

# Apparel Insider

Issue 5 Jan 2019

SUSTAINABLE FASHION, FINANCIAL INSIGHT

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with Mary Creagh MP



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# Editorial



Brett Mathews

“  
Our raison d'être is – and always will be – reporting on the sweet spot where financial and sustainability issues converge  
”

**H**opefully readers can forgive us this issue for giving extensive coverage in this magazine to the current UK House of Commons Environmental Audit Select Committee debate into the environmental impact of the fashion industry. Select Committee enquiries of this nature in our country can be something of a mixed bag, and it is hard to avoid the feeling at times that they tend to jump on passing bandwagons rather than contributing anything meaningful to an issue in terms of dissecting an issue or lobbying for legislation.

In this particular instance, I have been pleasantly surprised. All manner of representatives from the fashion industry have been called to London in recent months to discuss a range of issues associated with the fashion industry, from environmental challenges, to microfibre pollution, the mistreatment of workers in fashion supply chains and 'wild west' nature of the domestic, UK clothing manufacturing sector which is based in Leicester.

Invariably, much of the discussion has been UK-centric but it has been eye-opening, nonetheless. Our interview with Mary Creagh MP, who has led the Select Committee, is on pages 14-15. Elsewhere in this issue, we have a number of stories which touch on the issue of global apparel supply chains and the level of accountability that brands have to workers in those supply chains. A potentially precedent-setting case recently saw an appeals court in Canada dismiss a class action which essentially claimed western retailers have a duty of care to workers in their supply chains (see page 29). The case was in relation to retailer Loblaw – workers from one of its supplier factories died in Rana Plaza.

We have also reported recently on a not-dissimilar action taken by a group of workers from Pakistan who lost loved ones in the Ali Enterprises garment factory fire which killed 258

workers in 2012. This time, a German court dismissed the case which claimed retailer KiK should take responsibility for fire safety deficiencies which led to the tragic garment factory fire at Ali Enterprises in Pakistan.

Several issues spring to mind here.

Firstly, these cases both relate to deaths which occurred more than six years ago.

Regardless of the merits of either, it seems obscene families that lost loved ones in tragic accidents such as those above should have to wait so long to have such cases considered. The law really is a mess in this area, wit

This brings us to our second point.

In a special report on pp36-38, Jenny Holdcroft, assistant general secretary of IndustriALL Global Union, looks at current progress towards international regulations on multinational corporations (MNCs) with respect to worker rights in supply chains.

Says Holdcroft. "It is no wonder that calls for more control and regulation of multinational corporations (MNCs) are growing stronger. Self-regulation, supported by company auditing on human rights performance, has lost all credibility, while the plethora of voluntary reporting mechanisms that support it are unable to convince that worker rights are respected."

It is rare we will run an op-ed which is more than a page long but in this instance, we have stretched to three pages as we believe Holdcroft very eloquently sets out where we are right now with respect to issues such as the United Nations Guiding Principles on Business and Human Rights (which have huge relevance for apparel brands) and which way the wind is blowing on such issues.

We hope you find this feature useful and also enjoy the rest of the magazine.

Brett Mathews

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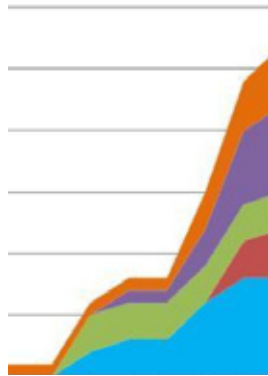
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# Loss-leaders and a race to the bottom



**LONDON** – The UK Government’s enquiry into the fast fashion industry has thrown up some interesting revelations, thanks in no small way to the concept of parliamentary privilege. Perhaps one of the most fascinating has come from online apparel brand Boohoo which, it transpires, has been selling thousands of dresses at a loss to drive website traffic. Carol Kane, joint CEO of Boohoo, explained the strategy when telling MPs how the business managed to sell some dresses for as little as £5 when the UK minimum wage is £7.83.

As consumers, it is rare to have such clear insight into the inner economic workings of the fashion industry. The fact that brands feel a need to resort to such tactics also points to just how fiercely competitive the fast fashion space is right now. This clearly

**“Apparel brand Boohoo which, it transpires, has been selling thousands of dresses at a loss to drive website traffic.”**

is a race right to the very bottom.

Kane also suggested consumers have become overly accustomed to cheap and disposable clothing. She told the Commons Environmental Audit Committee: “I believe this all comes back to consumer demand. I’ve been in the industry for 32 years, and within that time I’ve seen prices decline considerably.”

That’s all well and good. But surely selling thousands of dresses for a fiver as a marketing gimmick isn’t helping matters. See feature pp26-27.

## The inconvenience of the law

**ONTARIO** – An appeals court in Ontario has dismissed a case which claimed that Canadian retailer, Loblaw, has a duty of care to suppliers’ workers who were victims of the 2013 Rana Plaza disaster. A US\$2bn lawsuit against Loblaw and its auditing firm, Bureau Veritas, was initially dismissed by Ontario Superior Court of Justice last year which found there was no direct cause of action that linked Loblaw to the collapse and denied the action. It was stated that neither Loblaw nor the auditor it hired owed a duty of care to the Bangladeshi workers. The Ontario Court of Appeal has now upheld this decision. Rana Plaza, a nine-storey clothing factory, collapsed on April 24, 2013. The previous day, cracks appeared in the structure, yet an investigation into the collapse revealed garment workers were ordered to go to work that morning to finish an order of 24,000 pairs of Joe Fresh jeans. The workers were employed by New Wave, the Rana Plaza-based factory from which Loblaw — owner of the Joe Fresh brand — contracted man-

ufacturing services. It is claimed Joe Fresh orders accounted for half of New Wave’s operations at the time of the accident. As at the Superior Court, the Court of Appeal essentially determined that Bangladesh law governs the plaintiffs’ claim. The plaintiffs claimed certain pleadings connect the claim to Ontario. In particular, the plaintiffs argued that Loblaws assumed responsibility over worker safety, and determined the scope of audits [which surely was the case]. The plaintiffs also argued that Bureau Veritas’ alleged failure to provide professional advice to Loblaws happened in Ontario. The Court of Appeal rejected the plaintiffs’ arguments and held that the essence of the claim is based in the injuries. The Court concluded that, because those injuries occurred in Bangladesh, the governing law is that of Bangladesh. With respect to the claim against Loblaws, the Court of Appeal rejected the plaintiffs’ argument that the alleged duty of care is

analogous to those found in English cases finding parent companies liable for the actions of subsidiaries. Among other things, Justice Feldman distinguished the English cases in that: (i) Loblaws had little control over the factories; (ii) Loblaws was not in the same business as the factories; (iii) Loblaws did not have superior knowledge or expertise about issues of structural safety; and (iv) Loblaws did not undertake to audit Rana Plaza for structural safety. We have been following this case closely as it may well set a precedent. There have long-since been (very reasonable) calls for brands to take more responsibility for issues in global supply chains, and not simply turn the other cheek when something goes wrong. The case above, however, has been heard and heard again, and the insiders we have spoken to about it tell us there was never any expectancy that the legal system would come down on the side of the plaintiffs. Perhaps the legal system needs to change.



# Collaborating on chemistry

**AMSTERDAM** - Ever since Greenpeace's Detox initiative kick-started the widespread debate on the use of potentially dangerous chemicals in textile supply chains, the world's leading apparel businesses have been working frantically to identify and remove potentially harmful chemical formulations from their supply chains. This has proved a huge challenge, due to the size and diverse nature of apparel supply chains and the complexity of the issue at stake.

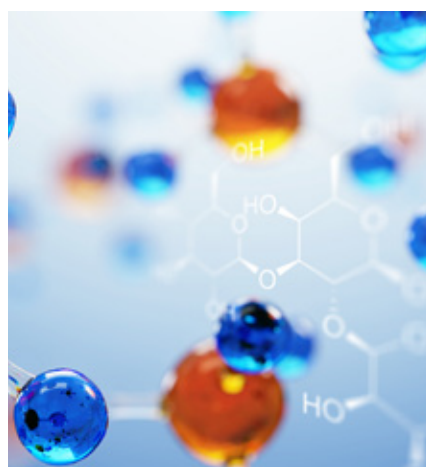
Given that all brands are taking a similar 'screened chemistry' approach to this issue, it has always seemed odd that we haven't seen more collaboration.

It was welcome, then, to see the ZDHC's Roadmap to Zero Programme recently announce the convergence of Levi Strauss & Co, Nike, H&M and C&A approaches to screened chemistry.

The brands have now agreed to share and align their individual screened chemistry tools to support a single unified approach and platform and to hand the future development of screened chemistry to the ZDHC Foundation.

This move, it is claimed, accelerates ZDHC's long-term strategy to implement a transparent process that promotes better chemistry with a focus on evaluating safer alternatives and driving innovation.

"Although the efforts of Levi Strauss & Co, Nike, H&M and C&A were not initiated together, the core elements of their different screened chemistry methodologies are re-



markably similar – both in their approach and ultimate goals," said a note from the ZDHC. To further develop and scale screened chemistry, ZDHC says it has now established a dedicated Roadmap to Zero Programme task team for safer/screened chemistry, which will start the work of convergence with the existing elements of the ZDHC Programme. In recognition of their work so far, the four brands noted above will form the core of the new ZDHC Roadmap to Zero Programme Task Team and will invite contributors from other brands and partners to continue to drive this initiative.

All of this begs a question: if these brands can collaborate on this pertinent issue, why not more partnerships in other sustainability-related areas? What about textile recycling? Or investigations into microfibre pollution.

Concerns about the sharing of competitive information have historically been used to quash such notions of collaboration. But with imminent environmental catastrophe facing the planet, perhaps it is time for brands to agree to put such considerations aside.

## Healthy, happy – and productive

**SINGAPORE** – Researchers from the National University of Singapore (NUS) have found that poor air quality in a group Chinese textile factories has been found to reduce worker productivity. Well who would have thought it? Actually, anybody with even the vaguest understanding of the concept of occupational health might have guessed at such a conclusion. We have known for years that healthy – and that also includes mental health – employees are more productive ones, and this latest piece of research once again proves the economic importance of looking after employees.

Economists from the NUS completed an extensive study on exposure to air pollution over several weeks. Associate professor Alberto Salvo from the department of economics at the NUS Faculty of Arts and Social Sciences, explained: "Most of us are familiar with the negative impact air pollution can have on health, but as economists, we wanted to look for other socioeconomic outcomes. Our aim with this research was to broaden the understanding of air pollution in ways that have not been explored. We typically think that firms benefit from lax pollution regulations, by saving on emission control equipment and the like; here we document an adverse effect on the productivity of their work force."

The NUS team, including Associate Professor Haoming Liu and Dr Jiaxiu He, spent over a year gathering information from

textile factories in China. This involved interviewing managers at a dozen firms in four separate provinces, before obtaining access to data for two factories, one in Henan and the other in Jiangsu. Interestingly, unlike previous literature, the team found that daily fluctuations in pollution did not immediately affect the productivity of workers. However, when they measured for more prolonged exposures of up to 30 days, a definite drop in output can be seen.

"High levels of particles are visible and might affect an individual's well-being in a multitude of ways," explained Assoc Prof Liu. "Besides entering via the lungs and into the bloodstream, there could also be a psychological element. Working in a highly polluted setting for long periods of time could affect your mood or disposition to work."



# 2019: crystal ball time

More online migration, consolidation in the apparel retail space, shifting sourcing strategies and further climate disruption – all are on the horizon in 2019 if our forecasts for the year ahead are correct.

By BRETT MATHEWS

## WHAT WE EXPECT TO SEE

### ► MORE BANKRUPTCIES

The apparel retail space is consolidating and, as we have written about in the past, the squeezed middle is looking increasingly vulnerable. This time last year we spoke about the challenges facing large, cumbersome department store chains saddled with too many high rental leases and which, by attempting to appeal to everybody, have found themselves appealing to nobody. Expect one of two more big names to go the same way as Sears during 2019, especially after the bean-counters have taken a closer look at Christmas sales and found that – yet again – they failed to meet expectations.



### ► FURTHER ONLINE MIGRATION

It is no coincidence that the world's fastest growing retailers of clothing at the present time are all exclusively online. The likes of Asos, Amazon, Boohoo and Missguided are fast and nimble, without the high street overheads of their counterparts. Even if sales take a dip, pure online retailers can tweak and fine-tune their offering quickly and without fuss. Expect the online apparel space to keep growing, and some notable new entrants to the market.

### ► RECYCLING GATHERING PACE

Several complete textile-textile clothing recycling initiatives embarked on the road to commercialisation during 2018 and, with major brand backing behind some initiatives, we forecast further developments in this area. This space will get very interesting we believe when the first fully recycled garments are retailed on the high street. What price point will they retail at? How will they be perceived by consumers? And ultimately, will they prove a viable proposition? They have to, for if they don't the whole 'closing the loop' marketing spiel goes up in smoke.



### ► MORE TRANSPARENCY

The genie is out of the bottle where transparency is concerned. Many of the world's leading apparel brands have now publicly listed their tier one suppliers, with some going further and listing tier two and beyond. Yet transparency stretches beyond supply chains. Smarter brands are now taking a more open approach generally, whether that be through their increasingly detailed sustainability reports or the way they engage with the media. With ongoing pressure for more openness from the likes of Fashion Revolution, expect this welcome trend to continue.



## WHAT WE MIGHT SEE

### ► MORE NEAR-SHORING

In the UK, we have seen several ultra-fast fashion online retailers grow rapidly, sourcing large volumes of stock domestically. This model allows the likes of Boohoo and Missguided to be even faster to market than conventional players such as Zara and H&M. With other western countries such as the US now redeveloping their own garment production industries, there is no reason why brands with a similar USP to, say, Boohoo cannot be developed elsewhere in the western world. It's all about the marketing and branding, and with the US leading the world in such disciplines, it would be no surprise to see at least one pure online brand – with a domestic sourcing bias – coming out of the US during 2019.





## ► AUTOMATION

Automated sewing technology has taken huge strides in the past 24 months, and China is leading the way in terms of implementing automation in its textile industry. With investors readily throwing money into automation R&D, more developments are on the horizon. This is potentially good news for textile manufacturers in terms of productivity and margins, but workers with limited or only basic skills face an uncertain future moving forward.



