

2020 Ethical Fashion Report – Survey Support Document

The Ethical Fashion Report is part of Baptist World Aid’s Behind the Barcode project. The Report seeks to empower consumers to purchase ethically and encourage companies to ensure they are protecting the rights of workers in their supply chain.

Behind the Barcode 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, vulnerable communities as a whole. We then grade the efforts of each company and publish those findings for consumers to see how their favourite brands rate.

The 2020 Ethical Fashion Report will be published in October 2020 with the accompanying Ethical Fashion Guide.

What information is made publicly available?

We publish evaluations on the Baptist World Aid website. We do not publish the validating material that companies disclose in answering each question in the survey, but we will publish the answers selected which generate the grades.

Readers can assume that a company’s published answer to any question is based on their supplying of the required validation documents to support their claim. For example, if a company has a ‘YES’ or ‘100%’ answer to a question, they have supplied the documents that meet the standards set by Baptist World Aid for 100% credit for that question.

How are evaluations conducted?

The grades are based on publicly available information and self-reported data 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. Non-responsive companies’ grades are based solely on publicly available information and these companies are clearly marked as non-responsive in the report.

Questions fall in five categories:

1. Policies	2. Traceability & Transparency	3. Auditing & Supplier Relationships	4. Worker Empowerment	5. Environmental Sustainability
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We distil complicated supply chain information by focusing on key production phases of the fashion supply chain. These are ‘Raw Materials’, ‘Inputs Production’ and ‘Final Stage Production’.

For a full explanation of the research methodology, please see the FAQ section available at www.baptistworldaid.org.au/ethical-fashion-report-fags/.

Survey Support

The grades are generated as a result of the YES/NO/PARTIAL, or percentage answers to each question. This document provides a guide to the rationale behind each question asked, and explains the validating information we require to assess each answer. In some instances, references to best practice examples are also given. Supporting information or data may be requested by our research team to put each company’s answer in context.

We strive to grade all companies consistently, and consequently, every survey is 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. Baptist World Aid seeks to work closely with the companies we assess to develop grades that accurately reflect the labour rights management system in place and hope this document provides further guidance to understand what we are asking of your company.

Wherever possible, publicly available information has been used to pre-populate surveys. If an answer could not be found using this method, the company’s 2019 survey responses have been used to estimate credit awarded. Where this is the case, the company will be asked to verify that the information provided in the previous year’s survey remains true and correct OR update the question based on progress made in the past year. Some questions will not have any answer pre-populated either because it is a new question, because the company did not previously provide a response, or because the validation requirements have changed for the 2020 survey.

1. POLICIES

CODE OF CONDUCT

1	Does the company have a Code of Conduct for suppliers? <i>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.</i>
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Rationale: Supplier Codes of Conduct are the starting place for a company to communicate to suppliers the basic working standards they expect.

Validation: Please provide the text of the Code of Conduct. Full credit is awarded where the code covers the entirety of the six points set out by the International Labour Organization as [Fundamental Principles and Rights at Work](#) AND ETI standards below, including any clarifying sentences in italics. Partial is selected where there is a code which covers one or some of these rights.

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
 - a. *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 - refer to the [ETI standards](#) for further guidance.*
6. Provisions to protect worker health and safety (WHS/OHS policy)

2	Does the code 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, including the raw materials level. A company's supply chain comprises of complex layers and relationships, meaning that even a company that has traced its suppliers to the raw materials level may not have a direct relationship with their raw materials suppliers. This question seeks to know whether the company has communicated the requirements of the Code of Conduct beyond final stage of production suppliers (cut-make-trim).

Validation: Full credit will be awarded to companies that can provide a description of how the Code of Conduct is communicated to inputs production and raw materials suppliers.

Partial credit is awarded where Code of Conduct standards are applied beyond final manufacturing suppliers to include inputs suppliers, or more simply, are shown to be applied across two of the three stages. No credit is awarded for this question where the Code of Conduct is only applied to final manufacturing suppliers, including sub-contractors.

At the raw materials stage this may be demonstrated through some certifiers e.g. BCI

3	Is the code included in supplier contracts?
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Rationale: This question seeks to ascertain whether the Code of Conduct is communicated to suppliers as a mandatory aspect of the supplier's contract.

