

Company Recommendations & Resources - General

YOU CAN'T FIX WHAT YOU CAN'T SEE

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

OUR RECOMMENDATIONS

- Publish a list of known suppliers with names, address and details, including parent company, product type, worker numbers, percentage of female and/or migrant workers onsite, last audit date, audit report/CAPs, trade union presence, social standard/certifications.
- Be transparent with your progress on supply chain tracing and audit results.
- Deepen understanding of your supply chain by continuing tracing. If you're early in this journey, pick a key product, fibre or supplier to begin this process with.

MAKE ESG EVERYONE'S RESPONSIBILITY

Almost every team within a fashion company can contribute to environmental, social and governance (ESG) progress for workers and the planet. Design teams can prioritise circular principles; finance teams can ensure that payments are made with reasonable conditions and timeframes; buyers can leverage their relationships with suppliers to incentivise ethical practices and marketing teams can accurately communicate sustainability features and practices to consumers. Ultimately, embedding human rights and environmental targets into the responsibilities and key performance indicators of all teams – especially executives and board members – is essential for keeping ethical progress at the forefront of the company's agenda.

OUR RECOMMENDATIONS

- Systematically review the job descriptions and KPIs of all team members, working groups and board committees, and consider how to include or make explicit the impact that their role has on the company's ESG performance.
- Provide training on ESG principles to all departments, ensuring that every team understands the part that they play.
- Create systems for Board Members to undertake continual learning in ESG topics and set clear structures for board oversight of different components of ethical supply chain practices.

DON'T LET PERFECT BE THE ENEMY OF GOOD

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

OUR RECOMMENDATIONS

- Break down larger ESG goals into smaller, time-bound milestones to ensure continuous progress, such as staged roadmaps and progressive improvement goals (e.g. achieving 20 per cent sustainable fibres by 2025).
- Start with pilot programs focused on specific issues like worker voice or collecting and testing wastewater.
- Use the best available data to make decisions and set goals for ethical supply chain initiatives – if not from your own supply chain, then from reputable MSI or industry benchmarks.

USE REPORTING AS A TOOL FOR IMPROVEMENT

Reporting on practice and progress can be more than a compliance exercise. Whether legislated, voluntary or industry-led, reporting frameworks offer valuable guidance for benchmarking and next steps. For example, country-level legislation on modern slavery risk assessments requires companies to examine risks and report on the effectiveness of their practices, highlighting areas that need improvement. Companies involved in our research can access their section scores and commentary to identify areas where they can improve, for use in such reports. Additionally, our survey support document (found in the appendix) serves as an action plan for all companies, whether or not they participated in our research process.

OUR RECOMMENDATIONS

- Reframe reporting requirements as opportunities for internal analysis, record-keeping and benchmarking. Set goals related to reporting requirements and make these disclosures impactful.
- Set specific and measurable annual improvement targets and tie these to team or company-wide KPIs.
- Make use of support available through these reporting schemes to gain feedback and insight. For example, the Baptist World Aid Ethical Fashion Team would gladly support the development of your supply chain initiatives.

STEWARD THE WHOLE PRODUCT

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

It's important for companies to gradually extend monitoring and supplier engagement programs beyond tier one, or participate in schemes or Multi-Stakeholder Initiatives (MSIs) that provide similar ethical protections at upstream facilities. Certification schemes can also provide assurances in parts of the supply chain where internal visibility and influence are limited but should not replace a company's own supplier engagement efforts. Additionally, companies can take the initiative in designing and providing consumer strategies for the responsible end-of-life management of the garments being produced, ensuring that their commitment to sustainability extends beyond the point of sale.

OUR RECOMMENDATIONS

- Take the next step in expanding your oversight over a product's lifecycle. Many early-stage ethical/sustainability disclosures described only head office or in-store initiatives, but it is important to extend responsibility both upstream and downstream. Depending on how far tracing, supply chain and circularity initiatives currently extend, make a reasonable plan to extend this scope.
- Conduct LCAs (Life Cycle Assessments) for key products to measure environmental impacts from raw material sourcing to end-of-life and use this data to inform future design and sourcing choices.
- Explore garment take-back or resale programs that allow consumers to return old products for recycling or reuse.

