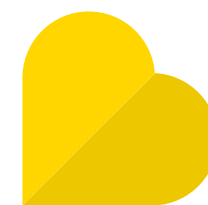


THE COVID FASHION REPORT

A 2020 SPECIAL EDITION OF
THE ETHICAL FASHION REPORT



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

THE | COVID FASHION REPORT

A 2020 SPECIAL EDITION OF THE ETHICAL FASHION REPORT

Date: October 2020

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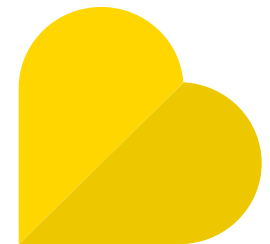
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Behind the Barcode is a project of Baptist World Aid Australia.

New Zealand headquartered companies researched
in partnership with Tearfund New Zealand.

www.behindthebarcode.org.au



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Part One

THE COVID CHALLENGE

THE 2020 SPECIAL EDITION

2020 has been a year like no other. COVID-19 has swept across the planet, sparking subsequent health, economic, and humanitarian crises. While no country, part of life, nor sector of the economy has been entirely insulated, industries like fashion — which have complex global supply chains, employ large numbers of workers in vulnerable contexts, and rely on discretionary consumer spending—have been amongst the most impacted.

Millions of garment workers have lost their jobs and wages. Fashion companies have faced declining sales. Consumers' lives have been disrupted. In response to the global crisis, the approach to this research required adjustment this year. This special COVID Fashion Report departs from the approach of the regular Ethical Fashion Report, which will next be published in 2021. Instead, this report tells a specific story... the story of an industry in crisis.

This is a story about garment workers in vulnerable communities who are facing some of the greatest challenges to their livelihoods and lives. It is also a story about fashion companies and suppliers under enormous pressure for their own survival—and the actions they have and haven't taken to protect and support the most vulnerable workers in their supply chains. It's a story about us, as consumers, and the choices we can make, even amidst our own experience of the disruption of COVID-19.



Despite the challenges of COVID, textile workers continue to work with their masks. June 2020, Izmir, Turkey.



Workers

Between March and May 2020, the world's **50 million garment workers lost wages totalling \$5.79 billion USD.**¹

More than **1 in 3** surveyed Bangladeshi garment workers reported their **children had gone without food** during May 2020.²



Suppliers

In March, more than half of surveyed suppliers in Bangladesh reported that the **majority of their orders had been cancelled by buyers.**³



Brands

Retail foot traffic down 71.7% in May 2020 and most fashion companies had closed stores, furloughed staff and lower sales.⁴



Consumers

Consumers in Australia and New Zealand have been hit by the economic impact of COVID. Between March and April 2020, the **hours worked by Australians declined by 9.5%.**⁵

The urgent situation for workers and the significant disruption being faced by the industry, mean this report is framed around six COVID Fashion Commitments that ask companies to demonstrate the steps and measures they are taking to protect and support the most vulnerable workers in their supply chains.

Over 70% of companies have taken some deliberate positive action to support workers in their supply chains. These actions and the impact on workers are examined throughout this report.

COVID FASHION COMMITMENTS

The urgency of the situation for workers, alongside the pressure and disruption being faced by companies, means the detailed, long-term, and systemic approach of the regular Ethical Fashion Report needed to be replaced, in favour of a more immediate question:

“What steps and measures are you taking to protect and support the most vulnerable workers in your supply chain?”

Distilling the essence of the elements normally examined in the Ethical Fashion Report to those most salient to the COVID-19 crisis, six key commitments that fashion companies needed to make to their supply chain workers were identified.

These COVID Fashion Commitments represent the key actions that are feasible for companies to take, and those which will make the greatest difference for workers. They were developed based on industry consultation and priorities identified by garment workers' organisations and campaigns, and are aligned with the International Labour Organization's (ILO) Call to Action.



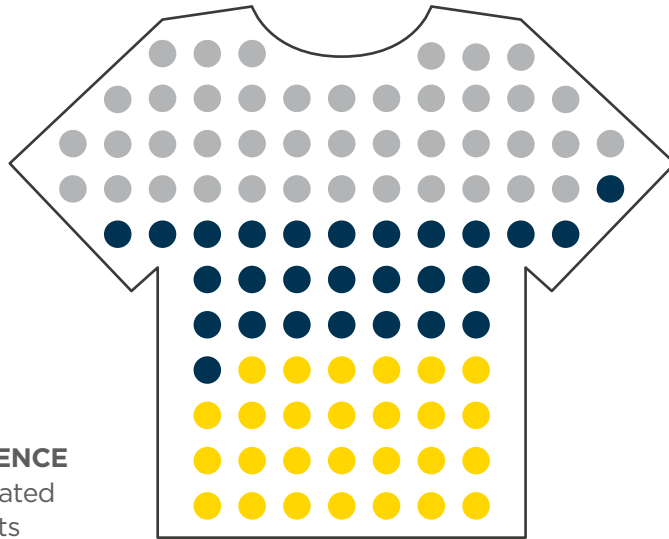
1 SUPPORT WORKERS' WAGES BY HONOURING SUPPLIER COMMITMENTS	2 IDENTIFY AND SUPPORT THE WORKERS AT GREATEST RISK
3 LISTEN TO THE VOICES AND EXPERIENCE OF WORKERS	4 ENSURE WORKERS' RIGHTS AND SAFETY ARE RESPECTED
5 COLLABORATE WITH OTHERS TO PROTECT VULNERABLE WORKERS	6 BUILD BACK BETTER FOR WORKERS AND THE WORLD

INDUSTRY RESPONSE TO COVID-19

43 companies provided evidence of actions for **ALL** Commitments

26 companies provided evidence of action for **SOME** Commitments

27 companies provided **NO EVIDENCE** of actions taken related to the Commitments



72% of companies have evidence some action in relation to one or more Commitments

55% of companies' responses have gaps in 1 or more Commitments

Complex global supply chains mean no company could fully assure that their actions extended to every worker at every tier of the supply chain. It is a reminder that ethical supply chain management is always about continuous improvement and the need to dig ever deeper into the supply chain and be responsive to new risks and vulnerabilities.

2/3 companies could show some evidence they had **maintained supplier payments** (Commitment 1)

Companies providing evidence by Commitment:



50% of companies could show evidence that they had continued to **listen to worker voices and experiences** (Commitment 3)

INDUSTRY RESPONSE TO COVID-19 *continued*

7x Companies with strong ethical practices coming into the pandemic were nearly 7 times more likely to provide evidence of all commitments



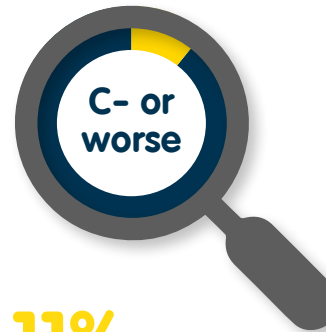
45%

of all companies had evidence against all commitments



75%

of companies that received a B+ or better in 2019 had evidence against all commitments



11%

of companies that received a C- or worse in 2019 had evidence against all commitments

- In the 2019 Ethical Fashion Report the median company grade was C+.
- Companies are incrementally improving their practices—38% improved their grade between 2018 and 2019
- This must be continued and accelerated in the COVID-19 context.
- It means ensuring continued focus on key elements like tracing and transparency through all tiers of the supply chain, responsible purchasing practices, living wages for workers, mitigation and remediation efforts for child and forced labour, and environmental sustainability.



Companies that had relatively strong ethical supply chain practices in place before the pandemic, were best able to respond strongly to the new challenges faced by workers.



COVID-19 AND GARMENT WORKERS

Workers are both the beneficiaries and the victims of the global fashion supply chain. For many of the estimated 43 million garment workers in the Asia-Pacific region alone, their job in this industry may be the first formal paid employment they have experienced.⁶

At its best, it can be a job that drives dignity — providing the economic resources that support the workers to meet their household needs, contribute to healthy and flourishing families and community, and establish enough savings to be resilient in difficult times. But at its worst, a job in the garment industry can undermine all of those positives — providing an income that is too small to live on, let alone prepare for a rainy day. It can demand long hours in working conditions that are dangerous to the health of garment workers, leaving them unable to participate in family and community life. In 2020, the COVID-19 pandemic has exposed and exacerbated the vulnerabilities garment workers face in the global fashion industry.



A woman ironing a face mask in a garment manufacturing factory. April 2020, Bulawayo, Zimbabwe.

- ▶ Many workers have lost their jobs and income — often having their employment terminated with back wages unpaid and termination payments not provided. Countries like Bangladesh have been worst affected, with estimates that over 1 million garment workers lost their jobs in April 2020 alone.⁷
- ▶ Vulnerable groups like migrants, children, and older workers are exposed not only to the virus, but also to unscrupulous employers that take advantage of their vulnerability.
- ▶ Individual garment workers have limited power and rely on grievance mechanisms and unions to report abuse and risks to their safety, many of which have been impacted by COVID-19 shutdowns.
- ▶ Factories and worker dormitories are often cramped and crowded, with limited provision or ability for workers to practice the hygiene measures that prevent the spread of COVID-19.
- ▶ Key garment producing countries have limited or no social safety nets in place for workers who lose their jobs.



COVID-19 AND CONSUMERS

Some things don't change ...

The clothes that we wear are among the most essential items we own. They protect, cover, and keep our bodies warm, and they express something of our style and personality to the world. Price, ethics, quality, style, comfort, and convenience all factor into the decisions we make as consumers when buying new clothes.

And some things do ...

In 2020, the economic impacts of COVID-19 have seen Australian and New Zealand consumers cut back on overall spending, with lockdown measures rapidly accelerating the shift from the shopping centre to the online store.

Research commissioned by Baptist World Aid Australia prior to the COVID outbreak found that more than four fifths of Australian consumers believe fashion companies have an ethical responsibility for the workers in their supply chains, while almost half are prepared to pay more to see this happen. In July 2020, McKinsey research⁸ found that there had been a large increase in consumers doing more research and being more deliberate about their purchase choices in general. This is a moment when consumption decisions can help to drive further positive change.



Photo by Arturo Rey via Unsplash

Baptist World Aid Australia research⁹ commissioned before the COVID-19 outbreak found ...

WORKING CONDITIONS

82%

of fashion consumers say clothing companies should pay workers fairly and provide safe working conditions

TRANSPARENCY

60%

of fashion consumers expect clothing brands to be transparent about what they do

WILLINGNESS TO PAY

47%

Nearly 1 in 2 of us say we are willing to pay more for ethically produced clothes





It's been estimated that the average garment purchased by an Australian or New Zealand consumer has passed through 100 pairs of hands on its journey of being made, transported, and sold. But what do we know about that journey? And in the midst of this COVID-19 crisis, what do we know about the actions that have been taken to protect the most vulnerable workers in the supply chain?

COVID-19 AND FASHION COMPANIES

Garment workers and consumers are connected by complex supply chains made up of the relationships between fashion brands and their suppliers.

In this chain are those who sew and assemble final garments, the input producers who manufacture and dye the fabrics, and other component suppliers producing raw materials like cotton, polyester, or wool.

With such complex supply chains, the significant majority of garment workers are employed by suppliers that are largely invisible to consumers in countries like Australia and New Zealand. However, consumers still have significant power to make an impact. The structure of the industry means it is fashion companies who have the greatest leverage for change. Yet these same highly visible brands are highly dependent on retail sales for their revenue, and have the greatest incentive to make improvements in response to consumer pressure.



Photo by Carl Raw via Unsplash

The COVID-19 pandemic has hit the global fashion industry, hard. Fashion companies in Australia and New Zealand have been literally fighting for their economic survival in 2020. Many of the companies included in the scope of this research furloughed large portions of their staff for periods of time. Most have had temporary retail store closures, and have made decisions to re-open a smaller number of stores. Sales are significantly lower across most sub-segments.

Amidst this crisis, the imperative of survival has pulled many companies back to a focus on core fundamentals. The central assertion of Baptist World Aid Australia and Tearfund New Zealand's ethical fashion advocacy has been that the wellbeing of the workers who produce the

garments that fashion companies sell must be considered a core priority. Survival is critical, but it should not be achieved on the backs of the most vulnerable workers.

DECLINE IN SALES IN 2020

MARCH QUARTER¹⁰



JUNE QUARTER¹¹



METHODOLOGY

The COVID Fashion Report identifies and recognises the immediate actions and initiatives that have been implemented by companies in response to the COVID-19 crisis. It adopts a targeted and simplified methodology which covers the key elements—albeit not the full scope—of the regular Ethical Fashion Report, and seeks to provide a comprehensive picture of the response of individual companies and the industry as a whole to the question: **what steps and measures are you taking to protect and support the most vulnerable workers in your supply chain?**

This approach departs from the regular Ethical Fashion Report research process which assesses the systems in place across a company’s entire supply chain. The regular process assumes relative stability in that supply chain and a high degree of engagement from companies and/or public disclosure of ethical sourcing practices. These remain critical and will again form the basis of the research process and Ethical Fashion Report that will be published in 2021. However, these conditions of stability in supply chains and capacity in fashion companies were not present in the crucial early stages of the pandemic, which overlapped with the research period for this report between March and July 2020.