Validation: An example of the contract should be provided/made publicly available on the company's website. If the contract is not publicly available, please provide a supplier contract showing how the Code of Conduct is included/enforced - sensitive information is not required.

POLICIES

4	Does the company have a policy addressing gender inequality in the supply chain, including a strategy to address discrimination faced by women in the apparel industry?
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Rationale: This question aims to determine whether the company has a policy and an implementing strategy that addresses the differential impacts the garment industry has on female workers. This includes (but is 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 the apparel industry.

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.

5	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 precede the importance of delivery dates, lead times, and costings. Extensive research from the International Labour Organisation has shown a negative correlation between the purchasing behaviour of companies 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 a range of harmful effects such as failure to pay employee wages and benefits, use of excessive overtime (which may be forced), use of subcontractors (where WHS and labour conditions are unmonitored), and precarious employment resulting from increased use of temporary labour.

It is essential that all teams within a company, including, but not limited to; design, product development, production, and buying teams, are aware of the impact their purchasing and order behaviour has on the experience of workers and the conditions they work in.

Validation: Please provide a policy and accompanying strategy that addresses responsible purchasing practices. For full credit, the policy must include reference to the following points:

- Education of internal staff (buyers, production, design etc.) on responsible purchasing practices and the impact of their behaviour on factory workers;
- Implementation of sufficient lead times;
- Maintenance of last-minute order changes, including acceptance of financial liability for resulting overtime and additional material costs;
- Production planning, capacity, and forecasting;
- Pricing negotiations and payment, including: ensuring negotiations do not undercut the supplier's base costs (and ringfencing labour costs to include allowance for legal minimum wage rises), contractual agreement of prices, and on-time payment;
- Opening a purposeful dialogue with suppliers to gauge constructive feedback on the success or detriment of the company's purchasing behaviour, enabling all parties to work together for the benefit of the workers.

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.

Example: We recommend that you review the Ethical Trade Initiative's (ETI) [Guide to Buying Responsibly](#) in developing/updating your policy on purchasing practices.

6	Does the company evaluate the effectiveness of the implementation of their policies and procedures?
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Rationale: This question seeks to know whether the company has processes in place to measure the effectiveness of their policies and procedures.

Validation: Please advise what measures the company takes to evaluate the effectiveness of their policies and procedures.

Examples of evidence include:

- Annual progress/sustainability reports
- Evidence of internal reviews being undertaken
- Evidence of company research into best-practice policies and procedures for supply chain management
- A policy outlining the company's strategy for improvement e.g. CSR strategy
- Evidence of internal audit, internal review process

Please note this question is not asking companies to outline where they have improved in supply chain management; rather, it assesses a company's efforts to reflect on the effectiveness of internal policies and remain forward-thinking in its implementation of policies and procedures aimed at improving labour rights in its supply chains.

2. TRACEABILITY & TRANSPARENCY

	Final Stage Production	Inputs Production	Raw Materials
<i>From this point on, all questions in sections 2, 3 and 4 are asked of three separate stages of the supply chain.</i>	Cut-Make-Trim	Textile Production	Primary Fibre

For sections 2, 3 and 4, you will be reporting on all three stages of production.

Please see the graph on the right to understand which production processes we classify under each stage of production.

For Inputs Production, companies should nominate a primary production process based on human right risk. Typically, this will require companies to report on fabric mills unless the company's primary fibre differs greatly to that of a textile production chain (e.g. Leather).

For Raw Materials, you may select just one fibre, which should be selected based on volume (being your most used fibre) or risk (that fibre which has demonstrated the highest labour rights risks).



RAW MATERIALS

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

INPUTS PRODUCTION

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

FINAL STAGE PRODUCTION

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

TRACEABILITY

7	Approximately what percentage of facilities (factories, mills, farms etc.) has the company traced? <i>By number of facilities, rather than volume of production. By traced we mean that the company has direct knowledge of the facility including name and location.</i>
8	Provide total number of facilities that produce for the company, including all subcontracted producers (if known).

Rationale: This question is asking what percentage of the total facilities at each stage of the supply chain have been traced. Worker exploitation and modern slavery are a greater risk at the fringes of the supply chain in smaller, less scrutinised suppliers and subcontractors. In particular, those suppliers which are used for smaller and one-off orders where the company's compliance program may not extend, or with whom the company may have a shallower relationship.

