, a coalition of which Baptist World Aid Australia is a member. Fashion companies that sign the Protocol commit to fully tracing their supply chain and to work to ensuring better working conditions. Signatories make a five-year commitment to trace all suppliers back to the sourcing of raw materials, ensuring there is no trafficked labour in their supply chain. They do this through means such as strong supplier codes of conduct, ensuring that a robust social compliance program is in place which includes worker voices, and by being transparent through publicly reporting details of their suppliers.

The initiative is focussed on driving company commitment to trace deeper into their supply chains in order to enforce social compliance including addressing forced labour and other serious worker exploitation.

Companies assessed in this report which have signed the Protocol include: *Etiko, Forever New, Kathmandu, repp and Specialty Fashion Group.*



INITIATIVES

The Accord on Fire and Building Safety in Bangladesh

The Accord is an independent, legally binding agreement between brands and trade unions designed to work towards a safe and healthy garment industry in Bangladesh. Its purpose is to enable a working environment in which no worker needs to fear fires, building collapses, or other accidents which could be prevented with reasonable health and safety measures. The Accord was created in the aftermath of the Rana Plaza building collapse, in recognition of the need for brands to take greater responsibility for the safety of the workers in their suppliers' factories.

The Accord works toward these aims by implementing a building inspection program which includes the voices of workers and unions, independent of brands and factory owners. It also requires public disclosure of all factory locations plus inspection reports and corrective action plans. Signatory brands have made a binding commitment to fund remediation of unsafe factories and to continue to source from Bangladesh. Workers in participating factories will receive training about their rights and entitlements, particularly their right to refuse unsafe work and how to access complaints mechanisms.

The key distinguishing factor of the Accord as opposed to the Alliance (discussed below) is that this particular agreement has been drafted to legally bind signatory companies.

Accord signatory companies in this report include: *Abercrombie & Fitch, Adidas, Aldi, APG & Co, Arcadia Group, Big W (signed as Woolworths Australia), Cotton On Group, Designworks, Esprit, Ezibuy (signed as Woolworths Australia), Forever New, Fruit of the Loom, H&M, Kmart Australia, Pacific Brands, Pretty Girl Fashion Group, Puma, PVH Corp, Specialty Fashion Group, Target Australia and UNIQLO.*

Alliance for Bangladesh Worker Safety

The Alliance for Bangladesh Worker Safety (The Alliance) shares its goals with the Accord and was similarly formed as a response to the shocking Rana Plaza collapse in April 2013. It is a multi-stakeholder initiative which brings together apparel brands (predominantly North American), governments, NGOs, policymakers and other members of civil society and organised labour. The Alliance aims to improve worker safety in the Bangladesh garment industry by upgrading factories, educating workers and management, empowering workers, and building institutions that can enforce and maintain safe working conditions throughout Bangladesh.

The Alliance is similarly committed to transparency around progress in factory safety, posting all factory inspection reports, corrective action plans and the Alliance factory list on its website. For workers whose factories have to close while remediation work is undertaken, The Alliance includes up to four months of wage compensation. Fire safety training and worker complaint hotlines are also a part of the Alliance's program. It has however received some criticism for failing to include an enforcement mechanism that is available to workers or worker representatives. Furthermore, unlike The Accord, it has not received the endorsement of the ILO.

As a US-based initiative, the Alliance has far fewer Australian company members than the Accord. Members of the Alliance included in this report include: *Fruit of the Loom, Gap Inc, The Just Group and VF Corporation.*





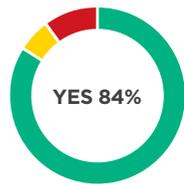
Policies

This section evaluates the policies that companies have in place to address the risk of worker exploitation in supplier and subcontracted factories. It also checks their involvement in multi-stakeholder initiatives and their efforts to address their responsibility to manage the pressure placed on suppliers to fill orders. Most companies have now adopted policies which set the minimum working conditions they expect of their suppliers and factories. Policies are the first step to creating a robust supply chain management system.

POLICIES

INDUSTRY OVERVIEW

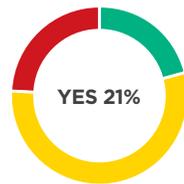
Does the company have a code that addresses the ILO Four Fundamental Principles and Rights at Work?



A Code of Conduct includes the basic worker rights which supplier factories are expected to observe. At a minimum, a good

code of conduct will include the ILO's Four Fundamental Principles and Rights at Work. This prohibits child labour, forced labour and discrimination, and guarantees worker rights to freedom of association and collective bargaining. Among the apparel companies we assessed, 84% have Codes of Conduct that align at minimum with these basic principles. A further 6% have Codes of Conduct or other ethical sourcing statements which align with some of these basic principles.

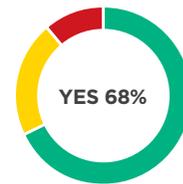
Does the code apply to multiple levels of the supply chain including raw materials? (Partial = applies to inputs production)



Companies stating that their codes apply to multiple levels of their supply chain are making a statement that the sphere of their

responsibility doesn't end at their final stage manufacturers. We know that it is the deeper, more removed levels of the supply chain which are at greatest risk of worker exploitation, which makes efforts to ensure that these suppliers operate in line with code standards critical. 21% of companies reported applying their Code of Conduct to multiple levels of their supply chain, including to the level of raw material production while a further 55% reported making efforts to insist standards within their Code of Conduct are adhered to as far as their fabric production suppliers.

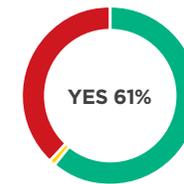
Does the code prohibit use of regular and excessive overtime?



Regular and excessive overtime is a significant and ongoing issue for worker welfare in the apparel industry. Long hours have

impacts on worker safety, as most workplace accidents happen when workers are tired. It also places undue stress on a large number of workers. Excessive overtime is often driven by low and insufficient wages and pressure from managers to extend working hours or meet deadlines. The vast majority of companies assessed have Codes that include standards which address limits on overtime.

Does the company participate in any multi-stakeholder initiatives?



Multi-stakeholder initiatives bring together a diverse range of actors to solve complex problems that are hard to resolve for any single

stakeholder. They can include input and resources from unions, civil society organisations, companies, government and research bodies. Many of these initiatives, such as the Fair Labor Association, Fairtrade, the Ethical Trading Initiative, United Nations Global Compact, Better Work Program, Better Cotton Initiative or Ethical Clothing Australia have shown great promise in improving working conditions. A total of 61% of companies report active participation in a multi-stakeholder initiative.

POLICIES

BEST PRACTICE HIGHLIGHTS

Levi Strauss & Co. | Code of Conduct (Dockers, Levis)

90% of companies assessed in this report had some kind of code of conduct; a policy document for suppliers that outlines expected labour standards. A code of conduct acts as the baseline by which a brand can measure the effectiveness of its overall efforts to uphold worker rights. Levi Strauss & Co. has a comprehensive code of conduct known as its “Sustainability Guidebook”. It addresses the ILO’s Four Fundamental Principles and Rights at Work and is publically available to all consumers on its website.

