

2026 Ethical Fashion Report – Survey Support Document

The Ethical Fashion Report is part of Baptist World Aid Australia's (BWAA) Ethical Fashion project. The Report seeks to empower consumers to make informed purchasing decisions and petition their favourite brands to make changes. It also acts as a tool to engage companies to ensure they are protecting the rights of workers and reducing environmental degradation in their supply chain.

The Ethical Fashion project engages in dialogue with companies about their supply chain practices through a core survey. The survey asks companies to answer questions on their labour rights and environmental sustainability systems, as BWAA believes these have the most impact on workers in the garment industry and, correspondingly, the vulnerable communities they belong to. We then assess the efforts of each company and publish those findings for consumers to see how their favourite brands rate.

The 2026 Ethical Fashion Report will be published in October 2026 with the accompanying Ethical Fashion Guide.

What information is made publicly available?

We do not publish the validating material that companies disclose when answering each question in the survey, but we will publish the 'FULL', 'NO' or percentage answers which generate the grades. Readers can assume that a company's published answer to any question is based on validation documents that support its claim – either provided directly to BWAA or via publicly available information. E.g. if a company has a 'FULL' or '100%' answer to a question, they have supplied the documents that meet the standards set by BWAA to achieve 100% credit for that question in accordance with the evidence requirements set.

How are evaluations conducted?

The grades are based on publicly available information and self-reported data provided by each company. We conduct each evaluation using an assessment tool that focuses on the company's human rights and environmental policies, as well as the measures undertaken to implement these policies.

All grades are sent to companies for review and feedback before they are made public. Every survey is also cross-checked by a second member of the Ethical Fashion Team to ensure all assessments are fair and impartial, and completed to the highest quality. Where companies are unresponsive to our various attempts at engagement, we work to provide a fair assessment of the company's supply chain practices based on publicly available information only.

Questions fall into five categories, with weightings as follows:

A. Policies & Governance	B. Training & Risk	C. Supplier Relationships & Human Rights Monitoring	D. Worker Empowerment	E. Environmental Sustainability
6%	15%	33%	25%	21%

We condense complicated supply chain information by focusing on three key production phases of the fashion supply chain. These phases and their weightings are as follows:

1. Final Stage Production	2. Inputs Production	3. Raw Material Production
45%	35%	20%

We cover the definition of these different phases, and how they are defined for the purposes of this survey, at Question 3.

The Marking Guide

At BWAA, we seek to work closely with the companies we assess to develop scores that accurately reflect the labour rights and environmental management systems they have in place. This survey support document is a guide to the rationale behind each question asked in our survey, how we assess companies and what validating information we require to assess each answer.

Each company's final score is generated based on the FULL/PARTIAL/NO or percentage answers to each question, and we strive to grade all companies consistently. Where possible, publicly available information has been used to pre-populate surveys for companies (e.g. corporate social responsibility/sustainability reports, Commonwealth Modern Slavery Statements and ethical sourcing sections of websites). Companies will need to provide corresponding documentary evidence where requested, and provide responses for questions unable to be answered with publicly available information.

The section below sets out what validating information we request to contextualise each question. In some instances, references to best practice examples are also given. We hope this document provides further guidance to understand what we are asking of your company.

For additional information, please refer to <https://baptistworldaid.org.au/resources/company-resources/>

A. POLICIES & GOVERNANCE

1. CODE OF CONDUCT

Company has a Code of Conduct that requires respect for labour rights at every tier of its supply chain.

1.1	Does the company have a Code of Conduct for suppliers? Policy should cover all four points set out by the ILO Fundamental Principles to Rights at Work, the prohibition of regular and excessive overtime, and provisions to protect worker health and safety.
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Rationale: Codes of Conduct are used by companies to communicate basic working standards expected from suppliers.

Validation: Provide the Code of Conduct. Full credit is awarded where the code covers the ILO Fundamental Principles and Rights at Work **and** two ETI standards for work hours, including any clarifying sentences in italics. Partial is awarded where the code covers one or some of these rights.

The ILO Fundamental Principles and Rights at Work are:

1. Freedom of association and the effective recognition of the right to collective bargaining;
2. Elimination of all forms of forced or compulsory labour;

- a. *this includes ensuring the right to freedom of movement for employees to enter and leave employment willingly and voluntarily through the prohibition of withholding employee identity documents*);
3. Effective abolition of child labour;
4. Elimination of discrimination with respect to employment and occupation;
5. The prohibition of regular and excessive overtime
 - b. *working hours should not exceed 60 hours in any 7-day period. Regular working hours should be made clear in a contract, and not exceed 48 hours*);
6. Provisions to protect worker health and safety (WHS/OHS policy).

1.2	Does the Code of Conduct apply to multiple levels of the supply chain, including the raw materials level?
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Rationale: For a company to ensure the rights of all its workers, a Code of Conduct must be communicated and enforced at all stages of the supply chain. This question asks whether the company has communicated the requirements of the Code of Conduct beyond the Final Stage of production suppliers (cut-make-trim).

Validation: Full credit will be awarded if the company can evidence how the Code of Conduct is communicated to both Inputs Production and Raw Materials suppliers. At the Raw Materials stage, this may be demonstrated through the use of certifiers (e.g. Better Cotton, Cotton Australia).

Partial credit is awarded where Code of Conduct standards are applied across two of the three stages.

1.3	Is the Code of Conduct included in supplier contracts?
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Rationale: Including the Code of Conduct as a compulsory element of supplier contracts is a key way for companies to enforce core working standards.

Validation: Provide the company's supplier contract **and** signed examples. Full credit will be awarded where a company provides signed examples of either a Code of Conduct **or** a supplier contract (including the Code). Full credit will be awarded where the company provides signed examples for 5% of Final Stage suppliers or 20 Final Stage suppliers – whichever is lower.

2. ACCOUNTABILITY

Company identifies clear points of accountability for human rights and environmental sustainability at the management and board level.

2.1	Does the company publicly disclose that it has a designated senior officer accountable for implementation, and a board committee/process tasked with oversight of its supply chain policies that address human rights and environmental sustainability?
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Rationale: Companies must delegate responsibilities for the oversight and implementation of policies, and embed human rights and environmental policies at their most senior level of governance to ensure their implementation throughout the entire company. This ensures that all business activities are consistent with and account for the company's responsibility to respect human rights and environmental sustainability.

If not implemented consistently, staff continue to perform their role without awareness or regard for human rights or sustainability, and poor human rights and environmental practices can continue. Public disclosure of these responsibilities can also enable public and civil society accountability.

Validation: Full credit will be awarded where the company publicly discloses both senior (executive leadership) **and** board-level (individual member or governance/risk committee) positions responsible for implementation of both human rights **and** environmental sustainability policies, with a description of their roles and how they are held accountable at both executive and board level.

Partial credit will be awarded where staff positions/roles are listed without description of how they are responsible for implementing policies; or where only one of the two required positions (executive or board) has been listed/described; or where a list is provided for assessment but isn't published publicly.

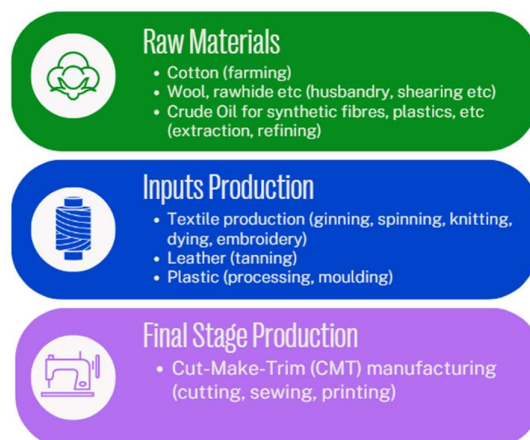
B. TRACING & RISK

	Final Stage Production	Inputs Production	Raw Materials
Most questions in sections B, C and D are broken down into three separate stages of the supply chain, relating to elected primary fibre and primary process.	Cut-Make-Trim	Textile Production or Tanneries	Primary Fibre

For sections B, C and D, companies will be reporting on all three stages of production. Please refer to the coloured graphic to understand how we define and classify different aspects and processes within each stage of production.