Validation: For Inputs Production and Final Stage Production, please provide a percentage out of the total number of facilities, NOT the percentage of production volume. For Raw Materials, we will accept the volume of production due to the prevalence of sourcing raw materials through programs and initiatives that do not provide total numbers. Credit may be awarded if fibre is being sourced through reputable certification (e.g. Fairtrade, BCI).

For Inputs Production and Raw Materials, where few companies have direct relationships, outline how traceability has been achieved.

Please note that although Question 8 is non-assessable, and will not be made public, it will be used to validate company answers for subsequent questions. It is therefore important that this information is provided.

9	List all countries in which production takes place for each stage of the supply chain.
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Rationale: The company's list of supplier countries will not be made publicly available, but we encourage companies to be open about the countries from which they source materials at every stage of their supply chain.

Validation: Full credit will be awarded where the company provides a list of 100% of their supplier countries at every stage of production.

10	Is the company involved in a tracing project to identify the location of unknown suppliers?
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Rationale: This question seeks to credit companies that are initiating efforts to trace unknown suppliers at each stage of production.

Validation: Describe the company's efforts to trace the location of unknown facilities at each stage of production. How does the company collect information including the names and addresses of facilities used beyond first tier suppliers? Are these details open source or commercially sensitive?

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

11	Is the company involved in a tracing project to identify other elements of their supply chain that have not been measured in the above questions?
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Rationale: This question seeks to credit companies that are initiating efforts to trace elements of their supply chain that have not been measured in the above sections. This could include raw materials or inputs production processes in addition to the primary elements measured above.

Validation: Describe the company's tracing efforts. Full credit will be awarded where the company can demonstrate a tracing project taking place in part of the supply chain that occurs prior to shipping from Final Stage facilities.

NOTE: From this point on, "suppliers" and "facilities" refer only to those that the company has traced for sections 2, 3 and 4

12	Does the company ensure that there is either no subcontracting or that all subcontracted production adheres to code standards?
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Rationale: Worker exploitation is most likely to arise in more distant and removed parts of the supply chain, such as subcontracted facilities. This question is asking whether there are steps taken to ensure that the standards laid out in the code are adhered to in subcontracted facilities.

Validation: Please provide information on the program or steps that are undertaken in this regard for each stage of production.

13	Does the company track suppliers' use of vulnerable workers? <i>Incl. migrant, temporary/contract and female workers</i>
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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 for 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. Distance from home and visas which link residence to employment can also make vulnerable workers feel apprehensive about asserting workplace rights. 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. Furthermore, 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: Describe how this is tracked for each stage of production.

14	Has the company conducted a labour rights risk assessment of its supply chain to improve its labour rights management system?
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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 what risk assessment has been done and for what portion of the supply chain, including details of how this assessment has been implemented to improve labour rights management systems.

Full credit is applied when a risk assessment has been conducted and it can be demonstrated that the assessment has been used to improve the company's labour rights management system. Partial credit is applied when a risk assessment has been conducted, without any clear steps to improve the company's labour rights management system.

Companies submitting a Modern Slavery Statement under the [Australian Modern Slavery Act \(Cth\)](#) may wish to provide and outline the key processes of risk assessment and reporting that the company is using and/or proposing to use in relation to meeting its mandatory reporting requirements under the Act.

TRANSPARENCY

15	Is there a public list of facilities? <i>Must include names and addresses</i>
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Rationale: 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 engenders trust. Transparency about supplier locations may be a tool for civil society to verify that working conditions meet the standards claimed and also identify a company to contact should a concern require remediation.

Validation: Provide a link to where this information is made publicly available. Full credit is awarded where there is a public list of all traced facilities at that stage of production, which includes the name and address of each facility. Partial credit is selected where there is an incomplete list of traced facilities.

16	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"> - <i>The parent company of the business at the site</i> - <i>Type of products made</i> - <i>Worker numbers at each site</i> - <i>Percentage of female workers at each site</i> - <i>Percentage of migrant/temporary workers at each site</i> - <i>Date of last audit</i> - <i>Audit report and/or Corrective Action Plan</i>
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Rationale: This question exists to credit those companies that are going above and beyond the minimum expectations when it comes to corporate transparency, demonstrating best practice.