Key differences between the COVID Fashion Report and the regular Ethical Fashion Report

COVID Fashion Report 2020	2019 Ethical Fashion Report (and forthcoming 2021 Ethical Fashion Report)
Identifies the actions companies have undertaken to respond to the challenges of COVID-19 as faced by their supply chain workers	Identifies the ethical policies, frameworks, systems and practices companies have in place across their supply chains to ensure labour rights and environmental sustainability
Simplified rating that identifies whether companies could show evidence of actions that address ALL/SOME/NONE of the areas covered by the COVID Fashion Commitments	Relative grading system that rates companies from A+ to F based on how their labour rights and environmental sustainability systems and practices compare to their peers
Companies asked to provide a single consolidated response that addresses actions taken across all tiers of their traced supply chain	Companies asked to disaggregate evidence and responses into three supply chain tiers: final production, inputs, and raw materials

The ultimate goal of this project remains consistent: to work collaboratively alongside companies in the fashion industry to contribute to improving the economic dignity of workers by ending worker exploitation, alleviating poverty, and building

environmental sustainability. As such, in the context of COVID-19 this project has not only been about assessing what companies have done, but also providing resources and engagement to drive further improvement and action.

METHODOLOGY *continued*

Between March and July 2020, a designated researcher within the Baptist World Aid Australia/ Tearfund New Zealand team managed the relationship with each company and sought to engage through email, phone, web conference, and letter. Through this engagement, the elements of the COVID Fashion Commitments were explained and resources to enable further action were provided both directly and through a company-focused web portal. A series of three webinars was also offered to companies throughout June, providing access to input on the commitment areas from guest speakers, which included leading business, union, and civil society experts.

Company selection

96 companies covering 428 brands were included within the scope of this research. The full list may be found on page 59. During the COVID-19 crisis, no new companies have been added to the company list assessed in 2019. All previously assessed companies estimated to have an annual revenue in excess of AUD \$50 million in 2019 (in line with the NSW Modern Slavery Act threshold) have been automatically included, as were New Zealand-based companies with an estimated annual revenue in excess of NZ \$30 million. Companies below these thresholds were given the option to participate.



Of the companies assessed ...

68% provided additional evidence directly to Baptist World Aid Australia and Tearfund New Zealand



32% were assessed on publicly available information only

METHODOLOGY *continued*

This selection process ensures the largest companies with the greatest consumer reach and subsequent impact on workers are included, while smaller companies that have prioritised ethical sourcing are also able to participate and have their efforts recognised.

Company evidence collection and assessment

Companies were informed in April that their actions would be assessed based on evidence shared by 17 July 2020. Ongoing follow-up occurred both before and in the weeks immediately after this date, and a complete evidence set for assessment was finalised by the start of August. As such the findings in this report relate directly to the initial period of the COVID crisis between January–July 2020.

All companies have been assessed on information published on company or brand websites, company reports (e.g. Annual Reports, Corporate Social Responsibility Reports), and any relevant statutory statements (e.g. Modern Slavery Statements) that directly cover the period since the outbreak of COVID-19. All companies were also given the opportunity to provide evidence directly to the research team (with Non-Disclosure Agreements in place for any commercially sensitive data as required). Approximately two-thirds of the companies assessed (68%) provided additional

evidence. Where companies have been assessed on public sources only, this is identified in the table on page 17 with an asterisk.

This research acknowledges the challenging environment fashion companies have experienced in 2020, and every effort has been made to recognise all positive action. Responses were first coded against the six commitment areas. The presence of primary evidence or detailed explanation of the process and measures adopted were accepted as providing some proof of action against the particular commitment addressed. Where companies could evidence action in all six commitment areas, they were placed in the top tier, 'ALL'. Where the company evidenced one to five commitment areas, they were placed in the middle tier, 'SOME'. The companies for which no evidence

was available fell in the 'NO EVIDENCE' tier. This analysis forms the basis of the company data tables on page 17 and in the appendix.

A second, more detailed coding occurred in relation to specific indicators, and data for these is shared at industry level only in Section 2. Given the extent to which regular measures have been disrupted, where information was provided relating to the company's standard processes, this was only accepted with explicit acknowledgement that this work had continued throughout 2020. At all stages, data was analysed by the primary researcher and then cross-checked by at least one other researcher.

In the context of COVID-19, we recognise that a variety of factors may have contributed to the comprehensiveness of evidence provided by companies — from impediments created by the furloughing of staff or legal requirements for companies trading in administration, to companies that may have taken more deliberate decisions to neglect their supply chain responsibilities. It is important therefore to note that the ratings provided here reflect evidenced actions. We recognise that some companies may have undertaken positive actions that are not reflected here as these were not evidenced. While any positive actions that contribute to the economic dignity and wellbeing of workers are to be celebrated; transparency and visibility of these actions is critical as they are the only way to ensure accountability for delivery.

FASHION COMPANY TIERS

Complex global supply chains mean no company could fully assure that their actions extended to **EVERY** worker at **EVERY** tier of the supply chain. However, most companies could show they had taken action...

Evidence of actions that cover ALL areas of the COVID Fashion Commitments

Adidas	Kathmandu
ALDI Stores	Kmart Group
AS COLOUR	Kookai
ASICS	Lacoste
ASOS	Levi Strauss & Co.
Big W	Macpac
Boden	Mighty Good Group
City Chic Collective	New Balance
Cotton On Group	Next
Country Road Group	Nudie Jeans Co
Cue Clothing Co.	Outland Denim
David Jones	Patagonia
Etiko	Pentland Brands
Factory X	Puma
Freeset T-Shirts	PVH Corp
Gildan Activewear	Retail Apparel Group
H&M	RREPP
Hallenstein Glasson Holdings	The Iconic
Hanesbrands	UNIQLO
Hot Springs	VF Corp
Hugo Boss Group	Workwear Group
Inditex	

Evidence of actions that cover SOME areas of the COVID Fashion Commitments

Abercrombie & Fitch*	Marks & Spencer
Ally Fashion	Munro Footwear Group
Best & Less	Myer
Betts Group*	Nike
Bloch	Oroton Group*
Brand Collective	Oxford
Forever New	Postie
Fruit of the Loom*	Ralph Lauren
Gap INC*	Rip Curl
Industrie	Rodd & Gunn
Lorna Jane	The Warehouse Group*
Lowes	Tree of Life
Lululemon Athletica	Zimmermann

NO evidence provided/identified covering COVID-specific actions

APG & Co*	General Pants Group
Arcadia Group*	Jeanswest**^
Bardot Pty Ltd**^	Just Group*
Barkers Clothing*	L Brands*
Ben Sherman Australia*	Max Fashions*
Blue Illusion*	Mosaic Group*
Boardriders*	R.M. Williams*
Boohoo*	Seafolly**^
Coles*	Seed Heritage
Decjuba*	Showpo*
Ezibuy*	Sussan Group*
Farmers*	The PAS Group Limited**^
Fast Future Brands*	Voyager Distributing Co*
Forever 21*	

* = Company did not provide information directly to the research team and has been assessed on public information only

^ = Company has been in administration during 2020

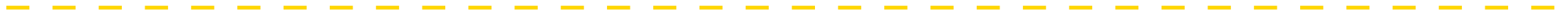


Part Two

COVID FASHION COMMITMENTS

COVID FASHION COMMITMENT

Support workers' wages
by honouring supplier
commitments





WAGES

As the COVID-19 pandemic has spread across the globe, pre-existing pressures on garment workers' jobs and wages have been acutely exacerbated. Order cancellations have been widespread across the garment industry, leaving suppliers without work, and workers without wages. Government-imposed lockdowns, company action, and shifts in consumer demand have also greatly impacted on the economic security of garment workers.

Over 43 million people across the Asia-Pacific region alone depend on jobs in the garment industry for their own livelihoods and to support the economic dignity of their family members.¹² This industry can be—and has been—a driver of new opportunities and transformation, and a step on the pathway out of poverty. However, fair and consistent payment of wages to garment workers is an ongoing challenge in the global fashion industry. In an environment where fashion companies pursue the lowest manufacturing costs, garment suppliers compete on price—squeezing margins and placing pressure on workers' wages. In the pre-COVID context, the 2019 Ethical Fashion Report found only 20% of companies could demonstrate that they were paying a living wage

to even a portion of the workers in their supply chains.¹³ These pre-existing conditions put the garment industry in a weak position, making it difficult for companies to adequately support workers through a global pandemic.

While some order adjustments through the COVID-19 crisis will occur for practical reasons (for example, where a supplier identifies limited capacity due to lockdown restrictions), in many cases companies are imposing unreasonable cancellations and financial penalties which place garment workers at risk. As the pandemic spread, shopfronts around the globe were forced to close for periods of time and demand for clothes declined. As a means of maintaining cashflow, many companies adjusted their inventory by halting or slowing production. In March, more than half of surveyed suppliers in Bangladesh reported that the majority of their in-process or completed production had been cancelled by buyers.¹⁴ When cancellations come at this late stage and buyers refuse to pay, suppliers continue to carry the liability for already incurred costs for materials and wages, without the associated earnings to cover these expenses. Lost earnings flow through to workers' employment and wages.

A line supervisor shows a tailor new stitching methods in a clothing plant. 2016, Lesotho.



Photo by Marcel Crozet, ILO via Flickr

Over 43 million people across the Asia-Pacific region alone depend on jobs in the garment industry for their own livelihoods and to support the economic dignity of their family members.



WAGES *continued*

In Bangladesh alone, more than one million garment workers were reported to have been fired or furloughed by mid-March. Despite local legal entitlements, 72% of suppliers reported that they were unable to pay furloughed workers and 80% were unable to provide severance pay to dismissed workers.¹⁵ A reported 98% of buyers refused to contribute to these costs.¹⁶ Worker Rights Consortium has estimated that between March and May 2020, the wage loss of the world's 50 million garment workers totalled some \$5.79 billion USD.¹⁷ These lost wages critically impact on workers' ability to meet even their most basic needs. In April, 97% of surveyed garment workers in Bangladesh reported that they were eating less than they felt they should have because there wasn't enough money for food.¹⁸

It is vital for fashion companies to pay for orders that are in-progress or completed, so that suppliers can maintain financial viability and cover expenses, including workers' wages. Companies must establish order schedules in active partnership with their suppliers to identify problem areas and determine mutually beneficial solutions. In the face of this crisis, workers' rights, wellbeing, and dignity should not be put on hold for the sake of profit.



Garment workers in a factory. 2013.

Photo by NYU Stern Centre for Business and Human Rights via Flickr



MAINTAINING SUPPLIER COMMITMENTS

Research in this commitment area sought to investigate how companies have adjusted their purchasing practices through COVID-19. This focused primarily on the maintenance of order payments, supported by active communication and negotiation with suppliers.

Maintenance of regular payments to suppliers is critical to the effective functioning of a supply chain that protects the economic dignity of workers. 65% of companies surveyed were able to provide some evidence that they maintained payments to suppliers for garments that were completed or already in production. While the extent of cancellations in the industry globally has been extensive (as noted earlier in data from Bangladesh), it has been anecdotally reported that, as a cohort, Australian and New Zealand companies have been more likely to maintain orders than peers in North American or European markets. This result is consistent with Baptist World Aid Australia and Tearfund New Zealand's company research, which focuses on companies with a large presence in Australia and New Zealand.

Some order changes are inevitable, even in a normal trading environment, and much more so in the context of the unprecedented economic and social disruption brought about by COVID-19. It is therefore crucial that companies work in active partnership with suppliers to determine mutual best

outcomes that ensure the protection of workers' interests. Only 25% of companies were able to demonstrate evidence of active partnership with suppliers that resulted in tangible changes, such as financial support or mutually negotiated order adjustments. A further 41% could demonstrate some evidence that suppliers had been consulted in the form of personalised communications and supplier surveys. These figures are relatively low. While the majority of companies may have been able to show some evidence that orders were maintained, in many cases this has occurred concurrently with adjustments, partial cancellations, the extension of payment terms, or imposition of discounts. These changes can obscure the true impact of fashion companies' decisions on their supply chain. Where changes are made in close consultation with suppliers and with appropriate adjustment support, the risks to workers' wellbeing can be at least partly mitigated. However where changes to order and payment terms are imposed without dialogue, suppliers and therefore workers are more directly exposed.

Concerningly, only 10% of companies surveyed were able to provide tangible evidence in the form of wage stubs or direct confirmation, that worker interests were not impacted by COVID-related order changes and that wages had been paid. A further 28% demonstrated that worker interests were considered through communication of their expectations to suppliers and the public

Companies making regular payments to suppliers through COVID-19



35%
No evidence

65%
Some evidence of ongoing payments



Evidence provided of maintained orders

43 companies made a public commitment to maintain orders

29 companies provided documentary evidence of ongoing orders



MAINTAINING SUPPLIER COMMITMENTS *continued*

but could not substantiate the direct outcome for worker wellbeing. This suggests that despite the fact that the majority of companies were still making payments to suppliers, few had visibility of the extent to which this flowed through to workers' wages. While fashion companies may only have direct control of the payments made to suppliers, and do not directly pay workers' wages, it is still vital that they seek to use their commercial leverage to understand and influence these decisions. Ultimately, commitments to suppliers are only meaningful in supporting the economic dignity of workers if they are passed on as wages.