The strength of the Levi Strauss & Co. code is made evident through the immense detail that the company provides around defining its code standards, explaining examples of non-compliance and outlining verification methods. When defining forced labour, for example, the code accounts for the many definitions which fall within the forced labour spectrum including prison labour, indentured labour and bonded labour. The code also describes scenarios which would be considered to be forms of forced labour, which are accompanied by recommendations of appropriate corrective actions. These scenarios help suppliers to identify forced labour within their specific and individual contexts. Finally, for each area covered, the code outlines the methods that will be used to verify its standards are being adhered to. These methods range from factory management interviews and record reviews, to visual observation and gathering information from workers. This establishes a firm foundation on which Levi Strauss & Co. can build an effective monitoring system.

Fair Labor Association – Multi-Stakeholder Initiative

Companies that join the Fair Labor Association (FLA) commit to Ten Principles of Fair Labor and Responsible Sourcing and agree to uphold the FLA Workplace Code of Conduct in their supply chain. Common industry-wide codes of conduct make social compliance easier for factories to understand and uphold. The FLA is particularly strong because it is tied to a monitoring mechanism which not only conducts unannounced audits on a percentage of factories each year, but also discloses the full audit report and corrective action plan on the FLA website, along with full identification of FLA member brands associated with each factory audited. The FLA is also driving compliance of member companies towards adopting responsible purchasing practices themselves; taking responsibility for the parts of their ordering practices which can pressure factories to employ excessive overtime and other poor working conditions. Also worthy of note is the FLA’s initiative to support its members as they work towards paying fairer wages to workers, in particular, its project to collect more robust data on the wages workers are currently being paid across factories and sourcing countries.

Of the companies assessed in this report, the following are participating members of the Fair Labor Association: *Adidas, Fruit of the Loom, Hanesbrands, Kathmandu, New Balance, Nike, Patagonia, Puma, PVH Corporation and UNIQLO.*



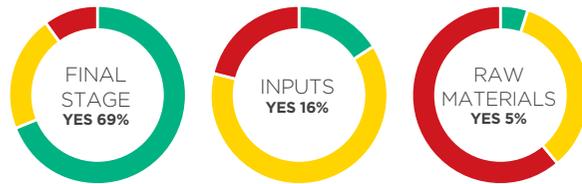
Knowing Suppliers

This section measures the degree to which a company has traced its suppliers at three key stages of production: cut-make-trim, inputs and raw materials. It also looks at how transparent the company is, with respect to the location and nature of its suppliers. This year's report has placed a greater emphasis than previous reports on whether companies have traced beyond final production factories to the location of the fabric mills in the supply chain. It is in these more removed and hidden parts of the supply chain that the risks of worker exploitation are the greatest.

KNOWING SUPPLIERS

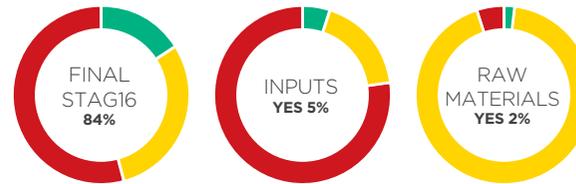
INDUSTRY OVERVIEW

Has the company traced 100% all of its facilities for the following stages of production (partial = some traced)?



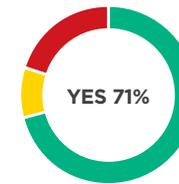
Tracing the location of suppliers is an important step a company can take towards taking responsibility for working conditions in its supply chain. It's almost impossible for companies to know that suppliers are adhering to code standards if they do not know who their suppliers are. 69% of companies have traced all of their cut-make-trim factories, but the level of traceability falls off for the more removed parts of the supply chain, particularly fabric mills and raw materials suppliers. It is those parts of the supply chain that sit outside of the purview of companies where the risk of worker exploitation is higher and where it is least likely to be remedied. The four companies which have traced all of their cotton supply chain are all Fairtrade certified and have specifically set up their business model around a certification system which enables them to do so.

Is there a public list of suppliers?



Publishing supplier lists is a way companies can demonstrate to workers, consumers and the public as a whole that they are committed to being held accountable to the workers in their supply chain. Transparency deepens the credibility of claims companies make about their supply chain systems and serves to engender trust. Of the companies assessed, 16% publish a full list of their cut-make-trim suppliers along with addresses. A further 30% received partial credit for either disclosing a portion of their supplier list, or for disclosing it more indirectly through a channel such as the Accord or Alliance for worker safety in Bangladesh.

Does the company ensure that there is either no subcontracting or that all subcontracted production adheres to code standards?



It is common for direct suppliers to subcontract orders out to other facilities. Where these subcontractors are unauthorised or unmonitored the possibility that workers will be exploited increases substantially. This remains one of the greatest areas of risk in the apparel supply chain. In acknowledgement of this, a full 80% of companies assessed have taken some steps at the final production stage to ensure that there is either no subcontracting, or that all subcontracted production adheres to the standards laid out in their code of conduct.

KNOWING SUPPLIERS

BEST PRACTICE HIGHLIGHTS

Nudie Jeans | Transparency

Nudie Jeans has created a section on its website which is dedicated to full transparency and lists all its traced suppliers. Its “Production Guide” allows consumers to explore each country that the company sources from, and gives them the option to select a specific product (e.g. ‘jeans’ or ‘sweaters’) so they can find out what percentage of production occurs in different countries. For each country, the names and addresses of Nudie’s supplier factories are listed, along with a description of each facility and an explanation of Nudie’s history of engagement. Any sub-contractors used by a Nudie supplier facility are also listed. What is more, Nudie also publishes audit summaries for every facility. Each summary lists positive results and areas for improvement for a specific facility, in addition to reviewing how the that facility is progressing with any necessary corrective actions.

This level of transparency is remarkable, far exceeding what any other company is doing in this area. Nudie Jeans has said, “We believe transparency and traceability are key issues for the future within the textile industry, to be able to guarantee good environmental and social conditions for the products we make. To have all background information and knowledge on materials and production stages is the first step to make improvements for the people and environment.”

Other companies that have published a full list of suppliers: *Adidas, Audrey Blue, Coles, Fruit of the Loom, H&M, Kmart Australia, Levi Strauss & Co, Liminal Apparel, New Balance, Nike, Patagonia, Specialty Fashion Group, Target Australia.*

Cotton On Group | Traceability

(Cotton On, Cotton On Body, Cotton On Kids, Factorie, Rubi, Supre, T-Bar)

Traceability is a significant challenge for most apparel companies, with very few managing to trace the origins of their cotton. The Cotton On Group has taken an innovative approach in tackling this challenge, by partnering with the Business for Development to invest in cotton farming in Kenya. This new, sustainable cotton initiative aims to deliver significant financial and environmental benefits to farming communities in Kenya. It is also an important move towards full traceability for the Cotton on Group supply chain, as it provides confidence in the knowledge that the cotton has been sustainably sourced.