Validation: Provide a link to where this information is made publicly available. Full credit will only be given to companies that are publishing at least three of the listed indicators for all facilities. Partial credit will be given to companies publishing less than three indicators, or are publishing for a list of facilities that does not represent all facilities used by the company.

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

17	Does the company publicly report on the results of supplier monitoring and evaluation procedures? <i>(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)</i>
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Rationale: Disclosure of instances of worker exploitation or violations of the Code of Conduct is a measure of a mature social compliance system, rather than an indication of failure. It is undetected and un-remediated breaches which are the greatest concern. We are looking for broad disclosure of the breaches found through the company's compliance auditing, potentially along with 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.

Ideally, this is published with details of how these breaches are being remediated, but this is not necessary for credit for this question.

3. AUDITING & SUPPLIER RELATIONSHIPS

AUDITING

18	What percentage of facilities are audited over a 2-year period by trained social auditors (internal and/or third party)?
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Rationale: While a company's product development, designers, quality assurance and other sourcing staff may visit a factory periodically, a specific social audit by trained social auditors can provide a useful, more independent snapshot of working conditions by staff qualified to look specifically for those concerns. Only what is detected can be remediated, and so in-person audits are a valuable part of a labour rights management system. This question will accept evidence of either internally trained staff and third-party auditors. We collect this data to obtain a fuller understanding of the auditing regime in place.

Validation: Describe the audit process and frequency, and a breakdown of the percentage of facilities that are audited by internally trained staff and third party auditors. Please include the names of the third-party/third parties used and/or the social audit training provided to staff who conduct audits. This question refers to on-site audits which look at working conditions. Please do not answer based on self-assessment questionnaires, or monitoring visits conducted for other purposes such as product quality or environmental compliance.

19	What percentage of facilities are audited with unannounced audits per year?
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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 factories receive unannounced audits and examples of findings gathered from these audits.

20	Are suppliers monitored for their use of labour brokers and recruitment fees?
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Rationale: The use of labour brokers means that there is another party involved in the recruitment of workers which could potentially be a cause of concern. Modern slavery typically arises where there is deception, coercion or fraud in the recruitment process. Charging recruitment fees to new employees often creates debt bondage which amounts to a form of forced labour.

Validation: Describe how monitoring of this takes place.

21	What percentage of corrective action plans pertaining to wages and/or overtime are resolved within 12 months?
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Rationale: It is recognised that corrective action plans (CAPs) addressing issues such as wages and overtime are often not resolved efficiently or effectively. These issues often occur repeatedly in facilities and little to no progress is made towards remediating them over time.

Validation: In addition to selecting the correct percentage for each stage of production, please provide relevant audit documentation (for example, the CAP and the follow-up audit) demonstrating how wage and/or overtime issues have been resolved within 12 months.

If the company is seeking 1-25% credit, please provide a sample of 5 CAPs and follow-up audits for each stage of production. If claiming more than 25% credit, please explain how this has been achieved (including processes to identify track, and resolve issues), and provide a list of facilities for which CAPs have been resolved (including number resolved at each). From this list, our researchers will select a random sample for which we request to see the CAPs and follow-up audits.

If the company is claiming that no CAPs have been raised, please provide audits that demonstrate this.

If the company is uncomfortable with providing an entire audit report, we request to view the front page which identifies the facility location, and all pages pertaining to wages, working hours and worker interviews. We can assure you that we will keep the audit reports confidential.

SUPPLIER RELATIONSHIPS

22	Does the company invest in training suppliers and factory managers, in order to increase awareness of labour rights and health and safety risks?
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Rationale: 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. Training is one way a company can support this and ensure that problems are properly remediated.

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

- Employment under and with full understanding of the legal conditions of their employment
- A safe and healthy workplace
- Freedom of association
- Access to and function of grievance mechanisms

Full credit is awarded where training in all of these areas is provided to suppliers/factory managers. Partial credit will be awarded where suppliers/factory managers are trained in some but not all areas.

23	Does the company actively improve and leverage relationships with suppliers, through industry collaboration and/or multi-stakeholder initiatives (MSIs)?
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Rationale: This question seeks to credit industry collaboration with other companies to improve relationships with suppliers, for greater leverage regarding labour rights.

