

**FOR IMMEDIATE RELEASE: Contact: Tania Stewart**

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**Apparel & footwear companies ranked on forced labor for first time**

*KnowTheChain Ranks 20 Companies, including adidas, Lululemon, Ralph Lauren and finds need for worker engagement*

**San Francisco, CA –** KnowTheChain today launched a ranking of 20 large apparel and footwear companies on their efforts to eradicate forced labor and human trafficking from their supply chains, finding that only a small group of companies seriously addresses exploitation. Most companies have systems in place to monitor and react to forced labor and human trafficking, but few companies address systemic causes.

The four highest performing companies (Adidas, Gap, H&M and Lululemon) achieve scores above 60/100. Among the lowest performing companies are Hong Kong-based Belle International Holdings (0/100), Chinese clothing manufacturer Shenzhou International Group Holdings (1/100), and the luxury Italian fashion house, Prada (9/100). Across seven measurement areas, the average company score is 46 out of a possible 100. Overall, luxury brands including Hugo Boss, Kering (holding company of Alexander McQueen, Gucci, Stella McCartney and others) and Ralph Lauren score much lower than high street apparel retailers (such as H&M, Inditex or Primark), with none achieving an above average score.

Worker voice (29/100) is one of the lowest scoring themes of the benchmark. Only four companies proactively communicate the existence of a grievance mechanism to their suppliers' workers, and only five companies engage workers outside of the context of their workplace in a manner that may give more voice to workers. Engagement with supply chain workers is an area where the industry needs to significantly improve, not least as engagement with workers can help identify, resolve, and prevent labor abuses in the supply chain that traditional monitoring systems do not catch.

Companies are falling particularly short in the area of recruitment practices, with an average score of only 22/100. Only six companies benchmarked require that no fees be charged during any recruitment process conducted throughout the supply chain, and only two companies encourage direct hiring of workers in their supply chains. Poor recruitment practices, including excessive fees, leave workers vulnerable and open to exploitation, particularly through debt bondage.

“Despite international and brand attention on worker issues for more than twenty years, many retailers haven’t addressed the deep seeded causes of worker abuse in their supply chains. Hopefully this benchmark will help them recognize that they need to do better by the people making their clothes and shoes,” said Killian Moote, director of KnowTheChain.

Longstanding public awareness and pressure, spurred from incidents of child labor in the footwear sector in the 1990s and grave health and safety incidents in Bangladeshi factories in recent years, has resulted in companies putting in place supply chain monitoring systems. However, these have a strong focus on first tier suppliers, while workers tend to be at the greatest risk further down the supply chain. Adidas, which ranked highest in the benchmark (81 out of 100 points), works in partnership with its first tier suppliers to support training for second tier suppliers and subcontractors, as well as develops models to address risks of forced labor in its third tier supply chain.

“The fast-growing garment sector can create important opportunities for its 60 million workers worldwide – many of whom are women. Yet far too many remain exploited, including in situations of forced labor. This benchmark highlights urgent steps that the industry must take to eradicate the worst working conditions, such as changing their purchasing practices so that risks are not passed down the supply chain, and ensuring workers have access to effective grievance mechanisms,” said Annabel Short, Business & Human Rights Resource Centre Deputy Director.

“KnowTheChain’s Apparel and Footwear Benchmark highlights some encouraging work being done by companies to address forced labor in their supply chains. This benchmark also illuminates the need for more responsible recruitment practices, including eliminating recruitment fees for workers. This one important step will improve the working lives of the millions of people upon which we all depend for the clothes on our backs.” said Shawn MacDonald, Verité CEO.

"KnowTheChain’s latest benchmark highlights the tremendous gap between the top performers and lowest ranked companies in the apparel sector—as well as the areas where the entire industry needs to improve. The apparel and footwear industry has taken some positive steps for some workers. Now they need to bring this energy to workers further along in the supply chain,” said Ed Marcum, Managing Director at Humanity United.

“KnowtheChain’s benchmark provides investors with valuable information on forced labor in the apparel and footwear supply chain, We commend KnowTheChain for continuing to shine a light on this issue and hope the benchmark will encourage further improvements across the industry,” said Sustainalytics’ Executive Vice President of Research, Simon MacMahon.

Among the solutions suggested for companies to improve their approach: provide workers throughout the supply chain access to grievance mechanisms; require and monitor that no fees be charged during any recruitment process conducted throughout the supply chain; and require first-tier suppliers to ensure that their own suppliers implement the same standards as they relate to forced labor.

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The full report and company scores can be found [here](https://knowthechain.org/wp-content/plugins/ktc-benchmark/app/public/images/benchmark_reports/KTC_A&F_ExternalReport_Final.pdf).

KnowTheChain assessed information available on each company’s own website, as well as additional public disclosure that companies provided in response to engagement questions. Sustainalytics, a leading global provider of environmental, social and governance (ESG) research and ratings, supported the development of the Benchmark methodology, conducted the company research and contributed to the key findings report.

KnowTheChain released benchmarks on the [Information and Communications Technology sector](https://knowthechain.org/benchmarks/1/) and [Food and Beverage sector](https://knowthechain.org/benchmarks/2/) earlier this year.

KnowTheChain is a resource for businesses and investors who need to understand and address forced labor abuses within their supply chains. It benchmarks current corporate practices, develops insights, and provides practical resources that inform investor decisions and enable companies to comply with growing legal obligations while operating more transparently and responsibly. [www.knowthechain.org](http://www.knowthechain.org)