The initiative provides hundreds of farmers with support to setup or progress to set up cotton farms, as well as training and education on sustainable and environmentally-friendly farming techniques. The Cotton on Group has committed to purchasing sustainable cotton from the farmers to integrate into its supply chain.

As part of the initiative, the Cotton on Group is also utilising independent third party auditors to conduct raw materials specific audits on the farms. These audits will underpin further training and education in areas including (but not limited to) workplace safety, minimum wage and fair working hours.

With more than 500 farmers expected to be involved in the initiative by the end of this year, the Cotton on Group is working towards a goal of 10,000 farmers by 2020; eventually integrating sustainable cotton across each of its six apparel brands.



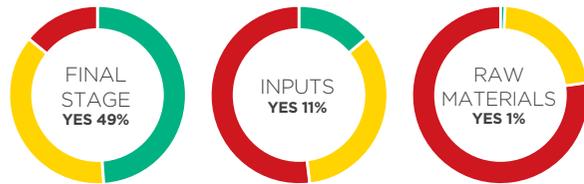
Auditing & Supplier Relationships

This section focuses on how a company manages its relationship with suppliers to ensure working conditions meet the standards set out in its policies. It measures the portion of suppliers audited each year for compliance, and the nature of that auditing. Quality audits have the potential to detect and remedy areas of concern. The section also looks at training and other industry collaboration efforts that continue to support factories to better understand and provide decent working conditions.

AUDITING & SUPPLIER RELATIONSHIPS

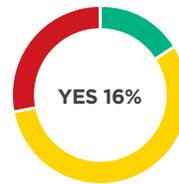
INDUSTRY OVERVIEW

Does the company audit 100% of its traced facilities over a two-year period? (partial = some monitored)



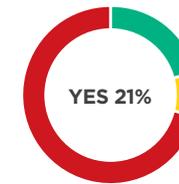
Once a company has traced the location of suppliers, audits are a useful tool to better understand the working conditions in their facilities, and to identify instances of worker exploitation. There is great diversity in the quality of audits and their capacity to effectively capture a true representation of working conditions. Brands can opt for third party or internal audits, and many use a combination of the two. Neither is necessarily better or worse than the other. Audits work best at improving working conditions when coupled with effective corrective action plans, strong supplier relationships, training programs on worker rights and perhaps most importantly instruments to hear worker voice, like union engagement and effective grievance mechanisms.

Does the company audit at least 75% of its traced final stage facilities with unannounced visits or off site worker interviews? (partial = some)



Unannounced audits gain a far more accurate picture of every day operations in factories because factory managers and others in positions of influence have less warning to hide abuses. Furthermore, we know workers are more likely to feel freer to express concerns about their workplace when they are interviewed off-site and away from factory management. These two measures bear significantly on the quality of audits conducted. Only 16% of companies reported auditing a majority of cut-make-trim facilities with either unannounced visits or off-site worker interviews each year.

Does the company share broad auditing results publicly?



While most companies trace and audit their suppliers to ensure that basic working conditions are adhered to, it takes a particularly mature approach to transparency and social responsibility to admit that suppliers do not always meet standards laid out for them. Consequently, only 21% of companies shared data about their broad auditing results with the general public. It is our position that admissions of noncompliance do not represent failures in social compliance, but rather an important step towards greater transparency and accountability which will drive improved working conditions. It is the companies unable to identify or admit to concerns in their supply chain which are most hampered from improving.

AUDITING & SUPPLIER RELATIONSHIPS

INDUSTRY OVERVIEW

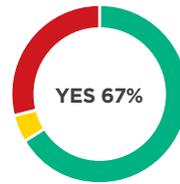
Does the company have a safety incident reporting and investigation procedure?



The Rana Plaza tragedy highlights the importance of workers being able to effectively raise safety concerns. Initiatives such as the Accord and the Alliance in Bangladesh have provided alternative avenues for these

concerns to be raised in that one country, but safety remains a real concern for factories globally. Of the companies assessed, 55% checked that workers have access to a reporting procedure to report safety incidents and to have them further investigated. Some checked that these are present within the factory, while others took the added step of offering workers an additional avenue through which workers could raise unresolved concerns.

Does the company actively improve leverage and relationships with suppliers, through supplier consolidation and/or industry collaboration?



For brands to drive changes in working conditions in factories it is critical that they build leverage and invest in supplier relationship. Relationships build trust and provide a secure environment for companies and suppliers to

invest in improving working conditions. Increasing leverage through consolidation of a company's supplier base or by collaborating with others in the industry, improves the capacity for a company to drive positive change in the facilities it sources from. By contrast, pursuing short term contacts based just on price and product specifications can serve to drive poor working conditions. Encouragingly, two thirds of brands were taking steps to improve leverage and relationship.

AUDITING & SUPPLIER RELATIONSHIPS

BEST PRACTICE HIGHLIGHTS

Patagonia | Supplier Relationships

Building strong relationships with suppliers is the key to ensuring that policies are adhered to and that improvements in working conditions are delivered. While auditing can help a company to understand the working conditions in a factory, strengthening its relationship with a supplier can help a company build trust, thereby increasing its capacity to work with that factory to drive change.

Patagonia has a robust auditing system and its partners this with meaningful investments in building its suppliers' capacity to uphold the rights of their workers. As part of this "Beyond Auditing" approach, Patagonia has committed to long term partnerships with factories, tailoring specific programs for individual facilities to help them improve their social and environmental practices.

In Taiwan, where it's common for labour brokers to charge migrant workers excessive recruitment fees, Patagonia has partnered with a local NGO to conduct in-depth migrant worker assessments. Having developed a comprehensive migrant worker standard, Patagonia then hosted a forum for its Taiwanese suppliers to educate them about the risks facing migrant workers and implement reform. In factories in Vietnam, Patagonia field managers have trained fire safety facilitators. As part of the company's involvement with the Fair Labor Associations Fire Safety Initiative, Patagonia is also training workers and factory managers to actively promote fire safety inside factories.