For **INPUTS PRODUCTION**, we ask companies to nominate a primary production process based on highest posed human rights risk. Typically, companies will choose to report on fabric or textile mills, unless their primary production/product fibre differs greatly to that of a textile production chain (e.g. leather and tanneries).

For **RAW MATERIALS**, we ask companies to select just **one** fibre based on volume (your most used fibre) or risk (the fibre that has demonstrated the highest labour rights risks).



3. TRACING AND TRANSPARENCY

Company traces and is transparent about its suppliers at all stages of its supply chain.

3.1	Approximately what percentage of facilities (factories, mills, farms etc.) has the company traced? This should be calculated based on number of facilities rather than volume of production. 'Facilities' refers to individual facilities (not suppliers), and 'traced' means that the company has direct knowledge of the facility, including its name and location.
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Rationale: There are greater, more pronounced risks of modern slavery and worker exploitation at the fringes of the supply chain, especially where smaller or less scrutinised suppliers and subcontractors are engaged. This is of particular concern in instances where some suppliers are used for smaller, one-off orders, as companies may not have as direct or clear a relationship with these suppliers, and compliance programs may not extend to them.

Validation: For traced facilities at **Final Stage** and **Inputs Production**, provide this as a percentage of total known individual facilities (not supplier parent companies/agents) or a percentage relative to production volume, where direct knowledge of the address and name of the facility has been achieved.

For **Raw Materials**, we will accept a percentage of the company's nominated primary fibre sourced through a program or initiative, rather than requiring the facility name and location. We acknowledge that at this supply chain tier, reputable certification standards often serve as an alternative for direct knowledge by assuring a certain standard of labour conditions are met through the program.

For **Inputs Production** and **Raw Materials**, where company has stated having direct relationships with suppliers and facilities, outline how traceability has been achieved.

In 2026, companies receive credit when using the following certifiers: Better Cotton, Global Organic Textile Standard, Cotton Australia, Leather Working Group, Fairtrade. We have directly surveyed these certifiers and deem them to be reputable. This is not an exhaustive list, but the certifiers most commonly used by companies participating in our research.

If your company uses a different certification standard that offers supply chain visibility, please explain how it supports traceability and include the percentage of sourcing covered. Provide this information in the comments for this question and any other relevant questions.

3.2	Provide total number of known facilities that produce for the company, including all subcontracted producers (again, if known).
3.3	List all countries in which production takes place for each stage of the supply chain.
3.4	What was the total volume of clothing and/or footwear produced by the company in the last financial year (in pieces or pairs, not weight)?

Rationale: Question 3.4 has recently been added to the survey to provide a data point on how companies contribute to the overall material impact of the fashion industry. It has been added to strengthen civil and social accountability by encouraging a company's disclosure of impact alongside its commitments.

Validation: Please note that Questions 3.2, 3.3 and 3.4 are non-assessable and do not contribute to company scores. The information provided at these questions will **not** be made public, but it is important that it is provided, as this information is required to validate company answers for subsequent questions.

3.5	Is the company making efforts to identify the location of unknown suppliers?
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Rationale: Companies that have not fully traced their supply chains have a higher risk of poor human rights and environmental practices occurring in their supply chain. We encourage companies to prioritise tracing their supply chain in full, and seek to credit those companies with active tracing projects underway.

Validation: Describe the company's efforts to trace the location of unknown facilities at each stage of production. How does the company collect and validate information, including the names and addresses of facilities used beyond first tier suppliers?

If all suppliers at any of the production stages have been traced, select N/A for that stage.

Example: A company may receive a credit for any effort to trace any stage that is not 100% traced yet, e.g. asking fabric mills to review purchase orders to identify the cotton source. Alternatively, brands may receive credit here if they can demonstrate that they're actively increasing their sourcing of certified materials, e.g. the company provides measurable goals and publishes progress on sourcing materials from reputable certifiers such as Leather Working Group or Better Cotton.

3.6	Is there a public list of facilities? Must include names and addresses
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Rationale: Publishing supplier lists is a key way for companies to demonstrate their commitment to being held accountable for issues in their supply chain. Transparency about supplier locations is a particularly valuable tool for civil society to verify that working conditions meet the standards that companies claim to enforce, and also identify a point of contact if a concern requires remediation.

Validation: Please provide a link to a current supplier list.

Full credit is awarded where there is a public list of all traced facilities for the applicable stage of production, including the name and address of each facility, **and** the list is current (e.g. has been updated within the last 12 months). Partial credit is awarded where there is an incomplete or outdated list of traced facilities.

For Inputs and Raw Materials: if not already clear in public supplier lists, describe or highlight to researchers the facilities in a combined list that relates to the elected primary fibre (for raw materials) and primary process (for inputs). Full credit will only be awarded at these tiers if the number of facilities disclosed at 3.2 matches the number of facilities in the company's nominated process on the public list.

3.7	In addition to the facilities' names and addresses, does the company also publish at least three of the following indicators about each facility? <ul style="list-style-type: none">- The parent company of the business at the site- Type of products made / manufacturing processes used- Worker numbers at each site- Percentage of female workers at each site- Percentage of migrant/temporary workers at each site- Date of last audit- Audit report and/or Corrective Action Plan- If facility has a trade union- Social standard certifications the facility holds
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Rationale: This question credits companies that are going above and beyond the minimum expectations when it comes to corporate transparency. Greater transparency enables accountability, supports stronger due diligence, and helps identify and address risks within supply chains.

Validation: Please provide a link to where this information is published. Full credit will be awarded where at least three of the listed indicators are published for all traced facilities. Partial credit will be awarded for less than three indicators, or where indicators are provided for only a portion of the suppliers that are publicly listed.

Partial credit may be awarded at researchers' discretion where facility names are provided with indicators, but without addresses.

Example: See Nike's [Interactive Manufacturing Map](#).

4. RISK

Company assesses and discloses material human rights and environmental risks throughout its supply chain.

4.1

Has the company conducted a labour rights risk assessment of its supply chain and is the assessment being used to improve its labour rights management system?
Please identify material human rights risks identified at each stage, including compulsory risks identified in Survey Support Document.

Rationale: Labour rights risks can vary according to different regional contexts, making it important for companies to understand the specific labour rights risks across its supply chain. By conducting a risk assessment, a company can not only better understand the risks, but also implement learnings to improve its labour rights management systems.

Validation: Describe the risk assessment undertaken and which parts of the supply chain it covers, including details and examples of how findings have been implemented to improve labour rights management systems.

Full credit is applied where evidence is provided that a formal risk assessment has been conducted and applied to improve labour rights systems within the past two years. To receive full credit, the assessment must address:

- Specific risks relevant to each stage of supply chain production.
- Specific risks relevant to sourcing countries/regions listed at Question 3.3.
- The ongoing risk of Uyghur Forced Labour at any supply chain tier where the company is sourcing from China.

Partial credit is applied when a risk assessment has been conducted without any clear steps having been taken to improve the company's labour rights management system within the past two years; **or** where Uyghur Forced Labour has not been mentioned (when applicable).

Companies that have submitted a Modern Slavery Statement under the Australian Modern Slavery Act (Cth) may receive partial credit for outlining the key processes of risk assessment and reporting that the company used the assessment to meet its mandatory reporting requirements under the Act.

