

# Fashion Accountability Report 2024

*re/make*



Traceability ✦ Wages and Wellbeing ✦ Commercial Practices  
Raw Materials ✦ Environmental Justice ✦ Governance



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## Executive Summary

# What Kind of Fashion System Do You Want to Work in? What Kind of Fashion Companies Do You Want to Support?

The fashion industry's historically sparkling and seductive reputation has given way to one of abuse, toxicity, and greed. Fashion students who dream of creating beautiful and useful apparel and accessories, and who care deeply about the future of the planet and the wellbeing of their fellow humans, are graduating into a system that quickly drains them of their spirit. Fashion professionals are leaving large companies because they can no longer stomach "internal greenwashing": when new hires and employees are told misleading stories about the positive human rights and environmental impact they will have in their careers.

Fashion is starting to fail the cocktail party test. Ask someone who works in this supposedly glamorous sector about their job, and more often than not they answer with a cringe, an air of resignation, or an admission that they are plotting their exit. Fashion consumers, too, are forced to compartmentalize when they shop. They search for justifications for their natural desire to look and feel beautiful, while participating in a system they know involves exploitation of garment workers and toxic pollution.

This general frustration and malaise is reflected in the data of this year's Accountability Report. Among the 52 fashion companies we assessed, based on 88 individual metrics measuring traceability of supply chains; wages and wellbeing of workers; commercial practices (how fashion companies treat suppliers); raw materials; environmental justice; and governance (who is making what decisions and how), the average accountability score for an individual fashion company was 14 points, the same as [last year](#). That is pretty dismal when you consider that there are a total of 150 possible points and the climate crisis is upon us.

We'll admit, some of our metrics are aspirational. While they seem to be common sense practices in any industry that wants to consider itself a net benefit to the world, there are criteria for which no fashion company scores a single point. Things like ensuring female garment workers themselves are represented in discussions about labor rights or climate adaptation; demonstration of progression towards textile waste elimination targets; or advancement towards paying all garment workers a living

wage. Even if we grade on a curve, however, by subtracting the 63 points for which no company scored, the top-scoring companies—**Everlane** at 40, **H&M Group** (Arket, COS, Monki, Weekday, & Other Stories) at 37, and **PUMA** at 36—still have a lot of room for improvement. To put it another way, even *these* companies aren't doing all that is currently possible to create a better fashion system.

Average Scores Per Category 2023



FIGURE 1

And while individually some companies improved and some companies regressed this year, the overall metrics changed very little from last year's report. The average scores for Traceability (one out of eight possible points), Wages and Wellbeing (two out of 23), Commercial Practices (one out of 15), and Governance (three out of 42 points) all stayed the same. Raw materials (three out of 20 possible points) and Environmental Justice (five out of

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42 points) only improved by one point this year. In short, there has been a great stagnation of the grandiose promises of the past decade to pay people enough to live lives of dignity and to be net positive to our planet. This situation is not sustainable, not from an environmental perspective, and not from a business perspective. How long can an industry stagger along, hemorrhaging talent and abusing the communities and ecosystems it relies upon to function?

That’s not to say fashion companies aren’t filled with employees and executives who are sincerely concerned about the climate crisis, water scarcity, toxic pollution, and wage theft alike. But in a system where fashion companies are not in the business of making clothing, but of merely designing and marketing it, every problem looks like a PR challenge. Climate change? Commit to halving your emissions output at a splashy conference before you understand what your emissions even are. Gender-based violence in the factories that produce for you? Point to your written policy saying that’s not okay without actually stepping in to do anything. Fashion waste bearing your tags ending up in landfills in Africa and incinerators in cement factories? Drop a limited edition capsule collection made of recyclable fabrics in addition to all the usual product you churn out each week.

Fortunately, this report, in addition to calling out fashion companies’ weak spots, also highlights examples of the kind of beneficial work that is being done in the industry today that employees of all levels at any fashion company can socialize and build upon tomorrow — as long as they have the willpower and support. In improving their impact on the world, fashion companies can attract and retain the next generation of bright and creative minds, who are yearning to work within an industry they can be proud of.

Average Scores Per Category 2022 vs. 2023

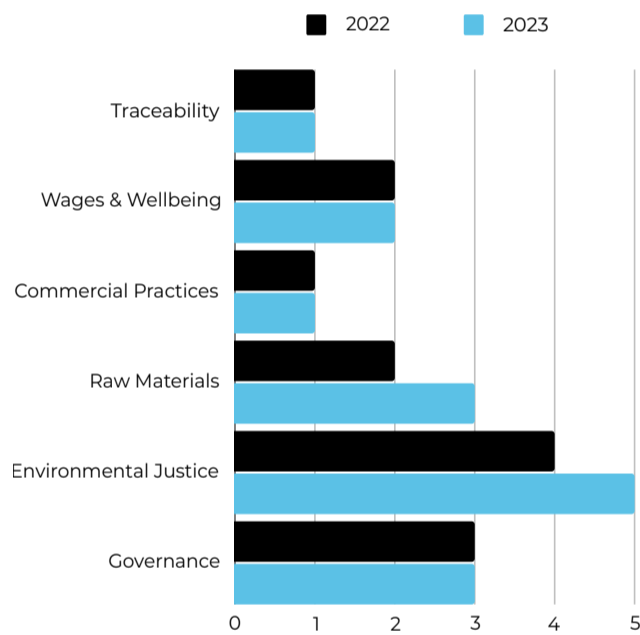


FIGURE 2

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### Fashion Brands Swim Against A Capitalist Tide

For the handful of companies that have invested significant amounts of money and manpower into trying to improve their operations to be more sustainable and equitable, they are swimming against a strong tide.

**H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories), for example, is often considered in the general imagination to be the villain of the industry. Yet it ranks second in our assessment, garnering points across all categories, but especially in the areas pertaining to emissions, water, and chemicals. Again, with 37 out of 150 possible points, there is much more that **H&M** could do. The brand falls short on core issues at the heart of its impact: mass (over)production of cheap clothing and making good on its living wage commitments to its garment workers—real progress on these issues would require a major business model overhaul on the company's part.

That said, the Persson family still owns three-quarters of **H&M Group's** voting stock, ostensibly insulating its sustainability priorities from market forces and the whims of investors (of course, private interests can just as easily sway in the opposite direction, with privately owned companies running exploitative and secretive empires – ahem, SHEIN).<sup>[1]</sup> And in 2020 the Group appeared to reaffirm its commitment to its climate initiatives by elevating **H&M's** former Head of Sustainability, Helena Helmersson, to the role of CEO.<sup>[2]</sup> Helmersson stepped down from this position in January 2024 though, noting that the role had been “very demanding”.<sup>[3][4]</sup>

**H&M Group** and other fashion companies doing the ‘leading’ work are ultimately still pandering to a global economic system that incentivizes growth based on overproduction, pollution, and exploitation. The vast majority of fashion companies (including many of those assessed in this report) are still disclosing nothing, investing nothing, and churning out forgettable, low-quality fashion year after year. They deliberately fly under the radar by withholding their supply chain data and avoiding the sustainability conversation entirely.

For broader, systemic change to actually occur, large and influential brands and retailers need to support legislation and binding agreements that hold fashion companies themselves mutually accountable for the human rights and environmental impacts along their supply chains. And in this year's report, only a third of the brands we assessed garnered points in this area.

#### ROADMAP SOLUTION:



For broader, systemic change to actually occur, large and influential brands and retailers need to support legislation and binding agreements that hold fashion companies themselves mutually accountable for the human rights and environmental impacts along their supply chains.

Still, opportunities abound. It's been over a year since The Garment Worker Protection Act (SB62) was passed in California, creating a template for *joint liability*, where fashion companies are legally, and thus financially, accountable for the wage theft and exploitation that happens in their supplier factories. At the national level, the [FABRIC Act](#) builds on this template, also proposing “major incentives to accelerate domestic apparel manufacturing and new federal workplace protections to cement the US as the global leader in responsible apparel production.” It was reintroduced by Senator Kirsten Gillibrand in September 2023. For now, this bill is largely [supported by smaller companies](#) such as **Allbirds**, **Everlane**, and **Reformation**. This was also the case with SB62, which was endorsed by **Reformation** and **Cotopaxi**, among [other much smaller players](#). These brands, which share a mission of doing business better, would like a level playing field, instead of one on which they are consistently undercut by amoral corporations whose only driving force is increasing shareholder value.

Further, while **American Eagle Outfitters** (Aerie), **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta) and **PVH** have each signed on to various country programs of the legally binding [International Accord for Health and Safety in the Textile and Garment Industry](#), American companies have for the most part long avoided supporting binding agreements or legislation. They tend to hide behind industry associations like the American Apparel and Footwear Association (AAFA), which lobbied against The Garment Worker Protection Act (SB62), and has opposed the joint liability provision in the FABRIC Act.<sup>[5][6]</sup>

Only a handful of the large companies we assessed—**Adidas**, **ASOS**, **H&M Group** (Arket, COS, Monki, Weekday, & Other Stories), **Nike**, and **Primark**—have expressed support for the European Union's proposed mandatory human rights due diligence policy.

1 H&M Group. (2023, December 29). Shareholders. H&M Group. Retrieved from: <https://hmgroup.com/investors/shareholders/>

2 George, S. (2020, January 31). H&M appoints former sustainability manager as chief executive. Edie Newsroom. Retrieved from: <https://www.edie.net/hm-appoints-former-sustainability-manager-as-chief-executive/>

3 H&M Group (2024, January 31). Press Release: Daniel Erver new President and CEO for the H&M group. H&M Group. Retrieved from: <https://hmgroup.com/news/daniel-erver-new-president-and-ceo-for-the-hm-group/>

4 Mannes, M., Reid, H. (2024, January 31). H&M CEO quits as fashion group fails to keep up with rivals. Reuters. Retrieved from: [https://www.reuters.com/business/retail-consumer/fashion-retailer-hm-q4-operating-profit-slightly-be-low-expectations-2024-01-31/#:~:text=STOCKHOLM%2C%20Jan%2031%20\(Reuters\),such%20as%20Inditex%20and%20SHEIN](https://www.reuters.com/business/retail-consumer/fashion-retailer-hm-q4-operating-profit-slightly-be-low-expectations-2024-01-31/#:~:text=STOCKHOLM%2C%20Jan%2031%20(Reuters),such%20as%20Inditex%20and%20SHEIN)

5 Glover, S. (2022, May 16). Industry reacts to proposed US FABRIC Act. EcoTextile News. Retrieved from: <https://www.ecotextile.com/2022051629342/social-compliance-csr-news/industry-reacts-to-proposed-us-fabric-act.html>

6 Nishimura, K. (2021, July 22). AAFA Criticized California's Garment Worker Bill. Its Members Seem to Feel Differently. Sourcing Journal. Retrieved from: <https://sourcingjournal.com/topics/labor/aafa-patagonia-adidas-california-garment-worker-protection-act-saitex-reformation-291952/>

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<sup>[7]</sup> And **H&M Group** has also voiced its support for an extended producer responsibility bill for fashion in California, better fashion recycling infrastructure, and better chemical transparency in Europe.<sup>[8][9][10]</sup>

With or without the industry's support, however, thanks to the hard work of advocates and engaged citizen activists all over the world, fashion is heading into its 'regulation era.'

The European Union (EU) did reach a provisional deal in December that would require large companies headquartered in Europe to identify and address adverse environmental and human rights impacts in their supply chains, what is called *due diligence* legislation.<sup>[11]</sup> That means large fashion companies, along with other industries, would have to proactively mitigate risks associated with their global operations, including child and forced labor, pollution, emissions, deforestation, excessive water consumption, and ecosystem damage.

Likewise, the EU's proposed sustainable-textile strategy would require fashion companies to engage in better design (making fashion products more durable, and easier to repair and recycle), honest communications (requiring disclosure and banning greenwashing), and extended producer responsibility (making fashion companies responsible for their old, unwanted clothing).<sup>[12]</sup>

In order to create lasting change through policy reform, though, it is vital that: (1) workers are centered and consulted in the development of any proposed legislation; and (2) upchain accountability mechanisms are built in from the outset. Both of these aspects are crucial if we're to have strong laws that hold fashion companies jointly liable for the human rights violations and the climate impacts along their value chains. Without them, we run the risk of perpetuating and further entrenching the very power structures responsible for fashion's current trajectory in the first place.

### ROADMAP SOLUTION:



In order to create lasting change through policy reform it is vital that: (1) workers are centered and consulted in the development of any proposed legislation; and (2) upchain accountability mechanisms are built in from the outset.

Globally, however, labor organizations continue working hard to ensure that these requisites for true climate and worker justice in fashion's supply chains are front and center in the evolving policy landscape. For example, labor organizations in the U.S. have engaged the authors of New York state's proposed Fashion Act and Washington state's proposed House Bill 2068 to ensure that joint liability mechanisms remain in the text of the bills. These bills seek to require large apparel brands and retailers to publicly report on their supply chain climate risk mitigation efforts.<sup>[13][14]</sup>

7. Cline, E. and Anderson Hoffner, L. (2022, May 20). What You Should Know About Mandatory Human Rights Due Diligence. Remake. Retrieved from: <https://remake.world/stories/faq-mandatory-human-rights-due-diligence/#:~:text=Currently%2C%20fashion%20giants%20Adidas%2C%20Nike,support%20for%20mHRDD%20in%20Europe>

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10. ChemSec. (2023, March 29). H&M urges EU leaders to secure an ambitious REACH revision. ChemSec. Retrieved from: <https://chemsec.org/hm-urges-eu-leaders-to-secure-an-ambitious-reach-revision/>

11. Malik Chua, J. (2023, December 15). EU Agrees on Due Diligence Obligations for Big Businesses. Sourcing Journal. Retrieved from: <https://sourcingjournal.com/sustainability/sustainability-compliance/european-union-corporate-sustainability-due-diligence-directive-human-rights-parliament-483857/>

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13. The Fashion Act (n.d.). Retrieved from: <https://www.thefashionact.org/>

14. H.B. 2068. 68th Legislature. (2024). State of Washington. Retrieved from: <https://www.alverno.edu/media/alvernocollege/library/pdfs/apa7bill.pdf>



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### When a Garment Factory Floods, Who Will Bear the Cost?

The fashion industry — well, at least those companies that are part of this conversation — acknowledges that it has a role to play in decreasing its contribution to global greenhouse gas emissions (estimated to be between 2% and 8%).<sup>[15]</sup> But it has not yet acknowledged its responsibility to help mitigate the effects of climate disasters on fashion-producing hubs and the garment workers who make its products.

Four countries—Bangladesh, Cambodia, Pakistan and Vietnam—are expected to lose nearly one million jobs by 2030 due to extreme weather events, with an estimated \$65 billion worth of apparel exports impacted.<sup>[16]</sup> *Business of Fashion* predicted in its *The State of Fashion 2024* report that, “leading companies are likely to bolster their resilience to climate impacts in 2024.”<sup>[17]</sup> But that seems like an optimistic reading of the situation. It all comes down to *commercial practices*, or how fashion companies treat their suppliers.

The COVID-19 pandemic saw fashion companies cancel and demand discounts on orders that had already been manufactured, citing force majeure clauses (which remove liability because of “unforeseeable and unavoidable catastrophes”) in supplier contracts, knowing that this would result in factory closures and suppliers being unable to pay workers for work already completed or in progress.

Even after this practice was exposed and condemned through the collective actions of citizens, advocacy organizations, and media involved in the [#PayUp](#) campaign, a viral public movement that recovered \$22 billion in canceled orders, the general practice in fashion is still to treat suppliers as badly as one can get away with. While many fashion companies have Supplier Codes of Conduct in place, no company assessed in this report has a [Buyer Code of Conduct](#). That is, while companies are putting forth a set of minimum labor and environmental standards that their suppliers are legally required to uphold, there are no accompanying accountability mechanisms in place putting brands and retailers themselves on the hook when their own poor purchasing practices compromise their suppliers’ ability to do so.

No company enshrines its responsible exit commitments in its contracts with suppliers, for example, and no company demonstrates that the prices it pays to its suppliers for goods purchased supports the payment of fair wages. Similarly, only

two companies, **Hanesbrands Inc.** and **MUJI**, representing 4% of those we examined, included detailed responsible sourcing timeline considerations in their order planning. Instead, companies continue to demand turnaround times that aren’t possible without excessive overtime and exploitation, then punish suppliers financially when they don’t meet these capricious deadlines. Fashion companies are also known to switch suppliers if they can find another that’s charging just a little bit less, with little regard to consequent labor and human rights impacts.

Piling all the risk onto suppliers, while fashion companies handle the marketing from their shining corporate headquarters, was arguably the point of outsourcing to countries in the Global South in the first place. Not only do fashion companies no longer have to do the dirty work of building factories, purchasing materials, meeting environmental regulations, or negotiating with unions, they also don’t have to pay for orders until months after the product is delivered. There’s no downside for companies and their executives (who walk away from fashion companies with millions in severance) in this system—all the risk is borne by the factories and garment workers.

And it’s only going to get worse for these supply chain communities. We know that as global temperatures continue to rise, extreme weather events linked to climate change will occur more frequently.<sup>[18]</sup> Fashion companies will inevitably continue to invoke force majeure, calling these events “unforeseeable and unavoidable.” They know they are under no legal obligation to share in the pain with suppliers, or help them get back on their feet. They are able to refuse payments or impose discounts for orders delayed by climate shocks. Fairer contracts are thus one crucial means of revising the systemic power imbalance that pervades the fashion industry.

#### ROADMAP SOLUTION:



Fairer contracts are a crucial means  
of revising the systemic power imbalance  
that pervades the fashion industry.

15. United Nations Environment Programme. (2023). Sustainability and Circularity in the Textile Value Chain - A Global Roadmap. United Nations Environment Programme. Retrieved from: <https://www.unep.org/resources/publication/sustainability-and-circularity-textile-value-chain-global-roadmap>

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### We Don't Want All This Stuff

The fashion industry is awash in “sustainable” capsule collections, material innovations, commitments, pilot programs, and multi-stakeholder initiatives. But the main driver of fashion’s *still increasing* environmental impact is the growing volume of production.

The fashion industry is a supply-side industry, meaning it produces more product than we need, want, or ask for. Why? When you’re paying well below the *true cost* of production, there’s little downside to ordering too much. Of the companies we assessed, those that do disclose annual production volumes all report year-on-year increases. Then, the marketing machine roars into gear to convince us to buy as much of this lackluster, low-quality product as possible, and fashion companies trash whatever does not get sold. With only 15 companies out of 52 providing in-house repair or upcycling services, too few brands and retailers are advocating for product life-extension—most are companies with higher-end products worth repairing.

Consumers, as they acquire new fashion faster and more cheaply, are also trashing more of this unappealing fashion at faster rates as they chase the latest TikTok-manufactured trend. Whatever leftovers consumers try to donate often ends up in a landfill or incinerator anyway, most likely shipped from high consumptive countries in the Global North to those in the Global South, like Chile and Ghana, which simply do not have the resources to manage it.<sup>[19]</sup> These countries have been unfairly saddled with the responsibility of managing other nations’ fashion waste, and are suffering major human and environmental health impacts as a result of it. For example, in 2021 international attention focused on the mountains of secondhand clothing that have been dumped in Chile’s Atacama desert. The promising local textile recycling initiatives meant to address the problem have shut down due to a lack of economic feasibility, and the piles of old clothing are now burned, releasing noxious air pollution into the bordering city.<sup>[20]</sup>

It is simply more profitable, in the current system, to overproduce and trash than to reduce production to reasonable levels. We don’t believe we should live under a regime of rationing and want. We just wish to live in a society that doesn’t revolve around us buying and immediately disposing of things we never really asked for in the first place. And employees want to work for companies that make things that people treasure, not garbage.

There are many different ways a fashion company could take accountability for overproduction and waste. Fashion companies have been getting their products on severe discount, foisting the

costs on people and the planet. This incentivizes overproduction. The following metrics take into account the full and actual cost of producing a fashion piece and should be considered when it comes to curtailing excessive and unwanted production:

#### REMAKE METRICS

##### Taking an Intersectional Approach to Overproduction and Waste

- ✦ Reducing absolute, and not simply per garment, emissions in line with The Paris Agreement
- ✦ Sharing progress towards goals to eliminate both pre- and post-consumer textile waste sent to landfill
- ✦ Creating durable and timeless products
- ✦ Using the provision of repair and upcycling; rental; and resale services to replace the production of new goods
- ✦ Disclosing how many products it produces every year
- ✦ Transitioning away from a business model that relies on the exponential growth of retail footprint and product output
- ✦ Reporting on and monitoring workers’ hours and overtime worked
- ✦ Sourcing from unionized factories
- ✦ Ensuring garment workers are paid a living wage
- ✦ Engaging in fair contracting and purchasing practices with suppliers
- ✦ Protecting the rights of agricultural workers
- ✦ Choosing less environmentally impactful materials; those that regenerate rather than deplete nature and biodiversity

FIGURE 3

However, while many companies are starting to tick at least some of these boxes, none have yet committed to reduce or even stabilize the number of garments they produce each year. To the contrary, the industry at large seems trapped in the delusion that so long as it can decrease the relative, or *per garment*, environmental impact of its products, it can continue to pursue infinite output growth regardless of whether its *absolute* impact is decreasing too.