Multi Stakeholder Initiatives (MSIs) are also a beneficial way companies can engage with industry collaboration. Examples of strong MSIs include [Accord on Fire and Building Safety in Bangladesh](#), [Fair Labor Association](#), [Ethical Clothing Australia](#), [Business Social Compliance Initiative \(BSCI\)](#), [Action Collaboration Transformation \(ACT\)](#), [Partnership for Sustainable Textiles](#), [Sustainable Apparel Coalition](#).

Validation: Please describe the program and activities. Full credit is given where membership is demonstrated, alongside evidence showing positive improvement on supplier relations.

Example: A best practice example of industry collaboration would be when multiple brands work together to resolve CAPs in shared facilities.

24	Does the company have a preferred supplier program by which suppliers are incentivised for strong labour rights records?
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Rationale: Factory managers may require some persuading and assurance of future orders before they are prepared to invest in improving working conditions and wages. A preferred supplier program which links continuously improving and high levels of social compliance with the selection of suppliers for orders is a direct incentive for factories to strive for continued improvement. This question is looking for a correlation between strong labour conditions and increased orders to that facility.

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, and;
- Exhibit preferential treatment based on that distinction, e.g. increased orders, guaranteed orders, training within facilities. The program must incentivise strong labour rights and not just communicate them as a minimum standard, and it needs to have been communicated to suppliers (therefore not just an internal ranking system).

Please note, this question refers to positive incentivising of factories which demonstrate high levels of social compliance and are striving to improve working conditions for their staff. Credit will not be awarded for a system based on punishment e.g. strike/traffic light systems.

25	For companies more than 10 years old: What proportion of suppliers has the company sourced from for at least 5 years?
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Rationale: This question seeks to award credit to companies that pursue more in-depth and long-term relationships with their suppliers, which is associated with greater influence over their social compliance.

Validation: Please select N/A for companies younger than 10 years old. Percentage of suppliers is calculated as the percentage of supplier relationships overall, not by production volume.

4. WORKER EMPOWERMENT

WAGES

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

Validation: Provide a link to where this information is made publicly available. Full credit will only be given if all criteria are met (clear methodology, timeline with measurable key milestones). Partial credit will be given if only some of the criteria are met.

27	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 which can be applied across a vast supply chain. Consequently, credit is awarded for the adoption of industry accepted methodologies, such as calculations done using the [Anker methodology](#) by the ISEAL Alliance or the Asia Floor Wage.

Validation: For full credit, please outline steps taken to adopt an existing methodology which provides a calculation for a living wage in each of the company's sourcing regions. Please include the calculated result for each region. If there is no accepted methodology for any of the company's sourcing regions, we will accept an independent calculation based on an assessment of what is required to meet a family's needs (with some discretionary income/savings) in each region, and how this amount will be earned without working overtime. This process should involve consultation with local labour organisations. Partial credit will be awarded for initiatives in even one region.

28	What percentage of facilities pay a living wage?
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Validation: In addition to selecting the correct percentage for each stage of production, please provide relevant audit documentation demonstrating that a living wage (aligned with the calculations provided above) is being paid.

If the company is seeking 1-25% credit, please provide a sample of 5 audits for each stage of production. If claiming more than 25% credit, please explain how this has been achieved, and provide a list of all facilities the company claims pay workers a living wage. From this list, our researchers will select a random sample for which we request to see audit documentation.

If the company is uncomfortable with providing an entire audit report, we request to view the front page which identifies the facility location, and all pages pertaining to wages, working hours and worker interviews. We can assure you that we will keep the audit reports confidential.

29	What percentage of facilities have projects to improve wages? <i>Select 100% if all factories pay a living wage.</i>
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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 toward the goal of paying a living wage in the absence of a widely agreed standard and solution.

Validation: Detail projects and how they work to improve wages or worker income in other ways. Partial credit will be awarded for initiatives in even one region.

Example: [FairTradeUSA's Apparel Standard](#) seeks to improve worker incomes by paying a 'fair trade premium' which a committee of workers votes to disperse. This may be either among workers or to contribute to community development initiatives which will improve their welfare.

30	As a company are you willing to pay more to ensure workers receive a living wage?
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This question is non-assessable but aims to gauge industry consensus on living wage payment.