4.2

Has the company undertaken an assessment of its environmental impacts and risks throughout its supply chain and is the assessment being used to improve its environmental management system?

Rationale: When companies understand the environmental risks that exist throughout their supply chain and the impact of those risks, they can be better situated to develop a strategic approach to addressing environmental issues.

Validation: Describe the environmental risk assessment undertaken and which parts of the supply chain it covers, including details and examples of how findings have been used to reduce environmental impacts and improve the company's environmental management system.

Full credit is applied where evidence is provided that a recent environmental risk assessment has been conducted and has been used to strengthen the company's environmental management system within the past two years.

Partial credit will be awarded where a risk assessment has been conducted but there is no clear indication it has been updated or used to improve the company's environmental management system in the past two years.

Examples of a robust environmental risk assessment may include Environmental Profit and Loss Statements, Product Lifecycle Assessments (LCAs), or Environmental Impact and Risk Assessments where all tiers are in scope of the assessment.

C. SUPPLIER RELATIONSHIPS & HUMAN RIGHTS MONITORING

5. RESPONSIBLE PURCHASING

Company adopts fair and responsible policies and behaviours for supplier orders and contracts.

5.1	Does the company have a policy on Responsible Purchasing Practices in relation to supplier engagement, including a strategy for the implementation of the policy?
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Rationale: Labour rights must be upheld and prioritised over the importance of delivery dates, lead times, and costings. Research from the International Labour Organisation demonstrates a negative correlation between companies' purchasing behaviour and the ability of fashion industry suppliers to uphold company mandated Codes of Conduct. This puts the lives and dignity of workers at risk and leads to harmful impacts on workers.

As a result of the demands of certain purchasing/ordering practices, some workers may not receive adequate wages and benefits and be forced to work excessive overtime. Some suppliers when placed under duress may also resort to an increased use of subcontractors (where WHS and labour conditions are unmonitored), or other precarious forms of temporary labour.

It is essential that all teams within a company – including but not limited to design, product development, production, buying, and senior leadership – are aware of the impact their purchasing and order behaviour has on the conditions and lives of workers within their supply chain.

Validation: Please provide a **policy** and accompanying **strategy** that directly addresses responsible purchasing practices. For full credit, the policy must cover the following points:

- Education/training of internal staff (buyers, production, design, etc.) on Responsible Purchasing Practices and the way their actions impact garment workers.
- Implementation of sufficient lead times through production planning, capacity, and forecasting.
- Limiting last-minute order changes and seeking to uphold contract terms, including acceptance of financial liability for resulting overtime and additional material costs.
- Fair and transparent pricing and payment terms that are equitably negotiated and do not disproportionately disadvantage one party. This includes ensuring negotiations do not undercut the supplier's base costs; ringfenced or itemised labour costs to include allowance for legal minimum wage rise; adherence to contractual agreement of prices and terms, and full on-time payment.
- Opening a purposeful dialogue with suppliers to gauge constructive feedback on the impact of a company's purchasing behaviour on workers, enabling all parties to collaborate for the benefit of workers.
- A mechanism for suppliers to provide anonymous feedback on the impact of the company's policy implementation and buying practices on their operations and staff.

The accompanying strategy must demonstrate that the company has a credible plan in place for the implementation of each policy point.

Full credit will be awarded where both policy and strategy are provided, with strong links between the pair. Full credit will only be awarded where ring-fencing labour costs during pricing negotiations is evidenced to be standard practice.

Best practice may also involve a company describing its efforts to extend Responsible Purchasing Practices and implementation beyond Final Stage suppliers to include Inputs and/or Raw Materials suppliers.

Example:

- We recommend that companies review the Ethical Trade Initiative's (ETI) Guide to Buying Responsibly in developing or updating a policy on purchasing practices.
- Better Buying's mechanism for collecting feedback on member companies from their suppliers is an example of a mechanism that tracks the effectiveness and sentiments regarding a company's RPP policy.

5.2	Does the company track data related to Responsible Purchasing Practices, including percentage of orders paid on time and percentage of retrospective changes made to orders or payment terms?
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Rationale: Tracking data related to Responsible Purchasing Practices is essential to ensuring that the standards put in place are met, with worker welfare central to the process. Tracked data such as order payments and retrospective order changes is beneficial to understanding the relationship between a company's ongoing responsible purchasing efforts and the flow-on impacts these practices may have on suppliers.

Validation: Describe how the company tracks data related to Responsible Purchasing Practices, using the list of points in question 5.1 above as a guide. For full credit, the following data points must be tracked and disclosed:

- Percentage of orders paid on time (within 60 days).
- Percentage of retrospective changes made to orders or payment terms after the original purchase order agreement was made.

Partial credit will be awarded where description is provided without data points, or data points without description.

6. SUPPLIER RELATIONSHIPS	
Company establishes strong supplier relationships to incentivise good labour rights and environmental practices.	

6.1	Does the company train suppliers to understand their responsibility for upholding and implementing labour rights and health and safety standards?
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Rationale: Monitoring methods such as audits can only provide a snapshot of working conditions as observed at periodic intervals. It is important that suppliers and factory managers are skilled at identifying workplace issues which may arise in front of them, and that may not be captured by regular auditing. Companies can help ensure that such problems are properly remediated or mitigated by providing ongoing training and capacity building for suppliers.

When provided with ongoing support, suppliers are enabled to monitor and report on conditions in their own workforce and at the next tier in the supply chain. Companies may also provide further incentives to improve compliance by rewarding suppliers that comply with their policies with more business.

Validation: Detail training and who it is provided to. Training should specify the workers' rights to:

- Employment according to minimum legal conditions (including an understanding of those legal rights)
- A safe and healthy workplace
- Freedom of association
- Access to, and function of grievance mechanisms

Full credit is awarded where training covers **all** of the required points **and** has been provided to suppliers and/or factory management at more than 75% of supplier facilities within the past two years.

Partial credit will be awarded where:

- Suppliers/factory management are trained in some but not all areas; **or**
- Comprehensive training is only provided to less than 75% of suppliers; **or**
- Training has been provided to more than 75% but more than two years ago.

6.2	Does the company actively seek to improve its influence and leverage with suppliers through initiatives such as MSIs, supplier consolidation, and industry collaboration?
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Rationale: Fashion companies have historically had little leverage over suppliers and worker conditions due to small order amounts compared to factories' full capacities. However, there are ways that brands can increase their leverage with suppliers to improve labour rights. This question seeks to credit companies driving material labour rights and environmental practices change through increasing leverage with suppliers using MSIs, supplier consolidation, and collaboration with industry peers.

Validation: For full credit, the company must demonstrate how their initiatives cause suppliers to improve standards for workers.

Examples of relevant MSIs and initiatives:

- MSIs which encourage suppliers to improve worker conditions (or make it more difficult not to) Membership and evidence of positive improvement must be demonstrated, e.g. International Accord, Act on Living Wages (ACT), Fair Labor Association (FLA).
- Companies that have partnered with one or more industry peers sourcing from the same factories to leverage change and encourage suppliers to adopt new and preferred labour or environmental practices.
- Companies that have significantly consolidated their supply chain to increase leverage with remaining suppliers through higher order volumes, and can demonstrate that this has increased leverage for change.
- Companies that maintain a consolidated supplier base and have prioritised long-term relationships with suppliers, with clear evidence of how this approach to supplier relationships improved social and environmental standards.

6.3	Does the company have a preferred supplier program by which suppliers are incentivised for strong labour rights and/or environmental sustainability records?
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Rationale: Factory managers may require assurance of future orders before they are prepared to invest in improving working conditions and wages. A preferred supplier program clearly communicates to factories that high levels of social and environmental compliance are directly linked to preferable

conditions, such as increased order volumes or longer-term partnerships. These programs incentivise continual improvement by rewarding strong performance with tangible business benefits.