19. Baldwin, C. and Reid, H. (2023, November 20). Waste from Adidas, Walmart, other brands fuelling Cambodia brick kilns - report. Reuters. Retrieved from: <https://www.reuters.com/sustainability/waste-adidas-walmart-other-brands-fuelling-cambodia-brick-kilns-report-2023-11-20/>

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## Executive Summary

### The Fashion World Lacks True Leadership

Let's talk specifically about the stagnance in Governance. Governance captures the ethos of a company—it encompasses the systems by which a company is controlled and operated, as well as how it engages with all of its stakeholders.

In the wake of the murder of George Floyd in 2020 and the movement for Black lives that followed, we witnessed a surge in so called Diversity, Equity and Inclusion (DE&I) initiatives among fashion companies, with some developing DE&I training programs, workshops, and employee groups, and others making longer-term DE&I investments or sizable donations to Historically Black Colleges and Universities (HBCUs).

However, since then there is still a notable gap in reporting when it comes to the progress and outcomes of such efforts, and the lack of visibility here does little to assuage our skepticism around whether these initiatives were indeed merely reactionary, and thus, performative. What's more, these programs [tend to be the first to be cut](#) when a fashion company is focused on increasing profitability.

Remake assesses the extent to which companies' own cultures center racial justice and inclusion: Are companies investing in the communities where they operate in terms of their hiring practices, taking into account class, gender and racial histories? Are well-paid executive teams and boards of directors demographically reflective of the regions in which the companies operate? With the overall average Governance score this year being the same as in 2022, the answer is a resounding 'No.'

While many of these metrics are already difficult to assess because of historical [sensitivity in Europe](#) around asking employees to share their race or ethnicity, for example, over the past two years, efforts to promote inclusivity and racial equity have become less prominent across the board. We've seen no distinct progress when it comes to investing in more equitable hiring practices and opportunities for upward mobility in the communities in which companies operate. That is, investments in career pipelines and the implementation of internal infrastructure to be able to welcome and retain employees from diverse and marginalized backgrounds.

No companies share comprehensive outcome data showing an increase in hires from historically underrepresented groups specifically into the corporate ladder (as opposed to retail jobs), or promotions of employees from such groups to higher managerial positions. Only three companies—**Everlane**, **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta), and **REI**—have taken steps to remove specific barriers in their hiring processes for candidates from underrepresented communities. For example, **Everlane** and **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta) had

already removed unnecessary education requirements from job descriptions in prior years; no additional companies have since followed suit. Meanwhile, in 2022, **REI** backed its inclusive hiring efforts with data indicating an increase in the percentage of BIPOC applicants and candidate acceptance.

Out of all the companies we assessed, six companies—**Desigual**, **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Levi Strauss & Co.**, **LVMH** (Dior; Celine, Louis Vuitton, Stella McCartney), **PUMA**, and **PVH** (Calvin Klein, Tommy Hilfiger)—disclose what percentage of direct employees are covered by collective bargaining agreements. Only one, **PUMA**, categorically stated that it pays all of its direct employees a living wage, while also disclosing the benchmark it uses to determine such wage rates. In the future, however, we'd like to see **PUMA** and others support such claims with year-on-year wage data.

Five companies—**Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Nike**, **PUMA**, and **Ralph Lauren**—have started to address the shortcomings of existing governance infrastructure by including and clearly defining specific social and environmental metrics in calculating their executive bonuses. While the introduction of such non-financial accountability mechanisms is a step in the right direction, there is still a long way to go until they are given the appropriate weighting required to move the industry forward.

The room for improvement in this area is vast. But several fashion companies saw new leadership in 2023, including **Chanel**, **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Levi Strauss & Co.**, **Savage X Fenty**, and **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta), creating an opportunity for these brands to potentially set a new tone for 2024 and beyond.

You can learn a lot from this report, and we hope you do dive in and give it a close read. But if there's one overarching message we hope you walk away with, it's that there's still much more work for all of fashion's stakeholders to do to organize and lobby for a fairer global system of apparel production—and we have a roadmap for how to get there.

## About This Report

### How Remake's Report is Different:

## We score companies on progress, not promises.

Points are mostly awarded in connection to demonstrable action towards clear goals (like increasing the number of workers who earn a living wage or making headway on carbon reduction targets).

## We evaluate companies holistically.

We evaluate companies comprehensively from equitable upward mobility in the workplace, to the wages paid to retail and garment workers, to the animal welfare standards on farms.

## We do not separate social from environmental impacts.

These two avenues of progress are deeply intertwined.

## We take no funding from the fashion industry.

To ensure our ability to serve as an independent third-party watchdog, we take no money from the companies we evaluate, or any fashion company.

## About This Report

## What's New

Since 2016, Remake has been evaluating fashion brands and retailers on what matters; measuring companies' actions toward social and environmental justice goals, rather than their promises alone.

### WE MADE A FEW MORE CHANGES THIS YEAR:

- ✦ **We've scored new companies**, including **C&A**, **Cotopaxi**, **Macy's Inc.** (Bloomingdales), **SKIMS**, and **Temu**. This brings the total number of large companies we assessed in this year's report to 52.
- ✦ **We've only assessed companies earning at least \$100 million** in annual revenue. These are the larger players that dominate the industry and thus have the biggest impacts and capacity to create systemic change. You can learn about other smaller, more sustainable and ethical fashion businesses falling below this revenue threshold on Remake's [website](#).
- ✦ **This year's report organizes our findings by issue** rather than by each individual category within our [accountability scoresheet](#).
- ✦ **Individual company write-ups are not included** in this report. To read more about company-specific highlights please refer to their individual score sheets.
- ✦ **See our expanded [methodology section](#)** for further details on how we score companies.

## Company Engagement

Every company included in this report received the opportunity to review its scoresheet ahead of publishing. In many cases these companies were able to increase their final scores by putting additional information in the public domain.

24 companies in total engaged with us on their Remake Accountability Report scores this year, seven more than in 2022. Ten companies reached out directly for calls with our Advocacy team to discuss their individual sustainability roadmaps and reporting methods. Company engagement has steadily gone up year over year.



FIGURE 4

### Companies That Engaged in Our Assessment Process:

- ✦ **Abercrombie & Fitch Co.**
- ✦ **Allbirds**
- ✦ **American Eagle Outfitters**
- ✦ **Bestseller**
- ✦ **Boohoo Group**
- ✦ **C&A**
- ✦ **Cotopaxi**
- ✦ **Everlane**
- ✦ **Fast Retailing**
- ✦ **Gap Inc.**
- ✦ **H&M Group**
- ✦ **Inditex**
- ✦ **Levi Strauss & Co.**
- ✦ **LVMH**
- ✦ **Macy's Inc.**
- ✦ **NEXT**
- ✦ **Primark**
- ✦ **PUMA**
- ✦ **Reformation**
- ✦ **River Island**
- ✦ **Rothy's**
- ✦ **SHEIN**
- ✦ **VF Corporation**
- ✦ **Victoria's Secret & Co.**

## About This Report

# How to Use This Report

The Remake Fashion Accountability Report and Remake's [accountability scoresheet](#) are, together, intended to serve as a roadmap and North Star for systemic social and environmental change in fashion. There is a temptation to boil scores into a list of “good” and “bad” companies, but it is our hope that this report will be used more prominently as an educational and advocacy tool that shapes necessary and transformative progress, both within the industry and from the outside in.

### FOR CITIZENS

Your voice matters. Areas where we are increasingly seeing companies focus their attention—like product traceability, climate action, toxic chemical reduction, resale and repair, and fair pay—are being prioritized because of past and ongoing social movements through which everyday citizens demand more from the brands they support. Use the Remake Fashion Accountability Report as an educational tool to participate in campaigns, organize and support policies for reform, and push the companies you purchase from to do better. For example, you can:

- ✦ **Visit Remake's [Campaigns Page](#)** to learn how to get involved in our advocacy work:
  - Access the [Action Kit](#) for ways to support the FABRIC Act.
  - [Urge companies to sign](#) on to the International Accord (and celebrate those that already have).
  - [Hold companies accountable for wage theft](#) in their supply chains.
- ✦ **Become a [Remake Ambassador](#)** and take the lead in the #WearYourValuesMovement.
- ✦ **Follow [@remakeourworld](#) on [Instagram](#) and [TikTok](#)** to keep up to date on all things sustainable fashion and join the conversation!

### FOR COMPANIES AND EMPLOYEES

How companies relate to their factories and other suppliers with respect to contracting, pricing, placing and changing orders, addressing conflicts that arise, and terminating relationships has profound human rights and environmental impacts. Fashion companies are encouraged to use the Remake Fashion Accountability Report and our [accountability scoresheet](#) as a roadmap to shape internal dialogue, public disclosures, and programming around commercial practices and a just transition to a more

equitable, climate resilient industry. We want companies to do better and score well, but we primarily see this report as a tool the industry can use to initiate and track change.

The Remake Fashion Accountability Report and our accountability scoresheet can be used to:

- ✦ **Open up communication** across all position levels and functions to achieve a company-wide understanding of how each role and department has impact.
- ✦ **Guide internal priorities and resource distribution** related to the intersectional and holistic goals outlined in this report.
- ✦ **Build a roadmap for the implementation of responsible commercial practices** across all departments (i.e. planning and forecasting, sourcing, design and development, costing and payment teams) that includes an internal *buyer* code of conduct and investment strategy in support of supply chain partners' climate mitigation and adaptation efforts.
- ✦ **Drive the development of new revenue models** to replace the current overproduction model (excess inventory drives fashion's waste crisis) and accelerate the transition from a linear to a circular economy.
- ✦ **Shape and standardize the sustainability information disclosed in the public domain** every year to measure and drive progress.
- ✦ **Elect leaders to step into public discussions and engagements** with governments and policymakers in both the Global North and the Global South to push for binding agreements and legislation that support and facilitate the transition to a more equitable and sustainable industry.

If your company has already been scored and you would like to submit updated information about your sustainability commitments, please reach out to Remake's Advocacy team. Want to find out where your company stands on the journey to intersectional sustainability? Download our accountability scoresheet and complete a self-assessment by following the instructions accompanying [this form](#).

### FOR INVESTORS

A recent study conducted by Cornell University's Global Labor Institute forecasts that by 2030, the world's major apparel production countries are likely to lose out on over \$65 billion worth of exports annually due to lowered worker productivity

## About This Report

rates as a result of climate change impacts.<sup>[20]</sup> The financial costs of these productivity risks at the brand level amount to circa 5% of companies' global net operating profit after tax.

We hope investors and shareholders find this report to be educational, to better understand the intersectional risks across the supply chain that will affect long-term operational resilience and profits for companies and investors alike. This report is also geared to serve as an advocacy tool to move capital where it matters—large-scale climate mitigation and adaptation. Investors and shareholders of large publicly traded companies are the most well-positioned to lead the charge.

### FOR POLICYMAKERS

The fashion industry cannot reform itself in a vacuum. Fashion companies need to be supported, incentivized, and when appropriate, penalized by broader economic and political systems. Policymakers the world over are thus encouraged to use the Remake Fashion Accountability Report as an educational tool to design and inform worker-driven policy to build support for fashion-centric legislation and new business models; and to learn about accountability mechanisms such as those built into initiatives like the [FABRIC Act](#) and the [International Accord](#). We urge elected leaders to continue to ensure that policies deliver for garment workers and other disempowered communities in fashion supply chains already on the frontlines of the climate crisis, and that they include strong provisions for upchain liability within the industry.

### FOR PRESS

We hope that the Remake Fashion Accountability Report serves as a resource to help cut past companies' greenwashing efforts and to drive dialogue with brands on what matters—living wages, commercial practices, fossil fuel phase-out, a just transition. We invite you to lean on this report for nuanced story ideas and to raise the bar on the way fashion sustainability is covered in the media.

20. Judd, J., Bauer, A., Kuruvilla, S. and Williams, S. (2023, September 13). Higher Ground? Fashion's Climate Breakdown. Cornell ILR Global Labor Institute and Schroders. Retrieved from: <https://www.ilr.cornell.edu/global-labor-institute/higher-ground-fashions-climate-breakdown>

# The Findings - Assessment Scores

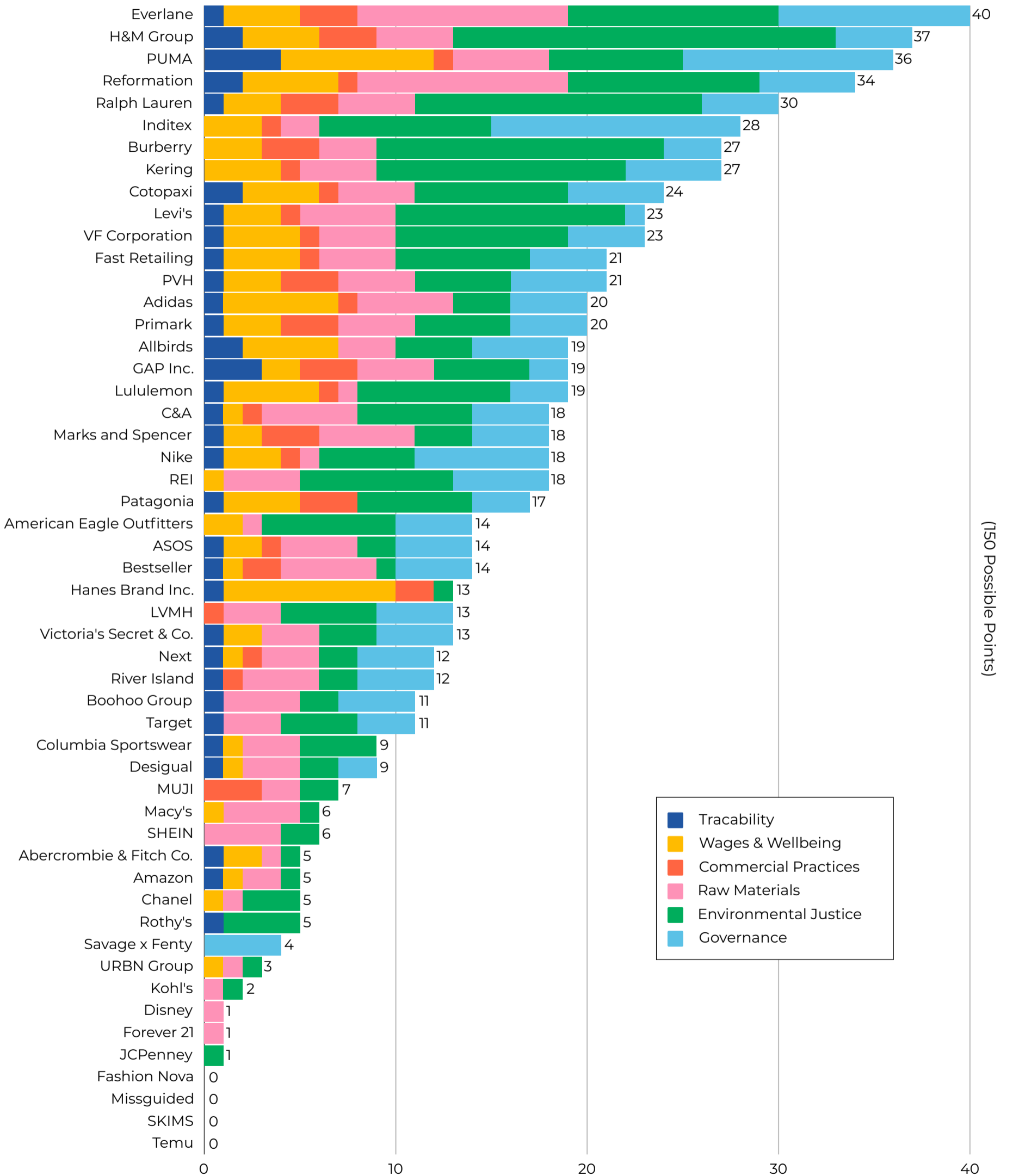


FIGURE 5



## The Findings

# Fashion Companies Talk a Big Game on Worker Wages and Wellbeing, but Have No Receipts

### KEY FINDINGS:

- ✦ **Nine companies (17%)** revealed rates of unionization and/or collective bargaining agreements in their Tier 1 cut-and-sew factories: **Allbirds, Burberry, Everlane, H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Lululemon, PUMA, PVH** (Calvin Klein, Tommy Hilfiger), and **Reformation**.
- ✦ **Six companies (12%)** disclosed what percentage of their direct employees are covered by collective bargaining agreements: **Desigual, Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Levi Strauss Co., LVMH** (Dior, Celine, Louis Vuitton, Stella McCartney), **PUMA**, and **PVH** (Calvin Klein, Tommy Hilfiger).
- ✦ **Two companies (4%)**—**Cotopaxi** and **Hanesbrands Inc.**—publicly disclosed the percentage of garment workers receiving living wages.
- ✦ **13 companies (25%)** disclosed what living wage benchmarks they use, or what methodology they use to quantify a living wage: **Adidas, Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand), **Hanesbrands Inc., Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Levi Strauss Co., Lululemon, Nike, Patagonia, Primark, PUMA, Ralph Lauren, Reformation, VF Corporation** (The North Face, Timberland, Vans).
- ✦ **One company (2%)**—**PUMA**—stated that it paid a living wage to all direct employees globally (including retail and logistics).
- ✦ **Two companies (4%)**—**Adidas** and **PUMA**—had a way for workers to safely escalate grievances up to the company level about safety conditions, harassment, wage theft etc., and report on the number of grievances received, as well as worker satisfaction with grievance procedures and outcomes.

In 2023, garment worker unions in Bangladesh [rallied for a higher national minimum wage](#), advocating for at least BDT 23,000 (approx. \$208) a month, and were met with intimidation, layoffs, and police violence.

Bangladeshi factory owners and the Bangladeshi government rightly feared that if the minimum wage that workers were requesting were granted, fashion companies would take their business to other, lower-wage countries.

Aside from **Patagonia**, which [called for](#) a BDT 23,000 monthly minimum wage but has a relatively small manufacturing footprint in Bangladesh, fashion companies offered [little reassurance](#) to assuage the factory owners or the government that they wouldn't walk away if labor costs went up (It should be noted, though, that **Patagonia** has [yet to support](#) efforts to establish minimum wage standards for [its garment workers in the United](#)

[States](#)). And because Bangladesh's economy relies so heavily on fashion — garment manufacturing makes up 16% of its GDP — it is stuck bowing to the interests of global fashion companies and the manufacturers that rely on them.<sup>[21]</sup>

The new minimum wage that the government eventually granted, BDT 12,500 (approx. \$113) a month, is much lower than the living wage a Bangladeshi family needs to survive and thrive. A *living wage* is calculated by NGOs and advocates to be high enough for a person or family to meet their basic needs in that region, such as food and shelter, plus enough to save and invest in their future, and still have some discretionary income.<sup>[22]</sup> It's almost always much higher than the legally mandated *minimum wage*.

21. Das, K. N. (2023, November 9). Global fashion brands say to raise purchase prices for Bangladesh-made clothes. Reuters. Retrieved from: <https://www.reuters.com/business/retail-consumer/global-fashion-brands-say-raise-purchase-prices-bangladesh-made-clothes-2023-11-09/>

22. Asia Floor Wage Alliance. (2023, May). Towards a Woman-Centred Living Wage Beyond Borders: The Asia Floor Wage Alliance's Methodology for Garment Workers. Asia Floor Wage Alliance. Retrieved from: <https://asia.floorwage.org/afwa-living-wage-methodology/>

## The Findings - Fashion Companies Talk a Big Game on Worker Wages and Wellbeing, but Have No Receipts

In Bangladesh, the Asia Floor Wage Alliance estimates the monthly living wage for a garment worker to be BDT 53,104 (approx. \$484) a month.<sup>[23]</sup> The new minimum wage falls short of this by around BDT 40,604 (approx. \$370) a month, or BDT 487,248 (approx. \$4,440) annually.