The factory floor of a clothing plant. 2016, Nicaragua.

Photo by Marcel Crozet, ILO via Flickr

Evidence of companies working in partnership with suppliers



25% Partnership resulting in tangible changes

41% Communications and consultation only

34% No evidence

Actions taken by companies to maintain payments

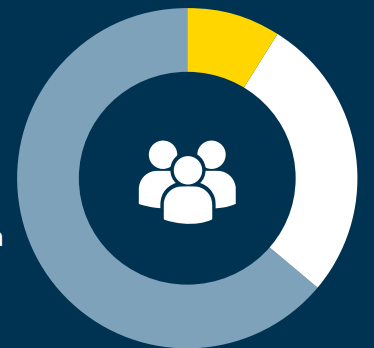
- 43** Adjusted orders in negotiation with supplier
- 13** Made advanced payments for orders or materials
- 20** Assisted suppliers with financing

Companies demonstrating worker interests were upheld

10% Provided documentary evidence of maintained worker wellbeing

28% Provided evidence of consideration of worker interests

62% No evidence



CASE STUDIES

Fairtrade

Three of the Fairtrade sourcing companies covered in this report — Etiko, RREPP, and Freeset — all demonstrated strong practices in this area. While supply chain traceability remains an ongoing challenge across the garment industry, in contrast, these companies have small Fairtrade certified supply chains which allow them to maintain clear visibility and direct lines of communication with their manufacturers. Through the COVID-19 crisis, strong supplier relationships have proven critical to the maintenance of worker wellbeing.

Each of these companies use Rajlakshmi Cotton Mills (RCM) in Kolkata, India, at key stages of their supply chain. This supplier is Fairtrade and Global Organic Textile Standard certified, providing companies, consumers, and workers with the assurance that the facility is being monitored by reputable third-parties.

In late March, India's population of 1.3 billion people was sent into lockdown. This severely disrupted supply chains as no production could take place, including at RCM and Freeset's own final stage manufacturing facility. Having direct control over this facility allowed Freeset to directly determine workers' wages. Committed to ensuring all workers were taken care of, Freeset crowdfunded to guarantee that all salaries would be paid in full while employees were unable to work.

Similarly, RCM paid a full salary to their employees for the month of March and negotiated with trade union representatives for a 50% salary payment for the month of April. This approach was founded on strong workplace dialogue, enabling the economic dignity of workers to be upheld even in the face of order and revenue challenges. The ability of the supplier to support workers' ongoing livelihoods was directly benefited by the flexibility and support of their buyers. Through dialogue with RCM management, RREPP determined that they could support workers' wages by paying advanced

deposits for orders that had not yet commenced. Similarly, Etiko were able to place a number of orders, for which they paid deposits weeks before the orders shipped.

Across this group of companies, the ability to uphold worker wellbeing was supported by strong supplier relationships, clear supply chain visibility, and collective leverage across the Fairtrade network. Worker wellbeing was central to negotiations at all stages.



Cotton in a field in northern Mississippi.

Photo by Marcel Crozet, ILO via Flickr

CASE STUDIES *continued*



Photo by Cue Clothing Co.

Sample Machinist

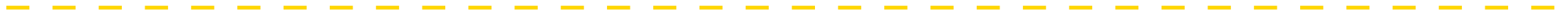
Cue

Cue's distinctive sourcing strategy has provided a level of flexibility in this crisis that has enabled it to provide critical support to garment workers. The company is Ethical Clothing Australia (ECA) certified and sources a large portion of its product through local manufacturers. The ECA certification and monitoring process involves collaboration between union and industry stakeholders to ensure protections required under Australian law—including award wages and entitlements—are delivered to workers. Prior to the implementation of the JobKeeper scheme, Cue was concerned that its Australian factories may be required to close, due to lack of work. To ensure continuous work while making a positive contribution to the demand for Personal Protective Equipment (PPE), Cue ordered over 1000 pairs of scrubs to be manufactured in Australia for frontline workers at St Vincent's Hospital in Sydney.

Offshore, Cue works independently from its suppliers in sourcing fabrics. This process of purchasing materials autonomously, prior to sourcing cut-make-trim (CMT) facilities, is uncommon in the fashion industry. In fact, it is in direct contrast to the many fashion houses which task manufacturers with the sourcing and purchase of materials and trims. By providing pre-purchased fabric to these offshore factories, Cue is already financially committed to the order upfront. So, when COVID-19 hit, Cue was able to adjust its order quantities and delivery dates to ensure ongoing work for its facilities. Cue also eased financial strain on suppliers by purchasing unused fabric from companies that had cancelled orders, to rework into future Cue styles. Feedback from offshore suppliers confirmed that the support of Cue allowed them to secure the jobs and wages of their employees.

COVID FASHION COMMITMENT

Identify and support the
workers at greatest risk





CHANGING RISKS

The COVID-19 pandemic has not been the ‘great equaliser’ that some have purported, rather, it has exposed and exacerbated dramatic differences in how factors like age, location, gender, and employment status shape the experiences of individuals and communities.

The new and fluctuating risks of infection, shortages of essential goods and health services, along with rapidly changing economic and employment markets, have not only created new vulnerabilities, but also served to compound those that were pre-existing.

Vulnerabilities that have been exacerbated by COVID-19 include:

- Mass layoffs with no benefits or entitlements
- Missing or partial wage payments
- Union busting (the targeting of unionised workers for layoffs)
- Exposure to the virus where public health and hospital infrastructure is poorly resourced
- Restrictions on freedom of movement
- Forced overtime to make up for production that was missed due to lockdowns
- A lack of leave entitlements, effectively forcing infected workers to continue working to support their family

Protecting those most vulnerable

While these risks have impacted garment workers from all walks of life, certain groups are more vulnerable to their effects. Informal and temporary workers, migrant workers, and women face considerable risks due to factory closures, order cancellations, and poor working conditions during this period of crisis.

The high prevalence of vulnerable workers in the garment industry may be partially attributed to poor purchasing practices by fashion companies. Where suppliers are continuously pressured for shorter production times and lower prices, they may be more likely to cut costs on wages and safety by turning to workers who’s rights are less protected. As a result, the use of irregular employment such as subcontracting, homeworking, temporary contracts, and migrant work is endemic in the garment industry.

Informal workers

Informal employment arrangements leave workers vulnerable to job loss, as they are not covered under employment contracts and therefore lack basic social protections. One conservative estimation places the informal workforce at around 35% of the garment industry.¹⁹ By April this year, an estimated 1.6 billion informal economy workers across all sectors had been significantly impacted by lockdown measures and/or were working in the sectors hardest hit by the impacts of COVID-19.²⁰



Tailor at work in his shop. 2007, Kigali, Rwanda.

Photo by Marcel Crozet, ILO via Flickr



CHANGING RISKS *continued*

Migrant workers

For migrant workers, having a legal status that is dependent on employment creates substantial risk. Job loss may force a worker to return home or stay in the host country with irregular status. In many cases, migrant workers face challenges in accessing social protections and health care due to language and cultural barriers, discrimination, and unstable legal status.²¹ Through this pandemic, the inability to access these services could be life-threatening.

Women

Women are over-represented in the informal economy, and in sectors that are at high risk of disruption due to COVID-19.^{22, 23} This includes labour-intensive industries such as garment manufacturing. With women representing an estimated 80% of garment workers, special attention must be paid to the ways each of these vulnerabilities intersect.

Human rights due diligence and COVID-19

The early phases of the COVID-19 pandemic have coincided with the first reporting period for companies under the Commonwealth Modern Slavery Act, with a significant majority of companies covered by this report required to submit their first Modern Slavery Statements in late 2020.²⁴ The Act emphasises a company's responsibility for the support of vulnerable workers.

It mandates strong due diligence processes to identify, prevent, and remediate human rights risks in their operations, and the requirements for 2020 have been amended to ensure that COVID-19-related risks be specifically addressed. While a risk assessment has always been considered an important tool for mitigating infringements of human rights in large global

supply chains, the rapid shifts in worker vulnerabilities amid this global pandemic now mean it is even more critical. It is therefore imperative that fashion companies not only complete this assessment, but then mitigate the identified risks accordingly through collaboration with their suppliers, industry partners, multi-stakeholder initiatives, and governments.



Tailors are seen working on a production line in a local garment factory. 2016, Bangladesh.

Photo by Marcel Crozet, ILO via Flickr



ASSESSING AND MITIGATING COVID-19 RISK

The research in relation to Commitment 2 sought to understand the extent to which companies had undertaken COVID-specific supply chain risk assessments to identify the areas of greatest vulnerability across their supply chain, and the measures they had established to mitigate the risks identified.

56% of companies completed some form of supply chain risk assessment during the early stages of the COVID-19 crisis. Companies took various approaches to assessing risk, such as through analysing prior audit data, accessing a third-party data platform, and utilising WHO and government-issued information, as well as engaging in personalised communications and surveys to understand the particular challenges in their supply chain facilities. The most robust assessments that yielded the clearest picture of supply chain risk tended to be those that considered multiple dimensions and relied on both internal company data, and secondary datasets that track broader contextual dynamics.

Historical data provides additional interesting insights. While 56% of companies overall could demonstrate that they had undertaken a COVID-specific risk assessment, among companies that received a rating of B+ or higher in the 'Traceability and Transparency' section of the 2019 Ethical Fashion Report, this figure increased to 72%.

In contrast, only 29% of companies who previously performed poorly in this area (D+ or lower) were able to provide evidence. This underscores the importance of companies fully tracing their supply chains in order to ensure they have a comprehensive understanding of the key risks and vulnerabilities that exist in each location and tier.

Given the heightened risks to vulnerable workers through this time, it is vital for companies' crisis-specific risk assessments to go beyond financial viability to include broader environmental, social, and governance (ESG) aspects. Of the companies surveyed, 50 could provide evidence of broader ESG assessments that considered risks to workers' health and labour rights, while 46 could not demonstrate this—providing either no evidence (42 companies) or evidence that only covered assessment of financial risks (4 companies). Of those companies that did complete a risk assessment, the clear prioritisation of worker wellbeing in these assessments is an encouraging result.

Risk assessments must be followed by tangible action. 53% of companies demonstrated that they had implemented mitigation measures to support workers at risk due to COVID-19, with the most common being adjustments to ordering and payments (outlined in Commitment 1), and the implementation of additional health and safety measures (outlined in Commitment 4).

A garment worker in a clothing plant. 2016, Lesotho.

COVID-19 supply chain risk assessment

56% of companies showed evidence of a COVID-specific risk assessment



72% Companies with strong historical traceability and transparency (B+ or above in the relevant section of the 2019 Report)

29% Companies with weak historical traceability and transparency (D+ or below in the relevant section of the 2019 Report)

Photo by Marcel Crozet, ILO via Flickr





ASSESSING AND MITIGATING COVID-19 RISK *continued*

39 companies took mitigation measures to support specific categories of vulnerable workers such as migrants, women, and temporary workers, demonstrating a targeted approach through own or third-party programs. It is a positive sign that the majority of companies could demonstrate that at least some mitigation measures had been supported. Nevertheless the number who could not remains troubling. This includes 10 companies that had undertaken a risk assessment but could not demonstrate any specific mitigation measures as a result. It reveals a persistent gap between assessment of risk and investment in meaningful mitigation measures and remediation measures where these risks are realised. This problem pre-dates the pandemic but in this environment of heightened vulnerability, demands more urgent attention from companies.

There are distinctive differences in the approaches to assessing and mitigating risks between companies that have large complex supply chains and those with smaller supply chains.

The supply chains of large companies may span multiple continents and many thousands of suppliers. Aggregation of risk and other assessment information on this large scale may create challenges in maintaining clear visibility and a deep understanding of the specific issues in each facility. However, these companies use numerous formal processes such as audits, third party platforms, and multi-stakeholder initiatives to obtain an overall

snapshot of supply chain conditions. This means that there is a greater risk of uneven adoption of risk mitigation strategies in individual facilities, however the broad assessment does allow for targeted mitigation in areas with the highest identified risk.

On the other hand, companies with smaller supply chains are likely to have stronger, more personal relationships with each individual facility.

Their approach is often informal, relying heavily on personal communications. This often results in the company having a strong understanding of the conditions in each facility, but with more limited third-party assurance. Companies with small supply chains may have capacity to mitigate risk in a larger portion of their supply chain given these strong relationships.

Scope of company risk assessments

4 COMPANIES
evidenced assessment of financial/commercial risk only



20 COMPANIES
evidenced assessment of both risks to workers and financial/commercial risk



30 COMPANIES
evidenced assessment of risks to workers only

42 companies provided no evidence of risk assessment

Mitigation measures to support those most vulnerable

53% of companies provided evidence of mitigation measures

47% of companies provided no evidence



41% of companies provided mitigation to particular vulnerable groups such as migrants, women etc.

CASE STUDIES

Macpac

Risks to workers include social, political, economic, and health factors. Assessments which identify and review risks across multiple areas provide the strongest and most comprehensive basis for effective response.