This question is looking for a correlation between strong labour conditions and/or environmental performance of suppliers, and increased orders and/or preferable conditions to their facilities.

Validation: Please describe the program in place. For full credit, the program must:

- Show a standard of distinction (either between approved suppliers, or a high standard required of all suppliers) on the basis of labour rights records/environmental sustainability **and**;
- Exhibit preferential treatment based on that distinction, e.g. increased orders, guaranteed orders, training within facilities.

Credit will be awarded where company can demonstrate a clear preference for suppliers that goes beyond a commitment to discontinue a trading relationship in instances of misconduct and non-compliance. Incentives for suppliers must be communicated directly (not just an internal ranking system) and must go beyond minimum standards. Suppliers should be provided with a framework for improvement, including clearly defined standards and targets for developing better practices and social/environmental outcomes.

For companies who own a portion of their supplier base and have evidenced that this leads to stronger labour rights/environmental conditions, partial credit may be awarded. If company owns 100% of their supplier base, full credit may be awarded.

7. FORCED LABOUR, CHILD LABOUR AND HUMAN TRAFFICKING	
Company identifies and works to address risks of forced labour, child labour and human trafficking throughout its supply chain.	

7.1	Has the company produced a Modern Slavery Statement that fulfils legal requirements, including outlining its strategy to address modern slavery and measure its implementation? (Companies that are not required to submit a statement in Australia must evidence efforts to assess modern slavery risks meeting the seven points stipulated in Survey Support Document.)
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Rationale: The Commonwealth Modern Slavery Act came into force on the 1st of January 2019, requiring businesses in the Australian market with a consolidated revenue of at least AUD\$100 million to submit a Modern Slavery Statement annually. For companies under this threshold or outside of this jurisdiction, we are seeking an equivalent assessment of modern slavery risks and mitigation measures.

Validation: Please provide a link to your Modern Slavery Statement or equivalent, either on your website or on the Australian registry. The statement must outline the actions taken by the company to assess and address the risks of modern slavery in their global supply chains.

Mandatory criteria:

- Company has submitted an Australian modern slavery statement which complies with the seven Mandatory Compliance Criteria:

A modern slavery statement must, in relation to each reporting entity covered by the statement:

1. *Identify the reporting entity*
2. *Describe the structure, operations and supply chains of the reporting entity*
3. *Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls*

4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes
5. Describe how the reporting entity assesses the effectiveness of such actions
6. Describe the process of consultation with:
 - a. Any entities that the reporting entity owns or controls
 - b. In the case of a reporting entity covered by a statement under section 14 – the entity giving the statement
7. Include any other information that the reporting entity, or the entity giving the statement, considers relevant.

For full credit:

- Companies over the reporting threshold of AUD\$100 million or more must submit statements that have been published within the past two years.
- All seven mandatory criteria as stipulated by the Act must be covered in a current statement.
- For companies earning under the reporting threshold and that are not required to report under Australian legislation, they should provide evidence of a modern slavery risk assessment which covers all of the above seven points and that demonstrates some level of effort that matches the intentions of the Act with regards to disclosure of modern slavery risks in their supply chain, and efforts to address these. Evidence must be current and have been completed within the past three years.

Partial credit may be awarded where only some of the criteria are included, or where a statement has not been submitted recently as outlined above.

7.2	Does the company ensure that there is no unauthorised subcontracting and that all authorised subcontracted production adheres to code standards?
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Rationale: Worker exploitation can more easily occur in more distant and removed parts of the supply chain like subcontracted facilities, because the principal company may no longer have oversight of recruitment and management. This question is asking whether there are steps being taken to ensure that the standards laid out in a company's Code of Conduct are adhered to in subcontracted facilities.

Validation: Please provide information on steps undertaken to investigate and validate sub-contractor use for each stage of production. If subcontracting is not allowed in any situation, company must stipulate how this is monitored and provide evidence. This must include monitoring of majority (more than 75%) of contracted facilities, which may be undertaken as a part of existing auditing programs. For companies that allow primary suppliers to use subcontractors, details must be provided on the process for ensuring subcontracted production adheres to code standards.

7.3	Does the company track suppliers' use of vulnerable workers? Including migrant, temporary/contract, female, low-wage workers and workers from minority groups.
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Rationale: Vulnerable workers are common to most supply chains. Temporary and contract workers commonly fill positions created by a short-term increase in demand, while migrant workers travel away from home to work where factories are located. These workers are vulnerable as the nature of their employment is less stable, which can leave them more likely to be exploited as they feel less secure about asserting their rights at work. Vulnerable workers may also feel apprehensive about asserting workplace rights when they are working at a distance from home under a temporary employment visa. There is nothing inherently wrong with a factory employing temporary/contract, migrant or female workers, but the presence of these workers in a factory may signify a portion of the workforce who require additional attention to ensure their rights are upheld, e.g. a disproportionately high use of

temporary and contract workers within a workplace may signify a systemic attempt to get around legislative protections for permanent workers.

Validation: Please describe how the vulnerable worker groups listed above are tracked for each stage of production and provide data showing results. Full credit will be awarded where evidence is provided of regular monitoring (through auditing or some equivalent) for these groups in more than 75% of facilities at each applicable tier.

7.4	Are suppliers monitored for their use of labour brokers and recruitment fees?
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Rationale: Modern slavery typically arises where there is deception, coercion or fraud in the recruitment process. The presence of a labour broker between a worker and their employer increases the risk of practices like forced labour and debt bondage occurring. Charging recruitment fees to new employees also often creates debt bondage which amounts to a form of forced labour. For this reason, companies should monitor any use of labour brokers to ensure exploitative practices are not occurring.

Validation: Please describe how suppliers are monitored for use of labour brokers and recruitment fees, and show evidence of monitoring, e.g. as a part of regular auditing programs. Full credit will be awarded where evidence is provided of regular monitoring (through auditing or some equivalent) for these methods in more than 75% of facilities at each applicable tier.

8. GENDER INEQUALITY	
Company identifies and works to address gender inequality and discrimination throughout its supply chain.	

8.1	Does the company have a policy addressing gender inequality in the supply chain, including a strategy to address discrimination and rights violations faced by women in the apparel industry?
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Rationale: This question aims to determine whether the company has a policy that addresses the way that female garment workers are impacted in their supply chains – and a strategy for its implementation. Some of the ways that female workers are uniquely affected within supply chains include (but are not limited to):

- Verbal and physical abuse
- Sexual harassment
- Reproductive discrimination
- Full and equal participation
- Gendered processes of migration
- Health impacts
- Childcare responsibilities

Validation: Please provide a policy that addresses gender inequality in the supply chain, including a strategy to address discrimination faced by women in fashion manufacturing.

Example: See Clean Clothes Campaign's [Made by Women](#) report and Fair Labour Association's report [Triple Discrimination: Woman, Pregnant and Migrant](#) for further information.

9. MONITORING

Company regularly monitors labour rights standards throughout its supply chain, including implementation of its Code of Conduct and supply chain policies.

9.1	What percentage of facilities are monitored over a two-year period by trained social auditors or through worker-led processes (e.g. includes worker participation and is guided by workers' rights and priorities)? This may also include shared monitoring through collaboration with MSIs or other companies.
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Rationale: Social audits by trained social auditors and other equivalent monitoring processes provide an independent snapshot of working conditions by staff qualified to look specifically for exploitative practices. Only what is detected can be remediated, which makes monitoring an invaluable part of a labour rights management system.