This annual difference is but a drop in the bucket in comparison to the salaries of fashion’s top executives. To put it into perspective, it roughly equals:

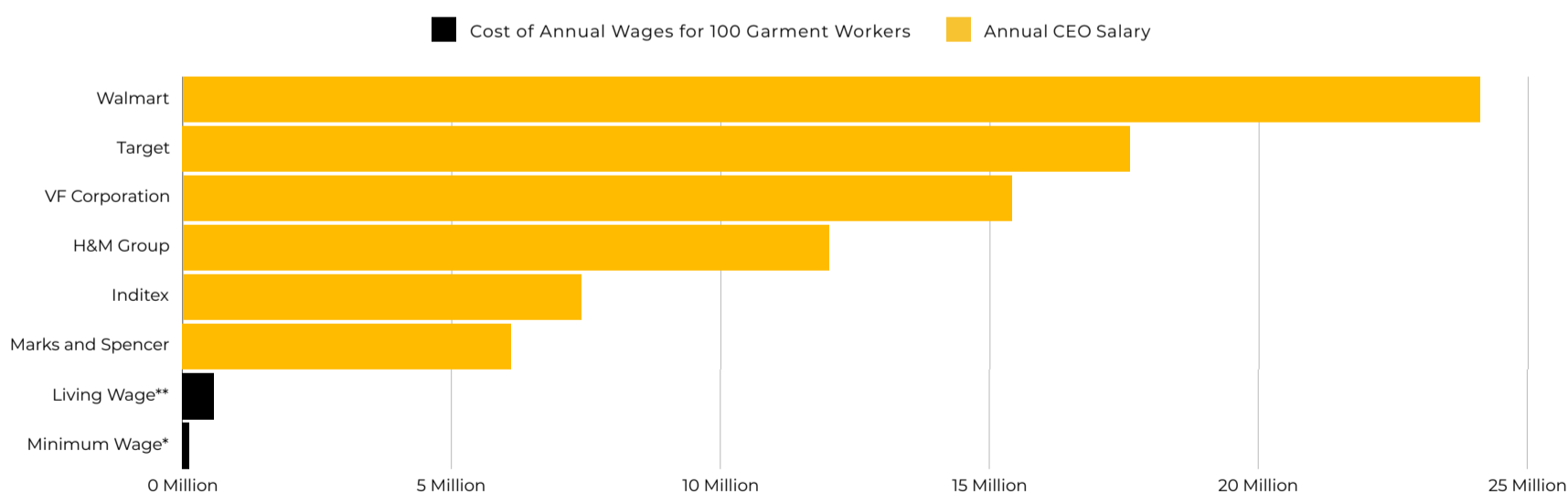
- ✦ 0.02% of the **Walmart** CEO’s annual compensation [\\$24.1 million](#)
- ✦ 0.03% of the **Target** CEO’s annual compensation of [\\$17.6 million](#)
- ✦ 0.03% of the **VF Corporation** CEO’s annual compensation [\\$15.4 million](#)
- ✦ 0.1% - 0.04% of the **H&M Group** CEO’s annual compensation of between [\\$5 - \\$12 million](#)
- ✦ 0.06% of the **Inditex** CEO’s annual compensation of [\\$7.4 million](#)
- ✦ 0.07% of the **Marks and Spencer** co-CEOs’ annual compensation of [\\$6.1 million](#)
- ✦ 0.1% of the **NEXT** CEO’s annual compensation of [\\$3.2 million](#)
- ✦ 0.6% of the **C&A** CEO’s annual compensation of [\\$700,000](#)
- ✦ 0.8% of the **New Look** CEO’s annual compensation of [\\$524,000](#)

**H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories) was the only company to say it would commit to paying suppliers a higher price to account for the slightly higher minimum wage—a [bar so low](#) that **H&M** practically shuffled over it.

As this conflict demonstrates, the issue of living wages in the supply chain continues to flummox companies. Based on our criteria and the companies we assessed, there seems to be no improvement in this area, despite plenty of non-binding, company-led initiatives, pilot programs, and worker education. Money has been poured into research and data collection, and yet poverty wages persist as the status quo.

It is often said that fashion companies should just “pay their workers more.” But that is a euphemism for a more complex system. Fashion companies contract production out to independent suppliers, mostly in countries in the Global South. So technically, fashion companies aren’t making the direct wage decisions (except **Hanesbrands Inc.**, which owns more of its suppliers than any other fashion company assessed in this report—80% of its products are produced in its own factories).<sup>[24]</sup> But even fashion companies that don’t own any factories have the power to lay the groundwork for fair compensation or, conversely, to make it impossible for suppliers to pay and treat their workers fairly.

Comparison of CEO Salaries to Bangladeshi Garment Worker Wages



\* Current minimum wage: BDT 12,500/~\$113 per month  
 \*\* Living wage: BDT 53,104/~\$484 per month (based on Asia Floor Wage Alliance’s estimate as enough for a person or family to meet basic needs, save and invest in their future, and still have some discretionary income).

FIGURE 6

23. Asia Floor Wage Alliance. (2023, May). Towards a Woman-Centred Living Wage Beyond Borders: The Asia Floor Wage Alliance’s Methodology for Garment Workers. Asia Floor Wage Alliance. Retrieved from: <https://asia.floorwage.org/afwa-living-wage-methodology/>  
 24. HanesBrands Inc. (n.d.). Fact Sheet. HanesBrands Inc. Retrieved from: <https://newsroom.hanesbrands.com/corporate-fact-sheet/default.aspx>

## The Findings – Fashion Companies Talk a Big Game on Worker Wages and Wellbeing, but Have No Receipts

**Hanesbrands Inc.** and **Cotopaxi** earned points for stating that they pay a certain portion of their cut-and-sew workers a living wage, though **Cotopaxi** doesn't share how it defines a living wage. We would like to see more companies, as **Hanesbrands Inc.** does, both actually pay a living wage and back up their claims by sharing their definition of what a living wage is and the research behind it.

### ROADMAP SOLUTION:



Companies must both pay a living wage to their workers and back their claims with wage data and their methodology for what constitutes a living wage.

**H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories) had promised in 2013 that its workers would make a living wage by 2018.<sup>[25]</sup> It didn't achieve its goal. Instead, [it backtracked](#) and turned toward achieving a broader set of living wage 'indicators', including "democratically-elected worker representation." At first blush, this makes sense. Research has linked union representation not only to higher wages, but also to limited working hours and better workplace safety and health benefits.<sup>[26][27]</sup>

Companies like to talk a big game in their reports about their "commitment" to increasing *freedom of association*, the ability of workers to unionize without being retaliated against or fired. Unfortunately, this year we've seen no real progress in this metric, either. The number of companies we assessed which share how many workers in their supply chain are covered by collective bargaining agreements, as well as companies that are sharing what they are doing in practice to support unionization in countries or communities where unions are systematically suppressed, remains unchanged.

Companies have the ability to influence the outcomes of minimum wage negotiations at the country-level. It is thus imperative that brands and retailers not only publicly support the minimum wage demands of unions and workers, but also agree to account for such increases in the prices they pay to their suppliers. *And*, they must use their power to advocate for union capacity building in environments where freedom of association is constrained.

When it comes to revealing relevant information on other labor conditions in Tier 1 garment factories and manufacturers, **Cotopaxi**, **GAP Inc.** (GAP, Old Navy, Banana Republic, Athleta), **v**, and **Reformation** received points for disclosing data and noncompliances around health and safety violations, work hours and overtime. Moving forward, beyond simply disclosing their facility lists, we want to see companies disclose more granular and regionally-specific data about the labor conditions in these factories. Some companies provide aggregated statistics on audit findings and violations, but that information has little value. Instead of broad data that lumps all the dozens or hundreds of suppliers together into one unit, we would like to see how labor conditions and wages differ from country to country and region to region. For example, we love that **H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories) discloses average wage rates for nine of its key production countries, two more countries than last year, and that **PUMA** discloses average wages per country for its core Tier 1 suppliers representing 77% of their production volume.<sup>[28][29]</sup>

### ROADMAP SOLUTION:



Companies have the ability to influence the outcomes of minimum wage negotiations at the country-level. It is thus imperative that brands and retailers not only publicly support the minimum wage demands of unions and workers, but also agree to account for such increases in the prices they pay to their suppliers. *And*, they must use their power to advocate for union capacity building in environments where freedom of association is constrained.

25. Farrell, S. (2013, November 25). H&M pledges living wage for textile workers in Bangladesh and Cambodia. The Guardian. Retrieved from: <https://www.theguardian.com/business/2013/nov/25/h-m-living-wage-textile-workers-bangladesh-cambodia>  
 26. Hagedorn, J., Paras, C. A., Greenwich, H., Hagopian, A. (2016, June). The Role of Labor Unions in Creating Working Conditions That Promote Public Health. *Am J Public Health*, 106(6), 989-995. <https://doi.org/10.2105/AJPH.2016.303138>  
 27. Leigh, P. (2022, June 20). Do Unions Improve the Health of Workers and their Families? Center for Poverty and Inequality Research. Retrieved from: <https://poverty.ucdavis.edu/article/do-unions-improve-health-workers-and-their-families>  
 28. H&M Group. (March 2023). Wages - Our Key Production Markets. H&M Group. Retrieved from: <https://hmgroup.com/sustainability/fair-and-equal/wages/>  
 29. PUMA. (2023). Annual Report 2022. PUMA. Retrieved from: [https://annual-report.PUMA.com/2022/en/downloads/PUMA-ar-2022\\_annual-report.pdf](https://annual-report.PUMA.com/2022/en/downloads/PUMA-ar-2022_annual-report.pdf)

## The Findings - Fashion Companies Talk a Big Game on Worker Wages and Wellbeing, but Have No Receipts

### REMAKE METRICS:

#### Ensuring Dignified Jobs for Workers

- ✦ Disclosing average and lowest wages by country
- ✦ Disclosing data around average hours worked and over-time worked by country
- ✦ Publishing the percentage of workers earning a Living Wage
- ✦ Disclosing what regionally-specific benchmarks or methodologies are used to determine living wage rates
- ✦ Publishing the percentage of unionized workers and suppliers covered by collective bargaining agreements
- ✦ Actively supporting rather than thwarting union demands and activities
- ✦ Regularly increasing prices paid to suppliers to account for rising costs of living and living wage rates
- ✦ Implementing worker-driven employment benefits
- ✦ Providing accessible grievance mechanisms and data for number of grievances reported, remediation status and outcomes, and worker satisfaction
- ✦ Enter into legally binding agreements which guarantee joint liability for workplace health and safety, like the International Accord

FIGURE 7

What's more, we would like to see companies select suppliers that have robust health and wellbeing benefits, or help fund and set up wellbeing programs at suppliers that lack them. Many companies talk about the well-being programs they fund or that are in place at the factories they source from, but they tend to be educational projects rather than actual worker-driven employment benefits: things like "worker voice trainings" or "reproductive health and sanitation trainings."

Because it owns many of its production facilities, **Hanesbrands Inc.** has more control over ensuring that there are well-being benefits for its garment workers like childcare, on-site clinics staffed with doctors and nurses, and continuing education programs. **Allbirds** stands alone in providing information on what percentage of its suppliers provide health and wellbeing benefits such as maternity benefits, childcare allowances, and access to financial services.

Many companies have a way for workers to safely escalate grievances up to the company level about safety conditions, harassment, and wage theft, for example, but only two companies—**PUMA** and **Adidas**—get points for reporting on the number of grievances, and worker satisfaction with the procedures for handling grievances and outcomes. This is because we need to know if these programs are actually effective, not just performative.

Someday, we would love to see companies also provide information on the labor conditions and wages for other contract workers such as models, warehouse workers, and delivery drivers.

## The Findings

# In Practice, the Fashion Company Is Always Right, Even When It's Doing Wrong

### KEY FINDINGS:

- ✦ **28 companies (54%)** have comprehensive Supplier Codes of Conduct in place to assess factories' compliance with international labor, health and safety, and environmental standards.
- ✦ **No company (0%)** publicly committed to insert a Buyer Code of Conduct in all purchase order contracts with all Tier 1 suppliers, thus accounting for the role buyers themselves play in upholding the standards laid out in Supplier Codes of Conduct.
- ✦ **Two companies (4%)—Hanesbrands Inc. and MUJI—** included responsible sourcing timeline considerations in their order planning to protect human rights and worker wellbeing, providing sufficient detail on how exactly they do so.
- ✦ **No company (0%)** demonstrated that its purchasing practices ensure its suppliers' ability to guarantee and support fair wages and social and environmental sustainability.
- ✦ **No company (0%)** formally bound itself to its responsible exit commitments by integrating them into its supplier contracts.

We saw how the ultra-fast fashion sausage is made in 2023, [when a BBC reporter went undercover at Boohoo](#), the UK-based fashion company famous for its ultra cheap clothing. Boohoo is also infamous for [the abuse and exploitation uncovered in early 2020](#) at the Leicester sweatshops—errr, *factories*—it sourced from.

In late 2020, under pressure from customers, the media, and investors, Boohoo instituted a program to overhaul its purchasing practices, including policies relating to realistic production timescales and paying its suppliers a fair price for garments. But in 2023, when the undercover reporter was being trained as a buyer for Boohoo, she was told to lie to factories to get a lower price, by saying another factory could do it for cheaper. Price cuts were demanded for orders that had not only been previously agreed to, but that had already been manufactured. Lead times were cut across the board from 10 weeks to six weeks, with Boohoo demanding a 5% price cut for every week an order was late, even though one of their own employees admitted that the six-week lead time would be “a challenge” for suppliers to meet.

Poverty wages and wage theft, unsafe working conditions, gender-based harassment and violence, and long working hours are the *what* of exploitation in the fashion industry. Opaque supply chains, corruption in the auditing sector, and outsourcing

to countries with lax standards is *how* they get away with it. And commercial practices, like Boohoo's, are the *why*. To be clear, this is not just a Boohoo problem. We merely got an inside look into their operations thanks to the BBC's reporting. These issues continue to be the norm in the industry, even while fashion companies swear up and down that they won't tolerate any of the resulting worker abuse and exploitation.<sup>[21]</sup>

It's not uncommon for a fashion company to put in a big order, but not give the factory enough time to produce and deliver that order. Factories feel they cannot decline the order or charge more for expedited delivery, because they fear they might permanently lose the fashion company's business. Or, the fashion company makes last-minute changes to the design, making it more complex to create. Maybe the delivery date is moved up after the order has been placed, and the factory has no choice but to scramble or lose money on the material it has already purchased. (Remember, fashion companies don't pay until one to three months *after* an order is delivered.)

21. Saxena, Sanchita B. (2024, January 19). Why top apparel brands fall short in supplier partnerships. Supply Chain Dive. Retrieved from: <https://www.supplychaindive.com/news/apparel-brands-supplier-Bangladesh-garment-workers-opinion/705072/>

## The Findings - In Practice, the Fashion Company Is Always Right, Even When It's Doing Wrong

### ROADMAP SOLUTION:



A fashion company's Social Compliance, Sustainability, and Buying and Merchandising teams need to be aligned and incentivized toward the same goal: treating suppliers with respect by hewing to fair business practices.

Factories then force employees to work overtime without overtime pay. Or, part of the order is subcontracted to other unsafe and exploitative factories that have not been audited or approved by the fashion company. Orders with unreasonable deadlines affect not only garment factories, but other suppliers up the chain, such as fabric and trim suppliers and dyehouses, all of which also have to scramble.

According to a 2023 survey conducted by the Ethical Denim Council of 74 denim suppliers representing 233,000 employees, the majority of suppliers (60%) said they had experienced not just one, but two or more disruptive purchasing practices in the past six months: canceled orders, deferred orders, imposed discounts, or late payments.<sup>[22]</sup> Three-quarters of these factory representatives feel that this lack of commercial compliance on the part of fashion companies is unfair, and would like them to see the link “between how much (and when) they pay the supplier and how much workers are being paid.”

Many fashion companies have alluded to the need for “better planning and forecasting,” but only two companies elaborate on how exactly they create responsible sourcing timelines. **MUJI** says: “We place orders by observing an appropriate schedule and quantity so as not to set delivery dates that ignore production lead times leading to excessively long working hours and try not to frequently change order details.”<sup>[23]</sup> **Hanesbrands Inc.** is even more detailed, saying it is committed to, “Working with suppliers on sourcing, planning and manufacturing capacity practices that support fair treatment of workers; providing suppliers with plans and forecasts on a regular basis so that facilities can plan their capacity accordingly; adjusting timelines and delivery dates if excessive hours of work will be necessary to complete the purchase order; [and] defining lead times through the time and action calendar to ensure adequate lead times are provided.”<sup>[24]</sup> Perhaps this is because, as an owner of much of its supply chain, **Hanesbrands Inc.** can't pretend to not know how its purchasing decisions affect factories and workers.

While **Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand) does have similar language on fair commercial practices on its website, elsewhere it contradicts itself, saying, “it is imperative that we speed up our operational activities. To be victorious in business, you must be the first to market, take speedy action, and boost efficiency. Therefore, we are always aware of the need for speed whatever the area of business. We dare to determine, decide and execute swift decisions without fear of making mistakes.”<sup>[25]</sup> This is an excellent example of how a fashion company's business practices and culture can run roughshod over its social responsibility team's best intentions. A fashion company's Social Compliance, Sustainability, and Buying and Merchandising teams need to be aligned and incentivized toward the same goal: treating suppliers with respect by hewing to fair business practices.

### REMAKE METRICS:

#### Addressing the Power Imbalance in Fashion Supply Chains

- ✦ Negotiating order timelines, factory bookings, and changes in orders with respect to supplier capacity and human rights
- ✦ Evening out risks between buyers, suppliers and workers by making payments up front, and never delaying payments or asking suppliers for discounts on orders
- ✦ Abiding by a responsible exit policy that prioritizes worker severance and the payment of all products and materials, whether completed or in-process
- ✦ Enshrining the above commitments in all purchase order contracts with all Tier 1 suppliers

FIGURE 8

22. Ethical Denim Council. (2023). State of the Denim Supply Chain. Ethical Denim Council. Retrieved from: <https://www.ethicaldenimcouncil.org/state-of-the-industry-2023>

23. Ryohin Keikaku. (n.d.). Respect for Human Rights at Ryohin Keikaku. Ryohin Keikaku. Retrieved from: <https://www.ryohin-keikaku.jp/eng/sustainability/supply-chain/policy/>

24. Hanesbrands Inc. (n.d.). Fair Compensation: A Living Wage... and More. Hanesbrands Sustainability. Hanesbrands Inc. Retrieved from: <https://hbsustains.com/fair-compensation-a-living-wage-and-more/>

25. Fast Retailing. (n.d.). Human Rights and Working Environments in Our Supply Chain - Responsible Ordering Through Consistent Procurement Policy Compliance. Fast Retailing Sustainability. Retrieved from: <https://www.fastretailing.com/eng/sustainability/labor/management.html>

## The Findings

# Fair Business Practices Are a Requirement for Suppliers and a Suggestion for Fashion Companies

Most fashion companies continue to point to non-binding policies instead of inserting language into contracts outlining protections for suppliers. Company policy is a suggestion. Contractual language is enforceable.

The necessity of specific and clear language on *responsible exits* became clear in the turmoil of 2020 during the [#PayUp](#) campaign, as fashion companies scrambled to deal with temporarily lower consumer demand for fashion. They made their extra inventory and capacity someone else's problem by canceling orders and dropping suppliers.

In July 2020, the garment manufacturer, Ramatex Group, closed one of its four Cambodian factories without a legally valid reason, and failed to give its garment workers sufficient notice. Similarly, from May to October 2020, a Hong Seng Group garment factory in Thailand furloughed its workers due to the pandemic and forced them to sign a form stating that they would voluntarily give up their legally owed furlough pay. The Thai Government later ruled that the furlough wages were still legally owed.<sup>[21][22]</sup> **Nike**, which was one of the main buyers sourcing from both factories, has human rights commitments in its Code of Conduct, but no language or policies around responsible exits.<sup>[23]</sup>

Remake and its allies have been pressuring **Nike** through the [#JustPayIt](#) campaign, but so far the company has refused to take responsibility for the \$1.4 million in severance benefits owed to the over 1,200 Cambodian garment workers who lost their jobs, or the \$800,000 in furlough pay stolen from at least 3,288 Thai garment workers.<sup>[24]</sup> **Nike** enjoyed \$22 billion in profits in 2023.<sup>[25]</sup> This payment would represent only 0.01% of **Nike's** profits and less than 7% of **Nike's** CEO John Donahoe's salary of \$33 million.<sup>[26]</sup> But it would mean everything to workers.