WORKER VOICE

31	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 will have the best visibility over workplace conditions. One of the most effective ways to address exploitation is ensuring that workers can organise and collectively bargain to see their rights realised.

Validation: List facilities and unions that are active there. For facilities with no unions, list and indicate if there is an active Collective Bargaining Agreement in place. 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 in countries where independent union activity is heavily regulated or illegal, such as China, we do give credit for democratically elected worker representative groups. The company must demonstrate how they test that elections are democratic and independent of factory management.

32	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, when conducted in a way that the workers trust (at arm's length from factory management), allow for workers' concerns to be heard, particularly in regions where independent union activity is outlawed or heavily restricted.

Validation: Provide a breakdown specifying what percentage of factories use other 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.

33	Does the company have a functioning grievance mechanism which workers can access anonymously and in their native language? <i>Company must do more than hear complaints; must include investigation and efforts to address grievance.</i>
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Rationale: Grievance mechanisms are a key method for workers to raise their voice to an outside party so that unresolved issues may be addressed. It is particularly useful for protracted problems which factory managers have not resolved, especially in supply chains where there are no democratically elected trade unions advocating for and advising workers.

Validation: Please describe mechanism. Full credit will be awarded where there is a grievance mechanism that meets 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
- Avenue to escalate concerns to an external party if the worker feels their concern has not been sufficiently addressed.

34	<p>Are workers trained on their rights and entitlements, including:</p> <ol style="list-style-type: none"> a. Conditions of employment b. Freedom of association c. How to use 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 them.

- a. An understanding of the conditions of employment is the foundation for workers to be able to advocate for their rights.
- b. The rights to freedom of association are critical to ensuring workplace rights for workers. It's 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.
- c. Providing effective training to workers on how to use grievance mechanisms builds confidence in the systems and improves uptake rates.

Validation: Describe how workers are trained or otherwise informed in each area and how consistently it is provided across the supply chain.

CHILD & FORCED LABOUR REMEDIATION PLAN

35	Does the company actively engage with suppliers and their communities in an effort to prevent and detect risks of child and forced labour?
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Rationale: The use of child and forced labour continues to be prevalent within the garment supply chain. This question acknowledges the continued risk of such practices and aims to credit companies who are proactive rather than reactive in addressing them.

Validation: Describe efforts to prevent and detect risks of child and forced labour. This may include developing relationships with governments and local officials to understand the nature of the issues in each sourcing region; engaging with NGOs and other community organisations; education of communities, families, and factory managers; and developing culturally-appropriate age verification procedures. Where such efforts have been implemented consistently across the supply chain in the majority of sourcing regions, full credit will be awarded. Where such efforts exist in isolated cases, partial credit will be awarded.

36	Where child labour and/or forced labour is found to exist, does the company consult with credible civil society organisations in developing a plan for redress, with primary consideration being in the best interests of the individual involved?
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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 are prepared in the event that child or forced labour is discovered, no matter how unlikely they feel that is.

Validation: Please provide a copy of your 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.

Examples and Resources:

- Impactt 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](#)

5. ENVIRONMENTAL SUSTAINABILITY

GOVERNANCE

37	Has the company undertaken an assessment of its environmental impacts and risks throughout its supply chain?
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Rationale: Company decision-makers will be best situated to develop a strategic approach to environmental matters when they understand their company's environmental impacts and risks throughout the supply chain.

Validation: Provide documentation showing assessment of environmental impacts and risks throughout the supply chain. This might include life cycle analysis of a significant or signature product, environmental profit and loss statement, or environmental impact and risk assessment.

MATERIALS

38	Has the company assessed the environmental impact of its top 3 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 seeks to improve understanding of the top 3 fibres used by volume and implement that understanding into the product design stage. Environmental impacts can thereby be prevented rather than treated after the fact.

Validation: For full credit, please identify your top 3 fibres by volume, demonstrate that the company has assessed the impacts of these fibres, and explain how these assessments are informing product design and production, e.g. a material sustainability index, using more sustainable fibres, less water-intensive dyeing processes.

39	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 conventionally sourced. This includes fibres that are cultivated using less water- or chemical-intensive processes, recycled fibres, and other new and innovative sustainable fibres.