Traditional forms of social auditing are not always the most reliable methods for uncovering issues. We welcome other innovative forms of monitoring which are worker centric and aim to address issues present in audits. Worker-led monitoring processes must include worker participation and be guided by workers' rights and priorities. Alternatively, this may also include the presence of worker trade unions in the monitoring process.

We readily acknowledge the way that auditing fatigue can negatively impact suppliers, and will accept evidence of the use of audit sharing platforms and other alternative forms of monitoring for validation at this question.

Validation: Please describe any monitoring processes used and their frequency. Please also provide a breakdown of the percentage of facilities that are monitored by suitably trained internal staff; and/or third parties; and/or through worker-led processes. We collect this data to obtain a fuller understanding of the monitoring processes in place.

If audits are the company's primary form of supplier monitoring, please include the names of any third parties used and/or the social audit training provided to internal staff who conduct audits. Also, we do not credit at this question for evidence/answers provided that refer to self-assessment questionnaires, or for monitoring visits conducted to fulfil other purposes such as product quality or environmental compliance.

Companies seeking credit for types of auditing across questions 9.1-4 may wish to provide auditing templates or reports as evidence of auditing being completed across each applicable tier covering relevant factors. If company uses other forms of monitoring, including worker-led processes, please also provide a description of these and explain how the company came to use these processes alongside, or as an alternative to, traditional auditing.

9.2	What percentage of facilities are monitored with unannounced audits over a two-year period?
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Rationale: Announced audits alone can only provide a snapshot of working conditions in a facility, and audit quality can vary greatly. Unannounced audits can add another dimension to the social compliance program and enhance the accuracy of data gathered.

Validation: Provide a breakdown specifying what percentage of all factories (not by volume of production) receive unannounced audits and examples of findings gathered from these audits. For clarification, we define any unannounced audit to have been conducted with zero notice and will credit according to this definition.

9.3	What percentage of facilities are known to have other worker voice processes such as anonymous worker surveys or off-site worker interviews in place?
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Rationale: Processes such as anonymous worker surveys and off-site interviews allow for a more in-depth assessment of factory conditions and add an important dimension to collective bargaining. Such processes can help ensure that workers feel secure in voicing their concerns without additional fear of retaliation (at arm's length from factory management), particularly in regions where independent union activity is outlawed or heavily restricted.

Validation: Provide a breakdown specifying what percentage of factories use worker voice processes such as anonymous worker surveys and off-site worker interviews to hear workers' concerns. Please outline the processes in place and provide examples of the findings.

We acknowledge that in some contexts, off-site interviews may pose specific risks for certain vulnerable worker groups, or may not be possible due to cultural norms (e.g. male auditors interviewing female workers off-site). We will award credit where company can demonstrate having processes in place that ensure workers' voices are heard as a part of a regular auditing schedule through interviews or factory-wide surveys.

However, please note that we do not award credit for the presence of grievance mechanisms for this question, as this is credited elsewhere in the survey. This question seeks to understand where companies actively take opportunities to hear from workers, rather than the presence of optional channels through which they can hear from workers (e.g. grievance mechanisms).

9.4	Does the company publicly report on the results of supplier monitoring and evaluation procedures? E.g. percentage breakdown or number of facilities with remediation plans, selected audit findings on multiple topics, summary of assessment findings or aggregate facility ratings
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Rationale: Disclosure of instances of worker exploitation or violations of a company's Code of Conduct are not an indication of failure; rather they provide a measure of the maturity of a social compliance system. It is undetected and un-remediated breaches of conduct which are of greatest concern. We seek to award credit based on broad disclosure of breaches found throughout the company's compliance monitoring, along with a description of remediation steps undertaken.

Validation: Provide a link to where this information is publicly available. This information could include:

- Percentage breakdown or number of facilities with remediation plans.
- Selected audit findings on multiple topics.
- Summary of assessment findings or aggregate facility ratings.

Credit will be awarded for the publication of audit results since July 2024. Best practice reports should be published with details of how these breaches are being remediated, but such detail is not a requirement to achieve credit for this question.

10. REMEDY AND CORRECTIVE ACTION	
Company ensures all labour rights issues and violations are remediated in the best interests of the impacted workers and their communities.	

10.1	Does the company have an effective system for monitoring and resolving corrective action plans pertaining to wages, overtime, unauthorised subcontracting or breaches of fire and safety standards within 12 months?
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Rationale: Corrective action plans (CAPs) addressing issues such as wages, excessive overtime, unauthorised subcontracting and breaches of fire and safety standards are often not resolved efficiently or effectively. These issues frequently recur in facilities, with little to no progress made toward remediation over time. For social audits to serve as an effective mechanism for improving worker conditions, non-compliances must be actively monitored and remediated in a timely manner through a structured and robust system.

Validation: Please demonstrate both a structured system for CAP monitoring and resolution and provide evidence of its effectiveness. To receive full credit, a company must:

1. Describe an effective and well-utilised system for CAP monitoring, including:
 - The process for tracking CAPs raised by audits.
 - Re-audit dates and closure tracking.
 - The time CAPs remain open before resolution.
 - Appropriate timelines and responses depending on company's classification of non-compliance severity.
2. Provide evidence of two CAPs (of different non-compliance types) successfully resolved within 12 months, including:
 - The initial audit where the non-compliance was identified.
 - Documentation showing how the issue was flagged and tracked in the company's system.
 - A follow-up audit confirming resolution within 12 months.
 - The two CAPs provided must involve different types of issues and represent varying severity levels (e.g., minor, major, zero-tolerance).
3. Demonstrate that more than 75% of overall CAPs related to wages, overtime, unauthorised subcontracting, or breaches of fire and safety standards were closed within 12 months.

Partial credit may be awarded when companies meet two out of the three full credit criteria.

10.2	Where child and/or forced labour is found to exist, does the company have a process for responding to violations through dialogue with and primary consideration for the best interests of the affected stakeholders?
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Rationale: The mark of a strong social compliance system isn't necessarily the absence of child or forced labour, but the discovery and effective remediation of it. This question credits those companies that have been proactive and prepared for the event that child or forced labour is discovered in their supply chain, no matter how unlikely they feel such an event is.

Validation: Please provide the company's child and forced labour remediation policies and outline the remediation procedures in place. Where the company can demonstrate a robust remediation procedure for both child **and** forced labour, full credit will be awarded. Part of a robust procedure will include sufficient monitoring to identify instances where child or forced labour may be occurring. As such, full credit will only be awarded where more than 75% of facilities are monitored.

A robust corrective action process should include:

- A process for responding to violations through dialogue with, and primary consideration for, the affected stakeholders (including evidence that remedies are satisfactory to the victims or groups representing the victims).
- A means of verifying remediation and/or implementation of corrective actions, and potential actions taken in cases of non-compliance.

Note: Best practice remediation processes for both child and forced labour will not look the same, so it is unlikely that a consolidated process for both can receive full credit, e.g. victims of child labour should be encouraged to go to school, while this is not appropriate for cases of forced labour.

Examples and resources:

- Impact Limited's [Child Labour Operational Principles](#)
- International Labour Organization's [Guidance Tool on 'How to do Business with Respect for Children's Right to be Free from Child Labour'](#).
- International Labour Organization's [Child Labour Platform](#).
- International Labour Organization's [Combating Forced Labour: A Handbook for Employers and Business](#)

D. WORKER EMPOWERMENT

11. LIVING WAGES

Company commits to pay living wages and is progressing against a timebound plan to meet this goal.

11.1	Has the company published a credible commitment to pay living wages based on a clear methodology with timeline, clear milestones, measurable goals and regular progress reporting?
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Rationale: This is a strong step in transparency, demonstrating a company's willingness to be held publicly accountable for making progress towards paying living wages in its supply chain.