Sometimes, an exit really is the only or best option. In 2023, some fashion companies—**H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories), **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Marks and Spencer**, **Primark**—decided to entirely exit the country of Myanmar, which is ruled by a military junta engaged in systematic human rights violations. Other companies—**Boohoo Group** (Nasty Gal, Pretty Little Thing, Warehouse) and **Desigual**—consolidated their supply chains by trimming their list of suppliers.

#### ROADMAP SOLUTION:



When a company decides to drop a supplier, there should be a plan in place to ensure that the factory and its workers are given plenty of notice, and that the workers laid off as a result are taken care of.

When a company decides to drop a supplier, there should be a plan in place to ensure that the factory and its workers are given plenty of notice, and that the workers laid off as a result are taken care of. **Adidas**, **Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand), **Patagonia**, and **Target** all have some basic language on responsible exits, but they do not lay out what their actual procedures are. **Ralph Lauren** and **C&A** publish the most detailed, step-by-step responsible exit procedures, including consulting with the supplier and worker representatives, creating a timeline and phase-out plan of at least six months, and following up to ensure workers receive all owed wages and any severance pay. The reason why these companies don't garner points for

21. Worker Rights Consortium. (2023). WRC Factory Investigation Violet Apparel Co. Ltd. Worker Rights Consortium. Retrieved from: <https://www.workersrights.org/factory-investigation/violet-apparel-co-ltd/>

22. Worker Rights Consortium. (2023). WRC Factory Investigation Hong Seng Knitting. Worker Rights Consortium. Retrieved from: <https://www.workersrights.org/factory-investigation/hong-seng-knitting/>

23. Worker Rights Consortium. (2023, September 25). After Pocketing Workers' Wages, Nike Supplier Paid Shareholders a Bonus. Worker Rights Consortium. Retrieved from: <https://www.workersrights.org/communications-to-affiliates/after-pocketing-workers-wages-nike-supplier-paid-shareholders-a-bonus/>

24. ABC News (Australia). (2020, October 15). After losing their jobs, these Cambodian workers want what they're owed | The World. YouTube. Retrieved from: <https://www.youtube.com/watch?v=rYtDCtcEftw>

25. Nike, Inc. (2023, June 29). Investor News Details, Nike, Inc. Reports Fiscal 2023 Fourth Quarter and Full Year Results. Nike, Inc. Retrieved from: <https://investors.nike.com/investors/news-events-and-reports/investor-news/investor-news-details/2023/NIKE-Inc.-Reports-Fiscal-2023-Fourth-Quarter-and-Full-Year-Results/default.aspx#:~:text=In%20fiscal%202023%2C%20the%20Company,reflecting%2050.0%20million%20shares%20retired>

26. Simply Wall St. (2023, September 6). Shareholders Will Probably Hold Off On Increasing NIKE, Inc.'s (NYSE:NKE) CEO Compensation For The Time Being. Yahoo! Finance. Retrieved from: <https://finance.yahoo.com/news/shareholders-probably-hold-off-increasing-100325132.html>

## The Findings – Fair Business Practices Are a Requirement for Suppliers and a Suggestion for Fashion Companies

this language is because it is not clear that their policies are embedded within supplier contracts themselves, and so they are not necessarily contractually obligated to fulfill them.

If we're realistic, just having language in contracts is not going to entirely solve the problem of the power imbalance between fashion companies and suppliers – in order to enforce broken contractual terms, suppliers sewing for American fashion companies have to take them to court *in the United States*, for example. (This is why the [Ethical Denim Council](#) was created, to provide a smoother and more affordable arbitration process between denim suppliers and fashion companies).<sup>[27][28]</sup> However, we can't achieve a more just and equitable fashion industry without good practices first being enshrined in contracts.

### ROADMAP SOLUTION:



We can't achieve a more just and equitable fashion industry without good practices first being enshrined in contracts.

27. Velasquez, A. (2020, October 27). New Report Exposes Bad Behavior in the Denim Supply Chain. Sourcing Journal. Retrieved from: <https://sourcingjournal.com/denim/denim-mills/transformers-foundation-bullying-supplier-discounts-order-cancelations-candiani-240586/?faodatalab=2020-10-27-2>

28. Lanfranchi, M. and Wicker, A. (2020). Ending Unethical Brand and Retailer Behavior: The Denim Supply Chain Speaks Up. Transformers Foundation. Retrieved from: [https://static1.squarespace.com/static/5efdeb17898fb81c1491fb04/t/62ed28af6907bc4bc70aa666/1659709644923/Transformers-Foundation\\_Ethical-Report\\_LowRes\\_New.pdf](https://static1.squarespace.com/static/5efdeb17898fb81c1491fb04/t/62ed28af6907bc4bc70aa666/1659709644923/Transformers-Foundation_Ethical-Report_LowRes_New.pdf)



## The Findings

# To Address Climate Change, Scope Three's The Charm... And the Challenge

### KEY FINDINGS:

- ✦ **37 companies (71%)** disclosed their total annual carbon emissions across their entire value chain, including Scope 3.
- ✦ **30 companies (58%)** have set short-term emissions reductions targets in line with a 1.5°C pathway and have had them approved by the Science Based Targets initiative.
- ✦ **4 companies (8%)—Burberry, Everlane, H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), and **Patagonia**—have set long-term Net Zero targets and have had them approved by the Science Based Targets initiative.
- ✦ **Three companies (6%)—Burberry, Everlane, and H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories)—met all four of Remake's climate demands: They publish their full emissions; they have set (and had approved) short-term 1.5°C pathway-aligned science-based targets; they have set (and had approved) ambitious long-term net-zero targets; and they have demonstrated that they are reducing their total greenhouse gas emissions compared to their base years.
- ✦ **15 companies (29%)** have not committed to set any science-based emissions reduction targets: **Abercrombie & Fitch Co.** (Hollister Co.), **Columbia Sportswear, Cotopaxi, Fashion Nova, Forever 21, JCPenney, Missguided, MUJI, Rothy's, Savage X Fenty, SHEIN, SKIMS, Temu, URBN Group** (Anthropologie, Free People, Urban Outfitters)), and **Victoria's Secret & Co.**
- ✦ **15 companies (29%)** demonstrated that they are investing in suppliers and offering financial incentives for factories to decarbonize: **American Eagle Outfitters** (Aerie), **C&A, Cotopaxi, Everlane, H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Levi Strauss Co., Lululemon, Nike, Primark, PUMA, PVH** (Calvin Klein, Tommy Hilfiger), **Ralph Lauren, Reformation, and Target.**

Climate impact has become the main focus of much of the fashion industry, and for good reason: the fashion industry is estimated to be responsible for between 2% and 4% of global greenhouse gas emissions.<sup>[21]</sup> Companies that joined the Fashion Pact in 2019 promised to reduce their emissions by 45% by 2030, but [they are way behind](#).<sup>[22]</sup>

Emissions across all sectors are broken down into three classes: Scope 1, Scope 2, and Scope 3. Scope 1 emissions are generated from a business' directly controlled or owned operations. For fashion companies, this could include emissions originating from HVAC systems in stores and executive offices, or from fuel consumption in company-operated delivery vehicles. These generally represent a minuscule portion of their overall impact. Scope 2 includes indirect emissions for directly controlled or

owned operations, such as purchased electricity used to power corporate headquarters or retail stores. Up until a few years ago, fashion companies were largely focused on reducing their Scope 2 emissions. Justifiably so—they constitute a 'low-hanging fruit', and there is a broader consensus of tidying one's own home first when it comes to emissions abatement. However, fashion's Scope 3 emissions—those generated by the production, use, and disposal of fashion (factories and farms to clothing care to landfill and incineration)—make up 96% of a fashion company's footprint.<sup>[23]</sup> That is where the real impact happens.

To address this impact, the first step a fashion company must take is to measure the Scope 3 emissions generated by its supply chain and set science-based targets for reducing them. Given that fashion companies weren't even looking at their Scope 3

21. Berg, A. et al. (2020). Fashion on Climate: How the Fashion Industry Can Urgently Act to Reduce its Greenhouse Gas Emissions. McKinsey & Company and Global Fashion Agenda. Retrieved from: <https://www.mckinsey.com/-/media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

22. Mehta, A. (2023, July 21). Despite climate pledges, fashion brands 'way off track' on cutting carbon from the catwalk. Reuters. Retrieved from: <https://www.reuters.com/sustainability/climate-energy/despite-climate-pledges-fashion-brands-way-off-track-cutting-carbon-catwalk-2023-07-31/>

23. Ibid.

## The Findings - To Address Climate Change, Scope Three's The Charm... and the Challenge

emissions a few years ago, we've seen quite a lot of progress here. But companies are fudging an important step: publicly and uniformly disclosing their estimated emissions. Disclosures aren't standardized or easily comparable. Many fashion companies choose to disclose only portions of their Scope 3 emissions in their own annual sustainability reports, if they choose to disclose this information at all. Some fashion companies submit their full Scope 3 emissions footprints to CDP, for example, which requires a membership to access the data, but do not publish this information on their own consumer-facing website. This makes it difficult for industry watchdog organizations like ourselves to get a clear picture of what progress, if any, is actually being made.

Only three companies this year—**Burberry**, **Everlane**, and **H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories)—can demonstrate that they have set both short and long-term emissions reduction targets; that they have had them approved by the Science Based Targets initiative, and that they are seeing year-on-year reductions of their emissions compared to their set baselines. Ten other companies—**Abercrombie & Fitch Co.** (Hollister Co.), **Allbirds**, **C&A**, **GAP Inc.** (GAP, Old Navy, Banana Republic, Athleta), **Hanesbrands Inc.**, **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **PUMA**, **PVH** (Calvin Klein, Tommy Hilfiger), **Ralph Lauren**, and **Target**—have reported emissions reductions compared to their set baselines, but have either not yet set necessary short- and long-term emissions reduction targets, or have not yet had them approved. **Amazon** and **Kohl's**, near the bottom of our rankings with five and three total points, respectively, actually had their commitments removed from the Science Based Targets initiative in 2023, “for not laying out their emissions targets in a timely manner.”<sup>[24]</sup> At the bottom of the heap, though, are **Fashion Nova**, **Forever 21**, **JCPenney**, **Missguided**, **Rothy's**, **Savage X Fenty**, **SKIMS**, **Temu**, and **URBN Group** (Anthropologie, Free People, Urban Outfitters), none of which have disclosed their carbon emissions to any degree, nor set any reduction goals.

### Brands That Did Not Publish Any Scope 3 Emissions Reporting:

- |                       |                                      |
|-----------------------|--------------------------------------|
| ✗ <b>Bestseller</b>   | ✗ <b>Rothy's</b>                     |
| ✗ <b>Fashion Nova</b> | ✗ <b>Savage x Fenty</b>              |
| ✗ <b>Forever 21</b>   | ✗ <b>SKIMS</b>                       |
| ✗ <b>JCPenney</b>     | ✗ <b>Temu</b>                        |
| ✗ <b>Kohl's</b>       | ✗ <b>URBN Group</b>                  |
| ✗ <b>Missguided</b>   | ✗ <b>Victoria's Secret &amp; Co.</b> |

Reducing Scope 3 emissions is much more difficult than Scope 2 emissions. It's one thing to switch your corporate headquarters from the grid to wind energy. It's quite another to facilitate

a factory group's switch, or help them upgrade their old, energy-intensive equipment. Many factories operate in countries where coal is still king. Fashion for Good and Apparel Impact Institute estimate that just over \$1 trillion is needed to decarbonize the fashion industry.<sup>[25]</sup> To invest in renewable energy or efficiency upgrades, garment manufacturing and processing facilities need financial help and/or assurances that a fashion company will stick around and reward them for this investment.

15 out of 52 companies, or 29%—**American Eagle Outfitters** (Aerie), **C&A**, **Cotopaxi**, **Everlane**, **H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories), **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Levi Strauss Co.**, **Lululemon**, **Nike**, **Primark**, **PUMA**, **PVH** (Calvin Klein, Tommy Hilfiger), **Ralph Lauren**, **Reformation**, and **Target**—sufficiently demonstrated that they are investing in or financially incentivizing some decarbonization projects in their supply chains—though they're not saying how much. Many point to their work with the Apparel Impact Institute, the International Finance Corporation, or WWF, to name a few. However, given their continued overall lack of transparency and their top-down approaches, these partnerships and programs inevitably are at risk of perpetuating the same colonial power dynamic whereby actors in the Global North are dictating to suppliers in the Global South. What is needed is more evidence of true partnership with suppliers who understand the local country context and manufacturing realities.

What's more, these are currently mostly pilot projects, and they're not scaling at the speed we need to address the climate crisis. Some of the companies — **American Eagle Outfitters** (Aerie), **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Lululemon**, **Primark**, **Reformation**—are still seeing emissions increase despite their investments in decarbonization. Meanwhile, **Columbia Sportswear** and **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta) lost points for failing to provide updates on their initial supplier decarbonization investments and pilot projects. Even though **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta) has reported decreased emissions with respect to its base year, without knowing how its decarbonization projects are going, we have no way of knowing if this is a temporary accident, a result of slower sales, or a result of its interventions and assistance to its suppliers.

Again, it all comes back down to the scale and growth of production. Despite a lot of pie-in-the-sky discussions, the fashion industry has not found a way to grow sales while decreasing emissions.

24. Roshitsh, K. (2023, August 9). Amazon, Kohl's Among SBTi Commitment Removals. Women's Wear Daily. Retrieved from: <https://wwd.com/sustainability/business/amazon-kohls-science-based-targets-sbti-commitment-removals-august-1235765507/>

25. Ley, K., van Mazijk, R., Huggill, R., Perkins, L. and Gains, R. (2021, November). Unlocking the Trillion-Dollar Fashion Decarbonisation Opportunity: Existing and innovative solutions. Apparel Impact Institute and Fashion For Good. Retrieved from: <https://apparelimpact.org/reports/unlocking-the-trillion-dollar-fashion-decarbonisation-opportunity-report/>

	Scope 3 Emissions MTCO2E (METRIC TONS OF CARBON DIOXIDE EQUIVALENT)				Scopes Disclosed			Science-Based Targets MUST BE APPROVED BY SBTI	
	BASE YEAR*	3RD MOST RECENT REPORTING YEAR	2ND MOST RECENT REPORTING YEAR	MOST RECENT REPORTING YEAR	1	2	3	1.5°C TARGET**	NET ZERO TARGET**
Abercrombie & Fitch Co.	1,309,056	1,011,536	1,284,756	1,055,866	✓	✓	✓	No Target	No Target
Adidas	Not Reported	11,636,340	7,055,633	7,523,545	✓	✓	✓	1.5°C	No Target
Allbirds	37,629	Not Reported	Not Reported	37,128	✓	✓	✓	1.5°C	No Target
Amazon	39,910,000	45,750,000	55,360,000	54,980,000	✓	✓	✓	Removed	No Target
American Eagle Outfitters	3,143,763	3,058,111	3,580,928	3,510,658	✓	✓	✓	1.5°C	Committed
ASOS	1,330,189	Not Reported	1,506,834	1,732,497	✓	✓	✓	1.5°C	No Target
Bestseller	Not Reported	Not Reported	Not Reported	Not Reported				1.5°C	No Target
Boohoo Group	748,442	748,442	851,903	780,346	✓	✓	✓	1.5°C	No Target
Burberry	758,542	Not Reported	513,243	456,982	✓	✓	✓	1.5°C	2040
C&A	5,801,692	Not Reported	4,082,351	3,975,424	✓	✓	✓	< 2°C	No Target
Chanel	829,000	722,342	859,511	1,003,909	✓	✓	✓	1.5°C	Committed
Columbia Sportswear	Not Reported	400,105	Not Reported	Not Reported	✓	✓		No Target	No Target
Cotopaxi	Not Reported	Not Reported	3,311	13,859	✓	✓	✓	No Target	No Target
Desigual	Not Reported	55,558	63,060	55,976	✓	✓	✓	1.5°C	No Target
Disney	10,237,024	Not Reported	Not Reported	Not Reported	✓	✓		1.5°C	No Target
Everlane	71,479	42,171	68,713	57,350	✓	✓	✓	1.5°C	Committed
Fashion Nova	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
Fast Retailing	5,730,400	5,445,647	5,186,250	5,740,872	✓	✓	✓	1.5°C	No Target
Forever 21	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
GAP Inc.	9,224,965	7,299,126	7,299,126	7,813,715				1.5°C	No Target
H&M Group	7,973,000	7,109,000	7,525,000	7,093,000	✓	✓	✓	1.5°C	2040
Hanesbrands Inc.	2,410,989	2,524,088	2,535,305	2,371,711	✓	✓	✓	1.5°C	No Target
Inditex	18,325,553	13,341,462	17,097,801	17,223,485	✓	✓	✓	1.5°C	Committed
JCPenney	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
Kering	Not Reported	1,927,265	2,351,483	2,398,466	✓	✓	✓	1.5°C	Committed
Kohl's	Not Reported	Not Reported	Not Reported	Not Reported	✓	✓		Removed	No Target
Levi Strauss & Co.	Not Reported	3,879,957	3,903,171	2,108,469	✓	✓	✓	1.5°C	No Target
Lululemon	516,625	748,273	1,343,649	1,691,009	✓	✓	✓	1.5°C	No Target
LVMH	Not Reported	4,800,000	5,706,670	6,135,000	✓	✓	✓	1.5°C	Committed
Macy's Inc.	Not Reported	Not Reported	16,390	567,016	✓	✓	✓	Committed	No Target
Marks and Spencer	5,700,000	Not Reported	Not Reported	6,100,000	✓	✓	✓	1.5°C	Committed
Missguided	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
MUJI	Not Reported	Not Reported	859,771	984,013	✓	✓	✓	No Target	No Target
NEXT	Not Reported	67,474	3,019,997	2,119,235	✓	✓	✓	1.5°C	No Target
Nike	Not Reported	11,598,946	10,823,562	9,953,491	✓	✓	✓	1.5°C	No Target
Patagonia	Not Reported	Not Reported	219,379	98,966			✓	1.5°C	2040
Primark	6,246,005	Not Reported	Not Reported	6,451,835	✓	✓	✓	1.5°C	No Target
PUMA	1,502,162	1,486,324	1,355,633	1,430,690	✓	✓	✓	< 2°C	No Target
PVH	2,961,960	2,600,737	2,140,944	1,574,308	✓	✓	✓	1.5°C	Committed
Ralph Lauren	1,755,107	1,144,031	1,192,249	1,242,761	✓	✓	✓	1.5°C	Committed
Reformation	34,028.27	22,801	34,028.27	36,822	✓	✓	✓	1.5°C	No Target
REI	1,346,022	1,133,505	1,323,748	1,443,570	✓	✓	✓	1.5°C	2050
River Island	380,179	N/A	N/A	380,179	✓	✓	✓	Committed	Committed
Rothy's	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
Savage x Fenty	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
SHEIN	6,010,749	Not Reported	6,010,749	9,150,202	✓	✓	✓	No Target	No Target
SKIMS	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
Target	69,106,000	66,518,000	69,106,000	67,197,000	✓	✓	✓	2°C	Committed
Temu	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
URBN Group	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target
VF Corporation	4,663,950	4,663,950	3,586,000	5,347,000	✓	✓	✓	1.5°C	Committed
Victoria's Secret & Co.	Not Reported	Not Reported	Not Reported	Not Reported				No Target	No Target

SCOPE 3 EMISSIONS

Data is based on the sustainability reports of the individual reporting companies as of Dec 2023.  
 \*Base Year refers to the reporting year acting as a reference point, with which other years can be compared  
 1 Million MTCO2e is equivalent to the greenhouse gases arising from burning 1.1 billion pounds of coal.

SCIENCE BASED TARGETS\*\*

"Committed" = company has made a public commitment to set a science-based target aligned with the SBTi's target-setting criteria within 24 months.  
 "1.5°C" = company has set targets in line with halting global temperature rise to 1.5°C above pre-industrial levels as is laid out by the Paris Agreement.  
 "2°C" = company has set targets in line with halting global temperature rise to 2°C above pre-industrial levels.  
 "<2°C" = company has set targets in line with halting global temperature rise below 2°C above pre-industrial levels.  
 "2040/2050" = Company has set targets to produce close to zero emissions no later than 2050  
 "Removed" = Amazon and Kohl's had their commitments removed from the Science Based Targets initiative in 2023, "for not laying out their emissions targets in a timely manner."

FIGURE 9 (This graphic was updated March 11th, 2024)

## The Findings - To Address Climate Change, Scope Three's The Charm... and the Challenge

### ROADMAP SOLUTION:



What the fashion industry needs is a significant investment in decarbonization that is tailored to the unique needs of each country and each factory. For a true partnership between fashion companies and suppliers, workers should be at the table helping to guide the co-creation of strategies to reduce emissions. Workers are crucial partners in the clean energy transition and need to be supported through and insulated from the effects of climate change.