Validation: Explain what sustainable fibres you use and what this represents as a percentage of the company's final product volume.

We give credit for the following sustainable fibres, in alignment with [Textile Exchange's Preferred Fibre or Material portfolio](#) (refer to pages 23-25). These fibres have been selected because of their more sustainable properties in comparison to conventional options.

MANUFACTURED FIBRES		NATURAL FIBRES	
Synthetics fibres	Man made cellulosic fibres	Plant-based fibres	Animal fibres
Recycled polyester (rPET)	Lyocell (e.g. FSC, PEFC, wood and bamboo)	Organic Fair Trade cotton	Organic wool
Recycled nylon (rPA)	Preferred modal (pModal) (e.g. FSC, PEFC)	Organic cotton	Responsible wool
Bio-based polyester (bPET, bPTT, PLA)	Preferred viscose (pViscose) (e.g. FSC, PEFC, EU Eco Label)	Fair Trade cotton	Responsible cashmere
Bio-based nylon	Recycled cotton/cellulose waste (e.g. Lenzing Refibra)	CmiA cotton	Recycled wool
Artificial Spider Silk (e.g. Spiber, Bolt Threads, SM Silk)	Recycled biomass/waste (e.g. citrus waste)	BCI cotton	Certified down (Responsible Down, Traceable Down)
		REEL cotton	Recycled down
		Recycled cotton	Organic silk

Organic linen	Fair Trade silk
Organic hemp	Ahimsa/Peace Silk
	Organic leather

The sustainable quality of the above fibres has been determined through consideration of their water use, wastewater discharge, chemical use, energy use, land management and waste impact. If you seek credit for a fibre not in this list, please provide a rationale according to the same criteria. We recommend reviewing information provided by [Textile Exchange](#).

EMISSIONS

40	Has the company published an aggregated target of 30% GHG emissions reduction by 2030 AND a commitment to analyse a decarbonization pathway in alignment with the 2018 UN Fashion Industry Charter for Climate Action?
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Rationale: Carbon emissions are a consequence of all stages of the supply chain. The 2018 [UN Fashion Industry Charter for Climate Action](#) is a worldwide framework to address the impact of the fashion industry on global environmental degradation, including carbon emissions. Company commitment to this target does two things: firstly, it indicates to governments that the private sector endorses and seeks to align its practices with the Charter; and secondly, it sets a target for companies to bring their supply chain energy usage into line with global standards.

Validation: Provide a link to public commitment. Full credit is given if the company can provide either:

- An established decarbonisation plan; or
- The process by which you plan to analyse a decarbonisation pathway.

CHEMICAL USE

41	Does the company have a restricted substances list against which it tests compliance?
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Rationale: A restricted substances list (“RSL”) defines permitted levels of chemical content and chemical exposure for final products. Quality assurance systems including testing should be used to ensure that final products comply with the RSL.

Validation: Provide the RSL and evidence of compliance testing. (NB – some companies find that RSLs are managed by their compliance department rather than their ethical sourcing department, so we recommend checking this internally with your colleagues).

Example: A company example of both an [RSL and MRSL](#) list, including provisions for [compliance testing](#), can be found from Marks & Spencer.

42	Does the company have a manufacturing restricted substances list against which it tests compliance?
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Rationale: A manufacturing restricted substances list (“MRSL”) defines banned and restricted hazardous substances potentially used and discharged into the environment during manufacturing. Quality assurance systems including testing should be used to ensure that facilities comply with the MRSL.

Validation: Provide the MRSL and evidence of quality assurance systems. (NB – again, some companies find that MRSLs are managed by their compliance department rather than their ethical sourcing department, so we recommend checking this internally with your colleagues).

Example: Please find an example of a best practice MRSL list produced by [Zero Discharge of Hazardous Chemicals Programme](#).

WATER USE

43	For what percentage of water intensive facilities has the company collected and benchmarked water use data?
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Rationale: Apparel production is water-intensive. This question aims to increase company understanding of actual and ideal water usage in water-intensive facilities throughout their supply chain.

Validation: Water-intensive facilities undertake washing, dyeing and finishing treatments. Please list identified facilities, water use data collected for these facilities, and a benchmarking methodology. Benchmarking means identifying current facility usage, ideal/efficient facility water usage, and any gap to be improved upon.