While it is possible to publish a document that meets the question criteria, it is important that the living wage commitment reflects a realistic and actionable roadmap that the organisation is genuinely committed to achieving. Such a commitment requires strategic planning and while the complexities of the process are acknowledged, this is a fundamental part of ensuring the dignity and safety of workers.

Validation: Provide a link to where information on the company's commitment to pay living wages is made publicly available. Full credit will only be awarded where a statement meets all of the criteria below:

- Clear living wage methodology
- Timeline for delivery
- Clear milestones
- Measurable goals
- Regular progress reporting

Partial credit will be awarded if only some of the criteria are met.

11.2	Has the company adopted a living wage methodology and calculated a living wage for each region that it operates in?
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Rationale: The debate over what constitutes a living wage has often been an obstacle to developing a living wage standard that can be applied across an entire supply chain comprising a range of different suppliers and sourcing regions/contexts. Credit is awarded at this question where companies have adopted industry-accepted methodologies in making living wage calculations, such as the Anker or Asia Floor Wage methodologies.

Validation: For full credit, please outline steps taken to adopt an existing reputable methodology that provides a calculation for a living wage in each of the company's sourcing regions. Please include the calculated result for each region (Note: 'regions' must at a minimum include each country a company sources from. If sourcing from China or India, please provide an in-country breakdown of sourcing regions including the different regional calculations, as these can vary widely.) Where industry benchmarks are relied upon, the company must ensure they are aligning with the most recent figures provided and thus have a system to regularly check for updates to these calculations.

If there is no established and credible methodology available for any of the company's sourcing regions, we will also accept an independent calculation based on a robust assessment of what is required to meet a family's needs (inclusive of some discretionary income/savings) in each region. This calculation should consider the base wages required for standard working hours to meet these needs. Independent calculations and assessments should have been conducted in consultation with local labour organisations.

Partial credit will be awarded if the company can demonstrate calculations for living wages in only some of their sourcing regions.

Further Resources and tools for brands:

- FairWear Foundation Wage Ladder: <https://fwf.my.site.com/livingwage>
- SAI International Living Wage Reports (aka Anker calculations) <http://www.sai-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1848>
- WageIndicator: <https://wageindicator.org/>

11.3	What percentage of facilities pay a living wage?
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Rationale: This question aims to award credit for payment of living wages: a step that counters inequality, provides a pathway out of poverty, and helps workers to cover essentials such as goods, housing and healthcare.

Validation: In addition to selecting the correct percentage for each stage of production, please provide relevant audit documentation that has been collected within the past two years to demonstrate that a living wage is being paid, and that payments are clearly aligned with regional calculations provided in the prior question.

Where third-party audit documentation has been used to confirm the payment of living wages at supplier facilities, this should align with the calculation outlined for question 11.2. Additionally, any audit evidence provided should clearly specify whether overtime has been included in the calculation.

Certification, audit and/or payslip evidence will be required for any facilities that the company claims are paying a living wage.

In the case of a company reporting that more than five suppliers pay a living wage, please explain how this has been achieved, and provide a list of all facilities where living wages are paid. From this list, our researchers will select a representative sample for which we'll request audit documentation/payslip evidence for each stage of production.

For companies that complete more than 50% of their production volume at company-owned facilities, up to 50% of credit in this question may be assessed based on living wages paid in these facilities, e.g. a company sources from 10 factories, but owns three of these in which they produce 80% of their volume. If the company pays living wages in 100% of their owned factories, they are able to claim 50% credit for this question based on owned facilities. The remaining 50% credit in this question will be assessed on any living wage evidence provided for the outsourced factories.

11.4	What percentage of facilities have projects to improve wages? Select 100% if all factories pay a living wage.
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Rationale: This question aims to award credit for other efforts to improve worker incomes. It is not prescriptive about how this may be achieved but rather seeks to reward initiative that companies take towards the goal of paying a living wage in the absence of a widely agreed standard and solution.

Validation: For companies claiming full credit, please detail active projects and how they work to improve wages or worker income, and the extent to which these projects apply to each applicable tier. Some credit will be awarded if the company can demonstrate initiatives that cover some of their sourcing regions.

Please note: credit awarded at question 11.3 will not be automatically applied at this question unless 100% of facilities are paying all workers a living wage.

Examples:

- FairTradeUSA's Apparel Standard seeks to improve worker incomes by paying a 'fair trade premium' which a committee of workers votes to decide how to disperse. This may be distributed amongst workers or put towards community development initiatives that will improve their welfare.
- Companies that are members/partners of the Act on Living Wages (ACT) receive 26-50% credit on this basis alone, with further credit awarded based on information provided on how this partnership extensively impacts their supply chain at each tier.
- Better Cotton (BC) is associated with improving farmer income by reducing costs of chemical use with strategic chemical use only, combined with improved access to markets and increased yields as a result of farming skill training. At Raw Materials, please select the percentage that reflects the proportion of total cotton sourced that is BC cotton, if the company is reporting on cotton as Primary Fibre.

12. WORKER ENGAGEMENT	
Company supports worker-led initiatives and other programs to educate workers in its supply chain on their labour rights.	

12.1	Are workers trained on their rights and entitlements, including conditions of employment, freedom of association, freedom of movement, and use of grievance mechanisms?
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Rationale: Workers are best able to advocate for their rights and safety when they are equipped with knowledge about their legal rights and entitlements, as well as the mechanisms available to assert them. Essential knowledge includes:

- **Conditions of employment:** a contract which outlines the worker's terms of employment, including minimum age requirements, pay, hours, payment terms, rights and entitlements, and length of contract (if relevant) provides a foundation for workers to be able to advocate for their rights.
- **The worker's right to freedom of association:** an understanding of the right to organise and collectively bargain to ensure rights are respected is critical to ensuring workers are able to voice and resolve workplace issues.
- **The worker's right to freedom of movement:** the worker must be able to freely access their passport and/or identity documents and understand that they can leave their place of employment.
- **Grievance mechanisms:** a worker's right to raise a grievance is only effective if the worker understands how it works. Involving workers in the development and implementation of a

grievance mechanism and demonstrating to workers how they can use the mechanism, builds confidence in the system and improves uptake rates.

It is crucial that workers understand these rights and are assured that they will not face discrimination or harassment if they choose to exercise their rights to freely associate.

Validation: Describe how workers are trained in each of the above areas, as well as how consistently training is provided across the supply chain. Full credit will be awarded where a company can describe or provide evidence (training materials, records or confirmation of training delivery, etc), that demonstrates training has been delivered to a majority of workers at a majority of supplier facilities (above 75%) within the last two years.

13. FREEDOM OF ASSOCIATION

Company supports the ability of workers in its supply chain to freely form unions or associations and to collectively bargain for their rights.

13.1	What percentage of facilities are known to have independent democratically elected trade unions and/or collective bargaining agreements in place?
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Rationale: Workers that engage with unions are best placed to voice and resolve workplace issues. One of the most effective ways to address exploitation is ensuring that workers can organise and collectively bargain to see their rights realised.

Validation: Please list facilities with active unions, provide the names of the unions, and provide details on how union presence was validated. For facilities without unions, list and indicate if there is an active Collective Bargaining Agreement in place that has been negotiated with worker voices and concerns in mind. List should include facility name, location and tier, as well as name of union or representative group.

Please note: in lieu of providing a list of facility and union names, we will consider audit reports with union names redacted – if it is clear from the available documentation that there is an independent, democratically elected trade union present in the facility.

For facilities specifically located in countries where independent union activity is heavily regulated or illegal, such as China, we will award credit for evidence demonstrating the presence of other forms of democratically elected worker representative groups that have the right to collectively bargain with factory management. The company must demonstrate how they ensure that the groups are worker-led and independent from management.