What the fashion industry needs is a significant investment in decarbonization that is tailored to the unique needs of each country and each factory. For a true partnership between fashion companies and suppliers, workers should be at the table helping to guide the co-creation of strategies to reduce emissions. Workers are crucial partners in the clean energy transition and need to be supported through and insulated from the effects of climate change.

### REMAKE METRICS:

#### Ensuring Just and Equitable Decarbonization

- ✦ Disclosing total annual carbon emissions across the entire value chain (including aggregate Scope 3 emissions)
- ✦ Reducing absolute emissions in line with the 1.5 degree and Net Zero pathways
- ✦ Financially assisting and incentivizing suppliers to guide the co-creation of context-specific strategies to reduce emissions
- ✦ Helping suppliers and apparel workers when they face unpredictable economic or climate shocks, by paying living wages, for example
- ✦ Reducing annual overall product output

FIGURE 10

It should also be noted that there is a vast difference between climate *mitigation*—reducing emissions—and climate *adaptation*—helping communities affected by climate change survive and thrive. Both need to happen, but so far we have seen barely any acknowledgment of how climate change has already started slamming garment workers and farming communities with flooding and extreme heat, save for this statement from **Patagonia**: “We are also continuing to research and explore different ways to help our suppliers and apparel workers when they face unpredictable economic or climate shocks—and living wages for workers are foundational for this undertaking.”<sup>[26]</sup> **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka) similarly overhauled the language of its sustainability strategy this year to focus on people in its supply chain that are most vulnerable to climate change.

Climate adaptation in its simplest form would consist of ensuring a living wage for garment workers so that they at least have a savings cushion to help them recover from extreme weather events.

26. Patagonia. (2022). Living Wage. Retrieved from: <https://www.patagonia.com/our-footprint/living-wage.html>

## The Findings - Case Study

# The Need for Climate Adaptation in Fashion

By Yessenia Funes

Things are heating up—in the worst way. 2023 marked the hottest year in human history.<sup>[21]</sup>

And the fashion sector isn't safe. This heat is worse in tropical and subtropical countries where garment workers are often toiling in factories that lack cooling infrastructure. A 2023 heat wave that affected South Asia, where much of the fashion industry's manufacturing is based, killed at least 15 people in Thailand and India.<sup>[22][23]</sup> Scientists now know that carbon pollution strengthened the likelihood of the heat event.<sup>[24]</sup>

These hot spells are only one piece of the puzzle. As the planet grows hotter, other weather patterns are changing, too. That includes monsoon rains and tropical cyclones that can cause flooding or landslides in the communities where people live and work.

Some 34% of apparel production occurs in Indonesia, followed by 32% in Vietnam, and 16% in China. As for shoes, over half are produced in Cambodia, Vietnam, and China. By 2030, countries are likely to lose out on over \$65 billion worth of apparel exports due to the impacts of heat, humidity, and floods, according to an analysis by Cornell University's Global Labor Institute and British assessment firm Schroders.<sup>[25]</sup>

In our warming and flooding world, garment workers are risking their lives to make clothing for companies that are exploiting them for profit. Across production centers, research predicts that workers will face increased exposure to extreme heat days and flooding. By 2050, laborers in Karachi, Pakistan, may see over half of their year dangerously hot for work.<sup>[26]</sup> Meanwhile in Ningbo, China, where more than 2,000 garment manufacturers are based, over 32% of the coastal population may experience flooding.<sup>[27][28]</sup> As the climate crisis continues to influence weather extremes, the window of opportunity for companies to adapt is quickly closing. The clock is ticking.

In 2023, companies' climate efforts for the most part remained focused on carbon emissions disclosures and reduction. However, greenhouse gasses aren't the only metric that matters. Environmental justice is about looking at how the effects of climate change touch every other part of people's lives: health, safety, housing, and income. While decarbonization can keep climate change from worsening, companies still have to contend with the impacts people are already feeling. No companies scored at all when asked about their efforts to remediate the health impacts that supply chain communities face as a result of these emissions, such as fainting from increased heat, despite many companies publicly committing to "worker health and wellbeing".

"Alongside all the other standards [companies] set for their suppliers should be standards and protocols for high heat and flooding," said Jason Judd, a co-author of the report and executive director of Cornell University's ILR Global Labor Institute. "That's one way into worker health."

Further, with so many suppliers continuing to struggle to stay afloat under the pressures of competitive pricing, how can they be expected to afford to decarbonize their facilities? Indeed, the Cornell report made clear that adaptation remains a blind spot in the fashion sector. Only 15 of the 52 companies assessed in this year's Remake Accountability Report demonstrated that

Portion of Sourcing by Country

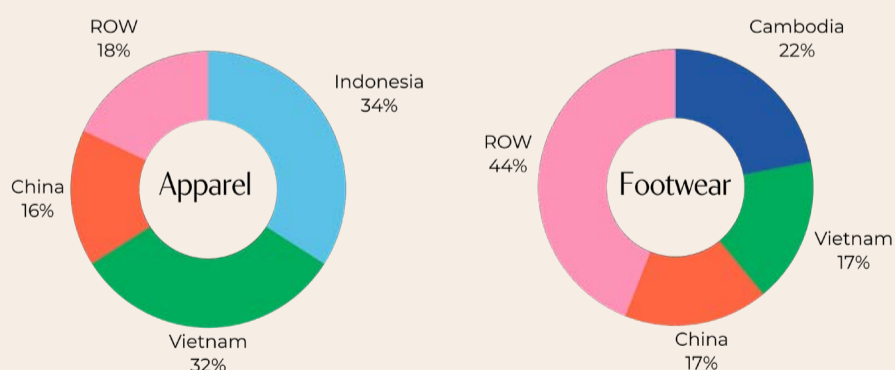


FIGURE 11

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26. Judd, J., Bauer, A., Kuruvilla, S. and Williams, S. (2023, September 13). Higher Ground? Fashion's Climate Breakdown. Cornell ILR Global Labor Institute and Schroders. Retrieved from: <https://www.ilr.cornell.edu/global-labor-institute/higher-ground-fashions-climate-breakdown>
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28. Judd, J., Bauer, A., Kuruvilla, S. and Williams, S. (2023, September 13). Higher Ground? Fashion's Climate Breakdown. Cornell ILR Global Labor Institute and Schroders. Retrieved from: <https://www.ilr.cornell.edu/global-labor-institute/higher-ground-fashions-climate-breakdown>

## The Findings – Case Study: A Case for Climate Adaptation in Fashion

they are at least starting to financially assist or incentivize their suppliers to transition to low-carbon manufacturing processes.

Only two companies—**Inditex** and **Patagonia**—were awarded points for committing to support those most impacted by the climate crisis in the locations where they’re doing business. **Inditex**—the fashion house behind Zara, Pull & Bear, Massimo Dutti, and Bershka—has indicated that it plans to begin taking a holistic approach to environmental impacts. That includes a focus on some of the most vulnerable to climate change: migrants, women, disabled people, and agricultural workers. Meanwhile, **Patagonia** has noted its ongoing research efforts to better understand how it can stand by its workers when climate shocks hit. The company acknowledges that “living wages for workers are foundational for this undertaking.”<sup>[29]</sup> In 2023, the company even went so far as to publicly support Bangladeshi workers in their demands to increase the minimum wage to an amount that would enable them to afford the bare necessities to support themselves and their families.

**Patagonia’s** endorsement of worker demands in the Bangladesh wage struggle is a positive step, especially given most companies’ utter silence on the issue. Though, it should be noted that the company has [yet to support](#) efforts to establish minimum wage standards for garment workers in the United States. The reality is that most companies’ commercial practices are in direct conflict with their stated living wage and sustainability commitments. If companies won’t adjust their product prices to help suppliers pay a living wage, workers are the ones who face severe consequences. For example, poverty wages force many to remain in low-quality housing that can lack life-saving cooling infrastructure and be more prone to climate shocks, such as flooding. They often head to their jobs only to endure heat exposure again as companies drag their feet on investing in changes that would protect their well-being.

To make matters worse, the International Labour Organization has identified that heat stress may lead to increased gender-based violence and harassment within the garment sector, which already experiences such atrocities.<sup>[30]</sup> Further, without enough income, workers struggle to meet basic nutritional needs: From Bangladesh to Sri Lanka, workers aren’t eating enough to meet the 3,000 daily calories health experts recommend.<sup>[31]</sup> How can a hungry worker be expected to produce, let alone increase efficiency?

This is why improving commercial practices is key. Companies set their contract terms with suppliers. The two parties need a more equal footing to repair the supply chain and improve wages and standards. The industry will need \$1 trillion to decarbonize, but factory managers don’t have the money to upgrade their

facilities.<sup>[32]</sup> What companies give them, instead, is more headaches with their last-minute order changes or cancellations.

Companies should pay directly to add clean energy infrastructure like solar panels—but they also need to help pay suppliers to better withstand increased heat or precipitation. In one community, that may look like investing in air cooling for a factory. In another, it may involve investing in flood protections. The reality is that the money for repairs should a flood or cyclone strike must come from somewhere—and those at the top of the supply chain have the resources to foot the bill. Indeed, the poor manufacturing processes of these companies contribute to how they’re able to profit so much. Without fair commercial practices, workers suffer as suppliers pull those costs from their paychecks.

“More and more, we hear stories, especially since the COVID crisis, of brands demanding reductions in price after the agreement has concluded and even after the product is on its way,” Judd said. “When it comes to heat and flooding, [this aspect] doesn’t even appear to be in the conversation.”

Ultimately, though, companies will eventually feel it, too. Garment workers aren’t machines—they’re people. Extreme heat exposure lowers productivity. In Dhaka, for instance, workers are already experiencing their productivity decrease by 20% to 25% from May to July. Companies will have to foot that bill. A sample company the Cornell report modeled to illustrate such financial impacts could face an annual deficit of over 9 million Euros by 2030 should flooding interrupt facility operations by the authors’ estimated 56 days. Report authors call on large publicly traded companies to lead the charge forward on adaptation to prevent such predictions from unfolding.<sup>[33]</sup> These companies, after all, are beholden to investors—whose profits will suffer over the long-term should they delay on facilitating the investment needed to reduce these supply chain risks.

“It’s urgent ... because money’s going out the window,” said Judd. “The heat’s already high in many of these centers—and we know it’s getting hotter.” Operational, and thus financial, resilience is intrinsically linked to worker well-being. Reducing carbon emissions is no longer enough in the age of climate catastrophe. Not when floods or heat emergencies are already well underway.

Workers need solidarity across the supply chain—and beyond. Companies need to both ensure that workers are safe from climate impacts at work and at home and that they receive a living wage. Fairer commercial practices are a mechanism for the more equitable partnerships between companies and suppliers necessary for climate adaptation. It’s past time for the fashion sector to stand with workers where it matters most.

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32. Cline, E.L., van der Weerd, K. and Roberts-Islam, B. (November 2023). Towards a Collective Approach: Rethinking Fashion’s Doomed Climate Strategy. Transformers Foundation. Retrieved from: [https://static1.squarespace.com/static/5efdebf7898fb81c1491fb04/t/655b744cf9cc636358967b12/1700492366755/TF\\_TowardsACollectiveApproach\\_20231120.pdf](https://static1.squarespace.com/static/5efdebf7898fb81c1491fb04/t/655b744cf9cc636358967b12/1700492366755/TF_TowardsACollectiveApproach_20231120.pdf)

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## The Findings

# We Don't Know If Fashion Is Using Less Water... But It Is Using Fewer Toxic Chemicals

### KEY FINDINGS:

- ✦ **Four companies (8%)**—**Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Primark**, **PVH** (Calvin Klein, Tommy Hilfiger), and **Reformation**—publicly disclosed their water footprints all the way up to raw material level.
- ✦ **Three companies (6%)**—**H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Levi Strauss Co.**, and **Ralph Lauren**—sufficiently demonstrated that they are making progress towards time-bound targets to ensure that water is sustainably managed on a local level throughout key production regions.
- ✦ **Five companies (10%)** demonstrated that they provide financial incentives to suppliers to sustainably manage their water resources, such as investing in water-efficient technologies and processes: **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Levi Strauss Co.**, **Lululemon**, **Ralph Lauren**, and **VF Corporation** (The North Face, Timberland, Vans).
- ✦ **30 companies (58%)** have adopted a Manufacturing Restricted Substances List (MRSL) that is aligned with that developed by Zero Discharge of Hazardous Chemicals (ZDHC).
- ✦ **12 companies (23%)** adequately shared metrics showing a reduction in hazardous chemicals year-on-year: **American Eagle Outfitters** (Aerie), **Burberry**, **C&A**, **Everlane**, **Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand), **Gap Inc.** (GAP, Old Navy, Banana Republic, Athleta), **H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Lululemon**, **PUMA**, **Ralph Lauren**, **Reformation**, and **VF Corporation** (The North Face, Timberland, Vans).

Like with emissions reductions, fashion companies need to help their suppliers upgrade their dye and finishing equipment to more efficient models, install water purification and recycling plants, and invest in new dyeing technologies that are water-efficient or even water-free.

The issue of fashion's water use varies widely from Ho Chi Minh (which is flush with water) to Gujarat (an arid, near-desert ecosystem), and requires tailored strategies for each region. So **H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Levi Strauss Co.**, and **Ralph Lauren** score points for having water strategies that prioritize high-risk geographical areas and sharing relatively more detailed information on what facilities and supply chain communities they're partnering with on this issue, and in which river basins.

But are these programs working? We're not sure yet. Only **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Primark**, **PVH** (Calvin Klein, Tommy Hilfiger), and **Reformation** disclose their

estimated supply chain water footprints down to the farm and raw material level. And no company can definitively show that it is reducing its absolute water consumption year-on-year. In fact, many companies have set *relative* water reduction goals. That is, goals to reduce water consumption per unit of production, instead of overall. That creates a handy loophole to increase both product output and associated water usage while bragging about water 'savings.'

**Adidas**, for example, states that by 2025 it aims "to achieve an overall reduction in water intensity of 40% against the 2017 baseline"—defining water intensity at the Tier 1 level as "liters per worker-hour of operation" and as "m<sup>3</sup> per total product output value in US dollars" at the Tier 2 level. Concurrently though, the company produced 1,018 million pieces of apparel, footwear, accessories and gear in 2022, up 80 million pieces from 938 million in 2021.<sup>[21]</sup> Such an increase in goods produced

21. Adidas AG. (2023). Annual Report 2022. Adidas AG. Retrieved from: [https://report.adidas-group.com/2022/en/\\_assets/downloads/annual-report-adidas-ar22.pdf](https://report.adidas-group.com/2022/en/_assets/downloads/annual-report-adidas-ar22.pdf)

## The Findings – We Don't Know If Fashion Is Using Less Water...But It Is Using Fewer Toxic Chemicals

thus thwarts any efficiency improvements made. Notably, the company does not publish actual water consumption figures for any portion of its supply chain.

### REMAKE METRICS:

#### Preventing Water Scarcity and Environmental Contamination

- ✦ Disclosing full value chain water footprint all the way up to raw material and animal by-product levels (cotton, leather etc.)
- ✦ Reducing absolute overall water use, prioritizing areas of high water-stress
- ✦ Enforcing ZDHC's Manufacturing Restricted Substances List and wastewater guidelines to reduce hazardous chemical inputs and outputs
- ✦ Financially assisting and incentivizing suppliers to guide the co-creation of context-specific strategies to reduce water consumption and pollution

FIGURE 12

Hazardous chemicals go into the fashion system, and hazardous chemicals come out. The impact of toxic wastewater from fashion dyeing and finishing facilities on surrounding communities and watersheds has been well-documented for over a decade, including in China, India, and Bangladesh.<sup>[22][23][24]</sup> Farmland is ruined, children and adults get sick from the poisoned groundwater, and aquatic life is smothered.

Meanwhile, inside the wet-processing facilities, workers are exposed through breathing and skin contact to carcinogens, and hormone-disrupting and immuno-sensitizing chemicals—many of which are banned in Western countries. While workers bear the brunt of these hazardous inputs in the manufacturing stages, corporate fashion employees and consumers can also [fall ill from exposure to toxic fashion](#) further down the line.

ZDHC, created by several large fashion companies in the wake of a 2011-2012 Greenpeace campaign on toxic chemicals in fashion, is one bright spot in the industry.<sup>[25]</sup> It has a robust and transparent Manufacturer Restricted Substance List (MRSL), which specifies which chemicals shouldn't be used at all by suppliers. ZDHC's MRSL has become the industry gold standard, and 30

companies received points for aligning themselves with that MRSL. This is preferred to a company coming up with its own MRSL, as a lack of alignment between restricted substance lists can create unnecessary expenses and difficulties for suppliers.<sup>[26]</sup>

When it comes to demonstrating progress towards compliance with the MRSL itself however, only 12 companies adequately shared metrics showing a reduction in hazardous chemicals year-on-year. Like emissions, these public disclosures are not uniform from year to year or company to company, nor comparable, making it difficult for watchdogs like us to assess what progress has been made.

#### 22 Companies That Have Still Not Published an MRSL

- |                           |                  |
|---------------------------|------------------|
| ✗ Abercrombie & Fitch Co. | ✗ Macy's         |
| ✗ Allbirds                | ✗ Missguided     |
| ✗ Amazon                  | ✗ MUJI           |
| ✗ Bestseller              | ✗ Patagonia      |
| ✗ Boohoo Group            | ✗ Rothy's        |
| ✗ Chanel                  | ✗ Savage x Fenty |
| ✗ Cotopaxi                | ✗ SHEIN          |
| ✗ Disney                  | ✗ SKIMS          |
| ✗ Fashion Nova            | ✗ Temu           |
| ✗ Forever 21              | ✗ URBN Group     |
| ✗ Hanesbrands Inc.        | ✗ VF Corporation |

ZDHC's MRSL is accompanied by a solid protocol for testing wastewater and reporting the results. In short, ZDHC has made it easy for fashion companies to clean up their supply chain. Yet only nine companies out of the 52 we assessed—**American Eagle Outfitters** (Aerie), **Burberry**, **Columbia Sportswear**, **Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand), **GAP Inc.** (GAP, Old Navy, Banana Republic, Athleta), **H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories), **PUMA**, **Ralph Lauren**, and **Victoria's Secret & Co.**—published their wastewater guidelines *and* their wastewater test results, in line with ZDHC's guidelines. (**VF Corporation** has its own set of guidelines which were last updated in 2013—so it's unclear how robust these standards are.)<sup>[27]</sup>

Only one company, **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), reports on what chemical products from reputable suppliers it *does* use in its supply chain. Note that this list doesn't list individual chemicals, but branded and commodity products, whose precise ingredient lists are considered proprietary by chemical companies. Still, many fashion companies don't

22. China Water Risk. (2011, April 18). The Environmental Cost of Clothes. China Water Risk. Retrieved from: <https://chinawaterrisk.org/resources/analysis-reviews/the-environmental-cost-of-clothes/>

23. Deshpande, N. (2020, February 12). India's Textile City of Tiruppur is an Environmental Dark Spot. The Wire. Retrieved from: <https://thewire.in/environment/australian-open-tiruppur-dyeing-bleaching-groundwater-contamination-agriculture-nooyal-river>

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26. Wicker, A. (November 2022). Fashion's chemical certification complex. Needlessly complicated, woefully ineffective. Transformers Foundation. Retrieved from: [https://static1.squarespace.com/static/5efdeb17898fb81c1491fb04/t/636222b59e97916c32258bd8/1667375931492/TF\\_FashionsChemicalCertificationComplex.pdf](https://static1.squarespace.com/static/5efdeb17898fb81c1491fb04/t/636222b59e97916c32258bd8/1667375931492/TF_FashionsChemicalCertificationComplex.pdf)

27. VF Corporation. (2013, May 8). Global Wastewater Discharge Standards. VF Corporation. Retrieved from: <https://dl1io3yog0oux5.cloudfront.net/vfc/files/documents/Sustainability/Resources/VF+Global+Wastewater+Standards.pdf>



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know where their textiles are dyed, much less with what they are dyed and finished with. This lack of care and opacity creates an incentive for suppliers to use cut-rate, contaminated chemical products. So we applaud **Inditex** for knowing and sharing where its dyes and finishes come from.

We are happy with the efforts of fashion companies, led by ZDHC and its members, to clean up fashion production. But we hope to one day see fashion companies help clean up the damage fashion manufacturing has *already* done to communities surrounding dye houses and tanneries, a sort of environmental reparation. So far no company makes mention of this at all. This might look something like the [EPA's Superfund program](#), which created a pool of funds as well as legal accountability for companies to clean up sites poisoned by their operations, combined with the worker-driven structure of the International Accord for Health and Safety in the Textile and Garment Industry, a legally binding agreement for companies that provides additional building safety protections in countries without strong safeguards.