## ► FURTHER CLIMATE DISRUPTION

Extreme weather patterns hit apparel supply chains hard during 2018. In Australia, an extremely dry summer ultimately hampered wool production, with many merino wool farms seeing their flocks dwindle dramatically as cattle wilted in the heat and struggled to feed on parched land. In the US cotton crops were ruined by storms and hurricanes. The apparel industry can handle one-off hits like this, but if years like 2018 become the norm from a weather front, apparel supply chains will be affected, and clothing prices could ultimately rise for reasons that are beyond the control of manufacturers, brands or retailers.

## ► MAJOR MERGERS

We have noted already how the fast fashion sector is becoming squeezed, one example being the dwindling fortunes of H&M, the world's second largest apparel brand. We expect to see consolidation in this space, and one form this could take is in the way of mergers and acquisitions. It would be no surprise to see one of the major players in this area going on the acquisition trail with a belief among some market analysts being that there is, at present, one more major player than the market has space for.



## ► AFRICAN FLIGHT

We understand many brands are now watching Africa very closely indeed, and there are obvious reasons for this. With supply chains in South East Asia seemingly creaking at the seams, Africa – with its closer proximity to Europe and extremely low wages – offers a very tantalising alternative. Some brands have already taken the plunge in Ethiopia, with mixed results. Kenya has also established excellent apparel export markets, particularly with the US. More brands will head to Africa in 2019.

# WHAT WE PROBABLY WON'T SEE

## ► AN END TO THE US-CHINA TRADE WAR

2018 saw the US slap further tariffs on a number of textile and apparel products from China, while singling out individual exporters of polyester to the US for dumping products on the US market. President Trump has made his position quite clear here. He wants to grow domestic manufacturing, and sees protectionism as the easiest and quickest way to do that. Few are convinced that such a strategy can bring anything other than a short-term gains.



## ► CLOTHING PRICE RISES

Clothing prices in the fast fashion space have been falling for years now, at times both in real and nominal terms, and there is no reason to expect that trend to change any time soon. Competition in this area is simply too fierce, and one only need look at the profits involved to know that cheap and cheerful is a model that works. Which is a shame because imagine if the largest players in this area could all work together and agree on minimum unit prices for certain staple items in key sourcing hotspots, with the goal of funding a more sustainable supply chain. Cost increases could be added to the end price of clothing. Such a scenario might sound fiendishly difficult to implement, but where there's a will, there's always a way.

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## Me Too ... disgruntled Arcadia staff come forward

**LONDON** – Arcadia brands such as Topshop and Miss Selfridge “face huge challenges” in the months ahead if the results of a new poll of shoppers are anything to go by. In the wake of allegations of sexual and racial harassment by British businessman, Sir Philip Green, a YouGov poll has shown the initial impact of the headlines on Green’s most popular store, Topshop. Topshop’s ‘Buzz Score’ – whether a person has heard something about a brand, and if so, if it was positive or negative – among the general public has declined from 0 to -7. Among women aged 18-34, the drop is more significant, from +14 to +3.

Stephan Shakespeare, founder and global CEO of YouGov, said: “Of course, while the public can notice negative headlines about a company figurehead, this does not automatically lead to a change in opinion about brand itself. In this case, in the space of a few days Topshop’s Impression score among the general public has fallen from +7 to +2. Among women aged 18-34 its score has dropped from +25 to +20.”

While not as sizeable, these falls are still significant. It also needs to be factored in that this story could run for a considerable time yet.

In fact, as we went to press, the Guardian was publishing extracts from a series of interviews with former Arcadia employees. Among accusations are that Green grabbed the bottoms of senior female members of staff, threatened to throw an employee out of a window, and repeatedly swore at staff in meetings.

It sounds like this story is too big, in terms of numbers impacted, to be swept under the carpet. In the #MeToo climate, Arcadia has a serious problem on its hands.



“ We are pursuing more of a ‘carrot’ versus ‘stick’ approach ”

## More stick, less carrot

**LONDON** – Apparel brands are hammering suppliers on price harder than ever, according to new data from Better Buying. But which brands? We don’t know yet, and that in itself is a problem.

For those not familiar with it, Better Buying allows apparel suppliers to anonymously rate the purchasing practices of the brands and retailers that buy their products and, in theory, tells retailers which practices can be improved.

We believe it’s an interesting and laudable idea, the latest survey of which tells us that for many suppliers, prices received for orders do not cover the cost of social, environmental, quality, and other compliance requirements. The report recommends that retailers and brands must, “stop focusing on reducing costs without considering the implications on suppliers.”

How will Better Buying encourage brands to do this? Our understanding was that brand scores would be publicly unveiled at some point, however, when we put that to Marsha Dickson, Better Buying co-founder, she told *Apparel Insider*: “We did envision releasing specific

company scores public when we started, but have put that on the back burner for now. We need broad and deep participation of retailers and brands so they can start learning what to focus their improvements on. Releasing scores publicly tends to limit participation to a pretty short list of leadership companies.”

We do not doubt this, but we also strongly feel that transparency in some form is the only thing that will encourage brands to change their practices in this area. We already know that in the wake of Rana Plaza, brands squeezed suppliers harder than ever in Bangladesh, with unit prices paid to suppliers falling in both real and nominal terms.

Dickson tells us there is a business case for improving purchasing practices. “We are pursuing more of a ‘carrot’ versus ‘stick’ approach,” she says.

A stick will surely be needed at some point. An initiative like this is crying out for transparency. Give retailers 18 months to improve their purchasing practices, then name and shame.

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# Retail reinvention

A new whitepaper from Coresight Research predicts sweeping change in the apparel space in 2019. MARK LANE reports

The report from Coresight outlines ten key trends for the year ahead. These are:

**Spectacular retail from a new generation of flagship stores.** Report comments: "We expect a new wave of investment in physical stores to be core to the reinvention of retail. Already, we are seeing major multi-brand retailers such as Walmart and Target freshening portfolios with refurbished environments and new in-store technology. Urban consumers will enjoy access to these 'temples to brands' and experience rich stores offering a huge choice of product and add-ons such as customisation and personalisation."

**Fast Retail will be marked by shorter leases, more shared spaces and more short-term stores.** Report comments: "Brick-and-mortar retail will become more flexible and faster-changing than it has traditionally been as retailers and shopping-centre owners recognise the need to be more fleet of foot. The physical retail landscape will change at an accelerated pace as shoppers demand newness, brands - including digital-first brands - seek short-term physical touchpoints, and legacy retailers look for greater flexibility. This fast retail trend will manifest as shorter lease terms as retailers seek to avoid being locked amid a quickening pace of change."

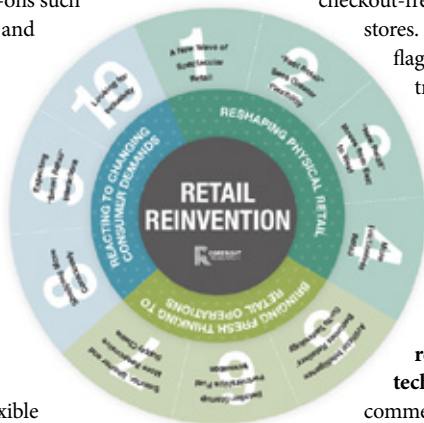
**Western retailers will borrow from 'New Retail' with data-driven online-to offline ventures.** Report comments: "The flow of retail concepts from East to West looks set to accelerate, with more ecommerce players in the US and Europe adopting data-driven online-to-offline ventures. These will resemble New Retail, Alibaba Group's model for integrating online retail, offline retail and logistics across a

single value chain powered by data and technology. In 2019, we expect to see Western digital retailers adapt this model with variations of online-to-offline migration and cross-channel integration."

**Technology will continue to strip friction from brick-and-mortar retail.** Report comments: "Aiming for frictionless in-store transactions, retailers will turn to technologies that remove the traditional pain points of brick-and-mortar retail. At the vanguard of this shift will be the burgeoning segment of automated, checkout-free convenience stores. AmazonGo is the flagbearer for this trend in the US, and its ventures so far may just be a hint of what is to come."

**Artificial Intelligence will become retailers' go-to technology.** Report comments: "AI will cement its position as the preeminent new technology and the leading technological enabler of in the industry. More retailers will turn to AI, and vendors of services based on AI, to make better decisions on inventory and pricing, communicate more efficiently and more effectively with their customers, and personalise offerings. AI offers real opportunities to increase operational efficiency through inventory management and price optimisation."

**Startup partnerships will fuel new product development, digital improvements and operational efficiencies.** Report comments: "In increasing numbers, established brands and retailers will lean on start-ups to provide the expertise in digitalisation they need to compete with online-native rivals. Though we expect to see further acquisitions, we also expect more legacy firms to seek out partnerships and vendor agreements



“Just when legacy retailers have got to grips with the heightened consumer expectations created by e-commerce, new technologies will raise expectations even further in 2019”

”

with nascent digital enablers.”

**Supply chains will become more responsive, and switch from lines to loops.** Report comments: "Retailers will ask technology vendors and product suppliers to help rebuild sourcing models into smarter, more flexible and more responsive supply chains. In industries such as apparel, the sourcing pathway will shift from a traditional linear, planned chain to a digitalised, reactive feedback loop. Digital tools such as 3D design and sampling will dovetail with greater nearshoring and onshoring to add responsive capacity."

**More consumers will seek out environmentally and socially engaged brands.** Report comments: "Consumers will shop more consciously, looking for ethical, sustainable and values-driven brands and retailers. The recent past has seen a whirl of conscious consumption trends, from the rise of veganism to outsized growth in organic food sales to fightbacks against single-use plastics. This trend will not go away, and in fact will expand into more retail sectors in 2019."

**Shoppers will increasingly expect 'Smart Retail' interactions.** Report comments: "Just when legacy retailers have got to grips with the heightened consumer expectations created by e-commerce, new technologies will raise expectations even further in 2019. Shoppers' growing familiarity with voice assistants, chatbots, personalisation and other forms of AI-powered communications will intensify demand for smart, anticipatory interactions that are cohesive across multiple channels and touchpoints."

**Consumers will look for more inclusive offerings, impacting the apparel and luxury markets.** Report comments: "Inclusivity and equality of access will trump exclusivity and aspiration in 2019. This will be most evident in the apparel industry. Increasingly, brands and retailers will look to traditionally marginalised fashion customers, most notably plus-size shoppers and those with disabilities looking for adaptive fashion. Midmarket retailers such as department stores, searching for every pocket of opportunity, will broaden offerings with niche sizing and adaptive ranges."



# Fast fashion and feminism

Mary Creagh, a Labour MP and Chair of the Environmental Audit Committee, has recently led a high profile public enquiry into the environmental impact of the fast fashion industry. BRETT MATHEWS caught up with her to reflect on the achievements of the enquiry



**I**t might not have been widely reported in the rest of the world, but the ongoing UK Parliamentary select committee enquiry into the environmental impact of the fast fashion industry has caused quite a stir on these shores. As well as throwing up some quite startling revelations, it has also been gratifying to see fashion bosses grilled by MPs or, in the case of Missguided CEO, Nitin Passi, given a ticking off for declining to attend the enquiry.

Passi clearly had better/more important (delete as appropriate) things to do than attend the enquiry, but thankfully other industry bosses from the likes of Boohoo, M&S and New Look have found time to offer their welcome insight into the unsustainable direction in which the global fashion industry – in which the UK is hugely influential – is heading right now.

Leading the enquiry has been Mary Creagh MP, a Labour MP

and Chair of the Environmental Audit Committee. Her grilling of Government Minister Kelly Tolhurst over the issue of the endemic non-payment of the UK minimum wage in the Leicester garment manufacturing sector has been a particularly noteworthy aspect of the enquiry, which began in summer 2018 and will issue a report this February.

We caught up with Creagh at her home constituency of Wakefield to find out about the latest state of play with the enquiry and what it hopes to achieve.

The Leicester garment sector was an obvious starting point for our discussion. For those not familiar with this issue, Leicester is the most significant garment production hub in the UK, with 700 garment factories. The city produces clothing for many leading UK fashion brands, including Asos, Boohoo and Missguided.

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The garment sector in Leicester ought, in theory, to be a UK manufacturing success story. Instead, Leicester seems to serve as proof that, it doesn't matter where in the world garment production takes place – be it Dhaka in Bangladesh, Yangon in Myanmar, or even here in the UK – the system is propped up by the economic exploitation of women. If this sounds far-fetched or subjective, consider that the National Minimum Wage in the UK is currently £7.83, while in Leicester, independent research has shown that the average garment factory worker is paid around £3 per hour.

“Members of the committee have been visibly shocked by some of the evidence we have heard in this enquiry in relation to Leicester,” Creagh tells *Apparel Insider*.

“We have had stories of fire escapes in garment factories being blocked, of auditors being throttled by factory owners. If that is how they treat auditors, how are they treating workers?”

It's a reasonable question. Is factory auditing the answer? Creagh thinks not. "As long as you have a business model which is based on auditing factories you will only see what you want to see," she says. "The way you challenge worker exploitation is through freedom of association and the ability to unionise."

We have actually discussed repeatedly in these pages that the current garment factory auditing model is not fit for purpose, and a call for more unionisation and collective bargaining is one we welcome.

In actual fact, we are seeing an increase in unionisation in many global garment hubs thanks to the work of international NGOs such as Industriall Global Union. Interestingly, apparel brands are generally supportive of such mechanisms as more robust labour rights regimes where workers are paid fairly and treated well provide for stable supply chains.

The irony, however, is that while unionisation is on the up in parts of South East Asia, unionisation in the UK generally is at an all time low, and it is hard to imagine that anything more than a tiny percentage of garment workers in Leicester are members of a union.

Discussing the issue more generally, Creagh suggests that there is a real irony in that, "women in the West have purchasing habits that are fuelling the systematic exploitation of women in this country and abroad. That is a very profound moral question for us to ponder as a committee."

Pressed on this line of thought, Creagh suggested that fashion is, indeed, very much a feminist issue.

There are no easy answers here. Creagh points out that the fast fashion business model is, "fuelling the growth of over-consumption and under-wearing of clothes." She adds: "There are the countdown sales that say a sale is ending when it isn't, there is the so-called discounting of products that were never at the higher price in the first place. All of this ultimately carries a huge carbon footprint."

Are brands really to blame though? A prominent contributor to the enquiry was Carol Kane, joint CEO of Boohoo, who admitted that the online retailer often sells dresses for just £5 as loss-leaders to boost website traffic.

Kane says the business is simply responding to consumer demand. She told the Commons Environmental Audit Committee: "I believe this all comes back to consumer demand. I've been in the industry for 32 years, and within that time I've seen prices decline considerably."