Macpac's COVID-19 risk assessment provides a strong example, combining information from personalised communications with suppliers and relevant external datasets. These included the Global Slavery Index, which ranks countries according to number of people in modern slavery, vulnerability factors, and government responses; and the Worldwide Governance

Indicators, a dataset which considers political stability, government effectiveness, and regulatory quality (among other things) to assess governance conditions country-by-country.

Across key sourcing countries in both the cut-make-trim and inputs stages of the supply chain, Macpac was able to utilise its composite risk dashboard to inform internal discussions about where to prioritise resources and what mitigation actions were most appropriate. Macpac has instituted a training program for its trade partners to deliver free training on identified risks such as worker voice, freedom of association, and workplace health and safety.

VF Corporation

VF Corporation (VF) also conducted a comprehensive risk assessment that began well before the pandemic. In 2017 and 2018, VF contracted Verisk Maplecroft to identify potential human rights risks on multiple levels. Later, VF worked with SHIFT Project and Article One to conduct further assessments across its supply chain.

This prior investment meant that in March and April 2020, VF's COVID-19 risk assessment was able to combine this knowledge with immediate data on government support and infection risk in countries across the cut-make-trim stage of its supply chain. Each country was categorised as either 'elevated', 'medium', or 'high' risk to workers, with the highest risk nations being identified as those with little government assistance, a high presence of migrant workers, and few policies protecting workers from the spread of COVID-19.

To support this assessment, VF distributed a COVID-19 survey to suppliers, as well as a migrant-specific survey for regions with a large percentage of migrant workers. These surveys allowed VF to identify gaps where suppliers needed additional support. On the basis of these efforts, VF developed a COVID-19 Health & Safety Guidance document with country-specific examples, as well as facilitated training sessions for suppliers in key regions.

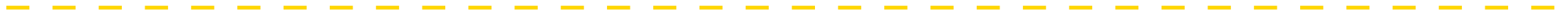


Photo by Macpac

Workers in a factory in China.

COVID FASHION COMMITMENT

Listen to the voices and
experience of workers





BEING HEARD AMIDST THE CRISIS

Garment workers often have very limited individual power to raise issues with their employers, due to the severe financial and power imbalances prevalent in global fashion supply chains.

Effective channels for workers to speak out about problems collectively and/or anonymously without fear of retribution or dismissal, are essential to ensuring that workers' rights are respected; their health and safety is protected; and their employment is a means for them to achieve economic dignity, both for themselves and their families. COVID-19 has accentuated the importance of these systems, as lockdown measures reduce the oversight from other parties, increasing the vulnerability of workers to new and existing risks.

Independent unions, democratically elected worker representation groups, and other similar forms of collective bargaining remain critical vehicles for enabling solidarity amongst garment workers, ensuring they have an opportunity to engage their employers on a more equal footing. In the COVID-19 context, workers' ability to organise collectively has been severely constrained. For example, as social distancing rules and bans on gatherings are enforced, unions and other groups cannot meet in person. While some may be able to run virtually, this is not always possible, eliminating this essential method of connecting

with workers to resolve issues. Throughout the early stages of the crisis period, the industry has also seen a significant increase in the act of targeting unionised workers for dismissal in an effort to reduce unionised labour on the factory floor and intimidate others from organising similar collectives.²⁵

Access to effective grievance mechanisms, operated by fashion companies themselves and/or multi-stakeholder platforms, are also an important tool for workers—both to report small issues and to use as whistle-blower mechanisms to identify larger abuses. An effective worker voice mechanism ensures anonymity, is accessible and easy for workers to follow, and connects workers directly to the company whose garments they are producing.

Given the significantly heightened risks in the COVID-19 context, worker voice mechanisms are more important than ever. In places where grievance mechanisms have been able to operate, such as in Bangladesh where the Amader Kotha Worker Helpline offers garments workers a platform to report and resolve their workplace concerns, there has been a steep rise in reported grievances.²⁶ In March 2020, as COVID-19 cases were growing, the Amader Helpline experienced a dramatic spike in calls from concerned factory workers, with call volume nearly doubling and reaching 2,387 calls by the end of the month.

Garment worker union activity, 2020, Bangladesh



Photo by National Garment Workers Federation (NGWF)

Effective channels for workers to speak out about problems collectively and/or anonymously without fear of retribution or dismissal, are essential to ensuring that workers' rights are respected.



BEING HEARD AMIDST THE CRISIS *continued*

By April, almost half (47%) of all calls from workers were COVID-19 related. Most of these concerns were around immediate health and safety inquiries; compensation and job security including termination and pay-outs; and government-mandated policies and regulations including the nationwide National Holiday.²⁷

Despite this increased need, COVID restrictions have created barriers, making access to these mechanisms challenging. One of the major barriers has been the limited access workers have to facilities due to mandatory lockdowns or redundancy, as many companies only display information about their grievance mechanisms in the factories themselves.²⁸ Without access to these facilities, workers are unable to use these grievance mechanisms, resulting in an absence of avenues through which to voice their concerns.

Operational and financial challenges have also impacted companies' capacity to connect with workers and establish effective mechanisms. With the imposition of lockdowns across the globe and the pressure on their revenues, many fashion companies have made significant changes to their operations including suspending or furloughing head office staff. These operational challenges have forced companies to attend primarily to 'business-critical' activities, often leaving corporate social responsibility teams understaffed. This has a flow-on impact to workers in cases where their concerns are being left unattended at the company level and therefore, unresolved.



Garment worker union activity. 2020, Bangladesh

Photo by National Garment Workers Federation (NGWF)



SUPPORTING WORKER VOICE MECHANISMS

Research in relation to the third commitment area considered the degree to which companies could provide evidence that they had actively supported mechanisms for workers to express issues and concerns.

The implementation of an effective grievance mechanism requires strong relationships between fashion company and supplier, robust systems, and a genuine desire to serve the needs of workers. Only 15% of companies surveyed provided evidence of a strong and effective worker voice mechanism that has been able to function effectively in the

context of COVID-19. 32% of companies could demonstrate that some form of worker voice mechanism continued to be in place, but with limitations in functionality during the current pandemic context. Common limitations included problems with lack of workers' access to factories for mechanisms that rely on physical presence, language or technology platforms that are not easily understood, and gaps in communication or training that impede understanding of how to properly use mechanisms. The remaining 53% did not provide evidence of any mechanism or evidence that the regular mechanisms had been able to continue to function throughout the crisis.

Of further concern is the limited evidence of support for worker organising efforts. Only 28% (27) of companies were able to demonstrate some evidence of support of unions and other worker voice groups. 13 of these collaborated with a third-party, such as IndustriALL or ACT, to collectively work with unions and support them to raise grievances. While these efforts are positive, it remains the case that the significant majority of companies are not able to point to visible or active support for independent unions or worker representation groups.

Companies utilising worker voice mechanisms during COVID-19

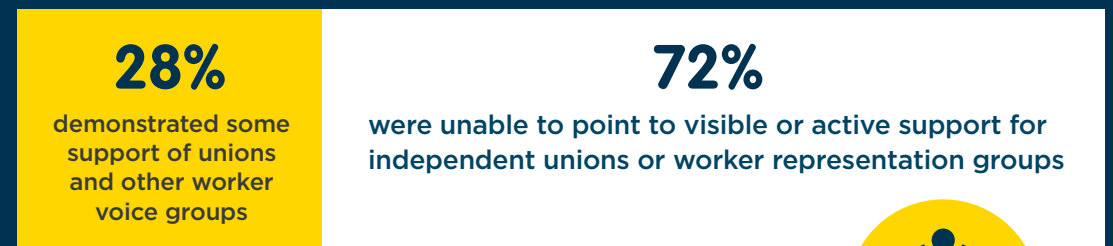


15% evidenced a COVID-appropriate worker voice mechanism

32% evidenced a worker voice mechanism with some limitations in the COVID-context

53% did not provide evidence of a worker voice mechanism

Company engagement with unions and worker organising efforts during COVID-19



13

companies collaborated with a third-party union body e.g. IndustriALL or ACT





SUPPORTING WORKER VOICE MECHANISMS *continued*

The key positive finding in this area relates to the impetus for change. Although many have found their worker voice mechanisms to be ineffective during the health crisis, 22% of companies have identified strengthening their worker voice mechanisms as a key priority moving forward, with 16% of companies already working to implement new systems through the COVID-19 period. These companies have set measurable goals and formed partnerships with NGOs and organisations specialising in worker voice mechanisms, with the intention of implementing effective tools to hear workers.

Companies improving in the face of crisis



22% have prioritised strengthening worker voice mechanisms for future projects

16% have implemented new worker voice mechanisms during COVID-19



Garment worker union activity. 2020, Bangladesh

Photo by National Garment Workers Federation (NGWF)

CASE STUDIES

Grievance mechanism: building back better

Identifying shortfalls and creating strategies to address them is an important component of the progression towards more ethically minded business practices. As noted, many companies that do not currently have effective mechanisms in place have put goals and strategies in motion to improve their systems and implement effective grievance mechanisms.

Prior to COVID-19, Hallenstein Glassons had existing grievance mechanisms in place. However, it recognised that while these systems were sound on paper and consistent with wider industry practice, they weren't achieving effective uptake among supply chain workers. The company sought to identify a platform that would make the process of reporting and remediating grievances logistically and culturally accessible to workers.

The company is now rolling out a new grievance mechanism through INNO—an NGO based in China. INNO seeks to bridge the gap between worker, supplier, and company, through a three-part process. Consulting—educating workers on laws, regulations, life skills, and their rights; counselling—providing guidance and suggestions on how to move forward; and complaining—achieving labour harmony for worker, supplier, and company through communication and remediation.

Systems serving workers

Among the companies that could provide evidence of a strong and effective grievance mechanism, there were promising reports of engagement and remediation. For example, adidas saw a 400% increase in worker engagement (from March until June 2020) in its suppliers' operational grievance system, with factories effectively resolving 98% of the grievances they received. Furthermore, as part of its improvement strategy, adidas proactively conducted an outreach program to obtain workers' feedback through phone interviews, to gather insights on the factory's handling of the pandemic in the absence of formal in-person interviews due to pandemic related travel restrictions.

Outland Denim has committed to deepening its understanding of its supply chain, building connections, empowering workers, and has taken an intentional approach to grievance mechanisms. The Supply Network Intelligence System has been developed by Outland Denim in collaboration with Precision Solutions Group (PSG)—fusing the fashion industry with modern slavery investigation experience. Branded in the Turkey region as Sağ Salim (meaning 'safe and sound'), the system moves beyond previously available efforts such as certifications or audits, that seek to prove the absence of abuses, and instead actively seeks out instances of deliberate exploitation, slavery, and unsafe working conditions. It targets the deepest reaches of the supply chain and hears the voices and experiences of the people working at the farm level, particularly voices of temporary and seasonal workers in the agricultural sector of Turkey.



Cotton workers. Turkey.

Photo by Bossa Denim via Outland Denim

CASE STUDIES *continued*

This seasonal workforce is often made up of people from migrant or refugee communities, a group with high levels of existing vulnerability and significant exposure to COVID-19 related risks.

So far, the program has reached over 1,559,054 people, resulting in 60 reports of pay discrimination and other wage concerns, 44 reports of lack of safe drinking water, and other reports of unsafe working conditions due to a lack of PPE. Outland Denim utilises an expert network to mitigate and remediate the grievances that arise. After an initial pilot, the company is now seeking to extend the program in collaboration with other companies sourcing in Turkey.

Unions

IndustriALL is a global union federation representing 50 million workers across a variety of sectors including the garment and textile industries. IndustriALL advocates on behalf of individuals and groups who have been unfairly treated by multinational companies, negotiating with them on a global level. During the pandemic, a number of global companies have united with IndustriALL to protect and strengthen the rights of workers producing their garments. As a global federation, IndustriALL is currently working with affiliated national unions to identify fashion companies and retailers that have failed to pay for orders or exercise due diligence in managing their supply chains, resulting in violations of human rights and core labour standards. It also engages directly in negotiations with multinational companies. During the early stages of COVID-19, affiliates of IndustriALL, like the Industrial Workers' Federation of Myanmar, were also working to advocate for workers, in this particular case the IWFM has successfully fought two mass dismissal cases, winning the reinstatement of over a hundred garment workers in Yangon. This proves the collective strength of united voices, demonstrating not only the power of unions but the urgency for companies to support unions in their facilities so they can continue to give workers voices.

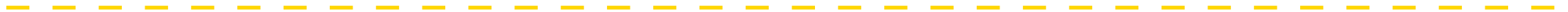


IndustriALL Day of Action to Stop Union Busting. September 2020.

Photo by IndustriALL

COVID FASHION COMMITMENT

Ensure workers' rights
and safety are respected





HEALTHY, SAFE AND FAIR WORKING CONDITIONS

The employment and workplace conditions experienced by garment workers are crucial factors in determining whether a job in the fashion industry is a source of economic dignity or exploitation.

In 2020, labour rights abuses faced by workers have been further compounded by the health risks posed by COVID-19. The potential for ongoing issues of workplace safety and exploitative management practices has been exacerbated as pressure on employers increased and the ability to maintain proper external oversight was diminished.