## The Findings

# Know Your Suppliers— All of Them

### KEY FINDINGS:

- ✦ **32 companies (62%)** published a detailed list of their Tier 1 cut-and-sew garment factories.
- ✦ **15 companies (29%)** published a complete list of Tier 2 fabric mills.
- ✦ **No companies (0%)** published supplier lists that fully trace down to Tier 3 processing facilities or Tier 4 raw materials suppliers.
- ✦ **20 companies (38%)** failed to publish even a Tier 1 supplier list at the sufficient level of detail.

Like with emissions reductions, fashion companies need to help their suppliers upgrade their dye and finishing equipment to more efficient models, install water purification and recycling plants, and invest in new dyeing technologies that are water-efficient or even water-free.

Achieving full supply chain traceability isn't an end in itself, but an important and necessary step toward a more sustainable and just garment industry.

When a fashion company shares details about its suppliers, it allows advocates to hold it accountable for what happens in those factories. It allows researchers to do better, more precise work. And it can inform the creation of effective legally binding agreements and legislation.

Sadly, progress in this area is slower than we hoped. 62% of companies we assessed are now publishing their full Tier 1 (cut-and-sew garment factories and product manufacturers) supplier lists, providing at least the name and address of the facility, the parent company, the number of workers, and the product type. That's only three more than last year. 29% publish Tier 2 (material and component manufacturers) lists as well. 38% of companies assessed still failed to publish even a full Tier 1 supplier list. How their leadership can still justify hiding this information, when it is now the industry norm, is a mystery.

Company Supply Chain Disclosures by Tier

	1	2	3	4
Abercrombie & Fitch Co.	✓	✓		
Adidas	✓			
Allbirds	✓			
Amazon	✓			
American Eagle Outfitters				
ASOS	✓	✓		
Bestseller	✓	✓		
Boohoo Group	✓			
Burberry				
C&A	✓			
Chanel				
Columbia Sportswear	✓	✓		
Cotopaxi	✓	✓		
Desigual	✓			
Disney				
Everlane	✓	✓		
Fashion Nova				
Fast Retailing	✓	✓		
Forever 21				
GAP Inc.	✓	✓		
H&M Group	✓	✓		
Hanesbrands Inc.	✓			
Inditex				
JCPenney				
Kering				
Kohl's				
Levi Strauss & Co.	✓	✓		
Lululemon	✓	✓		
LVMH				
Macy's Inc.				
Marks and Spencer	✓			
Missguided				
MUJI				
NEXT	✓			
Nike	✓	✓		
Patagonia	✓			
Primark	✓			
PUMA	✓	✓		
PVH	✓	✓		
Ralph Lauren	✓			
Reformation	✓			
REI				
River Island	✓			
Rothy's	✓			
Savage x Fenty				
SHEIN				
SKIMS				
Target	✓			
Temu				
URBN Group				
VF Corporation	✓	✓		
Victoria's Secret & Co.	✓			

No company published its full Tier 3 or Tier 4 supplier lists

FIGURE 13

## The Findings

# Materials: Less Is More Important

### KEY FINDINGS:

- ✦ **Two companies (4%)—Everlane and Reformation**—demonstrated that their usage of biogenic materials that strive to be net positive is increasing, with a time-bound target to reach 100%.
- ✦ **Three companies (6%)—Everlane, Reformation, and Victoria's Secret & Co.**—demonstrated and reported that their overall portion of oil-based synthetics is decreasing (and not simply that their use of recycled content is increasing).
- ✦ **No company (0%)** demonstrated that it sourced recycled polyester transparently while also phasing out all materials that lack a textile-to-textile solution.
- ✦ **30 companies (58%)** had in place an animal welfare policy that, at the least, references the five overarching requirements for animal welfare, while 31 companies (60%) maintained a policy against the use of furs and exotic skins.
- ✦ **13 companies (25%)** demonstrated year-on-year progress towards traceable and certified fibers sourced from animals.
- ✦ **No company (0%)** adequately demonstrated that it is actively protecting the labor/human rights and the well-being of raw material producers.

No company assessed in this report is yet able to publish a full list of its Tier 4 suppliers. And yet, in the world of fashion sustainability, the topic of raw materials receives a disproportionate amount of attention. Perhaps this is because fashion people love newness—and controversy. And when it comes to raw materials, people certainly have strong opinions.

Choosing different materials is something that is visible and easy to understand for consumers, who can touch and feel this company choice. It's also the most marketable. Fashion companies often announce with much fanfare a capsule collection using “more sustainable” or recycled textiles, or put labels on clothing bragging about its eco bonafides based on global averages, instead of how the cotton *in that shirt* was grown and processed. But overall, if production continues to grow, even if companies are using slightly less damaging fabrics, these “better” material choices won't make a tangible difference.

Yes, it is somewhat important to select what fashion companies call “preferred” raw materials. WRI estimates that 24% of apparel's supply chain emissions comes from raw material extraction and, arguably, fashion's significant and ever increasing reliance on oil-based synthetics is providing new and expanding markets for petroleum products. But the processing of these materials into dyed and finished fiber accounts for more than half of fashion's supply chain emissions.<sup>[21]</sup>

In short, *how much* is produced is more important than *how* it is processed, and far more important than *what* kind of material is used. So we would like to see companies commit to both changing their overall material mix on a large scale, and capping (and eventually reducing) global apparel production altogether.

#### ROADMAP SOLUTION:



If production continues to grow, even if companies are using slightly less damaging fabrics, “better” material choices won't make a tangible difference in reducing fashion's overall climate footprint.

No company yet even suggests that it intends to prioritize the latter; both global fiber and apparel production continue to rise. Two smaller fashion companies—**Everlane** and **Reformation**—however, have committed to sourcing a majority of their natural materials from regenerative or beneficial sources by 2025. This includes regenerative and recycled cotton, plus recycled cashmere and wool.

21. Sadowski, M., Perkins, L. and McGarvey, E. (2021, November 5). Roadmap to Net Zero: Delivering Science-Based Targets in the Apparel Sector. World Resources Institute and Apparel Impact Institute. Retrieved from: <https://www.wri.org/research/roadmap-net-zero-delivering-science-based-targets-apparel-sector>

## The Findings – Materials: Less Is More Important

Similarly, **Everlane**, **Reformation**, and **Victoria's Secret & Co.** were able to demonstrate some decrease in the portion of fossil fuel-based fabrics in their overall material mixes. **Reformation**, in particular, uses a negligible amount of oil-derived synthetics in its products. Remake looks at this metric because while many companies are increasing the portion of recycled synthetics compared to virgin in their material mixes, actual volumes of both being purchased are continuing to go up. Globally, synthetic fiber's share of textile production increased from 64% in 2021 to 65% in 2022.<sup>[22][23]</sup>

### ROADMAP SOLUTION:



Everlane, Reformation, and Victoria's Secret & Co. were able to demonstrate some decrease in the portion of fossil fuel-based fabrics in their overall material mixes. Reformation, in particular, uses a negligible amount of oil-derived synthetics in its products.

When it comes to guaranteeing the well-being of the creatures from which they source their animal-derived fibers, fashion companies tend to score well for having animal welfare policies and exotic materials bans in place, but less so for demonstrating tangible progress towards ensuring these directives are followed. While 30 companies published an animal welfare policy that, at the least, references the five overarching requirements for animal welfare, and 31 companies maintained a policy against the use of furs and exotic skins, only 13 companies demonstrated progress towards improving the amount of traceable and certified animal-derived materials they use. And, quite often, this traceability has been limited to down and wool.

Somewhat new and en vogue, these animal welfare standards are no more effective than factory codes of conduct. It's one thing to switch your corporate headquarters from the grid to wind energy, for example. It's another to actually police the messy world of the rights and safety of humans or animals. On the human rights side, companies lag even further behind. Beyond vague claims, we have no window into labor conditions or tangible social benefits at the farms that supply any of the fashion companies included in this report.

So, instead of sharing information about the origin of *all* their materials—including conventional fabrics, trimmings like zippers, and dyes and other chemicals—companies have focused on applying physical tracer and blockchain technology to a few key materials, likely driven by two incentives. The first is forced labor legislation in the U.S. which blocks incoming shipments of cotton suspected to be connected to forced labor by the Uyghur minority in China, which has brought into existence a mini industry of proving cotton's origin.<sup>[24]</sup> The other is fiber fraud. Companies want to prove the premium sustainable fibers they are selling to consumers at higher prices, such as organic cotton and recycled polyester, are not regular materials that are being passed off as organic or recycled by unscrupulous middlemen. In other words, companies are driven by legal compliance and greenwashing risk management.

With all that said, among the fashion companies we assessed, we saw more specific breakdowns of what materials companies are using and in what percentages in 2023, plus how they define “preferred,” “sustainable,” or “better” materials across the board. These increasingly detailed disclosures might be a form of legal risk management, due to a spate of lawsuits from consumers against fashion companies including **H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories), **Nike**, and **Allbirds**. These lawsuits disagree with what the fashion companies defined as sustainable, and alleged greenwashing.

**H&M Group** (Arket, COS, **H&M**, Monki, Weekday, & Other Stories) beat one of these lawsuits by pointing to the data and definitions available on its website for shoppers to read. (The other was settled.)<sup>[25]</sup> **Allbirds** beat its class-action lawsuit because it hinged on criticisms of the wool industry in general.<sup>[26]</sup>

It's not just consumers and fashion companies—many within the sustainable fashion community can't agree either on what materials are truly “positive” or “beneficial.” Do animal fibers qualify as sustainable? As mentioned, the majority of companies have an animal welfare policy in place, but that doesn't satisfy all conscious consumers. How about polyester made from recycled water bottles? **Adidas**, for example, says all of its polyester will be from recycled sources by 2024, and that it wants to switch to synthetic fibers made from recycled fibers instead of bottles.<sup>[27]</sup><sup>[28]</sup> But that technology is not yet available at the volume a large fashion company like **Adidas** would require.

In the end, it's not so much the choice of fiber, but the *volume* of fiber being produced, and then wasted or trashed, that is the main driving force behind the fashion industry's impact. That is where the promise of “circularity” comes in.

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## The Findings

# Circularity: A Fast-Growing Loop de Loop Into the Trash Can

### KEY FINDINGS:

- ✦ **13 companies (25%)** had in-house resale initiatives to sell the companies' own pre-owned products: **Allbirds, Cotopaxi, H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Levi Strauss Co.**, **Lululemon, MUJI, Patagonia, REI**, and **VF Corporation** (The North Face, Timberland, Vans).
- ✦ **15 companies (29%)** provided either upcycling or repair services, helping consumers extend the life of their clothes, with **Burberry, Cotopaxi, H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), **Patagonia**, and **REI** scoring the most points in this section.
- ✦ **Two companies (4%)**, received points for providing garment rental services. These are **Boohoo Group** (Nasty Gal, Pretty Little Thing, Warehouse) and **H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), which appear to be trialing the Fashion As A Service business model with a small number of their subsidiary brands. **URBN Group's** (Antrhropologie, Free People, Urban Outfitters) rental program Nuuly did not qualify for points as it requires customers to rent at least six items a month, encouraging habits of newness and high consumption of cheaper fashion.
- ✦ **No company (0%)** demonstrated that such circular services and revenue streams will eventually be used to replace linear production, not merely run parallel to the production of new goods.
- ✦ **No company (0%)** was sufficiently transparent about what happens to clothing collected through its take back programs, such as what percentage is exported for resale to the Global South.
- ✦ **Only one company (2%)—Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand)—was sufficiently transparent about the donation of clothing collected through its take back programs, disclosing quantities of clothing sent to each region.
- ✦ **10 companies (19%)** made demonstrable progress towards time bound targets to reduce the amount of packaging sent to landfills and source packaging raw materials sustainably/responsibly: **Allbirds, Burberry, C&A, Everlane, H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Marks and Spencer, Ralph Lauren, Reformation, REI**, and **Rothy's**.

We're still in the early days of programs that purport to keep clothing and accessories out of the landfill and in circulation for longer through repair, rental, resale, and recycling. When you look at the numbers—circularity accounts for about 3.5% of the total fashion market, and is worth \$73 billion—it looks like a growing success.<sup>[21]</sup>

Few of these programs, however, whether from independent startups like ThredUp or from fashion companies and retailers themselves, have turned a profit.<sup>[22][23]</sup> Even for those that do turn

a profit, those revenues make up a vanishingly small percentage of a fashion companies' overall revenue compared to its core business of making and selling new stuff. It's interesting to note that the only profitable rental service is **URBN Group's** Nuuly, which requires customers to rent at least six items a month, still encouraging habits of newness and high consumption of cheaper fashion.

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## The Findings – Circularity: A Fast-Growing Loop de Loop Into the Trash Can

The main question, though, is whether these programs can actually take a bite out of overproduction by shifting fashion’s business model from Take, Make, and Waste, to Fashion As a Service. In the latter paradigm, fashion companies would make a significant chunk of their revenue facilitating the flow of items through their entire circular life cycle—make, rent, sell, repair, resale, take back, upcycle, resale, take back, recycle, make, and so on—charging for each of these services. An analogous industry shift is when music moved from physical ownership of CDs and records to streaming. If it were to happen, the hope is that there would be a reduction in both new production of fashion, and the waste flowing into landfills, incinerators, and the environment.

But fashion production seems to have grown alongside the so-called circular economy, and will continue to do so.<sup>[24]</sup> According to Business of Fashion’s *The State of Fashion 2024* report, 71% of the executives surveyed said they will focus on increasing sales, 8% more than last year.<sup>[25]</sup>

Part of the reason is that reverse logistics—efficiently getting clothing and accessories back, plus inspecting and repairing and reselling it, piece-by-piece—is more expensive than churning out thousands of identical items from a factory. It’s simply too complex to repair and resell super cheap, simple items. Observe the [frequent complaints](#) that thrift stores charge more for used fast-fashion items than what you can find new.

The high cost of reverse logistics is likely why fashion companies are not eager to dip their toes into the rental business model, either. Only two companies that we assessed have their own rental service for clothing: **Boohoo Group** (Nasty Gal, Pretty Little Thing, Warehouse) and **H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), and only for one subsidiary company each.

The companies that seem to be doing the most in the area of circularity tend to be luxury companies that have high resale value, and outdoor companies, who have high-performance products that cater to the kind of conscious customer who flaunts a good repair.

A little over a quarter of the companies we assessed disclose the number of brick-and-mortar stores that provide repair services for their products, and eight (15%) can prove they are increasing consumers’ accessibility to repair and upcycling services. But only two fashion companies can prove that they are increasing shoppers’ awareness that this service is available, and are incentivizing its use: **Burberry**, a luxury company, and **Cotopaxi**, an

outdoor company. **Cotopaxi** covers both the cost of the repairs and the return shipping cost, while **Burberry** notes that “by the end of FY 2022/23, over 300 stores across 33 countries and territories offered one or more aftercare services” and that “nearly 45,000 products were repaired or refreshed using our aftercare offer during the year”—up from 28,544 in FY 2021/22.<sup>[26][27]</sup>

13 (25%) companies out of the 52 we assessed have resale initiatives: **Allbirds**, **Cotopaxi**, **H&M Group** (Arket, COS, H&M, Monki, Weekday, & Other Stories), **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka), **Levi Strauss Co**, **Lululemon**, **MUJI**, **Patagonia**, **REI**, **VF Corporation** (The North Face, Timberland, Vans), and **Kering** (Balenciaga, Bottega Veneta, Gucci, YSL), which has several robust initiatives to extend the lifespan of its products across its subsidiary companies, including Gucci and Balenciaga. **SHEIN** and **URBN Group** (Anthropologie, Free People, Urban Outfitters) have peer-to-peer resale programs, which function more as a software platform for shoppers to sell to one another.

We did not give points to companies that offload the difficult but educative task of processing this old clothing to ThredUp, through its Resale as a Service arm. This means that the fashion company isn’t taking full responsibility for its overproduction. It’s not being confronted with its own waste, and not seeing the kind of failures its products have. So it doesn’t have impetus to achieve better forecasting, or make design tweaks that would increase each product’s physical and emotional durability. What’s more, some companies offer discounts or credits to customers who drop off old clothing, incentivizing new purchases, which perpetuates the Take, Make, Waste cycle.

In a similar vein, no company was sufficiently transparent about what happens to used products that are collected via their take back programs, and only **Fast Retailing** (UNIQLO, Theory, Helmut Lang, J Brand) provided enough information about where it donates secondhand product collected through its take back programs, disclosing quantities of clothing sent to each region. This is because many fashion companies themselves don’t actually even know what happens to the old stuff processed through the global fashion “recycling” system. Once fashion companies bundle and hand off the old clothing they promised customers would be recycled, it enters a black hole of private companies of variable reputation. Recently, trackers put on products dropped off at **H&M**, **C&A**, and Zara showed that the items were shipped overseas, burned, dumped, or abandoned.<sup>[28]</sup>

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## The Findings - Circularity: A Fast-Growing Loop de Loop Into the Trash Can

ROADMAP SOLUTION:



In order for “circularity” initiatives such as repair, rental and resale to be effective, for fashion companies to actually reduce their environmental impact in a meaningful way (not just nibble around the edges with marketable pilots, capsules, and programs), they need to start to replace linear production, not merely run parallel to the production of new goods.

In order for these “circularity” initiatives to be effective, for fashion companies to actually reduce their environmental impact in a meaningful way (not just nibble around the edges with marketable pilots, capsules, and programs), they need to start to replace linear production, not merely run parallel to the production of new goods. No company can yet demonstrate that this is the case. To get a clearer picture of all this though, we need to understand production volume. The OR Foundation is calling for companies to disclose the volume of product they manufacture in its [Speak Volumes](#) campaign.

But this data remains elusive.

Ideally all companies would disclose both the number of units produced—to account for waste and overproduction—and total volume by weight—to account for environmental impacts of production—in a standardized way. **Adidas**, **Cotopaxi**, **Desigual**, and **VF Corporation** (The North Face, Timberland, Vans) are the only companies that disclose the number of items produced

annually. **Bestseller** is no longer disclosing this information, and **Inditex** (Zara, Pull & Bear, Massimo Dutti, Bershka) discloses volume by tons. All have seen consecutive year-on-year volume increases. (See figure 14)

ROADMAP SOLUTION:



We desperately need companies to reveal their production volumes and how they plan to reduce overproduction. Without this data, advocates, workers, and legislators can’t craft effective policy that considers not just consumer desires and recycling systems in the Global North, but also secondhand clothing dumping in the Global South.

Two companies—**Boohoo Group** (Nasty Gal, Pretty Little Thing, Warehouse) and **Ralph Lauren**—noted that they reduced their production volume this past year, but it is unclear if this was strategic and oriented toward sustainability, or just a temporary reduction due to other business factors. We desperately need companies to reveal their production volumes and how they plan to reduce overproduction. Without this data, advocates, workers, and legislators can’t craft effective policy that considers not just consumer desires and recycling systems in the Global North, but also secondhand clothing dumping in the Global South.

While the systemic overhauling of fashion’s business models is wholly necessary if it is to meaningfully reduce its negative environmental impacts, doing so will not come without its own negative externalities. It’s crucial that as companies rethink how

Companies Disclosing Production Volumes

	2020	2021	2022
<b>Adidas</b>	465 million units of apparel 379 million pairs of shoes 100 million units of accessories and gear	482 million units of apparel 340 million pairs of shoes 116 million units of accessories and gear	482 million units of apparel 419 million pairs of shoes 117 million units of accessories and gear
<b>Cotopaxi</b>	1,763,759 items	1,504,631 items	2,054,519 items
<b>Desigual</b>	10,330,989 units produced	15,601,038 units produced	11,609,806 units produced
<b>Inditex</b>	450,146 articles placed on the market (in tonnes)	565,027 articles placed on the market (in tonnes)	621,244 articles placed on the market (in tonnes)
<b>VF Corporation</b>		410+ million units of product sourced	410 million units of apparel, footwear and accessories sourced

FIGURE 14

## The Findings - Circularity: A Fast-Growing Loop de Loop Into the Trash Can

they operate, they consider the impact on the wages, employment, and well-being of the millions of vulnerable people that fashion touches. They should prioritize the needs and voices of employees, factory workers, and farmers in their business model transition plans.