This is all well and good. But nobody is forcing Boohoo to sell dresses for £5, and there are a great many who would say that such an approach to business is simply irresponsible, encouraging people to make purchases they simply do not need.

We also asked Creagh about sustainability teams at brands and how much influence they can truly have. Creagh makes a point here which many within the industry have privately acknowledged for years – namely the disconnect between sustainability and buying teams.

More sustainably produced clothing often brings with it a cost, and there is a common complaint from actors in the apparel supply chain that sustainability managers demand sustainably made products but purchasing teams are reluctant to pay for them – or, rather, pay any extra for them. Our own view is that this particular nettle is one the industry as a whole needs to grasp as a matter of urgency.

Creagh agrees, telling us: "If your sustainability manager is in competition with your purchasing manager, forget it. The internal structuring of these jobs is key. ESG issues are integral to the fashion industry and this needs everybody reporting directly to chief executive."

What has really interested us about the enquiry into the fashion industry has been that this is the first time serious discussions around fashion sustainability have been heard and instigated by parliamentarians. Could we see regulation as a result?

Creagh suggests the enquiry is more

**“I believe this all comes back to consumer demand. I’ve been in the industry for 32 years, and within that time I’ve seen prices decline considerably”**

Mary Creagh MP FCIL is a British Labour politician who has represented Wakefield as its Member of Parliament (MP) since 2005.

In 2010, Creagh was appointed Shadow Secretary of State for Environment, Food and Rural Affairs, before becoming Shadow Secretary of State for Transport in 2013. In November 2014 she was appointed Shadow Secretary of State for International Development which she held until September 2015.

about influence and placing the issue on the public agenda.

"We have kick-started a public debate on clothing which is our job," she tells us. "We are trying to create social change."

The enquiry has certainly captured the imagination. Late last year, there was the largest ever attendance at a government select committee enquiry during an evidence-gathering session which took place at the Victoria & Albert Museum.

Creagh suggests that, in terms of regulation, the UK's Waste and Resources strategy was recently published and the introduction of Extended Producer Responsibility (EPR) is potentially on the agenda. Some studies have shown that EPR and related regulations such as Refunded Virgin Payments systems (a charge on virgin fibres) have large positive impacts on fibre-to-fibre recycling as well as the overall recycling of textiles.

However, Creagh is somewhat dismayed at suggestions that EPR might not hit these shores until 2025 – if it does at all. "We can't allow this stuff to carry on unhindered for the next five years," she tells us. "Manufacturers cannot simply keep writing off the environmental cost of cheap clothing. We need fashion to move towards a much more sustainable production cycle because the planet's resources are finite."

Indeed they are. And the clock is ticking.



# Organic cotton output rises 10 per cent

After years of stop-start growth, latest figures suggest the organic cotton sector has turned a corner. By BRETT MATHEWS

**T**EXAS – Latest figures show global organic cotton output rose by 10 per cent to 117,525 MT in the 2016/17 season. Perhaps more interestingly, data from Textile Exchange also shows there is a huge area of cotton-growing land in transition to organic – 214,863 ha in total – suggesting strong growth over the next few years. This area is the equivalent of half of all the current certified land area. Over 80 per cent of this in-conversion land is in India, with the remainder stemming primarily from Pakistan, China, Tanzania, and Turkey.

The *2018 Organic Cotton Market Report (OCMR)* shows the largest volumes of organic cotton are coming from India, China, Turkey and Kyrgyzstan.

It has been a rocky few years for the organic cotton sector. After hitting a production peak of almost 250,000 MT in the 2009-10 season, the sector failed to kick on, and it has been pretty much downhill all the way since then.

Despite the sector's flagging fortunes, Textile Exchange has remained adamant in the intervening years that with the right conditions and support, the market could turn the corner and that demand from brands could be translated into growth in the sector. Certainly, anecdotal evidence from brands suggests there is still a huge appetite for organic cotton, not least because it is the brand of sustainable cotton which has the most

recognition with end consumers.

Reflecting on the fortunes of the sector, LaRhea Pepper, managing director, Textile Exchange said: "Earlier this year, we asked – would a more connected community support organic cotton to have a larger collective impact?"

"As a part of this deep reflection, we spoke with many of you, hearing directly and indirectly some clear desires. While we know impressive work is being done and organic cotton production is up this year, we also know we are nowhere near where we need to be to have the level of impact we know the sector could have. One concern we have heard loud and clear is the fragmentation of the sector and lack of required aligned leadership.

"We therefore looked for best practice models that demonstrate what it takes to move from isolated impacts to a collective, connected impact.

"Starting with the Organic Cotton Accelerator (OCA) and Textile Exchange's Organic Cotton Round Table (OCRT), discussions are in place to plan on how to work more closely to support a more connected community and sector-wide collective impact."

Mention of the OCA is notable. We interviewed Crispin Argento, executive director of the Organic Cotton Accelerator, in our last issue, and he certainly made it clear he and his team will be leaving no stone unturned in their efforts to grow the sector.

He also mentioned learning lessons from the Better Cotton Initiative which has taken a more pragmatic approach to scaling; this has to be a positive.

Another key factor helping the growth of organic is brand commitments. According to Textile Exchange's 2017 Preferred Fiber & Materials Benchmark, 60 per cent of participants who completed the organic cotton module said they have set targets for uptake of organic cotton. Many are also part of public, group commitments such as the German Textile Partnership or the Sustainable Cotton Challenge.

Examples here include Superdry, which has said it will be working with farmers and suppliers to support and help grow the organic cotton sector in order to be able to reach a goal of using 100 per cent organic cotton by 2040.

Other brands making public commitments include Skunkfunk, Stella McCartney, and Eileen Fisher, who have all committed to sourcing 100 per cent organic cotton by 2020; Mantis World, which commits to 100 per cent organic cotton by 2021; and Nudie Jeans Co, which committed to 100 per cent organic cotton by 2017, a target it has achieved.

Brands are also committing to using organic cotton as part of wider commitments to source all cotton from more sustainable sources, such as those brands that have signed up to the Sustainable Cotton Challenge or which are part of the German Textile Partnership.

“We therefore looked for best practice models that demonstrate what it takes to move from isolated impacts to a collective, connected impact”







# Human rights treaty moves closer

**A new binding treaty could potentially pave the way for transnational corporations to be held liable for human rights violations in global supply chains. But many believe businesses – and even the European Union – are dragging their feet on such issues**

**I**n late October, at the UN headquarters in Geneva, 94 countries gathered to negotiate a draft text for a binding treaty on business and human rights. The aim of such a treaty is to prevent human rights violations by transnational corporations and provide victims globally with fair access to justice. This issue, which could have huge implications for multi-national apparel brands, has been on the table for many years. Indeed, negotiations to develop such a treaty actually began in July 2015 with the first meeting of the UN Human Rights Council's open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights (OEIWG). This has a mandate of fleshing out the bones of an international legally binding instrument.

In July 2018, the OEIWG released the first draft of a legally binding instrument being negotiated, also known as the 'Zero Draft'. It was this draft which participants at the recent UN meeting were discussing.

Such a Treaty is seen by some as offering a harder law for those frustrated with the UN Guiding Principles and other voluntary initiatives which, to a certain or lesser degree, guide the more reputable multi-nationals at present. Questions raised by the latest meeting included: how can such a Treaty deliver for all stakeholders? How could it complement the Guiding Principles and other initiatives? What should

the content and scope of the Treaty be? It will be 2019 and maybe even beyond if – and that is a big if – such a Treaty even gains any legal teeth.

As we went to press, there were already serious questions being raised about the Treaty negotiations. Many claimed EU and member states chose to remain silent during discussions.

The Ecuadorian ambassador Luis Gallegos who was chairing this particular negotiation round explained the non-cooperative behaviour of the EU as follows: "If you are at the table and you are not eating, you are probably on the menu." A not so subtle hint: this treaty will potentially force European transnational corporations to change their operating practices.

Many member states of the European Union are, remember, the home countries of multinational apparel retailers that make huge profits while dependent on South East Asian supply chains that have questionable human rights and environmental practices.

A binding treaty would force these corporations to increase their due diligence activities and improve operating standards, and not just on a voluntary basis.

Meanwhile, as the UN debate took place, a report timed to coincide with it claimed too many multi-nationals

are currently ignoring their human rights responsibilities while national governments are also failing to properly regulate in the absence of international treaties.

"Human rights due diligence is about preventing negative impacts on people," said Dante Pesce, chair of the Working Group on Business and Human Rights, which produced the report. "Basically, it involves identifying risks to people across the value chain, being transparent about those risks and taking action to prevent or remedy them. To be meaningful it needs to be informed by real stakeholder engagement, in particular with communities, human rights and environmental defenders and trade unions."

The report makes a notable point, namely that more and more global investment groups are now scrutinising how companies manage human rights risks and prevent abuses.

This, surely, will be the key driver in this area.

The report adds: "Increasingly, investors are asking questions to companies about human rights policies and human rights due diligence. This practice has moved beyond the niche realm of socially responsible investors to become part of a wider trend of integrating environmental, social and governance considerations into mainstream investment decision-making.

"There is an increasing recognition of the responsibility of investors and financial institutions, and that proper human rights due diligence improves risk management overall and is good for both people and investments."

“Human rights due diligence is about preventing negative impacts on people”



# Why it's progressive to say no

New *Apparel Insider* columnist, Anne-Sofie Andersson, executive director of the international chemical secretariat, Chemsec, argues that stronger regulation drives innovation in textile chemicals



The use of hazardous chemicals in manufacturing is a huge problem in the world today, and the textile industry is one of the big culprits, using copious amounts throughout the whole value chain. Fortunately, concerns have grown in the last few years and many brands are now working hard to phase out unwanted substances. If you bare with me, I want to show you how an even stricter legislation can actually help you in your chemicals management.

In the EU, one of the legal frameworks that companies need to follow is called REACH, adopted over ten years ago with the aim of regulating the widespread use of hazardous chemicals in all kinds of products

In this system, the worst and most hazardous chemicals are put on the so-called Authorisation List, meaning that in order for a company to be able to use any of these substances, they would first need to apply for a special permission – an authorisation. The authorisation process is long and winding and includes opinions from the European Chemicals Agency (ECHA) before the EU Commission takes the final decision if an authorisation should be granted or not.

So far, all applications submitted to ECHA have been granted authorisations. All of them. Even in those cases where safer alternatives are available.

In the last couple of months ChemSec has immersed itself into an authorisation case that is up for discussion in the EU, and that could possibly lead to different decision. It's the Italian company Ilario Ormezzano Sai's application for continued use of sodium dichromate for the dyeing of wool. This carcinogen belongs to a family of chromium compounds that reached international fame in the Hollywood movie 'Erin Brockovich' in the '90s which starred Julia Roberts as the main character.

Ormezzano's case is particularly interesting as a large portion of the textile industry has stopped using this technique in favour of safer alternatives. For example, the ZDHC Roadmap to Zero Programme that includes many of the leading fashion brands does not accept it in its chemical standard.

Some critics, however, say that sodium dichromate is needed for high-end results, implying that alternatives might be okay for brands like H&M with lower prices. But that argument falls flat as companies in high-end fashion markets, such as Armani and Lanificio Ermenegildo Zegna, have stopped using it too.

Okay, but how come ChemSec believes this case and others in the authorisation process is so important? Well, apart from the obvious reason – these chemicals are very toxic – there are other

concerns. By allowing companies to continue to use hazardous substances, REACH is not promoting innovation towards safer alternatives. At ChemSec, we truly believe that regulation drives innovation. By forcing industry to substitute hazardous chemicals, the demand for safer alternatives increase dramatically and give innovators the incentive they need to speed up the process.

Hazardous chemicals are a challenge for the textile industry and it has some serious cleaning up to do. That's why it's so important to not create competitive disadvantages (such as allowing the use of cheap toxic chemicals) for brands leading the change.

I know there are many textile companies struggling to get their suppliers to provide adequate chemical information or getting charged extra for wanting non-toxic alternatives to be used in manufacturing. This will not change with lax legislation that allows the use of carcinogens.

In the case of the Ormezzano application, the European Parliament intervened in December and gave the thumbs down to the proposal and voted for a resolution against it. This had only happened once before. Hopefully, this will lead to the EU Commission, for the first time ever, rejecting an application.

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# Brands make concrete climate commitments

With a host of stark warnings about climate change in 2018, it was welcoming to see global apparel brands joining together to make major commitments on climate action at the turn of the year.

By VICTORIA GALLAGHER

**F**igures from the World Meteorological Organisation show that 2018 was the fourth hottest on record, confirming a trend of rising temperatures and offering a clear signal of the impact humans are having on climate. Floods, stronger storms, heatwaves, and sea level rises, are forecast by most observers to increase markedly as a result.

Late last year also saw a dire warning from scientists of what the future will have in store if climate change is allowed to take hold. The Intergovernmental Panel on Climate Change, the global body of the world's leading climate scientists, produced its latest overview examining what the future will look like if we undergo 1.5C (2.7F) of warming.

In short, 1.5C above pre-industrial levels takes us into the danger zone. As such, it is expected we would see the mass die-off of coral reefs, the extinction of some species, rising sea levels, wet areas of the world becoming wetter and dry areas drier, and the decline of agricultural productivity across swathes of the globe.

The global apparel industry, with its sprawling – often coal powered – supply chains cannot ignore such warnings, and it was perhaps no coincidence that key representatives of the industry chose the end of the warmest year on record to put forward their own concrete commitments to address climate change.

They have done so by launching

the Fashion Industry Charter for Climate Action at the Climate Change Conference (COP24) in Poland. Under the auspices of UN Climate Change, leading fashion brands, supplier organisations, and NGOs, have agreed to collectively address the climate impact of the fashion sector across its entire value chain. The signatories have pledged to progress 16 principles and targets outlined in the charter, including the selecting of climate friendly and sustainable materials, using low-carbon transport, and exploring circular business models.

H&M Group, adidas, Hugo Boss, Levi Strauss & Co., PUMA SE, Stella McCartney, Target and Tropic Knits Group are among the founding signatories. It is understood that working groups will be convened during 2019 to drive forward the ambitions in the charter.

“Climate change is undoubtedly one of, if not, the biggest challenge of our lifetime. It is and will affect everyone on this planet and our future,” said designer Stella McCartney at the launch of the new charter. “This is why I am proud to be a signatory of the Fashion Industry Charter for Climate Action. I want to call on my peers in the business, from other brands to retailers and suppliers, to sign up to this charter now and take the necessary actions to address the reality of the issue of climate change in their business and value chains. Collectively we have a voice and the capacity to make a difference.”

