Fashion brands "too slow" on sustainability and ethics transparency - report

By Nigel Taylor  -  20 July 2021

The fashion industry is continuing to be “too slow” to deliver details on ethical practices, according to a new report.

The Fashion Transparency Index 2021, which tracks 250 of the world’s biggest brands and retailers in fashion, claims brands achieved an average transparency score of just 23% this year covering their sustainable practices, including carbon emissions, textile waste and fair pay for workers.

However, the report does show the companies that achieved the top overall scores include OVS, H&M, The North Face and Calvin Klein, among others. The lowest performing brands include Roxy, Max Mara, Tory Burch, and Tom Ford.

In the UK, swimwear company Speedo was the highest scoring brand, followed by retailers Marks & Spencer and Sainsbury’s.

Meanwhile, almost all of the biggest fashion brands — some 99% of them — still don’t disclose the number of workers in their supply chain who are paid a living wage. At present, 96% have no public roadmap on how they plan to achieve a living wage for all their workers.

Though 62% of brands did publish their carbon footprint within their operations, they don’t extend this disclosure throughout their supply chain.

Around a quarter (26%) have published carbon footprint data on their processing and manufacturing. When it comes to raw materials, just 17% do so. So the impact of the production process — from raw material to the store hanger — “remains largely unknown”.

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It’s a similar story with plastic waste. More than a third of brands publicly stated how much progress they were making in reducing virgin plastic packaging use, but only 18% disclosed the percentage of fossil fuel-derived textiles they used.

The Transparency Index, now in its sixth year, also called out the fashion industry on its lack of disclosure over Covid-19 response and climate action.

Out of all the fashion brands assessed, just 3% made public the number of the workers they have laid-off due to the pandemic.

“This leaves us with an ‘incomplete picture’ of the negative socio-economic impact workers have faced throughout the pandemic,” said the report.

Meanwhile, just 18% of all major brands disclosed how many complete or partial orders they have cancelled. Brands also keep secret their policy when it comes to paying suppliers which, in turn, impacts the garment workers they employ. Less than 10% of the brands in the index have outlined a policy to pay suppliers within 60 days.

The index is based on the information disclosed by the world’s largest fashion houses on their ESG policies, practices and impacts. It gathers information within companies’ operations, as well as throughout their supply chains.

“Transparency underpins transformative change”, the Index said. “But unfortunately, much of the fashion value chain remains opaque while human and environmental exploitation thrives with impunity”.

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