44	Has the company used the above data to implement a water use plan?
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Rationale: This question aims to implement the learnings from the previous question.

Validation: Provide a water use plan for identified facilities based on benchmarking data. This might include water reduction targets and infrastructure improvement.

WASTEWATER

45	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 manufacturing, dyeing, printing and finishing processes. These facilities are more likely to have effluent that is environmentally hazardous if not treated prior to release into the environment.

Validation: List identified facilities and wastewater quality data collected. Please advise how the wastewater quality data was collected.

46	Of these, do all have wastewater improvement strategies? <i>E.g. Wastewater quality testing to a standard, wastewater treatment systems</i>
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Rationale: Wastewater management can be achieved through wastewater treatment systems, inputs management, wastewater quality testing, standards development and implementation, and a combination of the above.

Validation: For full credit, explain the wastewater improvement strategies for all wet-processing facilities.

GARMENT LIFECYCLE

47	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 cradle to grave. It is essential that designers are aware of the impacts their products can have once they are in the hands of consumers, and beyond this, at their end-of-life phase. Designers have a responsibility to address and reduce these impacts through responsible, considered design which looks at the full lifecycle of a garment, not just its production and inputs materials. Garments should be designed for longevity leading into circularity. 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 which will help to eliminate wastage of resources whilst 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 impact of their product at the in-use and end-of-life phase and applied these findings into their design to reduce the product's impact. This may include elements of design for circularity, or initiatives that support circular or 'cradle to cradle' models such as design for durability, disassembly, recyclability and biodegradability.

Example:

- The use of monofibres simplifies the textile recycling process helping to loop the product back into the value chain at its end of life. 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 allows the product to be easily separated into different components at its end of life and thus recycled. This is an example of design for disassembly.

We recommend that you refer to Global Fashion Agenda's [Circular Design Toolbox](#) for further information and suggestions on implementing circularity into fashion design.

48	Is the company establishing a closer dialogue with consumers to increase awareness of environmental impacts related to the in-use and end-of-life phases of its products, as well as providing strategies for consumers to reduce this impact?
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Rationale: Consumer use and disposal is responsible for a large proportion of environmental impact over the course of a garment lifecycle. It is essential that consumers and brands work together to minimise the impact of their textile product over the course of its life. Companies must engage consumers in education as part of a fully circular approach to mitigating environmental detriment.

This question is in alignment with agreement 11 from the UN's [Fashion Industry Charter for Climate Action](#).

Validation: For full credit, the company must demonstrate that they have opened an educational dialogue with consumers and have provided practical steps for consumers to take as a result of their impact assessment.

Example: Explanation of the impacts of incorrect/over-laundering (GHG emissions, microfibre water pollution). An appropriate recommendation would be using a microfibre filter washing bag (removes microfibres from wastewater).

49	Does the company make available to customers a take-back and/or repair program?
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Rationale: Post-consumer textile waste is a major and growing problem. [The Ellen MacArthur Foundation](#) estimates that an entire garbage truck load of textiles is incinerated or dumped in landfill every second, globally. Garments should be designed/guaranteed for longevity of use (with repair programs forming part of this), but once the item is no longer able to be repaired or used by the consumer it has 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 products, reducing landfill as well as the virgin resources required for new production.

Validation: For full credit, explain the repair and/or take-back programs that the company provides or substantively makes available to customers.

We recommend that you refer to Global Fashion Agenda's [Garment Collection Toolbox](#) for further information and suggestions on implementing garment collection into business models.

6. NON-ASSESSABLE QUESTIONS

The following questions are not graded as part of the company's assessment and do not appear in the Ethical Fashion Report or any other resources. The purpose of these questions is to enable Baptist World Aid to collect relevant information about certain industry trends.

COMPLIANCE UNDER THE MODERN SLAVERY ACT 2018 (CTH)

50	Have any specific risk assessment processes been introduced for the first time as a result of the company's mandatory reporting requirements under the Modern Slavery Act?
51	Has the process of mandatory reporting under the Modern Slavery Act changed the company's level of awareness in relation to modern slavery risks in its supply chains and operations? If so, how?
52	What, if any, remediation and due diligence measures has the company implemented in its supply chains and operations as a result of identifying modern slavery risks during risk assessment processes under the Act?