The Charter recognises the role that

fashion plays on both sides of the climate equation, as a contributor to greenhouse gas emissions, and as a sector with many opportunities to reduce emissions while contributing to sustainable development.


The charter also sets out a vision of an industry responsible for net zero emissions by 2050, with the signatories committed to slashing their ‘aggregate greenhouse gas emissions by 30 per cent by 2030’.

Aligned with the goals of the Paris Agreement, the Charter defines issues that will be addressed by signatories, ranging from decarbonisation of the production phase, selection of climate friendly and sustainable materials, low-carbon transport, improved consumer dialogue and awareness, working with the financing community and policymakers to find scalable solutions, and exploring circular business models.

“The fashion industry is always two steps ahead when it comes to defining world culture, so I am pleased to see it now also leading the way in terms of climate action,”

“Climate change is undoubtedly one of, if not, the biggest challenge of our lifetime. It is and will affect everyone on this planet and our future”





added UN Climate Change executive secretary Patricia Espinosa. “I congratulate the signatories of this important charter, which represents a unique commitment and collaboration from an array of fashion leaders. The charter, like the renowned fashion runways of the world, sets an example that I hope others will follow.”

“We are aware that more than 90 per cent of Puma’s carbon footprint is being generated in shared supply chains. If we want to reduce carbon

emissions in our supply chains, we need to work together with our industry peers,” said Bjørn Gulden, CEO of PUMA.

Actually, this is key here. For years we have heard brands talking about cutting their carbon footprint in owned retail operations. As the climate events of the past year have illustrated, however, we are now long past the stage where turning a few lights out is going to help matters greatly. Supply chains in the likes of Vietnam, Bangladesh and China are where the real issues lie. To this end, collaboration is critical. We are already seeing a raft of brand-supported initiatives in the aforementioned countries aimed at cutting water and energy use in textile mills and, where possible,

switching to renewable energy. Green financial backing is often available for such work given that, in most cases, there is an ROI involved – in short, it pays to be green.

Many brands involved with the charter have already made individual climate pledges, so it will be interesting to see how these are married to the broader commitments of the charter.

The founding signatories to the Fashion Industry Charter for Climate Action: Adidas, Aquitex, Arcteryx, Burberry Limited, Esprit, Guess, Gap Inc., H&M Group, Hako GmbH, Hugo Boss, Inditex, Kering Group, Lenzing AG, Levi Strauss & Co., Mammut Sports Group AG, Mantis World, Maersk, Otto Group, Pidigi S.P.A, PUMA SE, re:newcell, Schoeller Textiles AG, Peak Performance, PVH Corp., Salomon, Skunkfunk, SLN Textil, Stella McCartney, Sympatex Technologies, Target and Tropic Knits Group.

Supporting organisations include: Business for Social Responsibility (BSR), China National Textile and Apparel Council (CNTAC), China Textile Information Center (CTIC), Global Fashion Agenda (GFA), Global Organic Textile Standard (GOTS), International Finance Corporation (IFC), Outdoor Industry Association (OIA), Sustainable Apparel Coalition (SAC), Sustainable Fashion Academy (SFA), Textile Exchange, WWF International and ZDHC (Zero Discharge of Hazardous Chemicals Foundation).

The industry charter specifies the following overarching areas of work to be further developed by specific working groups:

- Decarbonisation pathway and GHG emission reductions
- Raw material
- Manufacturing/energy
- Logistics (through Clean Cargo Group1)
- Policy engagement
- Leveraging existing tools and initiatives
- Promoting broader climate action

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One also does start to wonder who will be monitoring commitments made now by the time we reach 2050.

Added Marco Gobbetti, CEO, Burberry. “While we have committed to becoming carbon neutral in our own operations, achieving a 30 per cent reduction in greenhouse gas emissions across the entire global fashion industry by 2030 will require innovation and collaboration. By working together with other signatories of the charter, we believe that we can achieve systemic change and build a more sustainable future.”

Concluding, Michael Kobori, Levi Strauss’s vice president of sustainability said: “We are proud to join the charter, which brings together leading apparel and footwear brands, supply chain actors, and civil society to reduce the estimated 10 percent of global greenhouse gas emissions produced by our sector. We see this charter as a natural extension of our climate commitment and invite others to join us in addressing this defining issue of our time.”



# India study delivers cotton impact data

New research provides the most robust data to date comparing the environmental and social impacts of conventional, organic and BCI cotton. BRETT MATHEWS reports

**M**any leading apparel brands and retailers have now set targets for the purchasing of sustainable cotton, including organic and BCI cotton. Such steps are widely viewed as being positive, the assumption being that organic and BCI cotton have a lesser environmental footprint than conventionally grown cotton as well as having other, social benefits.

But is this really the case? It is a strange anomaly that, while many assumptions are made in this area, meaningful, detailed data is relatively thin on the ground. 'Show me the data' has been a cry from many in this field, with sustainability managers at brands – quite reasonably – wanting assurances that moves to adopt sustainable cotton purchasing are supported by credible evidence.

Thankfully, new C&A Foundation supported research has now provided much-needed data comparing the social and environmental impacts of different types of cotton production. Among the often-surprising findings from two 100 page-plus reports are that organic cotton production has 50 per cent less impact on climate change than conventional production.

C&A Foundation commissioned research from American Institutes for Research (AIR) and Thinkstep International to look at impacts from three cotton cultivation systems – organic, Better Cotton Initiative (BCI) and conventional – in the

Indian state of Madhya Pradesh.

A socio-economic impact of all three cultivation systems was carried out by AIR while a Life Cycle Assessment (LCA) of all three systems in the same region was undertaken by Thinkstep International.

The LCA focused on the environmental impacts of cotton farming using data collected from farmer households in Madhya Pradesh to assess: acidification, eutrophication, climate change, ozone depletion, photochemical ozone creation, primary energy demand, fresh/blue water consumption, ecotoxicity and human toxicity.

The findings of the reports indicate that while organic and BCI Cotton has a more positive environmental footprint than conventional cotton farming, on the social and economic side the difference is not significant. For example, it is claimed in the findings that organic cotton production has 50 per cent less impact on climate change when compared to conventional farming, while Better Cotton does not have a significant difference from conventional cotton.

The acidification potential of organic cotton is 95 per cent less than for organic cotton when compared to conventional cotton, while it claimed to be about 1 per cent less for Better Cotton according to the study.

The eutrophication potential of organic cotton is 101 per cent less

for organic cotton when compared to conventional cotton. Also, organic cotton cultivation consumes 60 less blue water (water obtained through ground, lakes and other freshwater resources) when compared to conventional cotton cultivation

## SAMPLE

AIR and its partner Outline India used a survey with a large sample of 3,628 households to draw comparisons in socio-economic outcomes between organic cotton farmers and conventional cotton farmers and cotton farmers licensed by BCI and conventional cotton farmers.

The researchers also conducted qualitative research to understand the experiences of organic cotton farmers, farmers licensed by BCI, and conventional cotton farmers in the same region.


A number of findings stand out from the study. In terms of farmer knowledge, it was found that

while farmers were generally aware of the existence of organic standards, respondents were not able to speak at length about the specific requirements or the overall process of obtaining and maintaining certification. A substantial number of designated organic cotton farmers also did not self-identify as organic farmers even when they were listed as organic farmers by the implementing partner. Of the farmers that were listed as organic farmers, 77 per cent self-identified as organic farmers.

The quantitative analysis also indicates that organic farmers are socio-economically better off than conventional farmers. The evidence shows that organic farmers are statistically significantly more

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likely to own a two-wheeler, colour television, refrigerator, computer, cable television, concrete or tiled roof, a stone, bricked, tiled, or cement floor, and livestock.

This financial benefit is a key reason for adopting organic farming, according to the research, which found that organic cotton farmers seem to have adopted organic farming certification primarily because of economic reasons and encouragement from others in their social network.

The researchers found that in practice, many farmers' experiences differed from their expectations of organic farming. For example, the rates for cotton offered by the implementing partner were often lower than they expected, farmers never received subsidies on inputs, and many never received the bonuses they were promised. Furthermore, for many farmers, the organic crop yield was much lower than anticipated.

With regards to use of chemical fertilizers and pesticides, the researchers found that organic cotton farmers are much less likely than conventional cotton farmers to use chemical fertilizers and pesticides, but – perhaps surprisingly – 35 per cent of the exclusive organic cotton farmers self-reported the continued use of chemical fertilizers and 33 per cent of the exclusive organic cotton farmers self-reports the continued use of chemical pesticides.

On financial issues, the researchers found evidence that organic farmers are more likely to be in debt and have higher debts than conventional farmers. Of the organic farmers, 93 per cent reported that at least one of the household members had a loan.

That said, the researchers found few differences in the revenue, agricultural productivity, and costs of cotton farming between organic and conventional cotton farmers. On average, exclusive organic cotton farmers produced 26.56 quintals of cotton and 7.66 quintals of cotton per acre in the last year, while non-exclusive organic cotton farmers produced 34.67 quintals of cotton and 6.49 quintals of cotton per acre in the last year.

Regarding profits, it was found that on average, exclusive organic cotton farmers, non-exclusive organic cotton farmers, and conventional cotton farmers all made a loss with their cotton production in the last year, but a substantial percentage of the farmers made a profit.

On average, exclusive organic cotton farmers made a loss of Rs. 39,824, and non-exclusive organic cotton farmers made a loss of Rs. 28,482 with their cotton production.

#### BETTER COTTON FARMING

In terms of knowledge, the researchers claim that there “appears to be confusion and conflation of BCI with organic certification standards,” although they point out that “the large majority of the cotton farmers licensed by BCI practice farming techniques in line with BCI Principles and Criteria nonetheless.”

Regarding financial matters, the research found that cotton farmers licensed by BCI are better off socio-economically than conventional cotton farmers, and qualitative data also indicates that better off farmers often self-selected into BCI. Says the report: “Cotton farmers licensed by BCI are statistically significantly more likely to own a two-wheeler, colour television, refrigerator,

We contacted BCI about this report. A spokesperson told us that, while it found the results valuable, a study of such limited time-frame – one season – could not be expected to demonstrate the impact of BCI interventions. “BCI’s approach is to initiate and accompany continuous improvement of agriculture practices amongst farmers, and this can only be shown overtime, by studying the same groups of farmers over several seasons,” they told us.

BCI also made a number of other points about the research which we list below:

- As the piece mentions, the research was based on an LCA that focused on a small sample of 300 farmers in total – 100 from each of the cotton cultivation systems. In addition, all the farmers came from one district of Madhya Pradesh in a single season and all were trained through one Implementing Partner – a partner that works with both organic and BCI Farmers.a
- On the social side regarding BCI, the difference is significant, contrary to what the piece states. The prevalence of child labour amongst BCI Farmers is lower – 50 per cent less frequent compared to conventional. In addition, amongst the households of BCI Farmers with children between the ages of 6 – 14 years old, 98 per cent reported that the children are enrolled in school compared to 95 per cent in conventional farming households.
- Profitability amongst exclusive BCI Farmers is the highest. 51 per cent of exclusive BCI Farmers made a profit, whereas only 45 per cent of exclusive organic farmers and 44 per cent of conventional farmers made a profit.
- The low eutrophication potential of organic cotton is highlighted. Whilst it is higher for BCI Farmers, it is still markedly better than for conventional cotton. Conventional cotton results in more (1.92 kg PO4) eutrophication potential as compared to Better Cotton (1.68 kg PO4).
- The piece closes by highlighting the scale of the Indian cotton sector. This is potentially misleading and the researchers who designed and led the study made clear that it cannot be extrapolated to the Indian cotton sector as a whole nor to the entire BCI or organic programmes. The results are specific to this small group sample of farmers in one district, and in one season, which was admittedly a difficult cotton season due to unfavorable climatic conditions (hence not really representative).



Cotton image courtesy of Textile Exchange

computer, cable television, concrete or tiled roof, a stone, bricked, tiled, or cement floor, and cattle. Cotton farmers licensed by BCI also appear to spend more on food and electricity than conventional cotton farmers.”

Asked about reason for adoption to BCI, social networks and economic reasons were found to be the most influential factors for adopting cotton farming practices recommended by BCI. Of the farmers licensed by BCI, 41 per cent reported that they adopted farming practices recommended by BCI because their friends or neighbours grew cotton licensed by BCI. Furthermore, 36 per cent of the cotton farmers licensed by BCI adopted practices to grow BCI cotton because they expected higher income, while 34 per cent of the farmers reported they expected future growth in income after the adoption of cotton farming practices recommended by BCI. Some farmers reported that the seeds provided by the implementing partner did not lead to a better crop yield, however. For this reason, some farmers

licensed by BCI reverted back to practices that were more closely aligned with conventional cotton farming methods.

With regards use of chemical fertilizers and pesticides, both exclusive (farmers with only BCI plots) and non-exclusive BCI farmers (ie those with both BCI and conventional plots) were found to almost universally use chemical fertilizers and pesticides. Of the BCI farmers 99 per cent reported using chemical fertilizers and pesticides.

Regarding yields, the researchers found that exclusive BCI cotton farmers report significantly lower yields than conventional cotton farmers, but the study also found no statistically significant differences between the revenue and costs of exclusive BCI cotton farmers and conventional cotton farmers. With respect to yields, exclusive BCI cotton farmers reported an average yield of 6.9 quintals of cotton per acre, while conventional cotton farmers reported an average yield of 7.7 quintals of cotton per acre.

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**The large majority of the cotton farmers licensed by BCI practice farming techniques in line with BCI Principles and Criteria nonetheless**  
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Similarly, with costs, the researchers found few differences in the total costs of cotton farming between cotton farmers licensed by BCI and conventional cotton farmers. On average, exclusive BCI cotton farmers report material costs of Rs. 14,959 per year, while non-exclusive BCI cotton farmers, on average, report material costs of Rs. 17,708 per year.

On profits, in the study period, both exclusive and non-exclusive BCI cotton farmers, on average, experienced a loss with their cotton production, but a substantial percentage of the BCI cotton farmers reported a positive profit from cotton farming in the last year.

Although exclusive BCI cotton farmers, on average, make a loss with their cotton production, 51 per cent of the exclusive BCI cotton farmers reported a positive profit from cotton farming.