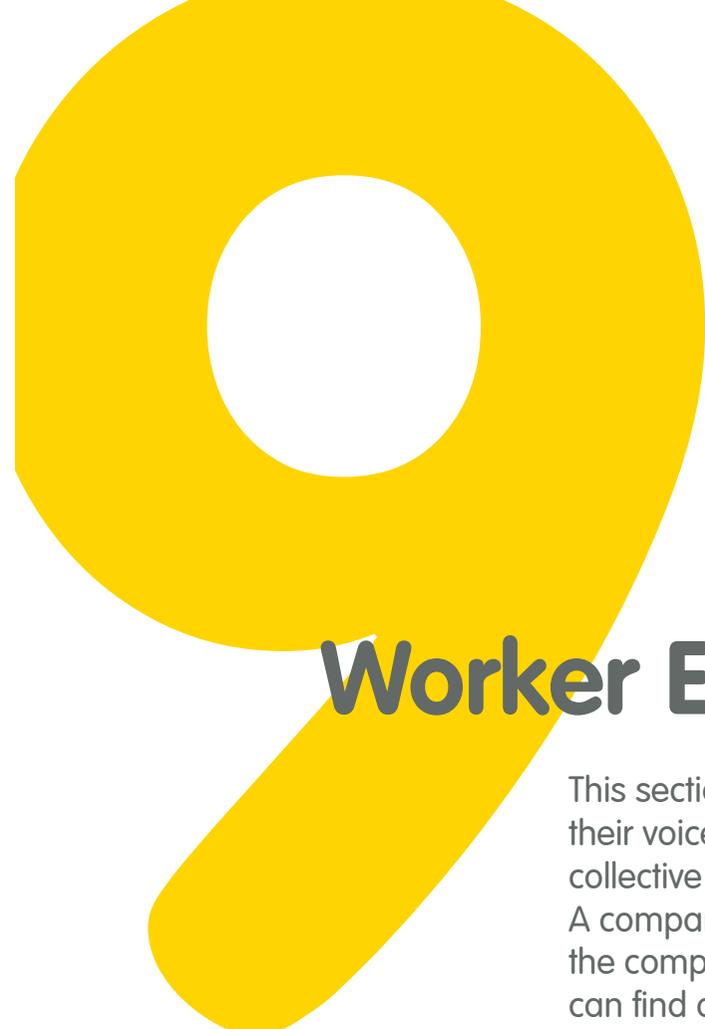
Patagonia also invests in various industry collaborations such as Fairtrade USA, The Fair Labor Association and Better Work as part of its ongoing commitment to build the capacity of their suppliers to uphold the rights of workers.

H&M | Inputs Auditing

(H&M, COS, Monki, Weekday, Cheap Monday and & Other Stories)

Only 15% of the companies assessed in this report have traced 100% of their inputs suppliers, with still less auditing their suppliers' facilities. For this reason, there are significantly more reports of child labour, forced labour and worker exploitation at the inputs stage of production than at the final stage of production. This sort of exploitation is particularly rife in fabric mills. As discussed on page 25, the state of Tamil Nadu in India is a major hub for textile production where abuse of young female workers is endemic. With few companies tracing their fabrics mills, and even fewer auditing the mills they know about to ensure the safety of its workers, H&M's collaboration with the Ethical Trading Initiative (ETI) to monitor supplier mills in Tamil Nadu is commendable.

In addition to increasing its influence over the spinning mills it sources from, H&M is also participating in an ETI program which is aimed at addressing this widespread exploitation. The ETI program involves a three-pronged approach: grassroots outreach; supplier engagement and supporting regulation; and inspection of fabric mills. The program brings together the voice of workers, local government and civil society groups as a means of better understanding what collective actions will be the most meaningful in the region. This holistic approach towards improved auditing and supplier relationships is enabling H&M to promote improvements for workers, and to preference those mills which are working with the company to empower workers.



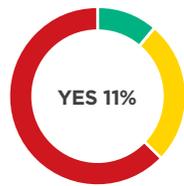
Worker Empowerment

This section focuses on how workers are empowered to have their voice heard in the supply chain through trade unions, collective bargaining agreements and grievance mechanisms. A company's Worker Empowerment grade also considers what the company is doing to invest in living wages, information you can find on page 15.

WORKER EMPOWERMENT

INDUSTRY OVERVIEW

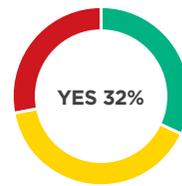
Are democratically elected unions in at least 50% of final stage facilities? (partial = some)



Freedom of association and the right of collective bargaining are one of the ILO's Four Fundamental Principles and Rights at Work. Effective recognition of these rights empowers workers to negotiate decent working conditions and fairer wages.

Disappointingly, too few facilities in the apparel industry actually have an effective democratically elected trade union, which presents a practical limit on the expression of the right to join or not join a worker representative body. Furthermore, 75% of companies assessed report sourcing from China, a country well known to have legal restrictions on freedom of association. Only 11% of companies reported tracking a union presence in any of their facilities which stands in sharp contrast to the 84% of companies whose policies uphold freedom of association and collective bargaining. It appears that while audits routinely ask workers if they feel they are free to express this right, companies are less robust in checking for the presence of avenues for workers to actually do so.

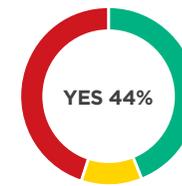
Does the company have a functioning grievance mechanism?



Grievance mechanisms provide workers with an opportunity to voice concerns about violations to their rights and safety and to remedy them within the factory. Many companies rightly ask factories to establish internal grievance mechanisms for workers

to resolve complaints directly with their employers. It is important that workers are additionally provided with an avenue to express their concerns to a third party, particularly since the factory may be responsible for the abuse and may have already refused to rectify it. Audits only capture a snapshot of what is occurring in factories so it is important that workers have an alternative avenue to raise grievances. Of companies assessed, 32% reported providing workers with access to some form of external grievance mechanism available to a portion of their supply chain.

Does the company have any systems or policies in place to rehabilitate child or forced labourers if discovered?



Documented cases of child and forced labour have been associated with every stage of the apparel supply chain. It is important that brands have a remediation plan in place to proactively prepare to respond to

the risk of these worst forms of abuse occurring in their supply chain. If child labour is found, we hope that brands are prepared to find a way to remove them from the situation, provide for the child's education and replace the lost income to the family. If forced labour is found, brands should facilitate the individual's reintegration into the labour market and transition to decent work with compensation for any unpaid wages. Of the companies assessed, 44% reported having systems or policies in place to rehabilitate child or forced labourers if they were discovered in their cut-make-trim facilities with a further 11% reporting some less formal commitments to action in this regard.

WORKER EMPOWERMENT

BEST PRACTICE HIGHLIGHTS

Boden | Grievance Mechanism

Grievance mechanisms help to ensure workers have opportunity to express concerns about their safety and the potential violations of their rights, but they also provide an avenue to remedy these issues within the factory workplace. Boden has implemented an innovative way of encouraging workers to express their grievances, by engaging with them through a system called “Labor Link”.

Labor Link utilises mobile phone technology to survey workers around the world and collect their information and opinions. Survey participants call a local number and answer voice recorded questions using their telephone keypad. Allowing workers to communicate over a phone proved much less confronting than asking that grievances be reported face-to-face (which is often the option provided through audits). Survey responses were also anonymous. The combination of these factors led to a higher than anticipated response rate of over 65%.