WORK TOGETHER FOR PROGRESS

Since companies often share suppliers and resources, meaningful progress is best achieved through collaboration. From paying living wages to effective grievance mechanisms, many ethical supply chain practices occur at a factory level where multiple buyers can positively influence outcomes. To move the needle on these issues, companies must work together to increase leverage with suppliers through structures like Multi-Stakeholder Initiatives (MSIs) and NGO partnerships. Acknowledging this, we have highlighted effective MSIs throughout this report.

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

OUR RECOMMENDATIONS

- Collaborate with NGOs who have expertise in labour conditions and factory settings specific to the local context where your factories are located. Work together to develop programs that support workers directly.
- Collaborate with other brands using the same factories – either directly or through an MSI – to work towards shared standards for ethical practices. Aligning demands across multiple buyers reduces pressure on suppliers and improves compliance with fair labour standards.
- Explore the potential use of audit-sharing programs or mutual recognition of certifications/audits to reduce audit fatigue, increase resource sharing, and deepen understanding of a supplier's capabilities.

1. Responsible Purchasing Practices

KEY RESEARCH FINDING

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?	
Yes	35%
Partial	18%
No	38%

RECOMMENDATIONS

- For companies starting out on this process, create a RPP policy ensuring it prioritises labour rights over factors like delivery dates, lead times, and cost. You can refer to the Ethical Trading Initiative's Guide to Buying Responsibly as a resource.
- Regularly communicate with suppliers to understand how your purchasing practices affect workers. Invite feedback and collaborate to improve conditions.
- To promote trust and commitment to ethical practices, build lasting relationships with key suppliers through preferred supplier programs. Regularly review progress and ensure alignment on goals like reducing environmental impact and improving working conditions.
- Ensure that all relevant teams, including design, production, and buying, receive training on how their purchasing practices impact workers. Educate staff on how their decisions influence wages, working hours, and factory conditions.
- Track data on key indicators of RPP, including percentage of orders paid on time and percentage of retrospective changes made to orders or payment terms.

INDUSTRY INITIATIVES FOR CONSIDERATION

- **Better Buying Institute**
An initiative that provides tools for companies to assess and improve purchasing practices, promoting responsible engagement with suppliers.
- **Fair Labor Association (FLA)**
FLA establishes rigorous standards for fair labour practices and provides accreditation and support for companies improving their supply chains.
- **Ethical Trading Initiative (ETI)**
A coalition dedicated to improving working conditions in global supply chains, providing resources like the Guide to Buying Responsibly.
- **Common Framework for Responsible Purchasing Practices (CFRPP)**
CFRPP supports responsible purchasing by offering resources and guidance for

companies to improve supplier relationships and ensure ethical purchasing behaviors.

RESOURCES

FURTHER READING

- **[Ethical Trading Initiative's Guide to Buying Responsibly](#)**
Ethical guidelines to create and implement Responsible Purchasing Practices that prioritise labour rights.
- **[Common Framework for Responsible Purchasing Practices](#)**
Framework to help brands establish responsible purchasing practices that respect worker rights.
- **[Principles of Fair Labor and Responsible Sourcing and Production for Manufacturing, Fair Labor Association](#)**
Principles for fair labour and responsible sourcing in global manufacturing.
- **[Better Buying's Partnership Index Report 2024](#)**
Insights into how brands and suppliers can strengthen relationships for better purchasing practices.

WEBINARS

- **['Responsible Purchasing Practices', Amfori BSCI](#)**
A session on establishing responsible purchasing practices that align with due diligence requirements.

2. Addressing Gender Inequality

KEY RESEARCH FINDING

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? (Final Stage)	
Yes	22%
Partial	27%
No	51%

RECOMMENDATIONS

- Develop gender-specific policies with clear strategies to address discrimination and protect women's rights in your supply chains.
- Monitor the representation of female garment workers at different pay grades, including factory management and worker representative committees.
- Provide training to all suppliers on preventing harassment and promoting fair treatment to improve conditions for female workers.
- Actively seek the input of female garment workers to co-create and participate in training specific to their experience (i.e. leadership, skills training or financial literacy).