COVID-19 health risks

In countries with high incidence of the virus, the factory workplace has been a high-risk environment for exposure and potential infection.²⁹ While factories were closed in many countries during the initial stages of lockdown, many of these restrictions were later wound back, with another proportion of companies continuing to operate throughout. Workers in such facilities are faced with the difficult choice of whether to risk falling into poverty by not working, in order to better isolate themselves, or risk infection by returning to work, in order to earn an income and improve their economic wellbeing. On the job, factory and machine layouts can impede workers' ability to follow social distancing guidelines and, too often, PPE is not available. On-site, dormitory style housing is also a common

feature in many garment producing countries where large numbers of workers have moved to the city from rural locations to take up a job in the industry. These forms of accommodation aim to house the most workers possible, and therefore social distancing is often not feasible. In other cases where workers must travel to factories using public transport, cancellation of services and overcrowding of those that continue to run have further exacerbated the potential for exposure. If adequate preventative measures are not implemented and infection occurs, workers risk not being able to access or afford treatment in healthcare systems that are overrun and under resourced.

Ongoing labour exploitation risks heightened

In addition to COVID-specific challenges, many of the ongoing labour exploitation risks within the global fashion industry have been compounded by increased pressure on suppliers and reduced oversight and accountability as a result of the pandemic. In addition to the wage and entitlement issues discussed in earlier sections, order changes can also result in unstable working hours. The ILO estimates that the pandemic will result in a 6.7% decline in working hours, equivalent to 195 million full-time workers, meaning that workers paid on a piece rate are more likely to skip lunch, toilet breaks and handwashing in favour of producing the most possible during their reduced hours.³⁰



Photo by KB Mpoofu, ILO via Flickr

In countries with high incidence of the virus, the factory workplace has been a high-risk environment for exposure and potential infection.

Woman manufacturing face masks. April 2020, Zimbabwe.



HEALTHY, SAFE AND FAIR WORKING CONDITIONS *continued*

Photo by Marcel Crozet, ILO via Flickr



Workers in a local footwear manufacturing plant. 2016, Cambodia.

Likewise, as the fashion industry begins to increase production, workers are at risk due to being coerced to work excessive hours, and the lax application of agreed standards for meal and toilet breaks, leave, production quotas, and protection of vulnerable classes of workers (e.g. migrants or pregnant workers). Reduced oversight also increases the risk of violence and sexual assault which are already abuses faced far too often by female workers and children.

Travel and other lockdown restrictions have significantly impeded the ability of companies to directly monitor what is occurring in their supply chains, likewise restricting the practice of social auditing and factory inspections through multi-stakeholder accountability mechanisms such as the Accord on Fire and Building Safety in Bangladesh.³¹ These limitations have the combined impact of reducing suppliers' accountability for maintaining safe and non-exploitative working conditions in their facilities, at the very time when they are under the greatest pressure to cut corners. This means the risks that already occur at the expense of workers, are heightened by this crisis.



SETTING AND MONITORING STANDARDS

While few Australian or New Zealand fashion companies manufacture their own goods or directly employ the garment workers in their supply chains, the economic and power imbalances inherent within these relationships mean they retain significant responsibility for factory conditions and worker safety.

Importantly, alongside ensuring they do not create negative pressure on working conditions through the inappropriate use of supplier contracts and payments (as considered earlier), companies can also create positive pressure for the improvement of working conditions through clear communication of policies and standards and effective monitoring and audits to ensure their implementation. Their actions in this area are the focus for this commitment.

Active communication with suppliers is critical for ensuring that all supply chain tiers understand new and ongoing expectations in relation to workplace and labour conditions and are adequately trained and resourced to implement these. Just over half (56%) of companies were able to demonstrate ongoing communication with their suppliers regarding worker health and safety, while 37 companies provided suppliers with hygiene resources for use in their facilities. It is concerning that in an environment where the pandemic has increased vulnerability across new and existing categories of workplace risk, a significant cohort

of companies (44%) could not demonstrate that they were actively engaging with their suppliers on these issues. It is important that this communication not only occurs but does so in ways that promote dialogue and shared understanding. There remains some way to go on this with only 17 companies able to show evidence of their efforts to understand the existing measures suppliers have in place prior to determining appropriate responses.

Social audits are a key tool employed by fashion companies to ensure their supply chains are compliant with agreed standards and policies. But in a world where in-person inspections are no longer possible, companies have struggled to adapt. 48% of companies assessed were unable to provide any evidence that factory audits had been conducted since the onset of COVID-19. While 52% of companies were able to evidence some type of monitoring, only 20% could demonstrate that these followed accepted formal auditing processes. 26 companies reported experiencing only a brief disruption to auditing and have since returned to their regular monitoring processes. Many of these primarily source from China, where audits largely resumed in March 2020. Companies have adapted their monitoring processes in a number of ways, including adding COVID-19 specific audit questions, collaborating with others to share audit results, adopting virtual audits, and utilising informal supplier checklists and questionnaires.

A line supervisor oversees the work of a tailor in a garment factory. 2016, Bangladesh.

Companies that demonstrated ongoing communication with suppliers



Companies that conducted audits or equivalent



Photo by Marcel Crozet, iLO via Flickr



SETTING AND MONITORING STANDARDS *continued*

The decline in formal audits is unsurprising given the significant restrictions caused by COVID. It is nevertheless concerning as there are legitimate reasons to believe that severe labour rights violations are more likely to occur but less likely to be reported during the pandemic. Some early evidence from factories where audits have been able to proceed appears to validate these concerns. Garment factories in China audited by ELEVATE between March–May 2020 reported deteriorating conditions in relation to wage payment, working hours, and documentation reliability, when compared to the year prior.³² Moreover, ELEVATE’s research found that for the first time since 2017, suppliers providing false or unconvincing documentation regarding working conditions outnumber those being transparent.

Although improvement is still needed across the industry, there are some positive signs. Notably, while the initial uptake of alternative forms of monitoring such as virtual audits and more comprehensive worker surveying appears to have been limited, a significant number of planned pilot initiatives have been identified. Coming into the crisis, prevailing social audit practices were an important but imperfect due diligence tool. The impetus to trial supplementary and alternative approaches, indicates an encouraging prospect for new forms of social compliance monitoring to supplement existing regimes—both through the pandemic and beyond.³³

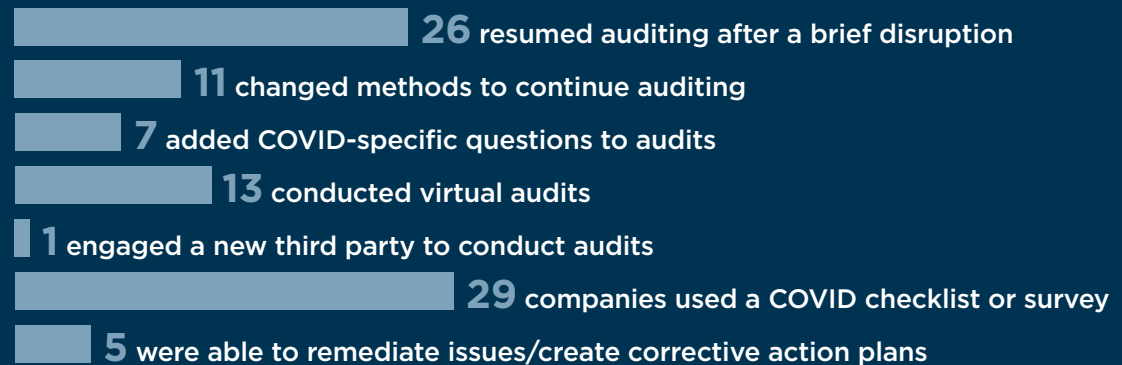
Remediation remains a significant challenge. Few companies were able to clearly outline their remediation processes in the context of COVID-19. This means that even in instances where companies found ways to maintain strong visibility of working conditions in their supply chains, there is no

evidence that the identification of issues leads to appropriate remediation. Ensuring that investment in assessment is accompanied by sufficient investment in responsive measures—both mitigatory and remedial—is crucial.

Measures adopted by companies to require, support and implement COVID-safe standards



Company auditing practices during the pandemic



CASE STUDIES

Hanesbrands

As owner or operator of facilities producing more than 70% of the company's apparel, Hanesbrands has a higher degree of oversight of working conditions in each of these facilities compared to companies that produce apparel entirely through third-party suppliers. Early in the pandemic, Hanesbrands shifted to producing hundreds of millions of reusable fabric face masks and gowns in its owned facilities and through a large number of third-party suppliers across the globe. Doing so helped meet a critical product need and kept tens of thousands of garment workers in employment.

Imperative to the pivot to mask and gown production was the safety of both Hanesbrands and third-party factory workers, and ensuring, to the best of their ability, that all factory workers were able to continue work in a COVID-19-safe environment. For this reason, Hanesbrands took a proactive approach to ensuring worker rights and safety were respected in the workplace throughout the pandemic.

Hanesbrands created comprehensive COVID-19 Facility Safety Guidelines for their manufacturing and distribution facilities and their third-party suppliers. In addition, all Hanesbrands and third-party facilities are required to complete a detailed COVID-19 Safety Self-Assessment each week. The company also chose to make both the guidelines and the assessment template publicly available to facilitate cross-industry learning and collaboration.

At the same time, throughout COVID-19, Hanesbrands maintained its comprehensive factory audit schedule wherever possible, and introduced different ways of monitoring facilities due to some inevitable delays and accessibility issues as a result of the COVID-19 pandemic.

This combined approach to labour rights monitoring allowed the company to maintain a comprehensive understanding of employee wellbeing across its supply chain.



Garment workers in a factory

CASE STUDIES *continued*



Photo by Lord R., ILO via Flickr

Woman weaving. 2003, Tamil Nadu, India.

SEDEX

As a leading global membership organisation which provides tools and services to help companies improve working conditions in global supply chains, SEDEX was proactive in responding to the impact of COVID-19. SEDEX rolled out a range of tools, so companies could continue monitoring their suppliers for compliance with labour rights standards, despite the disruption caused by the health crisis. These included:

Audits: Sedex's Ethical Data Exchange platform and audit process system remains available during the COVID-19 pandemic. Sedex has published guidance for companies wishing to continue audits based on the COVID situation of each country where the company conducts audits.

Virtual assessment: The SEDEX Virtual Assessment is a new due diligence tool that facilitates the assessment of sites remotely, using technology or video conferencing. Virtual assessments accounted for nearly 2% of all audits added to the Sedex platform in September 2020.

Direct worker report: This tool seeks direct insights into workers' experiences and working conditions. The reporting is carried out through mobile calls, with no physical interaction required. Reporting may be tailored to understand impacts of COVID-19 on workers' wellbeing and working conditions.

COVID-19 impact assessment: Named the COVID-19 Modular Self-Assessment, this tool is a short set of questions that can be applied to all or some of a company's supplier sites, centred on the specific impacts of COVID-19.

Sedex also developed an online hub with practical guidance to help businesses manage the impacts of COVID-19 on suppliers and workers. The guidance includes considerations for businesses experiencing reduced or increased demand, purchasing practices to support suppliers, and vulnerable groups of people or workers most at risk.

COVID FASHION COMMITMENT

Collaborate with others to
protect vulnerable workers





FALLING BETWEEN THE GAPS

2020 has been a year that has revealed the structural nature of the challenges faced by workers in the global fashion industry. As outlined in the preceding sections, COVID-19 has exposed the vulnerability of workers, precarity of many manufacturers, and the limitations in many countries' abilities to deliver a robust social safety net for citizens.

During this year, movements to confront systemic injustices driven by race and the legacies of historic policies of colonialism and slavery, have also come to the fore in cities and institutions globally. The complex interconnected nature of the global fashion industry means there are no quick fixes, and the measures required to properly ensure the economic dignity of workers extend well beyond the direct actions of any one company.

Some of the most acute issues faced by garment workers relate to the absence of any meaningful social safety net. In countries such as Australia or New Zealand, the actions and responses of individual companies occur within a broader social context in which other actors—including governments—provide regulatory frameworks intended to minimise the gap between the legal minimum wage and living wages, as well as access to core essential health services and social protection safety nets. These safeguards and protections cannot be assumed in most major

garment-manufacturing countries. Structural gaps between market wages and living wages in many garment producing countries mean that workers' pay has rarely been sufficient for them to have amassed any personal savings to cope with the sudden shock to livelihoods that COVID-19 has precipitated. In countries where the garment industry is one of the biggest contributors to exports and the local economy, this is often combined with low rates of corporate regulation and taxation that compromise the state's resources to provide support.

Individual fashion companies are in many respects products of the broader industry and no one company has the capacity or responsibility to take on these challenges alone. Especially as they face their own COVID-related challenges. Fashion companies are not—and should not—be expected to act as charities, however they do have a responsibility to all stakeholders in their supply chains. As such, each company has both the agency and the responsibility to contribute leadership to collaborative initiatives to protect workers from the immediate impacts of COVID-19 and to rebalance the underlying structural issues that reinforce their vulnerability. Collaboration—among companies and between companies, manufacturers, unions, governments, and civil society through multi-stakeholder initiatives (MSIs)—is essential to addressing the issues that individual companies cannot tackle alone.



A woman in a training centre for traditional handicrafts, a project assisted by UNDP, 2009, Demra, Bangladesh.