Boden said, “we wanted to get a deeper understanding of our supply chain and the people working in it, rather than assuming their needs – we wanted them to give us direct feedback.” By listening to workers, Boden has gained survey results which have allowed it to tailor its activities, ensuring that training is appropriate to each workforce.

Pacific Brands | Worker Rights

(Actil, Berlei, Bonds, Crestell, Dunlopillo, Explorer, Fairydown, Hestia, Jockey, Platinum, Razza Matazz, Holeproof, Red Robin, Rio, Sheer Relief, Sheridan, Tontine, Voodoo)

It is important for companies to implement systems for suppliers that lead to improved conditions for workers - systems which empower workers to give voice to their most critical concerns and ensure that those concerns are addressed. Through its “Lean” program, Pacific Brands is working to prioritise respect for workers throughout all levels of its supplier organisations by providing coaching and development opportunities, as well as encouraging open communication (and the sharing of ideas) between management and factory workers.

The program has delivered key benefits to workers including improvements in employee morale, reduced absenteeism, reduced employee turnover and improved safety standards. The program has also improved a communication between management and workers, for example, a joint committee has been set up in Indonesia. The committee meets monthly for a two-way discussion which focuses on raising opportunities and resolving concerns.

One of the most significant and positive changes resulting from this program has been an improvement in working hours and wages. This higher efficiency was achieved through improved order management. One particular factory participating in Lean achieved a 7% decrease in working hours, with a 20% increase in monthly income for workers in its first year of the program. In the following year, the working hours showed another 15% reduction, with a further 15% increase in wage levels.

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Brand Index

This section lists grades for the 308 brands assessed in this report. While our grades most often apply to single companies, many companies hold multiple brands.

BRAND INDEX

GRADE BY COMPANY

Company	Brand	Grade	Company	Brand	Grade	Company	Brand	Grade	Company	Brand	Grade
Abercrombie & Fitch*	Abercrombie & Fitch*	C-	Bardot	Bardot	C-	Brand Collective*	JuliusMarlow*	F	David Jones	Milana	B-
Abercrombie & Fitch*	AbercrombieKids*	C-	Bardot	Bardot Junior	C-	Brand Collective*	Sachi*	F	David Jones	St James	B-
Abercrombie & Fitch*	Hollister*	C-	Best & Less*	Best & Less*	D-	Brand Collective*	Shoe Warehouse*	F	David Jones	The Foundry	B-
Adidas Group	Adidas	A-	Big W	Avella	C	Brand Collective*	Shoes & Sox*	F	Designworks	Fred Bare	C+
Adidas Group	Reebok	A-	Big W	Dymples	C	Brand Collective*	Volley*	F	Designworks	Mooks	C+
Adidas Group	TaylorMade	A-	Big W	Emerson	C	Breakaway	Breakaway	C+	Designworks	Republic	C+
Aldi	Aldi	C	Big W	Guy Leech	C	Coles	Coles	B-	Designworks	World Industries	C+
Ally Fashion*	Ally*	F	Big W	Lee Cooper	C	Coles	Mix Apparel	B-	Esprit	Esprit	B
American Apparel	American Apparel	B-	Big W	Michelle Bridges	C	Cotton On Group	Cotton On	B+	Etiko	Etiko	A+
APG & Co	Saba	B+	Big W	Peter Morrissey	C	Cotton On Group	Cotton On Body	B+	EziBuy	Capture	C
APG & Co	Sportscraft	B+	Billabong	Billabong	C	Cotton On Group	Cotton On Kids	B+	EziBuy	Emerge	C
APG & Co	JAG	B+	Billabong	Element	C	Cotton On Group	Factorie	B+	EziBuy	European Collection	C
APG & Co	Willow	B+	Billabong	Honolua Surf Company	C	Cotton On Group	Rubi	B+	EziBuy	EziBuy	C
Arcadia Group	Burton Menswear	C+	Billabong	Kustom	C	Cotton On Group	Supre	B+	EziBuy	Grace Hill	C
Arcadia Group	Dorothy Perkins	C+	Billabong	RVCA	C	Cotton On Group	T-Bar	B+	EziBuy	Sara	C
Arcadia Group	Evans	C+	Billabong	Tigerlily	C	Country Road Group	Country Road	B+	Factory X*	Claude Maus*	F
Arcadia Group	Miss Selfridge	C+	Billabong	Xcel	C	Country Road Group	Mimco	B+	Factory X*	Dangerfield*	F
Arcadia Group	Topman	C+	Boden	Boden	C+	Country Road Group	Trenery	B+	Factory X*	L'urv*	F
Arcadia Group	Topshop	C+	Boohoo.com*	Boohoo*	F	Country Road Group	Witchery	B+	Factory X*	Princess Highway*	F
Arcadia Group	Wallis	C+	Brand Collective*	Elka Collective*	F	Cue Clothing Co	Cue	B-	Factory X*	Revival*	F
AS Colour	AS Colour	B-	Brand Collective*	Elwood*	F	Cue Clothing Co	Veronika Maine	B-	Fast Future Brands	MIRROU	D+
ASOS	ASOS	C+	Brand Collective*	Final Days*	F	David Jones	Agenda	B-	Fast Future Brands	Temt	D+
Audrey Blue	Audrey Blue	A+	Brand Collective*	Grosby*	F	David Jones	Alta Linea	B-	Fast Future Brands	Valley Girl	D+
Audrey Blue	Mighty Good Undies	A+	Brand Collective*	Hush Puppies*	F	David Jones	David Jones	B-	Fast Retailing	UNIQLO	B