Further Reading:  
[bit.ly/2GZvuVE](https://bit.ly/2GZvuVE)



# Report highlights post-Rana Plaza gains

Working conditions and safety have dramatically improved in garment factories post-Rana Plaza as apparel brands cut ties with poor performing suppliers, according to new research. VICTORIA GALLAGHER reports

**N**ew research shows brands cut ties with an average of 8 per cent of their suppliers per year between 2013 and 2018. The study also shows an increased cooperation with unions by apparel brands and the formalisation of more robust industrial relations, a process which has strengthened worker rights. “With increased pressure to be publicly accountable for working conditions and other sustainability criteria during production, large brands and retailers are consolidating their supplier bases,” says the report. “Many brands and retailers have developed rigorous onboarding processes related to quality and labour standards which have increased the costs of working with new suppliers.”

Another key finding is that workers in Bangladeshi garment factories report improved working conditions since Rana Plaza. These changes are more evident in factories associated with the Bangladesh Accord and the now-defunct Alliance for Bangladesh Worker Safety, with auditing for the Accord and Alliance far more rigorous and better enforced than anything that preceded it.

“Factory managers now realise that non-compliance threatens the ability to export to Europe and the US,” says the report. “It may be this development has had spill-over effects on improving compliance in areas not covered by these safety focused initiatives. Legal changes that followed Rana Plaza in areas such as worker voice and minimum wages may also be a factor leading to improvements, as well as the influence of other labour focused initiatives such as the ILO’s Better Work programme.”

Looking at the behaviour of large global garment buyers in five

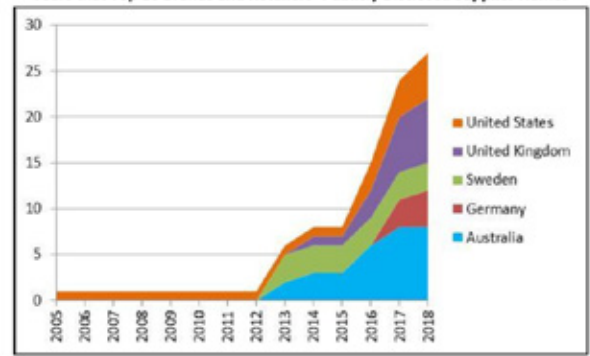
countries (Australia, Germany, Sweden, the UK and the US), the researchers found that they are experimenting with a variety of new approaches for managing labour standards that reach beyond the compliance model of auditing. Important changes include increased transparency, a consolidation of supply chains and the formation of collective governance initiatives.

One CSR manager with a UK based retailer said: “I think the Accord’s a good example to where brands have woken up to the fact that actually working together, not just brands working with brands, but brands working with trade unions and civil society can create more change potentially ... I think we’re still learning but I think the leverage that comes with working together is an important factor in getting people started on the journey.”

The report also suggests that a notable development, particularly with European companies, is greater cooperation with unions. The researchers claim garment brands and retailers are increasingly embracing arrangements that involve formalised industrial relations, both through signing global framework agreements with commitments covering their own supply chains and through broader agreements, such as the Accord and ACT that involve multiple brands and retailers making collective agreements with global unions.

The researchers carried out a survey of 1500 workers, 1000 women and 500 men, from 250 factories in and around Dhaka, the capital of Bangladesh. 83 per cent of the factories were affiliated either to the Accord or to both the Accord and the Alliance. Like the factory managers,

Years that Top 10 Brands and Retailers<sup>1</sup> Publicly Disclosed Supplier Names



workers reported that safety had improved.

Says the report: “An overwhelming majority of (96 per cent) workers in Accord and Alliance factories felt safe in their factory building, while 90 per cent reported that they could refuse to go into the factory if the building was perceived to be unsafe. Also, the vast majority (90 per cent) had received health and safety training. Accord and Alliance factories performed significantly better in this regard than factories outside these programmes.”

‘Changes in the Governance of Garment Global Production Networks: Lead Firm, Supplier and Institutional Responses to the Rana Plaza Disaster’ is an international, interdisciplinary research project that seeks to understand the challenges of improving labour conditions in global production networks. The project triangulates the perspectives of lead firms based in different home countries, suppliers and workers in the context of ongoing institutional innovations in the Bangladesh garment industry and on national and transnational levels.



Further Reading:  
[/bit.ly/2GVk3hM](https://bit.ly/2GVk3hM)

“Factory managers now realise that non-compliance threatens the ability to export to Europe and the US”



**“I want to make a difference in my community, acting as a role model for female farmers and encouraging women into cotton farming. I give talks to girls in schools, letting them know that cotton farming could be a viable future for them. And, in 2017 I helped establish a new primary school in my village.”**

**BCI Farmer, Almas Parveen, 2018.  
Vehari District, Punjab, Pakistan.**

**BCI** Better Cotton Initiative™  
BetterCotton.org



**Photo: BCI/Khula Jamil**

**Hear from Almas Parveen, and from other farmers and industry experts at the 2019 Global Cotton Sustainability Conference.**



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# Reaching the limits

French luxury and lifestyle business Kering, which owns brands including Gucci, Yves Saint Laurent and Alexander McQueen, has published the first in a series of white papers on the concept of Planetary Boundaries in conjunction with the Cambridge Institute for Sustainability Leadership (CISL).

By VICTORIA GALLAGHER

PARIS - The Planetary Boundaries (PB) framework was first introduced in 2009 as a science-based guidance system for human development on earth. The concept was developed by a group of environmental scientists led by Johan Rockström from the Stockholm Resilience Centre and Will Steffen from the Australian National University. The group wanted to define a 'safe operating space for humanity' for the international community, including governments at all levels, international organisations, civil society, the scientific community and the private sector, as a precondition for sustainable development.

The framework is based on scientific evidence that human actions since the Industrial Revolution have become the main driver of global environmental change and tracks the increasing impacts human activities are having on our planetary life support system.

Marie-Claire Daveu, chief sustainability officer and head of international institutional Affairs at Kering, told *Apparel Insider*: "It's an important step towards understanding the insights and opportunities that the Planetary Boundaries framework can provide business. Right now there is little understanding about how a companies' impacts contribute to natural resource limitations globally and this is essential - we all need to stay within our own business 'boundaries' and contribute to meaningful change at a global level.

"The Planetary Boundaries framework is a fundamental element to include when designing the agenda for managing and mitigating our global environmental challenges. As businesses we need to go far beyond our single, individual issues and contribute to meaningful change at a global level."

The fundamental principle on which the PB framework rests is that our actions are undermining the relatively stable conditions of the past 12,000 years. This unique period of stability of the climate, and of the earth system as a whole, known as the Holocene epoch, has allowed humanity to develop agriculture, settlements and the complex societies we have today.

Transgressing any individual boundary increases the risk that the earth system will be driven into conditions that will lead to the deterioration of human wellbeing. Transgressing several boundaries obviously heightens this risk.

According to the paradigm, "transgressing one or more planetary boundaries may be deleterious or even catastrophic due to the risk of crossing thresholds that will trigger non-linear, abrupt environmental change within continental-to planetary-scale systems."

The paper points out that there are nine Planetary Boundaries and that four of these have now been transgressed as a result of human activity. These are: climate change, loss of biosphere integrity, land-system change, and altered

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The Planetary Boundaries framework is a fundamental element to include when designing the agenda for managing and mitigating our global environmental challenges.

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## THE NINE PLANETARY BOUNDARIES ARE:

- Stratospheric ozone depletion
- Loss of biosphere integrity (biodiversity loss and extinctions)
- Chemical pollution and the release of novel entities. ...
- Climate Change. ...
- Ocean acidification. ...
- Freshwater consumption and the global hydrological cycle. ...
- Land system change. ...
- Nitrogen and phosphorus flows to the biosphere and oceans.
- Atmospheric aerosol loading

biogeochemical flows (phosphorous and nitrogen).

The paper also underlines the value of the Planetary Boundaries framework and explores how it can help inform business decision-making and enable companies to stay within their business 'boundaries'.

Speaking on behalf of the scientific community in the paper, Johan Rockström, executive director of the Stockholm Resilience Centre said: "Businesses increasingly call for science-based targets to guide investments, innovation and performance indicators along the value chain. I hope that the Planetary Boundaries framework and the rapidly advancing science on global sustainability can assist in providing business with the science it needs for responsible business prosperity in the Anthropocene."

In the short term, the aim of Kering's paper is to launch an ongoing discussion around using the PB framework in the context of corporate sustainability by: introducing the value of the PB framework along with its challenges and limitations; exploring how the PBs could be applied in a corporate context; proposing innovative approaches based on the PB concept; and identifying the next steps to integrate the business community into the PB framework development.

The paper suggests that transgressing the PBs will create business disruptions, including cost increases, resource scarcity and supply chain insecurity. It also suggests the PBs need to be made accessible for companies to use them practically at the scales within which they operate

The paper is well worth a look.



Further Reading:  
[bit.ly/2SWalx9](https://bit.ly/2SWalx9)





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# Loblaw/Rana Plaza case dismissed in Canada

A potentially precedent-setting case recently saw an appeals court in Canada dismiss a class action which essentially claimed western retailers have a duty of care to workers in their supply chains.

By MARK LANE



**O**NTARIO – An appeals court in Ontario has dismissed a case which claimed Canadian retailer, Loblaw, has a duty of care to suppliers' workers who were victims of the 2013 Rana Plaza disaster. A US\$2bn lawsuit against Loblaw and its auditing firm, Bureau Veritas, was initially dismissed by Ontario Superior Court of Justice in 2017 after it was found there was no direct cause of action that linked Loblaw to the collapse. At that time it was stated that neither Loblaw nor the auditor it hired owed a duty of care to the Bangladeshi workers. The Ontario Court of Appeal has now upheld this decision.

Rana Plaza, a nine-storey clothing factory, collapsed on April 24, 2013. The previous day, cracks appeared in the structure, yet an investigation into the collapse revealed garment workers were ordered to go to work that morning to finish an order of 24,000 pairs of Joe Fresh jeans.

The workers were employed by New Wave, the Rana Plaza-based factory from which Loblaw — owner of the Joe Fresh brand — contracted manufacturing services. It is claimed Joe Fresh orders accounted for half of New Wave's operations at the time of the accident.

As at the Superior Court, the Court of Appeal determined that Bangladesh law governs the plaintiffs' claim, however, the plaintiffs had claimed that certain pleadings connect the claim to Ontario. In particular, the plaintiffs argued that Loblaws assumed responsibility over worker safety, and determined the

scope of audits. The plaintiffs also argued that Bureau Veritas' alleged failure to provide professional advice to Loblaws happened in Ontario.

The key conflict in the case related to the choice of law issue. Canadian law – in line with much international law – states that compensation claims are governed by the law of the *place of the injury*.

However, the plaintiffs had argued that they were suing Loblaws for negligent conduct that exposed those working in Rana Plaza to harm. They also argued that Loblaws had, by adopting corporate social responsibility policies and hiring Bureau Veritas to conduct periodic workplace audits, assumed a degree of responsibility for the safety of the workplace in Bangladesh.

They also claimed that the key steps and decisions by Loblaws took place in Ontario rather than in Bangladesh and therefore Ontario was the place where matters of compensation should be decreed.

The court rejected these arguments and held the previous decision that the place where the alleged wrongful activity occurred was Bangladesh, that the alleged duty was owed to people in Bangladesh, and that the injury suffered in Bangladesh "crystallized the alleged wrong."

Essentially, the court concluded that, because the injuries occurred in Bangladesh, the governing law is that of Bangladesh.

With respect to the claim against Loblaws, the Court of Appeal rejected the plaintiffs' argument that

the alleged duty of care is analogous to those found in English cases finding parent companies liable for the actions of subsidiaries. Among other things, Justice Feldman distinguished the English cases in that: (i) Loblaws had little control over the factories; (ii) Loblaws was not in the same business as the factories; (iii) Loblaws did not have superior knowledge or expertise about issues of structural safety; and (iv) Loblaws did not undertake to audit Rana Plaza for structural safety.

Similarly, with respect to the claim against Bureau Veritas, the Court held that it was plain and obvious that no duty of care was owed to the plaintiffs because Bureau Veritas did not undertake to inspect for structural integrity.

This appeal decision, which was announced in the run-up to Christmas, largely slipped under the radar – yet it has sizeable ramifications. At present, workers in supply chains are largely dependent on voluntary measures, including CSR measures by brands and retailers, for protection in the event of industrial accidents and general supply chain abuses.

Last summer, an intergovernmental working group was established within the UN framework with the task of drafting a binding treaty on human rights and business for cross-border trade. We expect further announcements from this in the coming months and, clearly, an internationally agreed, binding treaty – with real teeth – cannot come soon enough.

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In particular, the plaintiffs argued that Loblaws assumed responsibility over worker safety, and determined the scope of audits  
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# We are what we eat

**Are we eating our clothing? Ongoing research around the issue of microplastic pollution and its links with the apparel sector, suggest the worrying answer to this question is yes.**

**By VICTORIA GALLAGHER**

**O**f all the reasons why the issue of microplastic pollution has been gaining such prominence in recent times, one of the most compelling is the headline-grabbing notion that we might be involuntarily consuming plastic. Applied to the notion of microfibres – tiny fragments of clothing which are often shed during laundering – this raises the delightful spectre that we could be eating our clothing. In fact, the researchers we spoke to on this worrying subject confirmed that we almost certainly are. “Eating microfibers is certainly likely to already be occurring and I would say we are definitely *inhaling* them too,” Emily Duncan, from Exeter University told us.

Together with her colleague Sarah Nelms, the two have studied this

issue extensively. Sarah’s research interests include examining the presence of microplastics in the digestive tracts of marine mammals, such as seals, dolphins and whales, while Emily’s focus is on the impact of plastic pollution on marine turtles. “This involved looking at issues such as microplastic ingestion, entanglement in marine debris, contaminant of nesting beaches by plastics and the presence of microplastic ingestion,” she told us.

Accordingly, they are well placed to shed some much-needed light on the issue of microplastic pollution and, with respect to the apparel industry, the contribution of clothing microfibres to microplastic pollution in waterways.

Asked how big the apparel sector’s contribution is to this issue, Sarah

told us: “Microfibres, which originate from a variety of sources, are the most common type of microplastics found in the majority of environmental samples, from seawater to fish and indeed marine mammal gut content. The results of our marine mammal study found that nylon and polyester were two of the most common polymer types. These polymers are frequently used for synthetic garments and textiles but also many other items such as ropes, fishing net and line, toothbrush bristles etc. It’s not yet possible to pin down the exact sources of microfibres we’re finding, but given that an average 6kg washing load of synthetic garments can release up to 700,000 fibres per wash, I’d say clothing is a significant contributor.”