INDUSTRY INITIATIVES FOR CONSIDERATION

- **RISE**
A coalition of fashion industry programs dedicated to empowering women, including HERproject, Better Work, Gap Inc.'s P.A.C.E., and CARE International.
- **Better Work**
A partnership between the ILO and IFC that works with governments, global brands, and factory owners to improve working conditions in the garment industry.

RESOURCES

FURTHER READING

- **[How to achieve gender equality in global garment supply chains, International Labor Organization](#)**
Guide on advancing gender equality in garment supply chains.
- **[Moving the Needle: Gender equality and decent work in Asia's garment sector, International Labor Organization](#)**
Research on gender equality and decent work in Asia's garment sector.

- **Global Gender Strategy, Better Work**
Strategy document outlining gender equality initiatives for global garment industries.
- **Base Code Guidance on Gender Equality, Ethical Trading Initiative**
Guidance on addressing gender inequality in supply chains under ETI's Base Code.
- **Women's Empowerment in Global Value Chains: A Framework for Business Action, BSR**
Framework supporting companies in empowering women in global supply chains.

3. Payment of a Living Wage

KEY RESEARCH FINDING

11.2 Has the company adopted a living wage methodology and calculated a living wage for each region that it operates in?	
Yes	11%
Partial	36%
No	54%

RECOMMENDATIONS

- Maintain up-to-date living wage benchmark calculations that are as locally specific as possible to your organisation (i.e. tailored living wage audits or reputable third-party benchmarks like GLWC)
- Benchmark wage payments in factories and identify gaps between current wages and living wages of all workers.
- Strengthen Responsible Purchasing Practices by addressing issues like ring-fencing labour costs.
- Collaborate with other companies and use shared facilities to increase influence, or engage in industry MSIs like ACT.
- Support worker-led initiatives such as unions, collective bargaining agreements, and social responsibility agreements.

INDUSTRY INITIATIVES FOR CONSIDERATION

- **ACT On Living Wages**
An initiative focused on advancing fair wages across garment, textile, and footwear supply chains through collaboration and policy advocacy.
- **Fair Wear Foundation**
An organisation committed to improving labour conditions for garment workers, particularly through collective efforts on living wages and worker empowerment.
- **Fair Labor Association**
FLA promotes fair labor standards globally, with a focus on helping companies implement living wages across supply chains.

RESOURCES

FURTHER READING

- **Asia Floor Wage Alliance**
Advocates for a regional living wage for garment workers across Asia, addressing the need for fair wages.
- **Global Living Wage Coalition**
Develops living wage benchmarks worldwide to promote fair wages in supply chains.
- **The Industry We Want**
Provides metrics on living wages and enables brands to participate in a purchasing practices survey to receive feedback from manufacturers on purchasing behavior (in partnership with Better Buying).
- **Wage Indicator**
Offers living wage calculations for 142 countries, supporting fair compensation standards globally.

WEBINARS

- **Enabling Living Wages Through Responsible Purchasing Practices**
Presented by ACT, FLA, and the Fair Wage Network, this webinar offers insights on how responsible purchasing practices can support living wage initiatives.
- **The Role of Separating Labour Costs in Addressing Human Rights Risks**
Hosted by Oxfam, this webinar covers how separating labour costs can help mitigate human rights risks in the garment industry.
- **Launching Drivers for Change: Introducing The Industry We Want (TIWW) Dashboard on Wages, Purchasing Practices, and GHG Emissions**
An overview of TIWW's dashboard on critical metrics and data to drive industry progress.
- **Responsible Digital Wage Payments**
A session discussing the benefits and challenges of transitioning to digital wage payments responsibly.

4. Water and Chemical Stewardship

KEY RESEARCH FINDING

16.1 Does the company have a Restricted Substances List (RSL), and a Manufacturing Restricted Substances List (MRSL) against which it tests compliance?	
Yes	30%
Partial	41%
No	28%

RECOMMENDATIONS

- Adopt a Restricted Substances List (RSL) and Manufacturing Restricted Substances List (MRSL) to control harmful chemicals, and establish a plan to test for compliance and stay on top of developments in the space.
- For companies starting out, choose one or two water-intensive inputs facilities to monitor water usage data from (e.g. dyeing, washing). Benchmark current usage and set reduction goals.
- Consider industry-based standards and schemes – e.g. Cascale’s Higg FEM and ZDHC Roadmap to Zero – to capture water use and wastewater data. If utilising this solution, find ways to onboard and support suppliers to participate accurately in the schemes.
- Commit to continuous improvement in this area, not only through monitoring and supplier engagement but also through adopting innovations in textile production and dyeing methods.