BRAND INDEX

GRADE BY COMPANY

Company	Brand	Grade	Company	Brand	Grade	Company	Brand	Grade	Company	Brand	Grade
Forever 21*	Forever 21*	D-	H&M	Monki	B+	Inditex	Stradivarius	A	Lacoste	Lacoste	C+
Forever New	Forever New	B	H&M	Weekday	B+	Inditex	Uterque	A	Levi Strauss & Co.*	Dockers*	C+
Fruit of the Loom	Fruit of the Loom	B	Hanesbrands Inc.	Bali	B	Inditex	Zara	A	Levi Strauss & Co.*	Levis*	C+
Fruit of the Loom	Russell Brands	B	Hanesbrands Inc.	Barely There	B	Inditex	Zara Home	A	Liminal Apparel	Liminal Apparel	A-
Fruit of the Loom	Spalding	B	Hanesbrands Inc.	C9 by Champion	B	Industrie	ABCD Indie	B-	Lorna Jane*	Lorna Jane*	D
Fruit of the Loom	Vanity Fair	B	Hanesbrands Inc.	Champion	B	Industrie	Indie	B-	Lowes	Beare & Leay	C-
Fusion Retail Brands	Colorado	D+	Hanesbrands Inc.	DIM	B	Industrie	Indie & Co	B-	Lowes	Lowes	C-
Fusion Retail Brands	Diana Ferrari	D+	Hanesbrands Inc.	Gear for Sports	B	Industrie	Industrie	B-	Lululemon Athletica	Lululemon	C
Fusion Retail Brands	Mathers	D+	Hanesbrands Inc.	Hanes	B	Jeanswest	Jeanswest	B	Macpac	Macpac	D+
Fusion Retail Brands	Williams	D+	Hanesbrands Inc.	Knights Apparel	B	Jets	Jets	B	Metalicus	Metalicus	C+
Gap Inc.*	Athleta*	C+	Hanesbrands Inc.	Maidenform	B	Just Group	Dotti	C+	Myer	Basque	C+
Gap Inc.*	Banana Republic*	C+	Hanesbrands Inc.	Playtex	B	Just Group	Jacqui E	C+	Myer	Blaq	C+
Gap Inc.*	Gap*	C+	Hanesbrands Inc.	Wonderbra	B	Just Group	Jay Jays	C+	Myer	Milkshake	C+
Gap Inc.*	Intermix*	C+	House of Quirky	Evil Twin	D+	Just Group	Just Jeans	C+	Myer	Miss Shop	C+
Gap Inc.*	Old Navy*	C+	House of Quirky	Mink Pink	D+	Just Group	Peter Alexander	C+	Myer	Piper	C+
Gazal*	Bisley*	D-	House of Quirky	Paint it Red	D+	Just Group	Portmans	C+	Myer	Regatta	C+
Gazal*	Gazal*	D-	House of Quirky	Quirky Circus	D+	Karen Walker	Karen Walker	C	Myer	Reserve	C+
General Pants*	General Pants Co Basics*	F	House of Quirky	Some Days Lovin	D+	Kathmandu	Kathmandu	B-	Myer	Sass & Bide	C+
General Pants*	General Pants*	F	House of Quirky	Staple the Label	D+	Kmart Australia	Kmart	B	Myer	Sprout	C+
Glassons	Glassons	C+	House of Quirky	The Lost Girls	D+	Kookai	Kookai	C	New Balance	New Balance	C+
H&M	& Other Stories	B+	Inditex	Bershka	A	L Brands*	Henri Bendel*	D+	Nike*	Converse*	C+
H&M	Cheap Monday	B+	Inditex	Massimo Dutti	A	L Brands*	La Senza*	D+	Nike*	Hurley*	C+
H&M	COS	B+	Inditex	Oysho	A	L Brands*	Pink*	D+	Nike*	Nike*	C+
H&M	H&M	B+	Inditex	Pull&Bear	A	L Brands*	Victoria's Secret*	D+	Nudie Jeans	Nudie Jeans	B+

BRAND INDEX

GRADE BY COMPANY

Company	Brand	Grade	Company	Brand	Grade	Company	Brand	Grade	Company	Brand	Grade
Oroton Group	Brooks Brothers	D+	Pavement United Brands*	Gumboots*	F	PVH Corp*	Warner's*	C	Sussan Group	Sportsgirl	B
Oroton Group	Oroton	D+	Pavement United Brands*	Lemonade*	F	Quiksilver	DC	C	Sussan Group	Susan	B
Pacific Brands	Actil	B+	Pavement United Brands*	Pavement*	F	Quiksilver	Quiksilver	C	Sussan Group	Suzanne Grae	B
Pacific Brands	Berlei	B+	Pavement United Brands*	Petals*	F	Quiksilver	Roxy	C	Target Australia	Target	B-
Pacific Brands	Bonds	B+	Pavement United Brands*	Pom Pom*	F	R.M. Williams	R.M. Williams	C+	Target Australia	Free Fusion	B-
Pacific Brands	Crestell	B+	Pavement United Brands*	Scram*	F	Retail Apparel Group	Connor	C+	Target Australia	Lily Loves	B-
Pacific Brands	Dunlopillo	B+	Pavement United Brands*	Wax Bros*	F	Retail Apparel Group	Johnny Bigg	C+	Target Australia	Moda	B-
Pacific Brands	Explorer	B+	Pavement United Brands*	Zom-B*	F	Retail Apparel Group	Rockwear	C+	Target Australia	Molli & Mimi	B-
Pacific Brands	Fairydown	B+	Pretty Girl Fashion Group	BeMe	C+	Retail Apparel Group	Tarocash	C+	Target Australia	T30	B-
Pacific Brands	Hestia	B+	Pretty Girl Fashion Group	Rockmans	C+	Retail Apparel Group	yd	C+	Target Australia	Target Collection	B-
Pacific Brands	Holeproof	B+	Pretty Girl Fashion Group	Table Eight	C+	Review	Review	C+	Target Australia	Target Essentials	B-
Pacific Brands	Jockey	B+	Pretty Girl Fashion Group	W. Lane	C+	Roger David*	Roger David*	F	Target Australia	Target Limited Editions	B-
Pacific Brands	Platinum	B+	Puma	Cobra Golf	B-	Rrepp	Rrepp	A-	Tree of Life	Tree of Life	C-
Pacific Brands	Razza Matazz	B+	Puma	Puma	B-	Seed Heritage*	Seed Heritage*	F	VF Corporation	7 For All Mankind	B-
Pacific Brands	Red Robin	B+	Pumpkin Patch	Charlie & Me	D	Simon de Winter	Darn Tough	C	VF Corporation	Bulwark	B-
Pacific Brands	Rio	B+	Pumpkin Patch	Pumpkin Patch	D	Simon de Winter	Fine Lines	C	VF Corporation	Eagle Creek	B-
Pacific Brands	Sheer Relief	B+	Pumpkin Patch	Urban Angel	D	Simon de Winter	Kayser	C	VF Corporation	Eatpak	B-
Pacific Brands	Sheridan	B+	PVH Corp*	ARROW*	C	Simon de Winter	Simon de Winter	C	VF Corporation	Ella Moss	B-
Pacific Brands	Tontine	B+	PVH Corp*	Calvin Klein*	C	Specialty Fashion Group	Autograph	C+	VF Corporation	Horace Small	B-
Pacific Brands	Voodoo	B+	PVH Corp*	IZOD*	C	Specialty Fashion Group	City Chic	C+	VF Corporation	Jansport	B-
Patagonia	Patagonia	A-	PVH Corp*	Olga*	C	Specialty Fashion Group	Crossroads	C+	VF Corporation	Kipling	B-
Pavement United Brands*	Ashphalt*	F	PVH Corp*	Speedo*	C	Specialty Fashion Group	Katies	C+	VF Corporation	LEE	B-
Pavement United Brands*	Coco Beach*	F	PVH Corp*	Tommy Hilfiger*	C	Specialty Fashion Group	Millers	C+	VF Corporation	Lucy	B-
Pavement United Brands*	Gum*	F	PVH Corp*	Van Heusen*	C	Specialty Fashion Group	Rivers	C+	VF Corporation	Majestic	B-