At present, **VF Corporation** (The North Face, Timberland, Vans) is the only company that publicly acknowledges that companies have a responsibility to map potential negative externalities that could be associated with a transition to a circular business model: "Collaboration across VF, our portfolio of companies and the global industry is needed for the transformation to a circular economy to be successful," it said in its FY2022 report. "We strive to fully understand unintended consequences of our circularity aspirations...we, in partnership with suppliers, are supporting job upskilling programs to mitigate potential elimination of the need for certain job profiles and skill sets."<sup>[29]</sup> However, evidence that it's putting these words into practice remains to be seen.

### REMAKE METRICS:

#### Implementing *True* Circularity

- ✧ Designing for product longevity, re-use, and/or recyclability
- ✧ Offering and scaling in-house repair and upcycling services to extend the use-phase of goods
- ✧ Offering and scaling rental initiatives for garments that tend to have shorter consumer phases (i.e. baby and children's clothing, maternity wear, occasion wear, work wear)
- ✧ Building out the above programs to eventually replace linear production of new goods
- ✧ Taking responsibility for the full life cycle of products to ensure that they do not end up in landfills in the Global South
- ✧ Understanding and prioritizing the needs and voices of employees and value chain workers in business model transition plans

FIGURE 15

#### ROADMAP SOLUTION:



It's crucial that as companies rethink how they operate, they consider the impact on the wages, employment, and well-being of the millions of vulnerable people that fashion touches. They should prioritize the needs and voices of employees, factory workers, and farmers in their business model transition plans.

29. VF Corporation. (2023). Made for Change Sustainability & Responsibility Report Fiscal Year 2022. VF Corporation. Retrieved from: [https://d1io3yog0oux5.cloudfront.net/vfc/files/documents/Sustainability/Resources/VF\\_FY2022\\_Made\\_for\\_Change\\_Report\\_FINAL.pdf](https://d1io3yog0oux5.cloudfront.net/vfc/files/documents/Sustainability/Resources/VF_FY2022_Made_for_Change_Report_FINAL.pdf)



## The Findings

# In Conclusion

Fashion workers—from the employees at corporate headquarters to the sewists in factories to smallholder cotton farmers—are burnt out and disillusioned with this system. Nobody *wants* to work in a system that is toxic and abusive. And we do see the quiet and difficult work being done by employees at dozens of fashion companies. They raise their concerns, push for disclosure, direct money toward solutions, advocate for joining binding agreements, and often do so with little thanks for their efforts. It's not yet enough, far from it, but it's something.

We hope that this report can serve as a point-by-point roadmap to a better fashion industry that we are proud to be a part of. Perhaps, if we strive to fulfill these aspirations, fashion can be returned to its former place of glory and respect.

Maybe then, saying, "I work in fashion," will not be an apology or complaint, but a joyful boast that you help create useful and beautiful things that help uplift people while improving communities and ecosystems around the world.

## Company Scores

View each company's individual scoresheet below. Company assessment data is up-to-date as of December 2023.

<a href="#">Abercrombie &amp; Fitch Co. (Hollister Co.)</a> 5	<a href="#">Levi Strauss &amp; Co.</a> 23
<a href="#">Adidas</a> 20	<a href="#">Lululemon</a> 19
<a href="#">Allbirds</a> 19	<a href="#">LVMH (Dior, Celine, Louis Vuitton, Stella McCartney)</a> 13
<a href="#">Amazon</a> 5	<a href="#">Macy's Inc. (Bloomingdales)</a> 6
<a href="#">American Eagle Outfitters (Aerie)</a> 14	<a href="#">Marks and Spencer</a> 18
<a href="#">ASOS</a> 14	<a href="#">Missguided</a> 0
<a href="#">Bestseller</a> 14	<a href="#">MUJI</a> 7
<a href="#">Boohoo Group (Nasty Gal, Pretty Little Thing, Warehouse)</a> 11	<a href="#">NEXT</a> 12
<a href="#">Burberry</a> 27	<a href="#">Nike</a> 18
<a href="#">C&amp;A</a> 18	<a href="#">Patagonia</a> 17
<a href="#">Chanel</a> 5	<a href="#">Primark</a> 20
<a href="#">Columbia Sportswear</a> 9	<a href="#">PUMA</a> 36
<a href="#">Cotopaxi</a> 24	<a href="#">PVH (Calvin Klein, Tommy Hilfiger)</a> 21
<a href="#">Desigual</a> 9	<a href="#">Ralph Lauren</a> 30
<a href="#">Disney</a> 1	<a href="#">Reformation</a> 34
<a href="#">Everlane</a> 40	<a href="#">REI</a> 18
<a href="#">Fashion Nova</a> 0	<a href="#">River Island</a> 12
<a href="#">Fast Retailing (UNIQLO, Theory, Helmut Lang, J Brand)</a> 21	<a href="#">Rothy's</a> 5
<a href="#">Forever 21</a> 1	<a href="#">Savage x Fenty</a> 4
<a href="#">GAP Inc. (GAP, Old Navy, Banana Republic, Athleta)</a> 19	<a href="#">SHEIN</a> 6
<a href="#">H&amp;M Group (Arket, COS, H&amp;M, Monki, Weekday, &amp; Other Stories)</a> 37	<a href="#">SKIMS</a> 0
<a href="#">Hanesbrands Inc.</a> 13	<a href="#">Target</a> 11
<a href="#">Inditex (Zara, Pull &amp; Bear, Massimo Dutti, Bershka)</a> 28	<a href="#">Temu</a> 0
<a href="#">JCPenney</a> 1	<a href="#">URBN Group (Anthropologie, Free People, Urban Outfitters)</a> 3
<a href="#">Kering (Balenciaga, Bottega Veneta, Gucci, YSL)</a> 27	<a href="#">VF Corporation (The North Face, Timberland, Vans)</a> 23
<a href="#">Kohl's</a> 2	<a href="#">Victoria's Secret &amp; Co.</a> 13

## Methodology

# How This Criteria Was Created

Since 2016, Remake has been evaluating fashion companies on their human rights and environmental progress. In 2021, with the climate crisis looming large and the industry's unethical treatment of garment workers during the pandemic thrust into the spotlight, we raised the bar on corporate accountability by strengthening our criteria to measure what matters most.

It is undeniably clear that transparency, though absolutely necessary and foundational to sustainability, is not enough. The fashion industry needs radically different business models and new modes of thinking in order to operate within our finite planetary boundaries and deliver equity for fashion workers across the value chain. Thus, we sought input from expert stakeholders to set ambitious, moonshot goals that will propel the industry in the right direction and ensure a just transition for all along the way. You can meet those stakeholders in the [Advisors](#) section of this report.

Together with labor rights organizations; professors of human rights, employment, and law; and thought leaders in the fields of environmental justice, degrowth and circularity, we have built a framework that measures fashion companies' progress towards true accountability in the following six areas:

- ✦ Traceability
- ✦ Wages and Wellbeing
- ✦ Commercial Practices
- ✦ Raw Materials
- ✦ Environmental Justice
- ✦ Governance

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## Scope of the Research

Our accountability assessments rely only on information that is in the public domain, most notably that which is published in companies' own sustainability and annual reports, or on their websites. This is to encourage companies to fully trace and measure impacts across their value chain, set ambitious targets to mitigate their negative social and environmental footprints, as well as be publicly accountable for meeting these targets.

## Methodology

# How We Score

Remake's accountability assessment criteria scores fashion companies on their progress towards social and environmental goals across six categories:

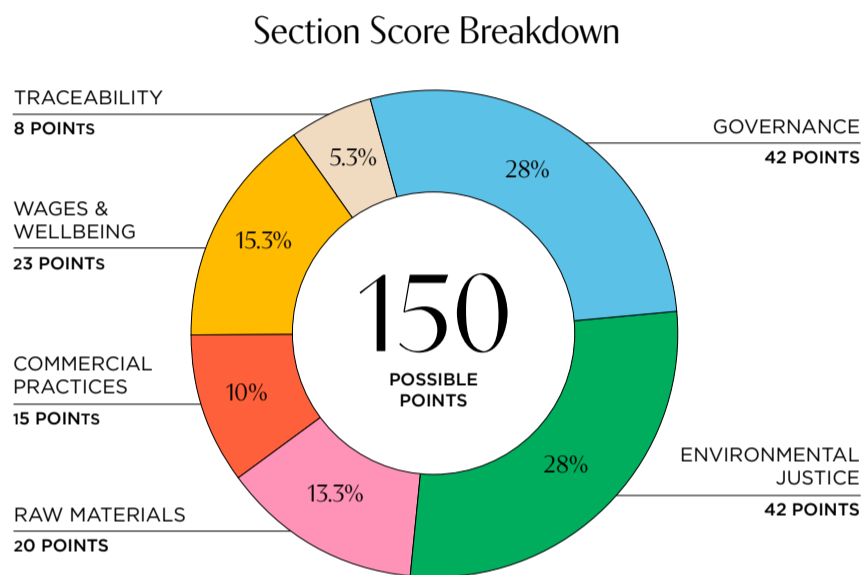


FIGURE 16

To this end, our scoring system looks for action and demonstrations of year-over-year progress. Very few points are allotted to goal-setting or transparency alone (with the notable exception of supply chain traceability, which is foundational). See how our criteria is broken down within our score sheets in the [Company Score sheets](#) section of this report.

Scores are dependent on public disclosures and reflect the extent of a company's transparency. That said, zero scores are not always synonymous with complete inaction. Rather, they could mean either that a company does not publicly disclose relevant information, or that it falls short of demonstrating concrete progress in the way of our assessment criteria.

Our scoring system goes up to 150 points, but acknowledging that not every indicator will always be relevant to every type of brand or retailer, we encourage companies of all sizes to view and use this criteria as a roadmap—to focus on the direction of travel, and on the intersectionality of so many of the issues at hand, rather than on the narrow goal of getting as many points as possible. Given the stringency of our scoring, every additional point earned reflects a definitive step in the right direction on a company's accountability journey.

As the knowledge and expertise of our team grows, and society's understanding of social and environmental sustainability evolves, we will continue to refine the way in which we assess companies. This year, we've tightened our criteria and further refined what qualifies for points internally. Thus, you may notice that some companies' scores have been reduced or increased where discrepancies in rating were discovered.

## How Companies Are Selected

This year, the Remake Fashion Accountability Report assessed 52 fashion brands and retailers with an annual revenue of over \$100 million. Most of them are amongst the most profitable companies across fast fashion, luxury, and big box retail. These are companies that, because of their size and purchasing power, have the most influence, ability, and responsibility to drive the systemic changes that the fashion industry so critically needs in order to achieve its climate and social justice goals. A few companies were selected due to their relevance to our community and their reputations as leaders within the sustainable fashion space.

Readers should note that Remake scores parent companies and conglomerates, and that the scores and insights presented in this report reflect all relevant subsidiary companies and brands.

This year, we removed several companies that were included in our last report, either because they continued to fail to put any relevant information in the public domain or engage with our reporting process, or because they had not released their updated corporate accountability metrics in time to be assessed. However, we hope that both this report and our [accountability criteria](#) may be of use to all fashion companies, regardless of whether or not they are featured here.

## Advisors

The following is a list of subject-matter experts who contributed their knowledge towards developing Remake's accountability assessment criteria.



### Nazma Akter

Founder and Executive Director,  
Awaj Foundation

Bangladesh

Nazma Akter is the founder and Executive Director of Awaj Foundation. Awaj Foundation is a grass-roots labor rights NGO with over 600,000 members in Bangladesh that strives to amplify workers' voices for decent working conditions. Akter started working in a garment factory at age 11, alongside her mother who was also a garment worker, first as a helper and then as a machine operator. She has been fighting to improve workers' rights, especially women workers, in the garment sector in Bangladesh for over 32 years. Akter is also the President of Somnilito Garments Sramik Federation, one of the largest union federations in Bangladesh, and co-chair of Asia Pacific Women's Committee of IndustriALL Global Union.



### Sarah Dadush

Professor of Law, Rutgers Law School

United States

Dadush teaches contract law and business and human rights, among other subjects. She is the founding Director of the Law School's [Business & Human Rights Law Program](#) and the [Responsible Contracting Project](#) (RCP), launched in 2022 to improve human rights in global supply chains through innovative contracting practices. She is a leading member of the ABA Business Law Section Working Group to Draft Human Rights Protections in International Supply Contracts and its European counterpart, the European Model Contract Clauses for Responsible and Sustainable Supply Chains Working Group. Additionally, she serves as Co-Chair of the Responsible Investor Model Clauses (RIMC) sub-committee of the ABA's Corporate Social Responsibility Committee..



### Kate Fletcher

Author, Activist, and Research Professor, Royal Danish Academy

Denmark and United Kingdom

Kate Fletcher (PhD) is a Professor at the Royal Danish Academy, Copenhagen and at Oslo Metropolitan University in Norway. Her work, including that on systems change, [post-growth fashion](#), [fashion localism](#), [decentring durability](#) and [Earth Logic](#), both defines and challenges the field of fashion and sustainability. She has written and/or edited twelve books available in eight languages. Kate is a co-founder of the [Union of Concerned Researchers in Fashion](#). Her most recent work is about design, clothing and nature.



### Mark Anner

Professor, Pennsylvania State University  
Director, Center for Global Workers Rights

United States

Mark Anner is a Professor of Labor and Employment Relations, and Political Science. He is also the founding director of the Center for Global Workers' Rights. He holds a Ph.D. in Government from Cornell University and a Master's Degree in Latin American Studies from Stanford University. Dr. Anner is the recipient of the Susan C. Eaton Outstanding Scholar-Practitioner Award and the John T. Dunlop Outstanding Scholar Award. His research examines how pricing and other purchasing practices in global supply chains affect working conditions and workers' rights. He is currently developing a 'worker-driven' co-research methodology for global supply chains.



### Rebecca Burgess

Founder and Executive Director, Fibershed

United States

Rebecca Burgess is the Executive Director of Fibershed and Chair of the Board for Carbon Cycle Institute. She is also the author of the best-selling book *Harvesting Color* (2011), a bioregional look into the natural dye traditions of North America, and *Fibershed: Growing a Movement of Farmers, Fashion Activists, and Makers for a New Textile Economy* (2019). Burgess has over a decade of experience writing and implementing a hands-on curriculum that focuses on the intersection of restoration ecology and fiber systems. She has taught at Harvard University and Westminster College and has created workshops for a range of nonprofits and corporations.



### Anna Heaton

Fiber and Materials Strategy Lead,  
Animal Materials, Textile Exchange

United Kingdom

Anna Heaton has been working internationally on animal welfare and sustainable livestock management for over 15 years. Before joining Textile Exchange, she helped design and execute various standards across a wide range of animal species for both the food and fashion industries. This included consultancy work for Textile Exchange on the Responsible Wool Standard, Responsible Mohair Standard and Responsible Animal Standard. Along with Wildlife Friendly Enterprise Network, Heaton developed standards for wildlife-friendly farming and tourism. She also has a long history of working with farmers and farmer groups in the United Kingdom on organic and regenerative land management.

## Advisors



### Kimberly Jenkins

*Founder and CEO, The Fashion and Race Database, Artis Solomon*

*United States*

Kimberly M. Jenkins is the founder of The Fashion and Race Database and Artis Solomon, an online learning platform that is supported by subscribing universities and museums globally, and consultancy on fashion history and cultural awareness, respectively. Kimberly currently holds a position as part-time lecturer at Parsons School of Design, having formerly taught at Pratt Institute and formerly held the position of Assistant Professor of Fashion Studies at Toronto Metropolitan University. Kim is best known for introducing the course, Fashion and Race, at Parsons, and for working as an education consultant for Gucci in Europe and Asia to support their efforts on design and cultural awareness.



### Helen Mbugua-Kahuki

*Director of Research, Calvert Research and Management*

*United States*

Since 2018, Helen has been Calvert's Director of Research, where she leads a team conducting deep, proprietary ESG research leveraging the Calvert Principles of Responsible Investing. Her career in the investment management industry began in 2005. Previously, she was Calvert's ESG senior research analyst covering the apparel and retail industries. Before joining Calvert, she held a senior investment position at IFG Development Group, a family office focused on private investments in the Middle East and Africa. Prior to that, she was an associate director at Pacific Alternative Asset Management Company (now PAAMCO-Prisma) where she sourced, analyzed, seeded, co-invested, and oversaw a portfolio of emerging managers.



### Jeremy Lardeau

*Vice President of Higg Index, Sustainable Apparel Coalition*

*Spain*

Jeremy Lardeau is the Vice President of Higg Index in the Sustainable Apparel Coalition. The Higg Index is a suite of tools for the standardized measurement of value chain sustainability. Before joining the SAC team, Lardeau was Senior Director of Sustainability Analytics at Nike, Inc., where he led sustainability reporting, performance management, data products and reporting. Prior to Nike, Inc., Lardeau was a manager with PricewaterhouseCoopers (PwC) sustainability practice. Lardeau holds a Masters in Industrial Engineering from the Ecole Centrale Paris.



### Whitney McGuire

*Associate Director of Sustainability, Guggenheim Museum*

*United States*

Whitney McGuire, Esq. is the Associate Director of Sustainability at the Solomon R. Guggenheim Museum. In this inaugural role, Whitney is tasked with conceptualizing and executing the institution's sustainability mandate across three core areas: building facilities, staff culture, and community impact. Previously, Whitney practiced law for ten years with a focus on fashion and art industries. She is a co-founder of Sustainable Brooklyn, a community-based consultancy and think tank dedicated to concretizing equity within the sustainability movement, and as a part-time faculty member at Parsons School of Design in New York City. Whitney merges her work in sustainability with her community in various capacities, most notably as a former member of the Las Vegas Arts District Council and as the youngest board member of the Women's Prison Association.



### Elizabeth (Liz) Ricketts

*Co-Founder and Director, The OR Foundation*

*Ghana and United States*

Liz Ricketts is a fashion designer, educator and founder of The OR Foundation. The OR Foundation is a USA- and Ghana- based not-for-profit organization working at the intersection of environmental justice, education and fashion development. It aims to liberate young people from their dominant consumer relationship with fashion, riddled with excess and exploitation. The OR Foundation's initiatives include Dead White Man's Clothes, Collectofus and The Sustainable Fashion Initiative at University of Cincinnati DAAP. Ricketts' work looks at overconsumption and overproduction within the fashion industry and attempts to engage people in alternatives.



### Lewis Perkins

*President, Apparel Impact Institute*

*United States*

Lewis is the President of the Apparel Impact Institute (Aii) which is a collaboration of brands, manufacturers and industry stakeholders coming together to select, fund and scale projects that dramatically and measurably improve the sustainability outcomes of the apparel and footwear industry. Previously, he was President of the Cradle to Cradle Products Innovation Institute (C2CPPI), a non-profit focused on transforming the making and consumption of things into a regenerative force for the planet. Prior to C2CPPI, Perkins served as Director of Sustainable Strategies for The Mohawk Group, driving marketing strategy for the commercial carpet manufacturer's environmental initiatives. He holds a MBA in marketing and strategy with a focus on social responsibility from Emory University and a BA from Washington & Lee University.

## Advisors



### Jennifer Russell

*Assistant Professor of Circular Economy,  
Virginia Tech*

*United States*

Jennifer Russell is an Assistant Professor in the Department of Sustainable Biomaterials at the College of Natural Resources and Environment at Virginia Tech. Her area of expertise is in economic systems-modeling with a focus on the environmental impacts associated with industrial use of resources and energy. She is the co-author of the UNEP International Resource Panel publication, *Re-defining Value – The Manufacturing Revolution*, and is committed to research and education on the value, potential, and tangible opportunities of the circular economy. Dr. Russell holds a Ph.D. in Sustainable Systems from Rochester Institute of Technology. Prior to pursuing academia, Dr. Russell worked as a sustainability consultant for 10 years for multinational Consumer Packaged Goods (CPG) clients based across North America and Europe.



### Siena Shepard

*Director, Climate Beneficial Verification  
Program, Fibershed*

*United States*

Siena “Shep” (they/them) specializes in program development and strategy consulting that enables users to make more ecologically aligned decisions by leveraging data and design thinking. An artist turned industrial ecologist, Siena has worked across the academic, non-profit, and startup space, from New York to India, most recently building the Preferred Fiber and Material Matrix for Textile Exchange, and joining Fibershed to scale the Climate Beneficial program to align with market demands for measurable, traceable, and holistic fiber systems. Over the last decade they have worked with small innovators to large sector players including Patagonia, Parsons School for Design, Generation Conscious, the Sustainable Apparel Coalition, and Textile Exchange.



### Olivia Windham-Stewart

*Business and Human Rights Specialist*

*United States*

Olivia Windham Stewart is an independent business and human rights specialist based in the UK. She works with a range of clients on corporate accountability and human rights due diligence issues across sectors and has particular expertise in the garment industry. Prior to her independent work, Olivia was on the labour rights team at Impact UK. She has worked extensively in production countries around the world, particularly in South and South East Asia.