INDUSTRY INITIATIVES FOR CONSIDERATION

- **ZDHC (Zero Discharge of Hazardous Chemicals)**
ZDHC provides tools and guidelines to help companies eliminate hazardous chemicals from the textile and footwear supply chains, aiming for cleaner and safer production.
- **Higg FEM, Cascale**
The Higg Index offers a suite of sustainability tools used to assess social and environmental impact, focusing on facilities, brands, and products in the apparel and footwear industry.
- **Bluesign**
Bluesign is a certification and environmental management system for textiles, emphasizing safe production practices, chemical management, and sustainable resource use.
- **Oeko-Tex**
Oeko-Tex offers a range of certifications focused on ensuring safe and

environmentally friendly textile and leather production, widely recognized for consumer safety standards.

RESOURCES

FURTHER READING

- **RSL, American Apparel & Footwear Association**
Restricted Substances List by the American Apparel & Footwear Association to guide safe production.
- **Afirm RSL**
A global RSL for managing chemicals across the apparel and footwear supply chain.
- **ZDHC MRSL**
Manufacturing Restricted Substances List by ZDHC for sustainable chemical use in manufacturing.
- **An Introduction to FEM, Higg**
Overview of the Higg Facility Environmental Module for tracking environmental impact in manufacturing.

WEBINARS

- **Wastewater Management in the Textile, Footwear, and Leather Industry, ZDHC**
An introduction to ZDHC's wastewater management strategies for sustainable manufacturing.
- **ZDHC Gateway - Wastewater Module, ZDHC**
A detailed session on ZDHC's Gateway tool for monitoring wastewater in the textile industry.
- **How to Calculate Facility and Supply Chain Impact, Oeko Tex**
This session guides on calculating environmental impact at facility and supply chain levels.
- **Sustainable Chemistry in the Textile Industry, Bluesign**
A presentation from SGS on implementing sustainable chemistry practices in textiles.
- **Higg FEM and Sustainability Goals**
An introduction to Higg's Facility Environmental Module (FEM) and its role in sustainability goal-setting.

5. Use of Sustainable Fibres

KEY RESEARCH FINDING

15.2 What percentage of the company's final product is made from sustainable fibres?	
More than 50%	21%
Less than 50%	63%
0%	16%

RECOMMENDATIONS

- Evaluate the environmental impact of key products using tools like Life Cycle Assessments (LCAs) or existing fibre impact data to help identify the sustainability profile of the fibres used and make improvements.
- Establish specific goals for sustainable fibre use, such as increasing the percentage of sustainable fibres in a product line by a certain amount each year. Move beyond token ranges by transitioning core ranges to preferred fibres.
- Expand use of certified fibres to gain clarity around the environmental and human rights credentials of materials, but also conduct due diligence into these schemes to ensure that they cover the areas that you'd expect. Below is a very high-level summary of the certifiers assessed in 2024.

INDUSTRY INITIATIVES FOR CONSIDERATION

- **Textiles 2030**
A UK-based initiative led by WRAP, Textiles 2030 is focused on reducing the environmental impact of clothing and textiles by engaging industry players in sustainability commitments.
- **Leather Working Group (LWG)**
LWG improves the environmental impact of leather manufacturing through a detailed auditing and certification system for leather production facilities.
- **Better Cotton Initiative (BCI)**
BCI is a non-profit that sets better standards in cotton farming to promote sustainability and improve conditions for cotton farmers worldwide.
- **Cotton Australia (CA)**
Cotton Australia's myBMP program is a sustainability initiative that supports ethical cotton farming in Australia, adhering to rigorous social and environmental standards.

- **Global Organic Textile Standard (GOTS)**

GOTS sets standards for organic fibres in the textile industry, ensuring ecological and social responsibility across certified supply chains.