BRAND INDEX

GRADE BY COMPANY

Company	Brand	Grade
VF Corporation	Napapijri	B-
VF Corporation	Nautica	B-
VF Corporation	Red Kap	B-
VF Corporation	Reef	B-
VF Corporation	Riders by LEE	B-
VF Corporation	Rock & Republic	B-
VF Corporation	Rustler	B-
VF Corporation	Smartwool	B-
VF Corporation	Splendid	B-
VF Corporation	The North Face	B-
VF Corporation	Timberland	B-
VF Corporation	Vans	B-
VF Corporation	Wrangler	B-
Voyager Distributing Co*	Jump*	F
Voyager Distributing Co*	Kachel*	F
Voyager Distributing Co*	Ping Pong*	F
Webster Holdings	David Lawrence	C
Webster Holdings	Marcs	C
Yarra Trail	Marco Polo	C+
Yarra Trail	Yarra Trail	C+

BRAND INDEX

GRADE BY BRAND

Brand	Company	Grade
& Other Stories	H&M	B+
7 For All Mankind	VF Corporation	B-
ABCD Indie	Industrie	B-
Abercrombie & Fitch*	Abercrombie & Fitch*	C-
AbercrombieKids*	Abercrombie & Fitch*	C-
Actil	Pacific Brands	B+
Adidas	Adidas Group	A-
Agenda	David Jones	B-
Aldi	Aldi	C
Ally*	Ally Fashion*	F
Alta Linea	David Jones	B-
American Apparel	American Apparel	B-
ARROW*	PVH Corp*	C
AS Colour	AS Colour	B-
Ashphalt*	Pavement United Brands*	F
ASOS	ASOS	C+
Athleta*	Gap Inc.*	C+
Audrey Blue	Audrey Blue	A+
Autograph	Specialty Fashion Group	C+
Avella	Big W	C
Bali	Hanesbrands Inc.	B
Banana Republic*	Gap Inc.*	C+
Bardot	Bardot	C-
Bardot Junior	Bardot	C-

Brand	Company	Grade
Barely There	Hanesbrands Inc.	B
Basque	Myer	C+
Beare & Leay	Lowe's	C-
BeMe	Pretty Girl Fashion Group	C+
Berlei	Pacific Brands	B+
Bershka	Inditex	A
Best & Less*	Best & Less*	D-
Billabong	Billabong	C
Bisley*	Gazal*	D-
Blaq	Myer	C+
Boden	Boden	C+
Bonds	Pacific Brands	B+
Boohoo*	Boohoo.com*	F
Breakaway	Breakaway	C+
Brooks Brothers	Oroton Group	D+
Bulwark	VF Corporation	B-
Burton Menswear	Arcadia Group	C+
C9 by Champion	Hanesbrands Inc.	B
Calvin Klein*	PVH Corp*	C
Capture	EziBuy	C
Champion	Hanesbrands Inc.	B
Charlie & Me	Pumpkin Patch	D
Cheap Monday	H&M	B+
City Chic	Specialty Fashion Group	C+

Brand	Company	Grade
Claude Maus*	Factory X*	F
Cobra Golf	Puma	B-
Coco Beach*	Pavement United Brands*	F
Coles	Coles	B-
Colorado	Fusion Retail Brands	D+
Connor	Retail Apparel Group	C+
Converse*	Nike*	C+
COS	H&M	B+
Cotton On	Cotton On Group	B+
Cotton On Body	Cotton On Group	B+
Cotton On Kids	Cotton On Group	B+
Country Road	Country Road Group	B+
Crestell	Pacific Brands	B+
Crossroads	Specialty Fashion Group	C+
Cue	Cue Clothing Co	B-
Dangerfield*	Factory X*	F
Darn Tough	Simon de Winter	C
David Jones	David Jones	B-
David Lawrence	Webster Holdings	C
DC	Quiksilver	C
Diana Ferrari	Fusion Retail Brands	D+
DIM	Hanesbrands Inc.	B
Dockers*	Levi's Strauss & Co.*	C+
Dorothy Perkins	Arcadia Group	C+

Brand	Company	Grade
Dotti	Just Group	C+
Dunlopillo	Pacific Brands	B+
Dymples	Big W	C
Eagle Creek	VF Corporation	B-
Eatpak	VF Corporation	B-
Element	Billabong	C
Elka Collective*	Brand Collective*	F
Ella Moss	VF Corporation	B-
Elwood*	Brand Collective*	F
Emerge	EziBuy	C
Emerson	Big W	C
Esprit	Esprit	B
Etiko	Etiko	A+
European Collection	EziBuy	C
Evans	Arcadia Group	C+
Evil Twin	House of Quirky	D+
Explorer	Pacific Brands	B+
EziBuy	EziBuy	C
Factorie	Cotton On Group	B+
Fairydown	Pacific Brands	B+
Final Days*	Brand Collective*	F
Fine Lines	Simon de Winter	C
Forever 21*	Forever 21*	D-
Forever New	Forever New	B

BRAND INDEX

GRADE BY BRAND

Brand	Company	Grade
Fred Bare	Designworks	C+
Free Fusion	Target Australia	B-
Fruit of the Loom	Fruit of the Loom	B
Gap*	Gap Inc.*	C+
Gazal*	Gazal*	D-
Gear for Sports	Hanesbrands Inc.	B
General Pants Co Basics*	General Pants*	F
General Pants*	General Pants*	F
Glassons	Glassons	C+
Grace Hill	EziBuy	C
Grosby*	Brand Collective*	F
Gum*	Pavement United Brands*	F
Gumboots*	Pavement United Brands*	F
Guy Leech	Big W	C
H&M	H&M	B+
Hanes	Hanesbrands Inc.	B
Henri Bendel*	L Brands*	D+
Hestia	Pacific Brands	B+
Holeproof	Pacific Brands	B+
Hollister*	Abercrombie & Fitch*	C-
Honolua Surf Company	Billabong	C
Horace Small	VF Corporation	B-
Hurley*	Nike*	C+
Hush Puppies*	Brand Collective*	F

Brand	Company	Grade
Indie	Industrie	B-
Indie & Co	Industrie	B-
Industrie	Industrie	B-
Intermix*	Gap Inc.*	C+
IZOD*	PVH Corp*	C
Jacqui E	Just Group	C+
JAG	APG & Co	B+
Jansport	VF Corporation	B-
Jay Jays	Just Group	C+
Jeanswest	Jeanswest	B
Jets	Jets	B
Jockey	Pacific Brands	B+
Johnny Bigg	Retail Apparel Group	C+
JuliusMarlow*	Brand Collective*	F
Jump*	Voyager Distributing Co*	F
Just Jeans	Just Group	C+
Kachel*	Voyager Distributing Co*	F
Karen Walker	Karen Walker	C
Kathmandu	Kathmandu	B-
Katies	Specialty Fashion Group	C+
Kayser	Simon de Winter	C
Kipling	VF Corporation	B-
Kmart	Kmart Australia	B
Knights Apparel	Hanesbrands Inc.	B