14. GRIEVANCE MECHANISM

Company ensures mechanism(s) are in place which enable worker complaints to be heard anonymously and in their native language.

14.1	Does the company have an effective grievance mechanism that workers can access anonymously and in their native language?
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Rationale: Grievance mechanisms are a key method for workers to report issues to an outside party so that unresolved issues may be addressed. It is particularly useful for prolonged problems that factory managers have not resolved, or where workers are not comfortable reporting issues to factory management out of fear of retribution.

However, it is important that companies do more than hear complaints; effective grievance mechanisms must include investigation and active efforts to address any grievances raised.

Validation: Please describe currently implemented grievance mechanisms. Robust grievance mechanisms should meet the following criteria, derived from Principle 31 of The United Nations Guiding Principles of Business and Human Rights:

- Available in workers' native language
- Anonymity is ensured
- Enables trust from workers and provides assistance for those who face barriers to access
- Clear and known procedure and timeframe
- Thorough investigation and remediation of grievances, in line with internationally recognised human rights
- Avenue to escalate concerns to an external party if the worker feels their concern has not been sufficiently addressed
- Impacted parties are informed of its progress and effectiveness including improving the mechanism by drawing from relevant measures and lessons learned

For full credit, the company must evidence a grievance mechanism that meets all of the above criteria and provide data showing worker use of the mechanism and issues remediated by the company.

E. ENVIRONMENTAL SUSTAINABILITY

15. FIBRE AND MATERIAL USE

Company assesses and seeks to improve the environmental impacts of the fibres and materials used in its products.

15.1	Has the company assessed the environmental impact of its top three fibres and materials used in its apparel products, and implemented learnings from assessment into product design and production?
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Rationale: Fibres have different impacts depending on their type, source and how they are processed. This question validates whether companies are seeking to gain a better understanding of their top three fibres used (according to volume) and implement that understanding into the product design stage. Through such processes, companies can proactively reduce and prevent environmental impact before it occurs.

Validation: For full credit, please identify your top three fibres by volume; demonstrate that the company has assessed the impacts of these fibres using a recognised methodology (e.g. Natural Capital Accounting, Lifecycle Assessment, Environmental Profit and Loss Statement), and explain how these assessments have been used to set targets with accompanying strategies for improving the areas identified as highest impact in product design and production, e.g. a material sustainability index, using more sustainable fibres, less water-intensive dyeing processes. An in-depth assessment will include more than one environmental impact (e.g. GHG, water use, biodiversity, chemical intensity etc).

15.2	What percentage of the company's final product is made from sustainable fibres?
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Rationale: Many fibres are available from more sustainable sources than those conventionally sourced. This includes fibres that are cultivated using less water or chemical-intensive processes, protect biodiversity, and respect human rights – along with other new and innovative sustainable fibres.

Validation: Please detail the sustainable fibres your company uses, and their volume as a proportion of total sourced fibre. We credit in alignment with Textile Exchange's Preferred Fibre or Material Matrix which defines sustainable fibres as follows:

'A fibre or raw material that delivers consistently reduced impacts and increased benefits for climate, nature, and people against the conventional equivalent, through a holistic approach to transforming production systems.'

We award credit for sustainable fibres, in alignment with those that score a total over five or above across the eight indicators of performance on Textile Exchange's Preferred Fibre or Material Matrix. These fibres have been selected because of their performance based on standard systems in comparison to conventional options.

Note: the matrix is also available as a formatted table [here](#).

15.3	Does the company measure the volume of pre-production and post-production waste generated annually? Pre-production waste includes offcuts and scraps, threads and end-of-roll fabrics. Post-production waste includes deadstock, samples and overstock.
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Rationale: Fashion waste begins before garments and footwear are sold. Pre-production waste includes offcuts and scraps, threads and end-of-roll fabrics. Post-production waste includes deadstock, samples and overstock. These all contribute significantly to environmental degradation, landfill and emissions. In order to address this waste, companies need to understand the scope and size of the waste they produce, if the industry is to make progress toward collective transparency at a sufficient scale.

Validation: Please provide a calculated measurement for both pre and post-production waste in kg/tonnes, not in units. This waste indication should be representative of waste generated at all Final Stage (CMT) Facilities, and any on-shore pre-consumer waste. Please also advise how the waste data was collected. Some examples might be:

- A waste audit conducted at varying stages of production.
- A Life Cycle Assessment aiming to quantify the environmental impact of waste created throughout varying stages of production.

Please note: this question is not credited based on measurements of post-consumer waste, only pre and post production waste non-inclusive of end of life.

16. WATER AND CHEMICAL USE	
Company assesses, monitors, and seeks to improve water and chemical use and pollution throughout its supply chain.	

16.1	Does the company have a restricted substances list (RSL) and a manufacturing restricted substances list (MRSL) against which it tests compliance?
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Rationale: A restricted substances list (RSL) defines permitted levels of chemical content, chemical exposure and other harmful substances for finished goods. A manufacturing restricted substances list (MRSL) defines banned and restricted hazardous substances potentially used and discharged into the environment during manufacturing. Companies should ensure that quality assurance systems, including testing, are being used at supplier facilities, and validate that their suppliers are compliant with their RSL and MRSL.

Validation: For full credit, company must provide:

- RSL and evidence of compliance testing annually (minimum of two years evidence) by an accredited laboratory and/or adherent to a quality assurance framework.
- MRSL and evidence of compliance testing annually (min of two years evidence) by an accredited laboratory and/or adherent to a quality assurance framework.

Partial credit will be awarded if the company can provide evidence of some but not all of the requirements above.

Note: some companies find that their RSLs and MRSLs are managed by their compliance department rather than their ethical sourcing department, so we recommend checking this internally with your colleagues.

16.2	For what percentage of water intensive facilities has the company collected and benchmarked water use data?
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Rationale: Apparel production, such as washing, dyeing and finishing treatments, is water intensive. The most water-intensive facilities are commonly found at the inputs production tier.

This question aims to increase company understanding of actual and ideal water usage in water-intensive facilities throughout their supply chain.

Validation: Please list identified facilities and provide water-use data collected for these facilities within the last two years. Please also outline the water-use benchmarking methodology used for identifying current facility usage, ideal/efficient facility water usage, and any gap to be improved upon.

For companies reporting on leather footwear, please focus specifically on tanneries in your responses. For other footwear materials, please report based on the most water intensive process used in production.

Note: credit for this question is awarded based on the percentage of water intensive facilities monitored by volume of production, **not** by total number of facilities.

16.3	Has the company used the above data to implement a water use plan?
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Rationale: This question assesses whether companies are seeking to implement the learnings from the previous question into their ongoing resource management efforts. Once a benchmarking process has been completed and the ideal water usage identified, a water-use plan can map out steps to help set and reach goals for water consumption.

Validation: Provide a water consumption reduction plan for identified facilities based on benchmarking data. This should include water reduction targets and strategies for improvement, and data on your progress.

Please note: full credit can only be awarded when company is collecting and monitoring water use data for more than 75% of water-intensive facilities.

16.4	For what percentage of wet-processing facilities has the company collected wastewater quality data?
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Rationale: Wet-processing facilities include those that undertake washing, dyeing, printing and

finishing processes, categorised in the Inputs tier for purpose of this survey. These facilities are more likely to discharge effluent or wastewater that is environmentally hazardous if not treated prior to release into the environment.

Validation: Please list all identified facilities, and provide wastewater quality data collected for these facilities within the last two years. Please also advise how the wastewater quality data was collected (either through established environmental auditing scheme, or through separate methodology including testing report). Note that this question, like 16.2, is credited based on the percentage of facilities monitored by **volume of production** – not by total number of facilities.