But what about the microfibre contribution in terms of different types of fibres? There seems to be a general consensus thus far that synthetics are the bad guys here, given that plastic persists in the environment for so long.

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The study showed textile dyeing WWTP had an effective removal on pollutants including microfibres in wastewater  
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Sarah's own findings support such a proposition. She told *Apparel Insider*: "The main difference between synthetic and natural fibres is that the former persist in the marine environment, whereas the latter biodegrade. When ingested by animals near the base of the food chain – e.g. tiny zooplankton and fish larvae – synthetic fibres can cause blockages in their digestive tracts which may lead to injury and/or a false feeling of being full. This can in turn lead to a reduction in energy reserves and lower reproduction. "We don't yet understand the impacts of microplastic ingestion on larger marine animals but the detrimental effects on animals at the base of the food chain could have knock-on effects for their predators, both in terms of a reduction in food abundance but also trophic transfer of microplastics, where they are passed up the food web from prey to predator."

#### ■ CONFUSION

The confusion around this issue and the fact that the debate is moving on at such a pace is evidenced by the fact that, around the time we went to press, new research (referenced end of article) found that pollution from cellulose fibres such as cotton and linen made up 80 per cent of all deep-sea microfibrils found in Southern European seas. Perhaps surprisingly, polyester microfibrils accounted for just 13 per cent of the 202 microfibrils identified in 29 surface sediment samples analysed, while acrylic made up 4.5 per cent.

The researchers presented new data on the distribution of microfibrils after a widespread survey of seabed sediments in southern European seas including the northeast Atlantic Ocean (Cantabrian Sea), the Mediterranean Sea (Alboran Sea, Catalan Sea, Cretan Sea and Levantine Sea) and the Black Sea at depths from 42 m to the continental shelf to 3,500 m in the abyssal plain.

"The main type of microfibre found in seafloor sediments was thus essentially not plastic but cellulose fibres, that consisted of both dyed natural cellulose (cotton, linen) and manufactured fibres composed of regenerated cellulose, e.g. rayon," says the paper. "Our results show the

dominance of cellulose fibres over synthetic polymers."

There are several noteworthy aspects to this paper. Firstly, the findings confirm deep sea sediments as a major sink for microfibrils, with around 20 per cent of the microfibrils found having accumulated in the deep open sea beyond 2000m of water depth. Hence it would seem that the remoteness of the deep sea does not prevent the accumulation of microfibrils being available to become integrated into deep sea organisms.

Secondly, the study arguably raises questions about biodegradability. It is assumed that synthetic fibres are the issue here and, while that may well be the case – synthetics unquestionably take longer to break down – the fact that cellulosic microfibrils are found in greater abundance the deeper one goes is a major concern. Could this prevalence at greater depths be due to their density? All will doubtless become clearer in the coming months.

We also asked Sara and Emily about the thorny issue of microfibrils finding their way into the human food chain. As Sarah pointed out, the likelihood is that this has already happened (and other researchers have also suggested this is the case). The concern about this is not so much with the fibres themselves, more the fact that in the aquatic environment, microfibrils can absorb a variety of pollutants that are widely distributed in marine and freshwater ecosystems, such as PAHs and PCBs which has been proved to have toxic effects on fish. These toxic pollutants may eventually enter into food chain if the contaminated plastic residues are ingested by fish, aquatic invertebrates, and other wildlife.

The other issue, however, is inhalation.

Sarah told us: "I would say we are definitely *inhaling* them too. During our sample processing procedures in the laboratory, we must monitor and limit air-borne microplastics to prevent contamination of our samples. We do this by placing a piece of damp filter paper near our samples. Some of my colleagues have traced the fibres on their filter paper to the item of clothing they were wearing at the time. It's really quite

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The main type of microfibre found in seafloor sediments was thus essentially not plastic but cellulose fibres, that consisted of both dyed natural cellulose (cotton, linen) and manufactured fibres composed of regenerated cellulose, e.g. rayon  
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shocking how much plastic is floating around in the air we're breathing.”

#### ■ SOLUTIONS

But what of interventions? It is still relatively early days on this front. One possibility is capture microfibrils before they are flushed to surface waters at wastewater treatment plants. A typical secondary treatment plant will not remove microfibrils, but plants that employ tertiary treatment to produce reclaimed water for non-potable uses typically use filtration that could in theory remove microfibrils. Further, wastewater treatment plants that use advanced treatment to produce potable water use micro-filtration (as well as other technologies), will also effectively remove microfibrils.

In fact, there is some recently published research on this issue. A study in China measured the impact that textile dyeing wastewater treatment processes have on the removal of pollutant microfibrils which have shed from textiles. They found the use of modern wastewater treatment processes removed 95 per cent of microfibrils.

The researchers selected a standard textile industry WWTP (waste water treatment plant) which received the production wastewater of 33 printing and dyeing enterprises, between them treating an average of 30,000 tons per day of wastewater which is discharged from the WWTP.

They compared influent and effluent to measure the impact of modern treatment processes on the amount and type of microfibrils contained in wastewater. They found the average amount of microfibrils was 334.1 ( $\pm 24.3$ ) items per litre of influent, and that this reduced to 16.3 ( $\pm 1.2$ ) items per litre in the final effluent – a decrease of 95.1 per cent.

"The study showed textile dyeing WWTP had an effective removal on pollutants including microfibrils in wastewater," says the paper. The study also indicated that the abundance of microfibrils reduced at varying rates across different stages of treatment, which "could provide a reference for the improvement of sewage treatment facilities in the future."





# Synthetic clothing fibres found in turtles

**LONDON** - Scientists have identified synthetic microfibres in the digestive systems of seven different species of turtle from the Atlantic, Mediterranean and Pacific oceans. All turtles examined were found to have ingested synthetic microfibres, while other microfibres including rayon and viscose were also in evidence. The research was aimed at filling current understanding gaps in the incidence and levels of synthetic particles in large marine vertebrates. Its findings raise further questions about the issue of microplastic and associated microfibre pollution, and the alarming possibility of tiny fragments of clothing ultimately finding their way into the human food chain.

The researchers used enzymatic digestion methodology, previously developed for zooplankton, to explore whether synthetic particles could be isolated from marine turtle ingesta. They report the presence of synthetic particles in every turtle subjected to investigation which included individuals from all seven species of marine turtle, sampled from three ocean basins, with the Mediterranean turtles containing the most microfibres, followed by the Atlantic and the Pacific.

The paper raises the possibility of multiple ingestion pathways. It says: "These include exposure from polluted seawater and sediments and/or additional trophic transfer from contaminated prey/forage items. We assess the likelihood that microplastic ingestion presents a significant conservation problem at current levels compared to other anthropogenic threats."

In terms of impact, the paper says: "It remains unknown if and how these synthetic particles will impact turtles. Their size means they will pass through the gut lumen with relative ease (especially, for larger specimens) and therefore their presence does not lead to blockage or obstruction which is frequently reported in association with macroplastic ingestion. Importantly, future work should focus on whether microplastics may be affecting aquatic organisms more subtly, for example, exposure to associated contaminants (heavy metals, persistent organic pollutants and polychlorinated biphenyls) and pathogens, or by acting at cellular or subcellular level."



Further Reading:  
[bit.ly/2Twjnlf](https://bit.ly/2Twjnlf)

### Main article reference:

Sanchez-Vidal A, Thompson RC, Canals M, de Haan WP (2018) The imprint of microfibres in southern European deep seas. *PLoS ONE* 13(11): e0207033. <https://doi.org/10.1371/journal.pone.0207033>

Another potential way of addressing the microfibre pollution issue is through the use of washing machines which have filters installed that catch the microfibers in the wastewater. Some manufacturers already include filters (although not many) and aftermarket filters are commercially available although, as we understand, these do not at present filter out microfibres.

Other filters are still under development, and this space is moving fast.

There is also important research underway about the effectiveness of filters on washing machines. As we went to press, a new study was being announced in Canada involving Environment Canada, Georgian Bay Forever and the University of Toronto Rochman Lab.

Georgian Bay has asked 100 people to volunteer their washing machines to install filters which potentially remove microfibres and particles.

Launching the study, David Sweetnam, executive director with Georgian Bay Forever cited the much-cited statistic that once clothing gets washed, nearly 100,000 microfibres can end up directly in

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**It's a loop that we're creating of our own waste washing through our clothing and into the fish and into the things that we're consuming**

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lake water thus affecting wildlife health and water quality.

"It's a loop that we're creating of our own waste washing through our clothing and into the fish and into the things that we're consuming," he said.

"Water plants pick up 80 per cent ends up in sludge but the plant is not designed to filter out microscopic particles, they just don't have the technology for that," he pointed out.

Sweetnam added that a campaign to reach out to the public to volunteer washing machines will begin in the next few weeks.

# Microfibre contaminants: a potential solution

A number of technology solutions have sprung up in response to the microfibre pollution issue, and one of the most promising, from UK business Xeros, has the benefit of dovetailing with existing equipment. MARK LANE reports

**L**ONDON – The new potential solution to the microfibre issue has recently been mentioned in the context of the ongoing UK enquiry into the sustainability of the fashion industry. The issue of microfibre contamination was an inevitable talking point during this debate and, accordingly, Xeros Technology Group plc chairman, Mark Nichols, made a submission to the enquiry calling for all new washing machines sold in the UK to be fitted with microfibre filters.

Nichols' argument is that in-machine filtration represents the most "quick and cost-effective way of preventing microfibres polluting ... water systems and thence the marine environment."

The submission also claimed such a measure would place the UK at the forefront of international efforts to address this form of ocean pollution.

In a statement to the UK's Environmental Audit Committee, Mr Nichols added: "As a subsequent consideration, the committee should consider whether the current environmental labelling of all new

washing machines is fit for purpose, with specific regard to microfibres and water use. A clear and accurate labelling system for new washing machines would enable consumers to make positive choices about products fitted with technology to prevent microfibre pollution and reduce water consumption."

But what about the filter which has been developed by Xeros? XFiltera, as it is known, was developed after Nichols made a commitment to the UN Ocean's conference to devise a simple solution to microfibre pollution for domestic washing machines.

Explaining more, the company's PR director Martin Greig told *Apparel Insider* the unit can currently be fitted to any domestic, front-loading machine. "But important to note it is not an after-market device," he said. "Our filter would be installed at the point of manufacture – hence we are in discussions with some of the world's biggest brands."

In terms of internal testing, results have shown the unit can capture 99 per cent of all microfibres released

during a wash cycle. The device is also currently undergoing 3rd party testing, with results expected in the not-too-distant future. "The design and performance of the unit ... and how it installs into machines ... means that emptying the contents is a process very similar to removing lint from a tumble dryer," Greig added.

We also asked Greig about the other one per cent of fibres which the filter doesn't capture. Given that it is now acknowledged that up to 1.7 grams of microfibres for a single fleece garment and up to 700,000 microfibres can be released into the environment from each load of domestic laundry, even just one per cent could represent a significant amount.

Explaining more, Greig told us: "There are lots of considerations about the level of microfibres captured by XFiltera, including what's being washed, temperature of the water etc – but fundamentally it comes down to the size of the mesh we use inside the filter. The smaller the mesh size the more that's captured in the filter. But there's a trade-off, which is that the more the filter captures and the more rapidly it fills up, the more frequently it needs emptying."

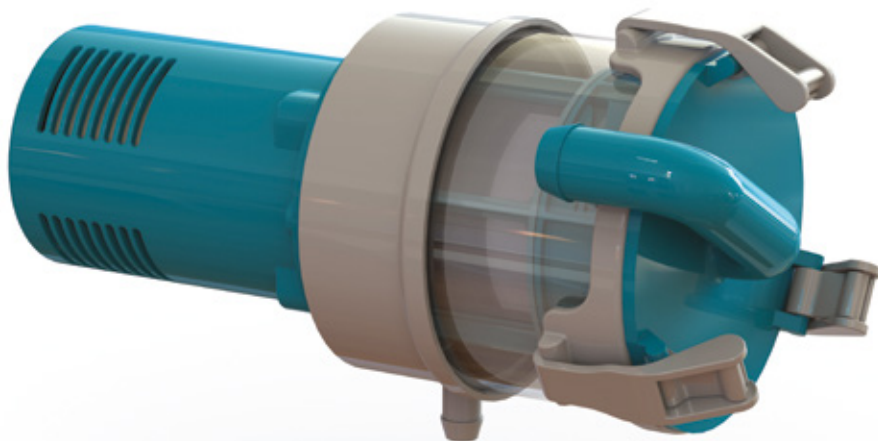
"So we need to find a balance where consumers don't spend their whole time emptying the filter – but it is capturing enough fibres to make it as efficient as possible."

And what about costs? How much does the filter cost, and who would foot the bill to install it? Answering, Greig said: "We believe that the cost to the manufacturer of installing XFiltera is marginal to the overall production costs ... a matter of a few pounds."

"We polled consumers late last year and found there was quite a lot of price elasticity in terms of the retail price people were prepared to pay for a machine fitted with filtration technology: only 6 per cent of respondents said they weren't prepared to pay for it while 40 per cent of people responding said they'd be happy to pay up to £50 more and a further 20 per cent would pay up to £100 more for this kind of technology."

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Quick and  
cost-effective way  
of preventing  
microfibres  
polluting ...  
water systems and  
thence the marine  
environment

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# US lags on sustainable fashion issues

Thousands of consumers in the US and Europe were recently surveyed on environmental and social issues in the global fashion industry. VICTORIA GALLAGHER reports

**W**ASHINGTON – Americans lag on environmental awareness relating to the global apparel industry, according to a major new survey. Though the US is the largest apparel market worldwide, the poll found Americans are less concerned about environmental issues than consumers in other countries.

The survey found Americans rank the lowest of the countries polled when it comes to concern about the environmental impacts of their clothing purchases – just 34 per cent said they are concerned that the manufacturing of the clothes they buy negatively impacts the environment. American consumers also rank among the lowest when it comes to thinking ethical production is important, indicating that factors such as design and fit, quality, and cost rank more importantly than ethical production when they are considering clothing purchases.

The findings are the result of a major survey, with over 1,000 interviews carried out in each of seven countries – the United States, France, Germany, Italy, Poland, Spain and the UK. Participants were asked to share their public perceptions on environmental and labour issues within the fashion industry and the supply chains of clothing brands. The Ipsos MORI poll was released on behalf of the Changing Markets Foundation and Clean Clothes Campaign.