Photo by M. Wild, UN via Flickr



COLLABORATING FOR POSITIVE CHANGE

As collaborative approaches are critical to delivering on all aspects of the COVID Fashion Commitments, companies' investment in collaboration is the specific focus of the fifth commitment area.

One of the key new global MSIs to emerge from the COVID-19 crisis is the ILO's Call to Action, which 27 companies covered within this research have signed on to. The low-level of upfront expectation associated with signing on to the Call to Action together with the voluntary nature of its priority actions, mean it is important to avoid over-stating the significance of what this commitment means for individual companies. However, the initiative as a whole is promising in that it brings together employer, worker, government and civil society groups in a process of social dialogue at global level that is replicated through national platforms in key garment producing countries. The Call to Action's goals of preserving the financial viability of the industry, ensuring workers employment and conditions are maintained, and strengthening the social protection net; will only be realised to the extent that all stakeholders engage meaningfully and are able to contribute or mobilise resources to deliver on initiatives.

Other collaboration gaps can occur at the level of individual suppliers or even factories. In the context of COVID-19 order cancellations, for a factory that produces for multiple brands, unpaid orders and

cancellations from even one major customer may be enough to put severe pressure on the supplier, and by extension, on workers' wages and wellbeing. Collaboration with industry peers—including through finding appropriate forums and tools for sharing supplier information—is important. The benefits are multiple: reduced duplication of systems such as audits and grievance mechanisms for factories, pooled knowledge and resources resulting in stronger systems, and better understanding of the order demand from the various fashion companies sharing a single supplier, allowing for decisions to be made that smooth production schedules. Since the pandemic began, these forms of collaboration and knowledge sharing have become even more critical. To this end, 18% of companies provided evidence of collaboration through sharing of audit data with industry peers. This is a promising baseline for an industry historically known for voraciously protecting 'trade secrets.'

More informal types of company-level collaboration can also be important. For example, in the research period for this report, Baptist World Aid Australia and Tearfund New Zealand hosted a series of industry webinars focused on the six commitments outlined here. Flowing out of examples shared in these webinars, a number of cross-company engagements developed, including collaboration on implementing strategies for stronger grievance mechanisms.

Just over half of all companies provided evidence of some form of collaboration through the COVID crisis to date



Companies collaborating through new and existing MSIs and inter-company collaboration.

- 29** joined new COVID-related MSIs
- 27** joined the ILO Call to Action:
- 17** shared audit data
- 35** took COVID-specific action through existing MSIs



CASE STUDIES

Joint government advocacy in key manufacturing countries

Beyond formal MSIs, during the pandemic there have also been other examples of collaborative efforts to influence country-level policy on standards that employers must follow on issues such as wage payments, working hours, and sick leave, amongst many others.

In June 2020, the Fair Labor Association worked alongside five civil society partner organisations to call attention to COVID-related state labour law amendments in India which threatened to “*seriously jeopardize the safety, security, and well-being of workers.*”³⁴

The letter to Prime Minister Narendra Modi was signed and supported by 49 apparel companies including adidas, Aldi, Hugo Boss, Lacoste, Next, and Superdry. Together, these 49 companies represent upwards of \$9 billion USD in annual orders, and over 2000 brands and retailers from over 30 countries. This organised effort demonstrates that the collective power of fashion companies far supersedes that of any individual brand. However, this also shows the way in which systemic change for the benefit of garment workers is reliant upon players from outside of the fashion industry — such as federal governments. It is only through joint advocacy and collaboration across sectors that progress in social areas such as labour legislation may be achieved.

COVID-19: Action in the Global Garment Industry (‘Call to Action’)

COVID-19: Action in the Global Garment Industry is a multi-stakeholder initiative formed in April 2020 to address the economic injustices brought about by COVID-19 for garment workers and manufacturers. Coordinated by the ILO, and facilitated in conjunction with the International Organisation of Employers, the International Trade Union Confederation and IndustriALL Global Union, the Call to Action brings together actors from a broad range of fields including governments, international financial institutions, fashion

companies and retailers, manufacturers, employers’ organisations, and trade unions to “work together to establish sustainable systems of social protection for a more just and resilient garment industry.”³⁵

27 companies assessed in this report have endorsed the Call to Action, representing just over a quarter of companies surveyed (28%). Companies that have endorsed the Call to Action are committed to five priority points through individual and collective efforts, which include actions such as maintaining supplier payments, open supplier communication, and promoting the ILO Core Labour Standards.

International working groups have conducted assessments of countries that are highly dependent on global supply chains and have weak health and social protection systems. Countries where workers are at greatest risk were identified as priorities for immediate action to be taken.

While the Call to Action is a nascent initiative, its creation is a promising step and represents the most significant effort to date to bring together all key stakeholders in social dialogue at global and national levels.

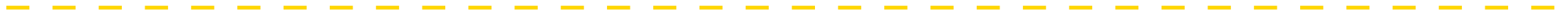


ILO Headquarters

Photo by ILO

COVID FASHION COMMITMENT

Build back better for
workers and the world





MOVING FORWARD OR SLIPPING BACK?

Moments of crisis have historically served as an impetus for innovation, resulting in strategic inflection points for businesses. COVID-19 represents the largest challenge the global fashion industry has faced in a lifetime. Its impacts have reverberated throughout the entire supply chain, leaving no-one untouched.

Prior to COVID-19, cracks were evident in the existing fashion system. This global pandemic has broken these cracks wide open—exposing the areas of social and environmental exploitation that the industry has been hiding from and ignoring for far too long.

At the start of 2020 as the pandemic burgeoned, there was a growing fear that progress in the areas of social and environmental sustainability would stagnate, or worse, move backwards. In times of economic downturn as witnessed this year, corporate social responsibility is often one of the first areas to face priority reductions. With ‘business critical’ decisions cited as essential to keep companies afloat, it became apparent that work in the areas of traceability, worker empowerment, living wages, and climate action, amongst many others, were destined to take a back seat for the foreseeable future.

The UN Department of Economic and Social Affairs recently reported that the impacts of COVID-19 are seeing decades of progress reversed

across the 2030 Sustainable Development Goals (SDGs).³⁶ This sentiment has been echoed across various social and environmental MSIs, corporate agreements, and international targets specific to the global fashion industry, many of which maintain direct ties to the SDGs.

2020 has also been a year when public attention has significantly grown around the intersecting and systemic crises of climate change, race relations, and gender inequality. These issues are deeply embedded in the fabric of the garment industry, and action to address them critically intersects with ongoing issues of labour rights, wages, and supply chain sustainability. But disruption can be a catalyst for change. The overwhelming challenge faced by the global fashion industry in 2020 presents an opportunity. It presents an opportunity to pause and reflect on the shortcomings of this system as we know it. It presents an opportunity to boldly consider a different future, and rebuild towards a more just and sustainable industry, post-COVID.

Amidst the brokenness of the fashion industry, there is enormous opportunity to contribute to the economic dignity and wellbeing of millions of garment workers and their families. However, to shift away from a system that currently disempowers and perpetuates harm requires fashion companies to move away from business as usual—and instead commit to change. Fashion companies must consider the ways in which business may look on the other side of this

pandemic, and commit to build back better, for workers, and the world.

This is what the Ethical Fashion Report has been pushing towards for many years. Despite the immense progress in which we’ve been proud to participate, there’s still a very long way to go. This is especially pertinent in the wake of challenges presented by COVID-19.

This journey doesn’t stop when COVID-19 is over. It stops when we reach our vision of a fashion industry that empowers, rather than exploits. A fashion industry that preserves, rather than destroys. An industry driven by a greater value: with purpose at its core.



SEIZING THE OPPORTUNITY TO BUILD BACK BETTER

The research under this Commitment sought to understand the future-facing goals fashion companies have for their supply chains, and the subsequent impacts that COVID-19 has had on these goals.

The results here have been broken into two categories: social improvement strategies under ‘workers’; and environmental improvement strategies under ‘the world.’ Overall, 59% of companies could demonstrate a strategy to build back better for ‘workers’, and 51% for ‘the world’.

Of the companies that provided evidence for this commitment, an overwhelming majority demonstrated a commitment to meet and continue progress on pre-existing strategies/goals, despite the impact of COVID-19—44 companies for ‘workers’ and 41 companies for ‘the world’. A smaller number—18 companies for ‘workers’ and 16 companies for ‘the world’—identified new future-facing commitments made during this period. It is likely that a number of factors are influencing these results. In part it reflects the reality that ethical awareness had already been growing across the industry as reflected in the incremental improvement in company responses over the years the Ethical Fashion Report has been published. In many instances the biggest gap now lies between promised actions and actual delivery. Provided they are delivered, the fact that prior

commitments are being reaffirmed in the midst of the COVID-19 crisis is positive to the extent that it provides a ballast to the current trajectory of improvement.

However, while this is a good starting point and all positive movement is to be welcomed, it remains the case that for both workers and the world, the current pace of change is not sufficient. The data on new commitments may in large reflect the fact that this research is occurring relatively early in the lifecycle of the crisis and that the initial focus on crisis management may have limited the ability of companies to re-evaluate or re-adjust sustainability goals in the first half of 2020. While this may be an understandable response for this initial period, it is crucial that as the situation stabilises and companies begin to look further into the future, that they seize the opportunity to build back better.

A recent report stated that COVID-19 could catalyse heightened consumer expectations from fashion companies for “*purpose-driven, sustainable action,*” alongside an increased consumer antipathy for waste-producing business models.³⁷ With this in mind, building back better will become even more essential for companies to maintain the trust and engagement of consumers. Investing in social and environmental improvement strategies will not only benefit workers and the world, but ensure the company is sustainable as a long-term business model.

*Cotton processing facility.
May 2020, Kyrgyzstan.*

It is crucial that as the situation stabilises and companies begin to look further into the future, that they seize the opportunity to build back better.



Photo by: Pirogov V., ILO via Flickr



SEIZING THE OPPORTUNITY TO BUILD BACK BETTER *continued*

Future facing priorities identified by fashion companies



SOCIAL INDICATORS

✓ YES 59% ✗ NO 41%

44 committed to deliver pre-crisis goals

8 accelerated delivery of pre-crisis goals

18 published new targets/strategies

17 identified collaboration as a key priority

15 identified worker voice as a key priority



ENVIRONMENTAL INDICATORS

✓ YES 51% ✗ NO 49%

41 companies meeting pre-existing goals

16 published new targets/strategies

3 accelerated delivery of pre-crisis goals

10 identified collaboration as a key priority

CASE STUDIES

United Nations Global Compact 'Uniting Business and Governments to Recover Better' Initiative

In May this year, in the midst of global COVID-19 lockdowns, 155 multinational companies signed a renewed commitment to tackle climate change and achieve a zero-carbon economy through science-based commitments. The companies signed a statement urging world governments developing COVID-19 aid packages to *"reimagine a better future grounded in bold climate action ... by aligning policies and recovery plans with the latest climate science"*.³⁸ The initiative brought together large players from across industries, including Inditex, H&M, PVH, and VF Corp representing the fashion sphere. Backed by the United Nations Global Compact, each company in this commitment has already signed onto the Science Based Targets initiative (SBTi) and its Business Ambition for 1.5°C campaign.

UN Secretary-General António Guterres stated, *"Saving lives and livelihoods, and building a prosperous, inclusive and sustainable future, are at the heart of our efforts to recover from COVID-19 ... We can beat the virus, address climate change and create new jobs through actions that move us from the grey to green economy. Many companies are showing us that it is indeed possible and profitable to adopt sustainable, emission-reducing plans even during difficult times like this."*³⁹

The global fashion industry is one of the largest environmental polluters in the world. Although incremental steps have been taken in recent years, we have reached a critical point where action cannot be stagnated, even in the midst of a global pandemic.

In the words of Dr. Andrew Steer, President and CEO of World Resources Institute and SBTi Board Member, *"It is imperative that we not only restart the world economy — but also reset it. It would be a tragedy if after spending US\$ 10 to 20 trillion of public money we simply rebuild the same unequal, vulnerable and high carbon economy we had before."*⁴⁰

Benchmarking and improving key ethical sourcing indicators

COVID-19 has exposed and exacerbated the existing challenges and problems inherent in the global fashion industry. As a result, building back better is not only about developing new and innovative responses, it is also about returning to the basics of ethical sourcing. Existing ethical sourcing surveys and standards, like the Ethical Fashion Report survey itself, consolidate key indicators of good practice and benchmark performance across the industry.

Comparisons between companies' responses to COVID-19 and their historical performance in the Ethical Fashion Report grading system are instructive. While 44% of all companies considered in this research could demonstrate action in relation to all commitments; this figure rises to 71% of companies that achieved a grade of B+ or above in the 2019 Report, and falls to just 11% of companies that rated below C-.

The Ethical Fashion Report survey and other similar tools point to key areas that should be addressed by companies committed to building back supply chains that are more resilient and better for workers and the world. These include ensuring traceability and transparency of the entire supply chain, fair supplier relationships, embedding living wage commitments, identification and mitigation of modern slavery and other labour risks, and investments in worker voice mechanisms.

"Saving lives and livelihoods, and building a prosperous, inclusive and sustainable future, are at the heart of our efforts to recover from COVID-19 ..."