Below is a very high-level summary of the certifiers assessed in 2024:

Certifier	Traceable to Inputs	Traceable to Raw Materials	Auto Ethical Fashion Survey Credit	Notes
Better Cotton	✗	✓	✓	BC uses a mass-balance approach.
GOTS	✓	✗	✓	GOTS is also creditable at Final Stage. Credit is only applied at the stages for which the company provides certification for.
Cotton Australia	✗	✓	✓	CA's myBMP program has higher social/environment standards than standard CA.
Leather Working Group	✓	✗	✓	LWG certifies a range of leather processing facilities beyond tanneries.

RESOURCES

INTERACTIVE TOOLS

- **Global Fibre Impact Explorer**
This tool identifies high-risk fibres in brand portfolios and provides recommendations on how to support local initiatives to improve their environmental impact.
- **Ecolizer**
This tool enables companies to conduct free life cycle analyses of products.
- **Textile Exchange Preferred Fibre Matrix**
This tool gives an overview of the strengths, weaknesses and standards of different fibre certifications. It formed the benchmark for BWA's definition of sustainable fibres in the 2024 research process.

FURTHER READING

- **Textile Exchange**
Standards, certifications, and resources for sustainable textile production and material sourcing.
- **Textiles: A Transitions Report for Australia, Monash Sustainable Development Institute**
Report on the Australian textile industry's progress toward sustainability and circularity.
- **Sustainability and Circularity in the Textile Value Chain: Global Stocktaking, UNEP**
Insights into the global textile industry's challenges and sustainable practices.
- **Materials Matter Universal Standard Pilot, Textile Exchange**
A pilot program guiding sustainable material choices in the textile industry.

WEBINARS

- **Due Diligence Requirements for Post-Consumer Recycled (PCR) Content in Garments**
A session on the responsibilities and compliance requirements associated with post-consumer recycled content.
- **Accelerating Sustainability in the Textile Value Chain**
Presented by UNEP, this webinar inspires sustainable action and behavior change within the textile industry.
- **Materials Matter Standard Webinar, Textile Exchange**
An in-depth look into Textile Exchange's Materials Matter Standard for sustainable material sourcing.
- **Introduction to Sustainable Fibres, WRAP**
An introductory session by WRAP on sustainable fibres and their benefits in the textile industry.

6. Circularity

KEY RESEARCH FINDING

18.2 Does the company communicate environmental impacts of product use and disposal with consumers, providing actionable strategies for reducing impact?	
Yes	25%
Partial	43%
No	32%

RECOMMENDATIONS

- Offer circularity training to help designers create products that explicitly consider end-of-life impact
- Set targets to improve circularity markers of products such as use of mono-fibres, or reduced treatment and adhesives in footwear to make products easier to recycle and disassemble.
- Provide clear communication to consumers about the environmental impacts of product use and disposal. Make these meaningfully accessible to customers rather than hidden away in ESG webpages.
- Offer actionable strategies to help consumers reduce their impact such as takeback, recycling or repair schemes.
- Support industry progress towards circularity and textile recycling innovations through participation in initiatives such as the Seamless Scheme.
- Monitor the volume and channels for disposal of finished goods, and explore strategies and targets to reduce the likelihood that these garments going to landfill or are over-produced in the first place.

INDUSTRY INITIATIVES FOR CONSIDERATION

- **Ellen MacArthur Foundation**
A global organization dedicated to promoting a circular economy, the Ellen MacArthur Foundation includes initiatives in fashion aimed at creating closed-loop systems for textiles.
- **Seamless (Australia)**
An Australian initiative focused on driving circularity in fashion by implementing sustainable end-of-life management, recycling, and reuse programs.

RESOURCES

FURTHER READING

- **[Circular Design Toolkit, Global Fashion Agenda](#)**
Tools and resources from the Global Fashion Agenda to support circularity and sustainability in fashion.
- **[Our Vision of a Circular Economy for Fashion, Ellen MacArthur Foundation](#)**
The vision statement from industry leader in circularity, that lays a framework and foundation for the industry to pursue a circular business model.

WEBINARS

- **[Fashion, Circularity, and the North Star, The Australia Institute](#)**
A webinar exploring fashion industry circularity initiatives and sustainability goals in Australia.