Overall, 46 per cent of consumers said they feel the manufacturing of the clothes they purchase is harming the environment. Concern is particularly high amongst Spanish consumers (62 per cent) and the French (51 per cent). Those in the UK, Germany and (particularly) the USA were all significantly less likely to say that they are concerned.

A notable finding was a call for more transparency from consumers, backing up Fashion Revolution's findings late last year. For instance, the poll found that four in five Americans (79 per cent) believe clothing brands should provide information on their environmental commitments and the measures they are taking to minimize pollution in their supply chain.

"These findings show that American consumers want more information on working conditions in fashion supply chains and would be put off buying from brands that are not paying a fair living wage. It's time for the governments to act if the industry is not going to," said Paul Roeland of the Clean Clothes Campaign.

The poll indicates that the majority of American consumers are sceptical about the credibility of information communicated by brands, with only a quarter of Americans (25 per cent) saying they would trust the sustainability information provided by clothing brands themselves.

The report threw up several other notable findings. These include:

- 78 per cent of consumers feel working conditions should be disclosed to the public – with those in Italy, Spain and USA all more likely than average to agree with this, while those in Poland are less likely. It is a similar story when it comes to whether a brand should disclose if its workers earn a fair living wage – 76 per cent agree overall, with those in Spain and the US more likely to agree, and the Polish less so.
- Overall, two in three consumers (64 per cent) agree that factory workers are paid low wages by the industry. Agreement is higher in Germany, France, Spain and the UK. While the majority still agree, Polish and Italian consumers are less likely than the average to feel this way about the wages of factory workers.
- Overall, 17 per cent said they feel informed about the impacts of clothing manufacturing on the environment and societies. Those in Italy, Poland and Spain are more likely than the average to feel informed. Consumers in the UK, France & Germany are more likely to disagree that the fashion industry keeps consumers informed.
- Four in five (79 per cent) think clothing brands should provide information on their environmental commitments, with Spanish and Italian consumers are more likely than average to think this. Seven in ten feel the names and locations of factories used in their clothing supply chain should be provided.
- Three in five (62 per cent) agree that they would pay 2-5 per cent more for more expensive items of clothing, while just over half (51 per cent) would pay 5-10 per cent more for cheaper items if it meant factory employees were paid a fair living wage. Those in Germany are particularly likely to say they would happily pay more.



Further Reading:  
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# Binding agreements key to supply chain rights

In a special op-ed for Apparel Insider, Jenny Holdcroft, assistant general secretary of IndustriALL Global Union, looks at current progress towards international regulations on multinational corporations (MNCs) with respect to worker rights in supply chains

**G**lobal corporate power is beyond anything we have ever seen. Some are calling it the triumph of the multinational companies. The limits on the power and will of national governments to call corporations to account for their adverse impacts are clear for all to see. Global corporations are tearing up the social contract, the understanding that in order to operate in a society, companies abide by certain rules in the interests of their workers and the broader public.

Even the notion of who their workers are has broken down, lost in the maze of multiple layers of global supply chain subcontracting, outsourcing and agencies, and all designed to allow corporations to evade responsibility for the workers who contribute to their profits.

It is no wonder that calls for more control and regulation of multinational corporations (MNCs) are growing stronger. Self-regulation,

supported by company auditing on human rights performance, has lost all credibility, while the plethora of voluntary reporting mechanisms that support it are unable to convince that worker rights are respected.

The United Nations Guiding Principles on Business and Human Rights (UNGPs), endorsed by the UN Human Rights Council in 2011, provide the first UN backed framework for the responsibilities of MNCs. There is wide support for the UNGPs since they synthesize society's expectations of MNCs, however they fall short of imposing any actual obligations on companies, regardless of whether they adopt or reject the UNGPs.

In response, 84 governments, supported by many civil society organisations, are proposing a binding legal instrument to protect people from human rights abuses by MNCs. In June 2014, the UN Human Rights Council agreed

to set up an Intergovernmental Working Group to produce a draft treaty. The first draft of a 'Legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises' was released in July 2018. It focuses less on the obligations of MNCs and more on access to remedy and justice by victims of corporate abuse. It does not aim to create or recognize any direct human rights obligations for MNCs under international law, but it would create obligations for states to legislate or otherwise hold businesses legally accountable for abuses committed in their operations.

In 2016, the International Labour Conference held a tripartite discussion on decent work in global supply chains. The resolution that emerged called on the ILO Governing Body to convene a tripartite or experts meeting to assess the failures that lead to decent work deficits in global supply chains, and to consider what guidance, programmes, measures, initiatives or standards are needed to address this. This meeting will take place in February 2019. Unions will continue to use this process



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**The demands of the market, investors and shareholders for increased profits will always win out if there is no countervailing pressure.**

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to push for an ILO Convention on global supply chains, though support from employers and governments for a standard that requires binding regulation on MNCs will be difficult to achieve.

In the continuing absence of binding regulation, MNCs are nonetheless sensitive to issues that impact on their reputation. The outpouring of global outrage at the 2013 collapse of the Rana Plaza building in Bangladesh, which took the lives of more than 1,100 workers and injured many more, was felt throughout the textile and garment industry, and most acutely by those brands that were found to have been buying clothing made in the building. In the direct aftermath, sensitivity to having their brand associated with death and maiming drove more than 200 MNCs to sign a legally-binding agreement with IndustriALL and UNI Global Unions – the Accord on Fire and Building Safety in Bangladesh.

Association with major human rights violations can have a real impact on company sales and share value. Pressure is strongest on those companies that directly face consumers, but this is by no means a guarantee that they will respond to calls for change. In 2010, Apple was confronted with multiple suicides of workers making its iPhone at Foxconn in China, but despite the negative media and campaigning, its reputation among its consumers did not suffer (nor its sales) and it succeeded in riding out the storm of criticism. For the many MNCs in IndustriALL's sectors that have lower brand recognition, there are fewer opportunities for public pressure to drive behavioural change. The demands of the market, investors and shareholders for increased profits will always win out if there is no countervailing pressure.

#### **COLLECTIVE BARGAINING**

Collective bargaining has long

been recognised as an essential tool for workers to use their collective strength to negotiate agreements with employers on their wages and working conditions. These agreements work because they are enforceable.

ILO Convention 98 makes access to collective bargaining a right for all workers and protection of this right is a major priority of the global union movement. But this right does not extend to the global level. Despite clear evidence of centralised control over MNC employment policies in many countries, the primary tool used by unions to temper corporate power, through demands for a fair share for workers, cannot be used to deal with MNC global operations.

For many years now, global unions have been establishing relationships with MNCs at a global level, most effectively through the signing of Global Framework Agreements (GFAs). While the companies that IndustriALL works with are perfectly able to deal with enforceable collective agreements at national level in the countries where they operate, they are much more reluctant to enter into such agreements for their global operations. One notable exception is the Bangladesh Accord.

In the direct aftermath of the Rana Plaza collapse, companies were prepared to sign a legally-binding agreement. Once a number of companies had done so, this made it easier for more companies to accept the same terms. Eventually more than 220 MNCs signed up to being legally bound to their commitments. Clearly, resistance to legally binding global agreements can be overcome once they become more widespread and familiar to companies, in the same way that national agreements already are. As one company representative said during the negotiations for the 2018 Bangladesh Accord, 'If we make an agreement, we intend to stick to it, so why would we worry about it being

legally binding?'

The original 2013 Accord contained a dispute settling process with various stages for resolving issues between the global unions and the corporate signatories. It provided that if a resolution could not be reached, the parties may appeal to a final and binding arbitration process, under a process governed by the UNCITRAL Rules on International Commercial Arbitration. This was the first time that this system had been used to govern labour disputes.

#### **LESSONS LEARNED**

In July and October 2016, the two global unions filed arbitration cases against two Accord brand signatory companies with the Permanent Court of Arbitration (PCA) in The Hague. The cases were subsequently joined and heard together. Both hinged on whether the global brands involved met the Accord requirements to require their suppliers to remediate facilities within the mandatory deadlines imposed by the Accord, and to negotiate commercial terms to make it financially feasible for their suppliers to cover the costs of remediation.

Since this was the first such arbitration, initial arguments centred on admissibility (whether the cases could be heard), choice of law (which country's law should govern the dispute) and procedural matters such as document production.

This turned out to be a very heavy and costly process. As no agreement could be reached on a single arbitrator to hear the cases, under the UNCITRAL Rules they went before a panel of three arbitrators, one chosen by the plaintiffs (the global unions), one chosen by the brands and a chair appointed by the PCA. The global unions were required to deposit €150,000 with the PCA to cover the fees and travel of the three arbitrators and the administrative costs of the PCA.

In order to take these cases forward to arbitration, IndustriALL and UNI needed to find legal representation. This would have been prohibitively expensive and the cases could not have gone ahead without the pro bono representation provided by Covington & Burling.

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**If we make an agreement, we intend to stick to it, so why would we worry about it being legally binding?**

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A first procedural hearing took place in March 2017 and established a timetable for the cases to be considered.

In September 2017 the Tribunal issued its order that the cases were admissible and could proceed.

In the end, both cases were settled before the oral hearing. Each of the two brands agreed to pay significant amounts towards the renovation of the garment factories for which they were responsible under the Accord. Confidentiality provisions prevent the brands being identified and the terms of one of the settlements being made public. In the other settlement, the company agreed to pay US\$2m towards remediation of more than 150 factories and to contribute a further US\$300,000 into IndustriALL and UNI's joint Supply Chain Worker Support Fund. Speaking after the settlements, IndustriALL general

between MNCs and global unions, no mechanism yet exists through which disputes under the agreements can be resolved through conciliation and binding arbitration at global level. Some of these agreements refer to the ILO as a potential arbitrator in disputes, but the ILO has made clear that it is not able to take on this role. If the trade union movement is to achieve its ambition of signing binding global agreements, we must have access to a mechanism for enforcement that avoids the drawbacks of the UNCITRAL Rules process.

This mechanism needs to move much faster: workers cannot wait nearly two years for their case to be heard. It needs to be cheaper: paying for three arbitrators to hear the case is unnecessary. It should not require excessive amounts of documents to be produced: in the Accord cases,

IndustriALL and UNI's experience with enforcing the binding Bangladesh Accord has underlined the urgent need for the development of a mechanism that is specifically designed for the speedy and affordable resolution of labour disputes at global level, and that can be used to enforce not only the Accord, but any other binding agreements between global unions and MNCs.

The two global unions are using their joint Supply Chain Worker Support Fund to support the development of an international labour conciliation and arbitration mechanism for settling disputes between global unions and MNCs. This will involve analysing existing models of conciliation and arbitration currently used by unions, as well as other models of international arbitration, and extensive consultation with expert persons and organizations in the field.

The new 2018 Accord demonstrates that it is possible to sign binding global agreements with MNCs. The 192 companies which have so far signed the new Accord were not motivated into signing by a recent headline-grabbing disaster as they were after Rana Plaza. They also had five years of experience of a binding agreement. Beyond the two cases that ended up in arbitration, UNI and IndustriALL had taken action to enforce the Accord towards many more brands. Most tellingly, the two companies that found themselves in the arbitration process both signed the new Accord, complete with its legally binding provisions. Work is underway to streamline the Accord dispute settlement and arbitration mechanism to make it cheaper, quicker and more accessible. These changes could point the way towards a potential process that could be used in other agreements.

IndustriALL will continue to push for a binding UN treaty and an ILO Convention on supply chains, while at the same time working towards the development of a specific mechanism to enforce global labour agreements, designed to meet the needs of the global union movement in the pursuit of justice for supply chain workers.

This article was originally published in IndustriALL's magazine *Global Worker*.



secretary, Valter Sanches, said: "This settlement shows that the Bangladesh Accord works. It is proof that legally-binding mechanisms can hold multinational companies to account."

These outcomes show how important it is for global unions to be able to make binding agreements with MNCs that they can subsequently enforce. But the experience also demonstrated the limitations of using existing mechanisms of international arbitration which are neither designed nor suitable for the settlement of industrial disputes.

### WHERE TO FROM HERE?

IndustriALL, together with UNI, is committed to pursuing genuine global industrial relations through binding agreements with multinational corporations with effective enforcement mechanisms.

While a growing number of agreements are being signed

huge numbers of documents were exchanged which then needed to be read and analysed. Confidentiality provisions should not prevent global unions from being able to report to their executive bodies and the affected workers on the case. Finally, the mechanism must be directly accessible to trade unions. Global unions must be able to enforce their own agreements without having to depend on their ability to secure pro bono legal representation.

In other words, an enforcement mechanism for global labour agreements needs to be accessible, efficient and effective. For example, there could be one arbitrator chosen from a pre-selected panel; timely conciliation could be encouraged and facilitated to avoid arbitration; document submissions prior to hearing need not be required; timelines could be set that expedite finalisation of the case.

**“This mechanism needs to move much faster: workers cannot wait nearly two years for their case to be heard. It needs to be cheaper: paying for three arbitrators to hear the case is unnecessary.”**

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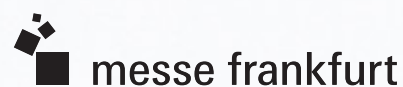
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# Silver in clothing: saint or sinner?

A recent report criticised silver finishes which provide antimicrobial finishes in clothing. Yet by becoming fixated with tiny amounts of chemicals used in clothing, BRETT MATHEWS asks whether we are in danger of ignoring large environmental challenges

**I**n our last issue, we reported on research from the Swedish Water and Wastewater Association (Svenskt Vatten) which claimed clothing treated with silver poses a toxic threat to sediment-dwelling creatures and organisms in lakes and seas. The report claimed antibacterial silver leaching from treated textiles is now the, “largest known source of silver in effluent treatment plants.”

Known for its antibacterial qualities, silver is also classified as a biocide by the European Union. Swedish researchers analysed sportswear garments treated with silver and claim to have found that up to 90 per cent of the silver contained was washed away from the clothing after just ten machine washes. The research also claimed the spread of silver in the environment may be contributing to the rise in antimicrobial resistance (AMR).

These are strong claims, and inevitably have ruffled a few feathers among businesses which operate in this area. One of the world’s leading odour control in textile businesses is Polygiene, which uses low concentrations of silver salt (silver chloride) for its antimicrobial properties. The treatment is applied at the finishing stages of textile production, with laboratory tests repeatedly showing a high level of odour control beyond the usual lifespan of a garment.

We caught up with the Polygiene’s CMO, Mats Georgson, at the recent Performance Days in Munich and asked about the research findings from Svenskt Vatten.