António Guterres, UN Secretary-General



Part Three

ACTIONS & RECOMMENDATIONS

INDUSTRY ACTION

“COVID really lays out the limits of thinking of people as solely interchangeable units and not as human beings, treating them with dignity and respect as an integral part of the production enterprise.”⁴¹

The COVID Fashion Report started by recognising that 2020 has been an unprecedented year – for workers, for consumers, for companies, and for the broader global community. In this context, the Report celebrates the fact that more than 70% of the companies researched were able to point to evidence of specific efforts they have taken to support workers. But challenges remain.

Overcoming these and embedding a vision and practice in the fashion world that treats all workers – regardless of where they work in the supply chain – with dignity and respect, is critical. It is key not only to immediate COVID responses but also to the development of an industry made up of companies that are both *good businesses* and *businesses that are good*.

Next steps and recommendations for companies

For companies with evidence of action in relation to **SOME** or **NO COVID Fashion Commitment areas**:

- Urgently identify gaps in their supply chain response and implement additional measures to protect and support workers**, using the areas outlined in the COVID Fashion Commitments as a guide. While early responses are important, this crisis is not over, and the risks to workers are ongoing. Actions taken by companies now, continue to have the potential to reduce the vulnerability of workers and positively impact their wellbeing.

For **EVERY** company:

- Ensure responses are comprehensive** and incorporate all tiers and branches of a company’s supply chain. This report has sought to identify all evidence of positive action and to acknowledge the efforts of companies in this difficult context. However, to ensure that all workers are protected, companies must also ensure that positive practices are adopted and implemented across all areas of the supply chain.
- Continuously monitor and implement new responsive measures** as the nature of the COVID crisis evolves, and the locations at greatest health and economic risk shift.
- Commit to tangible actions** that ensure post-COVID supply chains are more resilient and more strongly embed workers’ rights and environmental sustainability including:
 - Traceability and transparency in supply chains
 - Responsible purchasing practices in all supplier relationships
 - Robust risk assessment and mitigation of key labour rights, environmental, and COVID-19 risks.
 - Commitment to support payment of living wages
 - Support for effective worker voice and grievance mechanisms
 - Assessing the environmental sustainability of all stages of the product lifecycle



CONSUMER ACTION

The rapid spread of the COVID-19 virus has illustrated the way in which we are all connected across global boundaries. Even our smallest actions and decisions have the potential to ripple through the lives of others in both positive and negative ways.

The COVID Fashion Report stands as part of a long-term initiative by Baptist World Aid Australia and Tearfund New Zealand, to provide research and resources to help consumers understand the efforts of companies to improve their supply chain ethics and the impact of our fashion purchasing decisions.

After reading this report, there are some simple next steps consumers can take to contribute to change for workers experiencing the most severe challenges in the face of COVID-19.

We have put together a COVID Fashion Guide, which is designed to help you take these next steps. To learn more and download your free copy, visit our website at:

www.behindthebarcode.org.au



Next steps and recommendations for consumers

1 DECIDE

The first step is the decision to start making small changes to become more connected to the impact of the clothes you buy. Our efforts may not be perfect at first—and that's okay! It's the small steps that slowly take us forward.

2 ACT

Choose brands and products that have responded well to the risks of COVID-19 and have a strong track record of investing in systems to mitigate the risks of child labour, forced labour, and labour exploitation.

Consult the Baptist World Aid Ethical Fashion grades to guide your purchases.

For additional brands, do some simple research of your own:

- ▶ Do I know where the product was made?
- ▶ Do I know what the product is made from?
- ▶ Are there any certifications on the product?

3 INFLUENCE

Become part of the movement to see long-term change in the fashion industry.

- ▶ Start a conversation with your friends and family
- ▶ Tell a fashion brand that you care about workers and the environment and want to see them continue to improve their ethical sourcing practices
- ▶ Supplement your purchases with support for work to improve the lives of garment workers by organisations like Baptist World Aid Australia



APPENDICES

FASHION COMPANY-BRAND REFERENCE LIST A-B

* = Company did not provide information directly to the research team and has been assessed on public information only

^ = Company has been in administration during 2020

Parent Company	Brand	Result
Abercrombie & Fitch*	Abercrombie & Fitch*	SOME
Abercrombie & Fitch*	Hollister Co.*	SOME
Abercrombie & Fitch*	Gilly Hicks*	SOME
Abercrombie & Fitch*	Abercrombie Kids*	SOME
Adidas	Adidas	ALL
Adidas	Reebok	ALL
ALDI Stores	Aldi	ALL
ALDI Stores	Barely Basics	ALL
ALDI Stores	Barely Essentials	ALL
ALDI Stores	Crane Performance	ALL
ALDI Stores	Crane Snow Extreme Crane	ALL
ALDI Stores	INOC	ALL
ALDI Stores	Serra	ALL
ALDI Stores	Lily and Dan	ALL
ALDI Stores	Torque	ALL
ALDI Stores	Workzone	ALL
ALDI Stores	West Bay	ALL
ALDI Stores	Higgledee	ALL
ALDI Stores	Higgledee Baby	ALL
Ally Fashion	Ally Fashion	SOME
Ally Fashion	You + All	SOME
APG & Co*	SABA*	NE
APG & Co*	Sportscraft*	NE
APG & Co*	Jag*	NE
Arcadia Group*	Burton Menswear*	NE
Arcadia Group*	Dorothy Perkins*	NE
Arcadia Group*	Evans*	NE
Arcadia Group*	Miss Selfridge*	NE
Arcadia Group*	Topman*	NE

Parent Company	Brand	Result
Arcadia Group*	Topshop*	NE
Arcadia Group*	Wallis*	NE
Arcadia Group*	Outfit*	NE
Arcadia Group*	Outfit Kids*	NE
AS COLOUR	AS Colour	ALL
ASICS	ASICS	ALL
ASICS	Onitsuka Tiger	ALL
ASICS	ASICS Tiger	ALL
ASICS	HAGLOFS	ALL
ASOS	ASOS DESIGN	ALL
ASOS	ASOS EDITION	ALL
ASOS	ASOS MADE IN KENYA	ALL
ASOS	ASOS WHITE	ALL
ASOS	ASOS 4505	ALL
ASOS	ASOS collabs	ALL
ASOS	Supply	ALL
ASOS	Venture Brands	ALL
ASOS	Made In.	ALL
ASOS	Reclaimed Vintage	ALL
ASOS	Crooked Tongues	ALL
ASOS	Noak	ALL
ASOS	Heart and Dagger	ALL
ASOS	Collusion	ALL
Bardot Pty Ltd**	Bardot**	NE
Bardot Pty Ltd**	Bardot Junior**	NE
Barkers Clothing*	Barkers*	NE
Ben Sherman Australia*	Ben Sherman*	NE
Best & Less	Edited	SOME
Best & Less	Best & Less	SOME

Parent Company	Brand	Result
Best & Less	Edited Plus	SOME
Best & Less	Mango	SOME
Best & Less	Tilt	SOME
Best & Less	Mantaray	SOME
Best & Less	Breakers	SOME
Best & Less	Bad Boy	SOME
Best & Less	Baby Baby	SOME
Best & Less	Baby Berry	SOME
Betts Group*	Betts*	SOME
Betts Group*	Airflex*	SOME
Betts Group*	Zu*	SOME
Big W	Big W	ALL
Bloch	Bloch	SOME
Blue Illusion*	Blue Illusion*	NE
Boardriders*	Quiksilver*	NE
Boardriders*	Billabong*	NE
Boardriders*	Roxy*	NE
Boardriders*	DC Shoes*	NE
Boardriders*	RVCA*	NE
Boardriders*	Element*	NE
Boardriders*	Von Zipper*	NE
Boden	Boden	ALL
Boohoo*	boohoo*	NE
Boohoo*	boohooMAN*	NE
Boohoo*	PrettyLittleThing*	NE
Boohoo*	Nasty Gal*	NE
Boohoo*	MissPap*	NE
Boohoo*	Karen Millen*	NE
Boohoo*	coast*	NE

ALL: Evidence of actions that cover ALL areas of the COVID Fashion Commitments

SOME: Evidence of actions that cover SOME areas of the COVID Fashion Commitments

NE: No Evidence Provided/Identified covering COVID-specific actions

FASHION COMPANY-BRAND REFERENCE LIST B-G

* = Company did not provide information directly to the research team and has been assessed on public information only

^ = Company has been in administration during 2020

Parent Company	Brand	Result
Brand Collective	Elka Collective	SOME
Brand Collective	Elwood	SOME
Brand Collective	ELWD	SOME
Brand Collective	Mossimo	SOME
Brand Collective	Superdry	SOME
Brand Collective	Hush Puppies	SOME
Brand Collective	Julius Marlow	SOME
Brand Collective	Grosby	SOME
Brand Collective	Clarks	SOME
Brand Collective	Volley	SOME
Brand Collective	Shoe Warehouse	SOME
Brand Collective	Shoes & Sox	SOME
Brand Collective	Clarks Originals	SOME
City Chic Collective	City Chic	ALL
Coles*	Coles*	NE
Cotton On Group	Cotton On*	ALL
Cotton On Group	Cotton On Kids*	ALL
Cotton On Group	Body*	ALL
Cotton On Group	Rubi*	ALL
Cotton On Group	Factorie*	ALL
Cotton On Group	Typo*	ALL
Cotton On Group	Supré*	ALL
Country Road Group	Country Road	ALL
Country Road Group	MIMCO	ALL
Country Road Group	Trenery	ALL
Country Road Group	Witchery	ALL
Country Road Group	Politix	ALL
Cue Clothing Co.	Cue	ALL
Cue Clothing Co.	Dion Lee	ALL

Parent Company	Brand	Result
Cue Clothing Co.	Veronika Maine	ALL
David Jones	Milana	ALL
David Jones	Alta Linea	ALL
David Jones	Agenda	ALL
David Jones	David Jones	ALL
David Jones	David Jones Classic Collection	ALL
David Jones	Organic Baby by David Jones	ALL
David Jones	David Jones Junior	ALL
Decjuba*	Decjuba*	NE
Decjuba*	D-Luxe*	NE
Decjuba*	Decjuba Girls*	NE
Etiko	Etiko	ALL
Ezibuy*	Ezibuy*	NE
Ezibuy*	Capture*	NE
Ezibuy*	Emerge*	NE
Ezibuy*	Grace Hill*	NE
Ezibuy*	Sara*	NE
Ezibuy*	Addition Elle*	NE
Ezibuy*	Capture Woman*	NE
Ezibuy*	Emerge Woman*	NE
Ezibuy*	Grace Hill Woman *	NE
Factory X	Dangerfield	ALL
Factory X	L'URV	ALL
Factory X	Jack London	ALL
Factory X	Princess Highway	ALL
Factory X	Gorman	ALL
Farmers*	Farmers*	NE
Fast Future Brands*	Valleygirl*	NE
Fast Future Brands*	Mirrou*	NE

Parent Company	Brand	Result
Fast Future Brands*	TEMT*	NE
Forever 21*	Forever 21*	NE
Forever New	Forever New	SOME
Freeset T-Shirts	Freeset T-Shirts	ALL
Fruit of the Loom*	Vanity Fair*	SOME
Fruit of the Loom*	Fruit of the Loom*	SOME
Fruit of the Loom*	Spalding*	SOME
Fruit of the Loom*	Russell Athletic*	SOME
Gap INC*	Gap*	SOME
Gap INC*	Banana Republic*	SOME
Gap INC*	Old Navy*	SOME
Gap INC*	Athleta*	SOME
Gap INC*	Intermix*	SOME
Gap INC*	Janie and Jack*	SOME
Gap INC*	Hill City*	SOME
General Pants Group	General Pants Group	NE
General Pants Group	Arvust	NE
General Pants Group	Alice in the Eve	NE
General Pants Group	Ksubi	NE
General Pants Group	Insight	NE
General Pants Group	Subtitled	NE
General Pants Group	Don't Ask Amanda	NE
General Pants Group	Neon Hart	NE
General Pants Group	BNWR	NE
General Pants Group	Standard	NE
General Pants Group	GP Tees	NE
General Pants Group	Candidate	NE
General Pants Group	GP Co Basics	NE
Gildan Activewear	Gildan	ALL

ALL: Evidence of actions that cover ALL areas of the COVID Fashion Commitments

SOME: Evidence of actions that cover SOME areas of the COVID Fashion Commitments

NE: No Evidence Provided/Identified covering COVID-specific actions

FASHION COMPANY-BRAND REFERENCE LIST G-M

* = Company did not provide information directly to the research team and has been assessed on public information only