Brand	Company	Grade
Kookai	Kookai	C
Kustom	Billabong	C
La Senza*	L Brands*	D+
Lacoste	Lacoste	C+
LEE	VF Corporation	B-
Lee Cooper	Big W	C
Lemonade*	Pavement United Brands*	F
Levis*	Levi Strauss & Co.*	C+
Lily Loves	Target Australia	B-
Liminal Apparel	Liminal Apparel	A-
Lorna Jane*	Lorna Jane*	D
Lowes	Lowes	C-
Lucy	VF Corporation	B-
Lululemon	Lululemon Athletica	C
L'urv*	Factory X*	F
Macpac	Macpac	D+
Maidenform	Hanesbrands Inc.	B
Majestic	VF Corporation	B-
Marco Polo	Yarra Trail	C+
Marcus	Webster Holdings	C
Massimo Dutti	Inditex	A
Mathers	Fusion Retail Brands	D+
Metalicus	Metalicus	C+
Michelle Bridges	Big W	C

Brand	Company	Grade
Mighty Good Undies	Audrey Blue	A+
Milana	David Jones	B-
Milkshake	Myer	C+
Millers	Specialty Fashion Group	C+
Mimco	Country Road Group	B+
Mink Pink	House of Quirky	D+
MIRROU	Fast Future Brands	D+
Miss Selfridge	Arcadia Group	C+
Miss Shop	Myer	C+
Mix Apparel	Coles	B-
Moda	Target Australia	B-
Molli & Mimi	Target Australia	B-
Monki	H&M	B+
Mooks	Designworks	C+
Napapijri	VF Corporation	B-
Nautica	VF Corporation	B-
New Balance	New Balance	C+
Nike*	Nike*	C+
Nudie Jeans	Nudie Jeans	B+
Old Navy*	Gap Inc.*	C+
Olga*	PVH Corp*	C
Oroton	Oroton Group	D+
Oysho	Inditex	A
Paint it Red	House of Quirky	D+

BRAND INDEX

GRADE BY BRAND

Brand	Company	Grade
Patagonia	Patagonia	A-
Pavement*	Pavement United Brands*	F
Petals*	Pavement United Brands*	F
Peter Alexander	Just Group	C+
Peter Morrissey	Big W	C
Ping Pong*	Voyager Distributing Co*	F
Pink*	L Brands*	D+
Piper	Myer	C+
Platinum	Pacific Brands	B+
Playtex	Hanesbrands Inc.	B
Pom Pom*	Pavement United Brands*	F
Portmans	Just Group	C+
Princess Highway*	Factory X*	F
Pull&Bear	Inditex	A
Puma	Puma	B-
Pumpkin Patch	Pumpkin Patch	D
Quiksilver	Quiksilver	C
Quirky Circus	House of Quirky	D+
R.M. Williams	R.M. Williams	C+
Razza Matazz	Pacific Brands	B+
Red Kap	VF Corporation	B-
Red Robin	Pacific Brands	B+
Reebok	Adidas Group	A-
Reef	VF Corporation	B-

Brand	Company	Grade
Regatta	Myer	C+
Republic	Designworks	C+
Reserve	Myer	C+
Review	Review	C+
Revival*	Factory X*	F
Riders by LEE	VF Corporation	B-
Rio	Pacific Brands	B+
Rivers	Specialty Fashion Group	C+
Rock & Republic	VF Corporation	B-
Rockmans	Pretty Girl Fashion Group	C+
Rockwear	Retail Apparel Group	C+
Roger David*	Roger David*	F
Roxy	Quiksilver	C
Rrepp	Rrepp	A-
Rubi	Cotton On Group	B+
Russel Brands	Fruit of the Loom	B
Rustler	VF Corporation	B-
RVCA	Billabong	C
Saba	APG & Co	B+
Sachi*	Brand Collective*	F
Sara	EziBuy	C
Sass & Bide	Myer	C+
Scram*	Pavement United Brands*	F
Seed Heritage*	Seed Heritage*	F

Brand	Company	Grade
Sheer Relief	Pacific Brands	B+
Sheridan	Pacific Brands	B+
Shoe Warehouse*	Brand Collective*	F
Shoes & Sox*	Brand Collective*	F
Simon de Winter	Simon de Winter	C
Smartwool	VF Corporation	B-
Some Days Lovin	House of Quirky	D+
Spalding	Fruit of the Loom	B
Speedo*	PVH Corp*	C
Splendid	VF Corporation	B-
Sportscraft	APG & Co	B+
Sportsgirl	Sussan Group	B
Sprout	Myer	C+
St James	David Jones	B-
Staple the Label	House of Quirky	D+
Stradivarius	Inditex	A
Supre	Cotton On Group	B+
Susan	Sussan Group	B
Suzanne Grae	Sussan Group	B
T30	Target Australia	B-
Table Eight	Pretty Girl Fashion Group	C+
Target	Target Australia	B-
Target Collection	Target Australia	B-
Target Essentials	Target Australia	B-

Brand	Company	Grade
Target Limited Editions	Target Australia	B-
Tarocash	Retail Apparel Group	C+
TaylorMade	Adidas Group	A-
T-Bar	Cotton On Group	B+
Temt	Fast Future Brands	D+
The Foundry	David Jones	B-
The Lost Girls	House of Quirky	D+
The North Face	VF Corporation	B-
Tigerlily	Billabong	C
Timberland	VF Corporation	B-
Tommy Hilfiger*	PVH Corp*	C
Tontine	Pacific Brands	B+
Topman	Arcadia Group	C+
Topshop	Arcadia Group	C+
Tree of Life	Tree of Life	C-
Trenery	Country Road Group	B+
UNIQLO	Fast Retailing	B
Urban Angel	Pumpkin Patch	D
Uterque	Inditex	A
Valley Girl	Fast Future Brands	D+
Van Huesen*	PVH Corp*	C
Vanity Fair	Fruit of the Loom	B
Vans	VF Corporation	B-
Veronika Maine	Cue Clothing Co	B-

BRAND INDEX

GRADE BY BRAND

Brand	Company	Grade
Victoria's Secret*	L Brands*	D+
Volley*	Brand Collective*	F
Voodoo	Pacific Brands	B+
W. Lane	Pretty Girl Fashion Group	C+
Wallis	Arcadia Group	C+
Warner's*	PVH Corp*	C
Wax Bros*	Pavement United Brands*	F
Weekday	H&M	B+
Williams	Fusion Retail Brands	D+
Willow	APG & Co	B+
Witchery	Country Road Group	B+
Wonderbra	Hanesbrands Inc.	B
World Industries	Designworks	C+
Wrangler	VF Corporation	B-
Xcel	Billabong	C
Yarra Trail	Yarra Trail	C+
yd	Retail Apparel Group	C+
Zara	Inditex	A
Zara Home	Inditex	A
Zom-B*	Pavement United Brands*	F

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