## Glossary

### #

**1.5°C Pathway** - The Intergovernmental Panel on Climate Change has issued a “code red for humanity” and stipulated that to avoid the most significant effects of climate breakdown, we must halve greenhouse gas emissions before 2030, achieve net-zero emissions before 2050, and halt global temperature rise to 1.5°C above pre-industrial levels.

### B

**Bangladesh Accord** - The Accord on Fire and Building Safety in Bangladesh (now the International Accord for Health and Safety in the Textile and Garment Industry) is an independent, legally binding agreement between brands and trade unions to work towards a safe and healthy garment and textile industry. It was established in May 2013 in response to the Rana Plaza garment factory collapse in Dhaka in April 2013 that killed at least 1,132 people. It was renewed as The International Accord in 2021, and again in 2023 when it also expanded into Pakistan.

**Base Year** - Base year Greenhouse Gas emissions are those from a reporting year in the past that can act as a reference point with which current emissions can be compared. When companies set their emissions reduction targets, they will likely state that they need to reduce their annual emissions by a percentage of their base year figures.

**Binding Agreement** - A binding agreement is a legal contract that indicates two parties have knowingly entered into an agreement and that the parties are now responsible for actions described by the contract.

**Biogenic Materials** - A biogenic substance is a product made by or of life forms. E.g. cotton, wool, Man Made Cellulosic Fibers.

**Buyer Code of Conduct** - Traditional codes of conduct only address suppliers and do not account for the role buyers play in upholding the standards, nor hold them accountable when their actions undermine the standards. The Buyer Code by contrast sets out steps for the buyer to take to support positive human rights outcomes. It promotes the shared-responsibility approach of the UNGPs and the OECD Guidance.<sup>[30]</sup>

### C

**Carbon Offsets** - Carbon offsets broadly refer to a reduction in carbon dioxide emissions—or an increase in carbon storage (e.g. through land restoration or the planting of trees)—that is used to compensate for emissions that occur elsewhere.

**CBA** - Collective Bargaining Agreement

**CDP** - Formerly known as the Carbon Disclosure Project, CDP is an organization that supports companies and cities to disclose the environmental impact of major corporations. It aims to make environmental reporting and risk management a business norm and drive disclosure, transparency, and action towards a sustainable economy.<sup>[31]</sup>

**Circular Economy Hierarchy**<sup>[32]</sup> - An operational and waste management paradigm that maximizes the utilization of materials in their most valuable form by extending the life of products and extracting optimal value once they're discarded to turn them into new products.

**Circularity\*** - An economic system aimed at eliminating waste and promoting the continual use of resources, encouraging regenerative inputs, reuse and recycling. *\*Remake measures circularity based on business model progress. Circular initiatives such as repair, rental, reuse etc. need to displace the production of new garments. For circularity to have an impact, it cannot run parallel to linear production.*

**Climate Adaptation** - In addition to working to mitigate climate change, helping communities already being affected by its impacts survive and thrive.

**Climate Neutral** - Climate neutrality refers to the idea of achieving net-zero greenhouse gas emissions. Climate neutrality can be achieved if CO2 emissions are reduced to a minimum and all remaining CO2 emissions are offset with climate protection measures.

**Climate Positive** - Climate positive means that an activity goes beyond achieving net-zero carbon emissions to actually create an environmental benefit by removing additional carbon dioxide from the atmosphere.

**Closed Loop Economy** - A closed-loop economy is an economic model in which no waste is generated, instead everything is shared, repaired, reused or recycled. What might traditionally be considered “waste” is changed into a valuable resource for the creation of something new.

**CoC** - Code of Conduct

**Collective Bargaining Agreement** - A written legal contract between an employer and a union representing the employees. The CBA is the result of an extensive negotiation process between the parties regarding topics such as wages, hours, and terms and conditions of employment.

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31. National Retail Federation. (2022, April 15). ESG Glossary of Terms. National Retail Federation. Retrieved from: <https://nrf.com/topics/sustainability/esg-tool-kit/esg-glossary-terms>

32. Stanislaus, M. (2019). 5 Ways to Unlock the Value of the Circular Economy. World Resources Institute. Retrieved from: <https://www.wri.org/insights/5-ways-unlock-value-circular-economy>



## Glossary

**Commercial Practices** - How companies relate to their factories and other suppliers with respect to contracting, pricing, placing and changing orders, addressing conflicts that arise, and terminating the business relationship.

**Corporate Strategy** - Corporate strategy encompasses a firm's corporate actions with the aim of achieving company objectives while also achieving a competitive advantage.

**C-Suite** - C-suite refers to the high-ranking executive-level managers within a company, e.g. Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO).

**Cut-and-Sew** - The stage of production in which finished products are made. This is often referred to as 'Tier 1' manufacturing.

## D

**Decarbonization** - The process of moving away from energy systems that produce carbon dioxide (CO<sub>2</sub>) and other greenhouse gas emissions. This can be done, for example, by decreasing CO<sub>2</sub> output per unit of electricity generated (increasing energy efficiency), or switching to renewable energy sources.

**Degrowth** - The degrowth movement argues that the economy cannot keep growing without driving humanity into ecological and climate catastrophe. It posits that "that economic growth is no longer desirable – its costs exceed its benefits – and advocates a transformation of economies so that they produce and consume less, differently and better."<sup>[33]</sup> Degrowth encourages a planned reduction of global production and consumption, primarily in high-income nations, in a way that reduces inequality and advocates that social and environmental well-being replaces GDP as the indicator of prosperity.<sup>[34]</sup>

**Diversity, Equity, and Inclusion (DEI)** - Diversity, Equity and Inclusion

**Direct Employees** - In this case, a direct employee refers to any employee that works directly for the company, be it in a headquarters or in retail.

**Downstream** - The supply chain is often divided into two parts: upstream and downstream. This refers to the flow of materials from the raw materials suppliers to manufacturers, to distributors and customers and then, increasingly, to disposal or end-of-life. The downstream supply chain includes the process of sending finished products from manufacturing to the end consumer, the management of customer returns, and the post-consumer journey of product to secondary markets or landfill, for example.<sup>[35]</sup>

## E

**Environmental Justice** - Environmental justice is the fair treatment and meaningful involvement of all people regardless of race, color, national origin or income, with respect to the development, implementation and enforcement of environmental laws, regulations and policies.

## F

**Fiber-to-Fiber Recycling** - Refers to a system where a fiber, i.e. cotton or polyester, is continuously recycled into "new" cotton or polyester fabrics for garments, rather than being downcycled into less valuable products, for example.

**FLA** - Fair Labor Association

**FOA** - Freedom of Association

**Force Majeure** - Force majeure is a clause that is included in contracts to remove liability for unforeseeable and unavoidable catastrophes that interrupt the expected course of events and prevent participants from fulfilling obligations. Force majeure is a French term that literally means "greater force." It is related to the concept of an 'act of God', an event for which no party can be held accountable, such as a hurricane or a tornado, as well as human actions, such as armed conflict and man-made diseases.<sup>[36]</sup>

## G

**Garment Worker Protection Act (SB62)** - The Garment Worker Protection Act (California Senate Bill 62) is a California Senate law that improves working conditions in America's largest garment industry by ensuring that companies share in the responsibility for garment worker pay. The Garment Worker Protection Act strengthens protections for garment workers in three essential ways:

- ✦ Eliminating piece-rate pay and enforcing the minimum wage for factory workers.
- ✦ Holding companies jointly liable for sub-minimum wage pay in factories that produce their garments.
- ✦ Increasing enforcement of wage laws up the supply chain.

**GBV** - Gender-based violence

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## Glossary

**Gender-Based Violence** - Gender-based violence is a phenomenon deeply rooted in gender inequality. It can be defined as violence directed against a person because of their gender.

**GHG** - Greenhouse Gas

**Greenwashing** - Promoting a product, service, or company as more environmentally friendly than it actually is by falsely advertising environmental benefits. This can be done intentionally or unintentionally by making unsubstantiated claims.<sup>[37]</sup>

**Grievance** - A grievance is a formal complaint that is raised by an employee towards an employer within the workplace over something believed to be wrong or unfair. Reasons for filing a grievance in the workplace can be as a result of, but not limited to, a breach of the terms and conditions of an employment contract, raises and promotions, or lack thereof, as well as harassment and employment discrimination.

**Grievance Mechanism** - A grievance mechanism is a formal, legal or non-legal complaint process that can be used by stakeholders to provide remedy when a company has caused or contributed to a negative impact. They can also be important early warning systems for companies and can provide critical information for broader human rights.

## H

**Human Rights Due Diligence** - Human rights due diligence involves the actions taken by a company to both identify and act upon actual and potential human rights risks for workers in its operations, supply chains and the services it uses. It is a way for enterprises to proactively manage potential and actual adverse human rights impacts in which they are involved.

**HQ** - Headquarters

## I

**ILO** - International Labour Organization

**Indirect Employees** - In this case, an indirect employee refers to any employee that forms part of the company's value chain but that works outside of its headquarters or retail stores. Eg. garment and textile workers, farm workers, warehouse workers.

**Intergovernmental Panel on Climate Change (IPCC)** - The IPCC is an intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change.

**International Accord for Health and Safety in the Textile and Garment Industry** - The International Accord for Health and Safety in the Textile and Garment Industry is the latest iteration of the original Bangladesh Accord. It is a legally-binding agreement that advances the fundamental elements of The Accord and explores the expansion of its standards to other countries. In 2023, the Accord program was expanded into Pakistan.

**Intersectional Environmentalism** - An inclusive form of environmentalism advocating for the protection of all people and the planet. Intersectional environmentalism identifies the ways in which injustices targeting vulnerable communities and the earth are intertwined.

**IPCC** - Intergovernmental Panel on Climate Change

## J

**Joint Liability** - The notion that two or more parties are legally responsible for paying back a debt or otherwise covering a liability.<sup>[38]</sup> In the case of fashion supply chains, joint liability refers to the idea that both brands and retailers, and their subcontracted factories should legally owe a duty of care toward garment workers and the upholding of human and labor rights in manufacturing facilities.

**Just Transition** - The International Labour Organisation defines a *just transition* as "greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind". While the systemic overhauling of fashion's business models is wholly necessary if it is to meaningfully reduce its negative environmental impacts, doing so will not come without its own negative externalities. To prevent community deprivation, poverty and depopulation, climate action and social equity must be prioritized in tandem. Community representation, regionally-specific knowledge, and context-based interventions are needed to reduce emissions in a fair, inclusive and equitable way.

## K

**KPI** - Key Performance Indicator

## L

**Linear Growth Model** - A linear economy traditionally follows the 'take-make-waste' model. This means that raw materials are collected then transformed into products that are used until they are finally discarded as waste. Value is created in this economic system by producing and selling as many products as possible.

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## Glossary

**Living Wage** - A living wage is defined as the minimum income necessary for a worker to meet their own and their family's basic needs; to maintain a minimum standard of living; and to allow for savings. Needs include, but are not limited to, food, clothing, housing, travel costs, children's education, health costs and discretionary income. A living wage is geographically specific.

### M

**Mandatory Human Rights Due Diligence (MHRDD)** - MHRDD differs from HRDD in that it refers to the growing worldwide movement to legally require companies to undertake human rights due diligence.

**Manufacturing Restricted Substances List (MRSL)** - The MRSL restricts hazardous substances potentially used and discharged into the environment during manufacturing. Manufacturing Restricted Substance List provides brands, retailers, suppliers and manufacturers with acceptable limits of restricted substances in chemical formulations which can be used in the raw material and product manufacturing processes.

**MHRDD** - Mandatory Human Rights Due Diligence

**Minimum Wage** - A minimum wage is the lowest remuneration that employers can legally pay their employees—the price floor below which employees may not sell their labor.

**MRSL** - Manufacturing Restricted Substances List

### N

**Negative Externality** - Negative externalities occur when the consumption or production of a good causes a harmful effect to a third party, i.e. pollution, environmental degradation, or mass layoffs.

**Net Positive** - A way of doing business which puts back more into society, the environment and the global economy than it takes out.

**Net Zero** - Net zero refers to a state in which the greenhouse gasses going into the atmosphere are balanced by removal out of the atmosphere. The 'net' in net zero is important because it will be very difficult to reduce all emissions to zero on the timescale needed. As well as deep and widespread cuts in emissions, we will likely need to scale up removals. In order for net zero to be effective, it must be permanent. Permanence means that removed greenhouse gas does not return into the atmosphere over time, for example through the destruction of forests or improper carbon storage. Net zero is the internationally agreed

upon goal for mitigating global warming in the second half of the century. The IPCC concluded the need for net zero CO<sub>2</sub> by 2050 to remain consistent with 1.5°C.<sup>[39]</sup>

**Non-Biogenic Materials** - Materials that are not made of or from life-forms.

### P

**PET** - Polyethylene terephthalate, abbreviated as PET, is the most common thermoplastic polymer resin of the polyester family and is used in fibers for clothing.

**Post-Consumer Waste** - Post-consumer waste is material that has served its intended purpose as a consumer item. It has completed its life cycle of being used by a consumer, disposed of, and diverted from landfills, and can now be recycled and reused.

**Postgrowth** - 'Post-growth' is a worldview that sees society operating better without the demand of constant economic growth. Post-growth is a stance on economic growth concerning the limits-to-growth dilemma—recognition that, on a planet of finite material resources, extractive economies and populations cannot grow infinitely.

**Purchasing Practices** - 'Purchasing Practice' is an umbrella term that refers to how buyers engage with their suppliers. For instance: when do brands pay suppliers for the goods they've produced? How are prices negotiated? Poor purchasing practices are linked to adverse human rights outcomes. For example, if a brand or retailer unexpectedly cancels an order this can make it difficult for their suppliers to make payroll on time.<sup>[40]</sup>

### R

**Raw Materials** - Raw materials are materials or substances used in the primary production or manufacturing of goods.

**Recyclable** - Recyclable means a substance or object that can be recycled. Recyclable waste or materials can be processed and used again.

**Regenerative Agriculture** - Regenerative Agriculture can be defined as farming and grazing practices that increase soil organic matter from baseline levels over time. Benefits of regenerative agriculture include improved soil health and biodiversity, increased soil water holding capacity, reduced pest pressure, and carbon sequestration.

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## Glossary

**Remediation** - A company's dedication to, and process of, resolving or supporting the resolution of grievances and human rights violations both in the supply chain and amongst its direct employees.

**Renewable Energy** - Energy obtained from perpetual natural sources that are constantly replenished, such as collection of energy with solar panels or wind turbines.<sup>[41]</sup>

**Responsible Exit** - When terminating a business relationship with a supplier, the company accounts for the socio-economic impact it will have on the supplier and workers. Ideally, these considerations are integrated into the supplier contract at the outset.

**Responsible Sourcing Timeline** - Planning and forecasting, and negotiating order timelines, factory bookings and changes in orders include ongoing dialogue with suppliers to ensure that buyer's requirements do not undermine human rights.

**Restricted Substances List (RSL)** - The Restricted Substance List (RSL) is intended to provide apparel and footwear companies with information related to regulations and laws that restrict or ban certain chemicals and substances in finished home textile, apparel and footwear products around the world.

**RSL** - Restricted Substances List

**R&D** - Research and Development

## S

**SB62** - California Senate Bill 62, also known as the Garment Worker Protection Act, which was signed into law in 2022.

**Science-Based Targets (SBTs)** - SBTs are science-based emissions reduction targets and strategies set by companies and validated by the Science Based Targets Initiative (SBTi). These targets mobilize companies to set net-zero science-based targets in line with a 1.5°C future.

**Scope 1 Emissions** - Direct emissions from a company's owned or controlled operations (e.g. emissions associated with fuel combustion in boilers, furnaces, vehicles).

**Scope 2 Emissions** - Indirect emissions associated with the company's purchase of electricity, steam, heat or cooling.

**Scope 3 Emissions** - The result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in both its upstream and downstream value chain. Scope 3 emissions include all sources not within an organization's Scope 1 and 2 boundary.

**Stakeholder** - A group with an interest in a company that can impact or be impacted by business performance. Stakeholders were previously defined as groups like investors, employees, and customers, but the definition has since expanded to include local and global communities, governments, and more.<sup>[42]</sup>

## T

**The FABRIC Act** - The Fashioning Accountability and Building Real Institutional Change Act is a federal bill that introduces groundbreaking new workplace protections and manufacturing incentives to cement the US as the global leader in responsible apparel production. This worker-led bill also amends the Fair Labor Standards Act of 1938 to include:

- ✦ The establishment of a nationwide garment industry registry through the Department of Labor to promote transparency, hold bad actors accountable, and level the playing field.
- ✦ New requirements which hold fashion brands and retailers alongside manufacturing partners jointly accountable for workplace wage violations to incentivize responsible production, starting at the top.
- ✦ Setting hourly pay in the garment industry and eliminating piece rate pay until the minimum wage is met to ensure jobs with dignity. Productivity incentives on top remain protected.

**The Paris Agreement** - The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels

**Tier 1** - Production facilities where finished products are made. These are sometimes referred to as cut-and-sew facilities.

**Tier 2** - Material production facilities where materials are manufactured. Fabric is made from yarn and dyed. These are sometimes referred to as dye houses and/or fabric mills.

**Tier 3** - Material processing facilities which process raw materials into yarn and other intermediate materials. This includes processing of natural and synthetic materials into yarn.

**Tier 4** - Raw material farming and extraction.

41. National Retail Federation. (2022, April 15). ESG Glossary of Terms. National Retail Federation. Retrieved from: <https://nrf.com/topics/sustainability/esg-tool-kit/esg-glossary-terms>

42. National Retail Federation. (2022, April 15). ESG Glossary of Terms. National Retail Federation. Retrieved from: <https://nrf.com/topics/sustainability/esg-tool-kit/esg-glossary-terms>

## Glossary

### U

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**Upchain Accountability** - The notion that because of the power dynamics in fashion, it is the wealthy and influential brands and retailers at the top of the value chain that bear the ultimate responsibility for the human rights and environmental outcomes that occur throughout the life cycle of their products, from design and raw material extraction through to the end-of-life and post-consumer phases.

**Upchain Liability** - Based on the premise of upchain accountability, upchain liability means that fashion brands and retailers are held legally, and thus financially, accountable for mitigating and remedying adverse human rights and environmental outcomes that occur within and as a result of their value chains.

**Upstream** - The supply chain is often divided into two parts: upstream and downstream. This refers to the flow of materials from the raw materials suppliers to manufacturers, to distributors and customers and then, increasingly, to disposal or end-of-life. The upstream supply chain includes raw material sourcing, suppliers who create components that will later be used in the final product, and the manufacturing of the final goods that will be sent to consumers.<sup>[43]</sup>

**Upward Mobility** - The rate at which employees advance into new roles, additional opportunities, and better compensation.

**Uyghur** - Uyghurs are a Turkic ethnic group native to Xinjiang in Northwest China. They make up less than half of the Xinjiang population.

**Uyghur Forced Labor** - In China's Xinjiang Province, authorities have imprisoned thousands of people from the Uyghur ethnic minority without legal justification. They have also forced thousands of Uyghurs into state or factory jobs, including in apparel and textile manufacturing.

### V

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**Value Chain** - "A 'supply chain' refers to the system and resources required to move a product or service from supplier to customer. The 'value chain' concept builds on this to also consider the manner in which value is added along the chain, both to the product and the actors involved. From a sustainability perspective, 'value chain' has more appeal, since it explicitly references internal and external stakeholders in the value-creation process. It also encourages a full-life cycle perspective and not just a focus on the (upstream) procurement of inputs. Value is generally used in a narrow economic sense, but it can be interpreted to

encompass 'values', ie ethical and moral concerns as well as other non-monetary utility values such as closing material loops, the provision of ecosystem services and added customer value."<sup>[44]</sup>

### W

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**Wage Theft** - The failing to pay wages, severance or provide employee benefits rightfully owed to an employee by contract or law.

43. Unilog. (2024). Upstream vs. Downstream Supply Chain. Unilog Blog. Unilog, Global Supply Chain Management. Retrieved from: <https://unilog.company/blog-articles/upstream-vs-downstream-supply-chain/#:~:text=Upstream%20supply%20chain%20is%20the,manufacturer%20to%20the%20end%20consumer.>

44. Cambridge Institute for Sustainability Leadership. (2024). What is a value chain? Definitions and characteristics. Cambridge Institute for Sustainability Leadership. University of Cambridge. Retrieved from: <https://www.cisl.cam.ac.uk/education/graduate-study/pgcerts/value-chain-defs>

## Contact

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