^ = Company has been in administration during 2020

Parent Company	Brand	Result
Gildan Activewear	American Apparel	ALL
Gildan Activewear	Anvil	ALL
Gildan Activewear	Comfort Colors	ALL
Gildan Activewear	Alstyle	ALL
Gildan Activewear	Gold Toe	ALL
Gildan Activewear	Secret	ALL
Gildan Activewear	Silks	ALL
Gildan Activewear	Peds	ALL
Gildan Activewear	Prim + Preux	ALL
H&M	H&M	ALL
H&M	Monki	ALL
H&M	COS	ALL
H&M	Weekday	ALL
H&M	& Other Stories	ALL
H&M	Arket	ALL
Hallenstein Glasson Holdings	Glassons	ALL
Hallenstein Glasson Holdings	Hallenstein Brothers	ALL
Hanesbrands	JMS	ALL
Hanesbrands	Berlei	ALL
Hanesbrands	Bonds	ALL
Hanesbrands	Bras N Things	ALL
Hanesbrands	Champion	ALL
Hanesbrands	Hanes	ALL
Hanesbrands	Hestia	ALL
Hanesbrands	Explorer	ALL
Hanesbrands	Jockey	ALL
Hanesbrands	Kayser	ALL
Hanesbrands	Playtex	ALL
Hanesbrands	Platinum	ALL

Parent Company	Brand	Result
Hanesbrands	Razzamatazz	ALL
Hanesbrands	Rio	ALL
Hanesbrands	Sheridan	ALL
Hanesbrands	Sheer Relief	ALL
Hanesbrands	Voodoo	ALL
Hanesbrands	Barely There	ALL
Hanesbrands	C9 by Champion	ALL
Hanesbrands	Knights Apparel	ALL
Hot Springs	P.E. Nation	ALL
Hot Springs	Lover	ALL
Hot Springs	Cooper St	ALL
Hot Springs	Rebecca Vallance	ALL
Hot Springs	Vestire	ALL
Hugo Boss Group	Boss	ALL
Hugo Boss Group	Hugo	ALL
Inditex	Zara	ALL
Inditex	Pull&Bear	ALL
Inditex	Massimo Dutti	ALL
Inditex	Bershka	ALL
Inditex	Stradivarius	ALL
Inditex	Oysho	ALL
Inditex	Uterqüe	ALL
Industrie	Industrie	SOME
Industrie	Indie kids	SOME
Industrie	Roler	SOME
Jeanswest*^	Jeanswest*^	NE
Just Group*	Just Jeans*	NE
Just Group*	Jay Jays*	NE
Just Group*	Jacqui E*	NE

Parent Company	Brand	Result
Just Group*	Portmans*	NE
Just Group*	Dotti*	NE
Just Group*	Peter Alexander*	NE
Kathmandu	Kathmandu	ALL
Kmart Group	Kmart	ALL
Kmart Group	Target	ALL
Kookai	Kookai	ALL
L Brands*	PINK*	NE
L Brands*	Victoria's Secret*	NE
Lacoste	Lacoste	ALL
Levi Strauss & Co.	Levi's	ALL
Levi Strauss & Co.	DENIZEN from Levi's	ALL
Levi Strauss & Co.	Dockers	ALL
Levi Strauss & Co.	Signature by Levi Strauss & Co.	ALL
Lorna Jane	Lorna Jane	SOME
Lowe's	Lowe's	SOME
Lowe's	Bear & Ley	SOME
Lowe's	Cougars	SOME
Lowe's	Robert Huntley	SOME
Lowe's	Huntley & Sons	SOME
Lowe's	Traders Workwear	SOME
Lululemon Athletica	Lululemon Athletica	SOME
Macpac	Macpac	ALL
Marks & Spencer	Marks & Spencer	SOME
Max Fashions*	Max*	NE
Mighty Good Group	Mighty Good Basics	ALL
Mosaic Group*	Millers*	NE
Mosaic Group*	Rockmans*	NE
Mosaic Group*	Noni B*	NE

ALL: Evidence of actions that cover ALL areas of the COVID Fashion Commitments

SOME: Evidence of actions that cover SOME areas of the COVID Fashion Commitments

NE: No Evidence Provided/Identified covering COVID-specific actions

FASHION COMPANY-BRAND REFERENCE LIST M-R

* = Company did not provide information directly to the research team and has been assessed on public information only

^ = Company has been in administration during 2020

Parent Company	Brand	Result
Mosaic Group*	Rivers*	NE
Mosaic Group*	Katies*	NE
Mosaic Group*	Autograph*	NE
Mosaic Group*	W. Lane*	NE
Mosaic Group*	Crossroads*	NE
Mosaic Group*	Beme*	NE
Mosaic Group*	Liz Jordan*	NE
Mosaic Group*	Table Eight*	NE
Mosaic Group*	Amber Rose*	NE
Mosaic Group*	Maggie T*	NE
Munro Footwear Group	Cinori	SOME
Munro Footwear Group	Colorado	SOME
Munro Footwear Group	Diana Ferrari	SOME
Munro Footwear Group	Midas	SOME
Munro Footwear Group	Mathers	SOME
Munro Footwear Group	Mollini	SOME
Munro Footwear Group	Mountfords	SOME
Munro Footwear Group	Style Tread	SOME
Munro Footwear Group	Wanted Shoes	SOME
Munro Footwear Group	Williams	SOME
Munro Footwear Group	Django & Juliette	SOME
Munro Footwear Group	Gamins	SOME
Munro Footwear Group	I Love Billy	SOME
Munro Footwear Group	Silent D	SOME
Munro Footwear Group	Supersoft by Diana Ferrari	SOME
Munro Footwear Group	Top End	SOME
Myer	Myer	SOME
Myer	Basque	SOME
Myer	Piper	SOME

Parent Company	Brand	Result
Myer	Blaq	SOME
Myer	Reserve	SOME
Myer	AHG	SOME
Myer	Vue	SOME
Myer	Heritage	SOME
Myer	Regatta	SOME
Myer	Tokito	SOME
Myer	Miss Shop	SOME
Myer	Sprout	SOME
Myer	Milkshake	SOME
Myer	Soho	SOME
Myer	Trent Nathan	SOME
Myer	Chloe & Lola	SOME
New Balance	New Balance	ALL
Next	Next	ALL
Next	Lipsy	ALL
Next	Label/Mix	ALL
Nike	Nike	SOME
Nike	Converse	SOME
Nike	Jordan	SOME
Nudie Jeans Co	Nudie Jeans Co	ALL
Oroton Group*	Oroton*	SOME
Outland Denim	Outland Denim	ALL
Oxford	Oxford	SOME
Patagonia	Patagonia	ALL
Pentland Brands	Speedo	ALL
Pentland Brands	Berghaus	ALL
Pentland Brands	Canterbury of New Zealand	ALL
Pentland Brands	Endura	ALL

Parent Company	Brand	Result
Pentland Brands	ellesse	ALL
Pentland Brands	SeaVeas	ALL
Pentland Brands	Red or Dead	ALL
Pentland Brands	KangaROOS	ALL
Pentland Brands	Mitre	ALL
Postie	Postie	SOME
Puma	Puma	ALL
Puma	Cobra Golf	ALL
PVH Corp	Calvin Klein	ALL
PVH Corp	Tommy Hilfiger	ALL
PVH Corp	Van Heusen	ALL
PVH Corp	IZOD	ALL
PVH Corp	ARROW	ALL
PVH Corp	Warner's	ALL
PVH Corp	Olga	ALL
PVH Corp	Geoffrey Beene	ALL
PVH Corp	True & Co.	ALL
R.M. Williams*	R.M. Williams*	NE
Ralph Lauren	POLO	SOME
Ralph Lauren	LAUREN	SOME
Ralph Lauren	Chaps	SOME
Ralph Lauren	Club Monaco	SOME
Ralph Lauren	Ralph Lauren	SOME
Ralph Lauren	RLX	SOME
Retail Apparel Group	Tarocash	ALL
Retail Apparel Group	yd.	ALL
Retail Apparel Group	Connor	ALL
Retail Apparel Group	Johnny Bigg	ALL
Retail Apparel Group	Rockwear	ALL

ALL: Evidence of actions that cover ALL areas of the COVID Fashion Commitments

SOME: Evidence of actions that cover SOME areas of the COVID Fashion Commitments

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FASHION COMPANY-BRAND REFERENCE LIST R-Z

* = Company did not provide information directly to the research team and has been assessed on public information only

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Parent Company	Brand	Result
Rip Curl	Rip Curl	SOME
Rodd & Gunn	Rodd & Gunn	SOME
RREPP	RREPP	ALL
Seafolly*^	Seafolly*^	NE
Seed Heritage	Seed Heritage	NE
Showpo*	Showpo*	NE
Sussan Group*	Sussan*	NE
Sussan Group*	Suzanne Grae*	NE
Sussan Group*	Sportsgirl*	NE
The Iconic	Atmos&Here	ALL
The Iconic	The Iconic	ALL
The Iconic	Spur	ALL
The Iconic	Staple Superior	ALL
The Iconic	Double Oak Mills	ALL
The Iconic	Dazie	ALL
The Iconic	Aere	ALL
The Iconic	Mika Muse	ALL
The Iconic	St Swim	ALL
The Iconic	Endless	ALL
The Iconic	Locale	ALL
The PAS Group Limited*^	Review*^	NE
The PAS Group Limited*^	Black Pepper*^	NE
The PAS Group Limited*^	Breakaway*^	NE
The PAS Group Limited*^	Yarra Trail*^	NE
The PAS Group Limited*^	Marco Polo*^	NE
The PAS Group Limited*^	B.O.D. by Finch*^	NE
The PAS Group Limited(^	Review Kids*^	NE
The PAS Group Limited*^	Mooks*^	NE
The PAS Group Limited*^	Jets*^	NE

Parent Company	Brand	Result
The Warehouse Group*	Active Intent*	SOME
The Warehouse Group*	Amco*	SOME
The Warehouse Group*	An'D*	SOME
The Warehouse Group*	Back Country*	SOME
The Warehouse Group*	Basics Brand	SOME
The Warehouse Group*	Basics Maternity*	SOME
The Warehouse Group*	Beach Works*	SOME
The Warehouse Group*	Blue Denim Co*	SOME
The Warehouse Group*	Debut*	SOME
The Warehouse Group*	Garage*	SOME
The Warehouse Group*	H&H*	SOME
The Warehouse Group*	Intrepid*	SOME
The Warehouse Group*	Kate Madison*	SOME
The Warehouse Group*	Match*	SOME
The Warehouse Group*	Maya*	SOME
The Warehouse Group*	Navigator South*	SOME
The Warehouse Group*	Pickaberry*	SOME
The Warehouse Group*	Rivet*	SOME
The Warehouse Group*	Schooltex*	SOME
The Warehouse Group*	Urban Equip*	SOME
The Warehouse Group*	The Warehouse*	SOME
Tree of Life	Tree of Life	SOME
Tree of Life	Peace Angel	SOME
UNIQLO	UNIQLO	ALL
VF Corp	Altra	ALL
VF Corp	Jansport	ALL
VF Corp	Bulwark	ALL
VF Corp	Eagle Creek	ALL
VF Corp	Kipling	ALL

Parent Company	Brand	Result
VF Corp	Red Kap	ALL
VF Corp	Horace Small	ALL
VF Corp	Napapiriji	ALL
VF Corp	Eastpak	ALL
VF Corp	Williamson Dickies	ALL
VF Corp	Smartwool	ALL
VF Corp	The North Face	ALL
VF Corp	VANS	ALL
VF Corp	Timberland	ALL
VF Corp	Icebreaker	ALL
VF Corp	Kodiak	ALL
VF Corp	Terra	ALL
VF Corp	Walls	ALL
VF Corp	VF Solutions	ALL
Voyager Distributing Co*	Jump*	NE
Voyager Distributing Co*	Kachel*	NE
Voyager Distributing Co*	Ping Pong*	NE
Workwear Group	Hard Yakka	ALL
Workwear Group	KingGee	ALL
Workwear Group	NNT Uniforms	ALL
Workwear Group	Incorporate Wear	ALL
Zimmermann	Zimmermann	SOME

ALL: Evidence of actions that cover ALL areas of the COVID Fashion Commitments

SOME: Evidence of actions that cover SOME areas of the COVID Fashion Commitments

NE: No Evidence Provided/Identified covering COVID-specific actions

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ABOUT BAPTIST WORLD AID AUSTRALIA

Baptist World Aid Australia is an international aid and development organisation, with a vision to see a world where poverty has ended, where all people enjoy the fullness of life God intends.

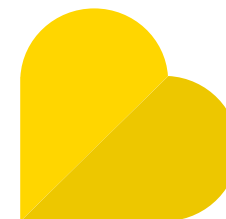
In order to achieve this vision, Baptist World Aid Australia works through two equally important partnerships:

- It partners with like-minded agencies overseas to empower communities to lift themselves out of poverty, challenge injustice and build resilience; and
- It partners with Christians and churches in Australia, particularly those from the Baptist movement, in generous giving, ethical consumption, courageous advocacy and faithful prayer in order to achieve justice for people living in poverty.

Established in 1959, Baptist World Aid Australia works with local partners in 25 countries in the Pacific, Middle East, Southeast Asia, South Asia and Africa. Its activities cover four key areas:

- Community Development projects build lasting solutions to poverty for entire communities;
- Its Child Sponsorship program assists children to break down the barriers of poverty — for themselves and their whole community;
- Its work in disaster saves lives before, during and after a disaster strikes; and
- Baptist World Aid Australia stands with the oppressed and marginalised, advocating for a more just world.

Baptist World Aid Australia has been campaigning various industries to end worker exploitation for over nine years, beginning its research into the fashion and electronics industries in 2010.



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Be love. End poverty.

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