For companies reporting on leather footwear, please focus specifically on tanneries in your response. For other footwear materials, please report on facilities where chemical contamination of wastewater is most likely to occur in production.

16.5	Of the wet-processing facilities listed in question 16.4, do all have wastewater improvement strategies? E.g. Wastewater quality testing to a standard, wastewater treatment systems
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Rationale: Wastewater management can be achieved through wastewater treatment systems, Inputs management, wastewater quality testing, standards development and implementation, and/or a combination of the above. Once a benchmarking process has been completed and the metrics for appropriate wastewater quality are identified, a wastewater improvement strategy will map out steps to help reach this goal.

Validation: Explain the wastewater quality and disposal improvement strategies for all wet-processing facilities noted at 16.4 and provide data on progress.

Please note: full credit can only be awarded when company is collecting and monitoring wastewater quality data for more than 75% of wet-processing facilities.

17. CLIMATE IMPACT	
Company has made a public commitment and is making progress to reduce climate impact throughout its supply chain.	

17.1	Has the company published an emissions reduction target and decarbonisation strategy in line with the current UN Fashion Industry Charter for Climate Action?
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Rationale: Greenhouse gas emissions are a consequence of all stages of the supply chain. The 2018 UN Fashion Industry Charter for Climate Action (UNFICCA) is a worldwide framework to address the impact of the fashion industry on global environmental degradation, including greenhouse gases. Companies that commit to this target achieve two things: firstly, their commitment indicates to governments that the private sector endorses and is seeking to align their practices with the Charter; and secondly, they are demonstrating an intention to bring their energy consumption in line with global standards throughout their supply chain.

Validation: Please provide a link to public commitment. Full credit will be awarded where company can provide either of the following:

- A public commitment to reduce absolute greenhouse gas emissions by 50% by 2030 (against a baseline of no earlier than 2019) across scopes 1, 2, and 3, and a commitment to achieving net zero emissions no later than 2050;
- or**

- A public commitment approved by Science Based Targets (SBTi) to reduce emissions and set targets in line with the latest criteria and recommendations of the SBTi, and a commitment to achieving net zero emissions no later than 2050.

The company must evidence they have undertaken a supply chain assessment to identify and assess/benchmark areas of greatest climate impact with an accompanying strategy to reach these targets; and must provide data demonstrating progress against specified targets.

Further resources:

- [UNFICCA Climate Action Playbook](#) – this document provides strategies for implementing a decarbonisation strategy, including a description of scopes 1, 2, and 3.
- [Apparel and Footwear Science-Based Target Guidance](#) – this guide aims to mobilise companies to set ambitious science-based targets.

18. IN-USE AND END-OF-LIFE ENVIRONMENTAL IMPACT

Company assesses and seeks to improve the environmental impacts and resulting waste from its products while they are being used and at their end of life.

18.1	Has the company assessed the environmental impacts of the in-use and end-of-life phases of its products, and consciously implemented specific design features/strategies to address these issues?
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Rationale: The environmental impact of a product continues throughout its entire lifecycle, from farming of raw materials to the disposal of end-of-life products by consumers. It is essential that designers are aware of the impact of the use and disposal of their products once they are in the hands of consumers. Designers also have a responsibility to address and reduce these impacts through responsible design which seeks to improve the longevity of garments, and also by considering how products can be incorporated into circular production models.

The fashion industry must move towards a circular system, where clothing and footwear are designed to re-enter the value chain at their end-of-life as a valuable asset. This shift will ultimately help eliminate resource waste while ensuring a sustainable supply of material inputs.

This question is in alignment with agreement 10 from the UN's [Fashion Industry Charter for Climate Action](#).

Validation: For full credit, the company must demonstrate that they have evaluated the environmental impacts of their product at the in-use and end-of-life phases, **and** applied findings to product design to reduce the overall impact. This may include elements of design that enable circularity, or initiatives that support circular or 'cradle-to-cradle' models such as design for durability, disassembly, recyclability, and biodegradability.

Examples:

- The use of monofibres, which simplifies the textile recycling process and helps loop end-of-life products back into the value chain. Use of [C2C certified fabrics](#) are a great way to start implementing circularity. This is an example of design for **recyclability**.
- Decreasing the usage of coatings and glues which allows products to be easily separated into different components and recycled at end-of-life. This is an example of design for **disassembly**.
- An example of a circular design approach from [Napapijri](#) – 'All the styles in the Circular Series are 100% recyclable thanks to their mono-material composition. Fillings and trims are made of Nylon 6, while the fabric is made of ECONYL® Regenerated Nylon, a high-performance nylon 6 yarn recycled from discarded fishing nets and other waste materials.'

- Design practices aligned with Ellen MacArthur Foundations' Vision of a Circular Economy for Fashion. We recommend that you refer to Global Fashion Agenda's Circular Design Toolbox for further information and suggestions on implementing circularity into fashion design.

18.2	Does the company communicate environmental impacts of product use and disposal with consumers, providing actionable strategies for reducing impact?
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Rationale: Consumer use and post-consumer clothing disposal is responsible for a large proportion of environmental impact over the course of garment lifecycles, e.g. the Ellen Macarthur Foundation estimates that a garbage truck load of textiles is incinerated or dumped in landfill every second, globally. Companies must work to minimise the impact of their product over the course of its life, even after a product leaves the store.

It is essential that consumers are engaged in education as part of a fully circular approach to mitigating environmental detriment. Garments should be designed/guaranteed for longevity of use, with repair programs forming part of this aim. Once the item is no longer able to be repaired or used by the consumer, it should have the potential to re-enter the circular value chain as a new textile product. Take-back programs enable used textiles to be recycled into new materials, reducing landfill as well as the virgin resources required for new production.

Validation: For full credit, the company must demonstrate that they have communicated the environmental impacts for both in-use and disposal with consumers, **and** have provided practical steps for them to take as a result of their impact assessment. A robust response will include a repair and/or take-back program that the company provides or substantively makes available to customers through partnership with a third-party organisation.

Partial credit will be awarded where only in-use or disposal impacts are referenced.

Examples:

- Public explanation of the impacts of laundering (GHG emissions, microfibre water pollution). An appropriate recommendation would be using a microfibre filter washing bag (preventing microfibres from entering wastewater).
- Global Fashion Agenda's Garment Collection Toolbox provides information and suggestions for implementing garment collection into business models.
- RM Williams Repair Service & Patagonia Worn Wear
- H&M Clothing Collection instore
- Country Road program with Red Cross Stores

18.3	Has the company assessed the environmental impacts of over-production and disposal of finished goods, and implemented a strategy to reduce this impact, including reporting?
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Rationale: The overproduction and subsequent disposal of garments is a major contributor to environmental degradation, increasing landfill rates, emissions from incineration, and overloading used clothing markets. Overproduction begins in the production forecasting phase and ends with the company's strategy for the disposal of unsold products. For the fashion industry to improve its sustainability, conscious production and disposal methods for unsold clothing is critical.

Validation: For full credit, the company must provide a strategy and process for more sustainable production forecasting (reducing the amount of unsold clothing); a strategy and process for the sustainable disposal of unsold products; and be able to demonstrate monitoring of progress towards achieving their strategy. Strategy must include:

- current baseline metrics for unsold clothing, including customer returns and damaged/soiled goods

- current baseline metrics of disposal streams
- description of processes currently in place
- timebound goals the strategy aims to reach

Examples:

- Production forecasting: the company may provide evidence of an analysis undertaken to determine the quantity of unsold products in a line/season, and demonstrate how the results of this analysis were used to forecast future ranges with a goal to eliminate unsold inventory.
- Disposal of unsold products: the company may provide an assessment of the environmental impact of the product disposal methods currently used, and demonstrate how they have taken steps to dispose of unsold clothing using preferred lower-impact methods.