Georgson made a number of points, first of all suggesting there were several mistakes in the information from Svenskt Vatten.

“Known for its antibacterial qualities, silver is also classified as a biocide by the European Union”

Georgson told us: “We question the results of the silver test performed by Swerea/Svenskt Vatten on silver treated garments and we will therefore conduct the same study at independent laboratories with the same garments to understand the outcome of the tests on the Polygiene-treated garments.”

On the claim that silver is leaching into the environment in high quantities from clothing, Georgson said: “No, it is not known that silver from textiles is the biggest source of silver at the effluent treatment plants. Of 400 kg of silver released in Sweden yearly, 100 kg comes from food and amalgam which together probably is the biggest source. Silver in garments plays a small role, probably around 5 per cent. About 30 000 tons of silver are used yearly in the world of which a ten-thousandth part or 3 tons are used in treatment of textiles - as a comparison, 3000 tons are used yearly on solar panels. And the natural flow of silver in the environment is approximately 13,000 tons per year globally.”



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**We got a real sense that there is a groundswell against adding chemicals to fabrics for added functionality - antimicrobial being the most visible of these**

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Georgson also disputed the notion that spread of silver in the environment may be contributing to the rise in antimicrobial resistance (AMR). “Antibiotic resistance is due to an overuse of antibiotics in livestock keeping and in treatments of bacterial diseases. Metals have very little to do with that,” they told us.” he said.

While less than happy with the research from Svenskt Vatten, Georgson’s broader point was that, actually, we need to look at the bigger picture when contemplating such issues, and consider that the use of silver as an effective anti-microbial ultimately cuts down on laundering, saving water and CO2 emissions.

“We conducted a lifecycle analysis (LCA) at DHI in 2012 and according to that the environmental footprint is reduced already after having used your training t-shirt one extra time before wash,

and that applies both when we do the study in Europe and Asia. And the study is performed without considering the micro plastics that are released from synthetic garments when they are washed.

“The upside of [our] technology is vast. If an average household would wash a third less washes, we would save thousands of litres of water. It would mean hundreds of kilos of CO2 emissions less. It would sharply reduce the spread of micro plastics. And beyond that, clothes would last much longer and not need to be replaced as often, and finally they will also be more attractive on the second-hand market - so it is a multiplier there as well.”

That’s the pro-silver argument, and a compelling one it is too. We have actually heard discussions along a similar line with respects to Greenpeace’s Detox campaign which has attempted to reduce the use of

potentially hazardous chemicals in global apparel supply chains. Many claim that by focusing on the complete eradication of tiny amounts of certain fluoro-chemicals, for instance – parts per million (PPM) in many cases – Greenpeace has lost sight of the bigger picture, and has been in danger of throwing out the baby with the bathwater at times.

All of that said, with respects to antimicrobial finishes, there are a number of alternate finishes entering the market which claim to offer similar performance to silver finishes but without the (alleged) environmental drawbacks.

One of these is Odegon, a UK business which provides an odour absorbing fabric that uses ultra-porous technology to absorb odour molecules directly from the source. This particular solution has its roots in military protection, with the technology in Odegon products based on a special type of nano-porous material that traps odour molecules using a completely inert, chemical-free process.

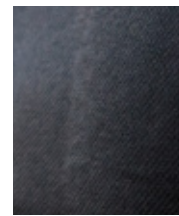
Tom Rawlings is managing director with the business. He told us:

“We got a real sense that there is a groundswell against adding chemicals to fabrics for added functionality - antimicrobial being the most visible of these.”

Asked about Odegon’s solution and how it differs to conventional silver finishes, he told us: “Silver and other antimicrobials work by disrupting or destroying odour causing bacteria. Our product works by absorbing odour so we do not interfere with bacteria. Because we aim to trap odour, this also give us the ability to tackle odour in areas that antimicrobials will not be effective in such as bags. We don’t have complete data, but we believe our technology is comparable in price. Furthermore, it’s

easier to apply because it can be sold to a factory as an accessory just like a zip or button.”

Asked about applications, Rawlings *Apparel Insider*: “Our products can be used in most garment types such as formal wear, casual and sportswear. We’ve had a lot of interest in the uniform and workwear industries. Our ‘DeoTag’ product can be applied to suits, blazers, sports jackets, shirts, t-shirts, polos and base layers. It’s also been in used in trousers. We’ve developed a product for bags and holdalls trapping unwanted odour either across the whole bag, or in a separate pocket or compartment.”



The research also claimed the spread of silver in the environment may be contributing to the rise in antimicrobial resistance (AMR)

We will be watching this space closely as we expect several new products to enter the antimicrobial segment which market themselves on being environmentally benign. The challenge all these products will face is two-fold: can they compete with existing silver finishes on price, and do they perform as well as existing silver finishes. Brands (and end consumers) will not compromise in either of these areas, and it would be naïve to think otherwise.

It is also worth considering that while the durable-water repellent (DWR) market (as an example) has seen several new non-PFC products launched in recent years, questions have been raised about these alternatives. A couple of years back, more than a third of PFC-free durable water repellents (DWRs) tested in an independent study were found to contain palm oil in laboratory tests. Other studies have found that PFC-alternative, silicone-based products do not have acceptable oleophobic (oil-repellent) properties; this has proved a stumbling block for brands and consumers, and alternatives to silver finishes face similar hurdles and challenges.

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**With respects to antimicrobial finishes, there are a number of alternate finishes entering the market which claim to offer similar performance to silver finishes but without the (alleged) environmental drawbacks**

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## Volcom launches farm to yarn

**COSTA MESA** – US clothing company Volcom is launching a new Farm to Yarn initiative in collaboration with Cotton Connect. The initiative will see products that feature certified organic cotton that's traceable back to the farm and which provides social and professional education programmes for the farmers and women in the farming villages of Maharashtra and Madhya Pradesh, India, where the cotton was sourced.

Volcom's initial Farm to Yarn launch last year produced nearly 27 metric tons (representing an estimated 15 per cent of Volcom's total organic cotton supply) of certified, fully traceable-to-the-farm group,

organic cotton from eight different villages in the Madhya Pradesh region of India.

The programme also provided other benefits including a year-long organic 'farming skills' programme for 150 farmers in Dewas district, Madhya Pradesh helping cotton farmers to develop and fine tune natural pest control and organic fertilisers, and a Farmer Business School training programme for 100 additional farmers offering lessons on business fundamentals in the state of Maharashtra.

"Partnership has been the key word used to describe the success of this launch," said Big Tony Alvarez, Volcom's VP of global of compliance and supply chain.

"Without good partners on the ground, a programme like this rarely stands a chance."

Cotton Connect specialises in connecting brands and retailers to farmers to create a transparent supply chain.

"Traceability is critical for the future of organic cotton. It requires a brand to be intentional about mapping its supply chain," added Arvind Rewal, regional director South Asia, Cotton Connect. "This project with Volcom and Kering is a great example of how a company is intentionally seeking traceability in a supply chain that was said to be impossible to map."



## Attitudes to eco-fashion vary globally, says survey

**HONG** – New research has noted distinct variations in attitudes to sustainable fashion around the world. KPMG, together with Hong Kong Fashion Summit and HSBC, polled 1,000 people in each of Hong Kong, London, New York, Shanghai and Tokyo, collecting views on people's definition of 'sustainable fashion', their support for it, their willingness to pay for it, and their ideas on possible measures the fashion industry should adopt to promote sustainability.

The researchers found significant variations in attitudes among the cities. For example, according to the survey, respondents from Shanghai seem to be the most enthusiastic supporters of the idea. There were also some noticeable East-West divides, with London and New York viewing socioeconomic factors as crucial to sustainability, while Hong Kong, Shanghai and Tokyo tend to be more focused on environmental factors.

Net support of the concept of sustainable fashion stands at 49 per cent in Tokyo, 55 per cent in New York, 54 per cent in London, and 71 per cent in Hong Kong, with Shanghai in the lead at 90 per cent. Higher income groups and more frequent shoppers in the survey tended to be more supportive of sustainable fashion across all cities, with young people – especially those aged 18-24 – the most supportive of sustainable fashion.

According to the responses, the primary feature defining sustainable fashion is high-quality, durable products, followed by a pollution-free production process that does not use hazardous chemicals. In the two Western cities polled (London and New York), ethical and fair trade/labour practice is seen as a major component in sustainable fashion, while the three Asian cities (Hong Kong, Shanghai and Tokyo) tended to focus mostly on environmental concerns.

Worldwide, few people say they are willing

to pay more for sustainable fashion. Even in Shanghai, the city most supportive of the concept, only 22 per cent of people said they will pay a premium for sustainable fashion. It was also apparent that respondents consider the product (46 per cent) much more than the brand (11 per cent) when purchasing sustainable fashion.

Potential opportunities to boost sustainable fashion include providing more labelling or other information about the sustainability of a fashion product, which could encourage people to pay more attention to its environmental footprint. Companies could also be encouraged to define their brands as sustainable brands that people can trust, rather than having shoppers focus on individual products.

When clothes come to the end of their lives, more than half of respondents polled in London and New York tend to give them away to those in need or to others, similar to respondents in Hong Kong, with those in Shanghai and Tokyo less likely to do so.

The survey polled a total of 5,269 people, receiving more than 1,000 responses from each of Hong Kong, Shanghai, London, New York and Tokyo





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## German court dismisses Ali Enterprises appeal



**DORTMUND** – A German court has dismissed a case which claimed retailer Kik should take responsibility for fire safety deficiencies which led to the tragic garment factory fire at Ali Enterprises in Pakistan. 258 died and dozens were injured when the textile factory burned down on 11 September 2012 in Karachi. Clothing retailer Kik was the factory's main customer and four of the survivors and bereaved had pursued a case to court in Germany, arguing that Kik should be held liable because of its joint responsibility for inadequate fire safety precautions in the factory. More generally, the case aimed to make clear that transnational corporations should be held responsible for working conditions at their subsidiaries and suppliers abroad.

However, the regional Court in Dortmund said it will not investigate the facts in the case against the German textile retailer Kik, rejecting the lawsuit, and referring to a statutory limitation.

The claim – initiated by the European Center for Constitutional and Human Rights (ECCHR) and supported by medico international – was the first of its kind in Germany.

"Kik was the factory's main customer and therefore bears some of the responsibility for the inadequate fire safety measures," argued lawyer Remo Klinger, who represented the Pakistani plaintiffs. "Kik evaded its share of responsibility when referring to the statute of limitations and prevented the court from discussing the substantive facts of this case,

as well as general questions related to the due diligence of German companies."

The claimants will decide whether they want to appeal the court's decision after evaluating the written judgment.

Miriam Saage-Maaß from ECCHR stressed the fundamental importance of the proceedings: "German companies of all kinds have closely followed the complaint against Kik. Legal experts from Germany, the UK and Switzerland have supported the complainants' arguments. Everyone understands that the current law does not fulfil all fundamental demands."

Tellingly, even Kik itself suggested there is a greater need for clarity with regards the law when it comes to transnational corporations and their supply chains.

A spokesperson from the business said: "Several audit reports, most recently three weeks before the fire, have documented no shortcomings in fire safety. The complaint shows, however, that companies need legal certainty. It can not be that due to lack of legal regulations companies based on foreign law in Germany can be sued and thus are dependent on different interpretations of the previously voluntary recommendations. Therefore, we are in favour of a clear legal regulation of corporate due diligence at European level."



See related feature page 29, and analysis, page pp36-38

## Bangladesh exports soar in six months to December

**DHAKA** – Ready-made garment exports soared from Bangladesh in the six months to December 2018, witnessing a 15.6 per cent increase over the corresponding period to December 2017. Export earnings increased to US\$17.08bn over the six-month period, compared to US\$14.7bn for the six month period to December 2017. The figures, provided by the country's Export Promotion Bureau (EPB), suggest Bangladesh could be benefitting from concerns that Cambodia and Myanmar may potentially lose major trading benefits in the coming months.

Bangladesh's RGM sector easily exceeded its export target for the period to December, with earnings from the sector 8.5 per cent

higher than the target of US\$15.7bn set for the period. Knitwear products fetched US\$8.6bn, which is 13.9 per cent higher than the US\$7.5bn in the same period a year ago. Woven products earned US\$8.4bn, up by 17.4 per cent, compared to US\$7.17bn a year ago.

The Bangladeshi government expects to bring in more than US\$60bn by 2021 from exports, with garment manufacturers indicating that apparel shipments should grow 12-15 per cent a year to hit the country's US\$50bn



export target by 2021.

Meanwhile, the US Sens. Ted Cruz (R-Texas) and Chris Coons (D-Del.) have introduced the Cambodian Trade Act of 2019, which will require the administration to review the preferential trade treatment Cambodia receives under the General System of Preferences (GSP).

The act has been introduced in response to claims of human and labour rights abuses in the country. "America has invested in the political future of Cambodia by establishing reliable trade and commerce, as codified in the Generalized System of Preferences (GSP)," Sen. Cruz said. "Cambodia's Prime Minister Hun Sen has exploited preferential treatment afforded to it by the United States and Europe. He has failed to meet basic labor rights standards, undermined the integrity of elections in Cambodia, and tilted toward China. The Cambodian Trade Act aims to hold him and his government accountable for this behavior, and reinforces steps our European partners are taking."



## Inditex scales sustainable production

**ARTEIXO** - Spanish apparel giant Inditex has confirmed a major scaling of its sustainable production in the past 12 months. Figures suggest the business retailed 118 million garments across all brands under its Join Life label collection in 2018, which flags best practices in the choice of raw materials and production processes - this would mark year-on-year growth of 60 per cent. In this area, Zara launched a new TRF Join Life collection and Bershka expanded the range of products under this label, which currently represents 13 per cent of the brands' total. Join Life" pieces are made from organic cotton, recycled wool and Tencel, with the label established in 2015 in response to H&M's Conscious Collection.

Inditex announced the broadening of its sustainable production as it published another set of stellar trading figures for the first nine months of 2018. They showed that net sales at the business increased by three per cent on a year-on-year basis to €18.4bn in first nine months, up seven per cent in local currencies.

# Mixed review for H&M living wage strategy

**LONDON** - An independent review claims H&M's Fair Living Wage Strategy "shows genuine leadership" yet major lessons need to be learned. Particularly, the review suggests H&M has underestimated the scale and complexity of the challenges, with the result that on-the-ground progress in some areas has been slower than expected. Nonetheless, on balance the report praises H&M for showing a "bold and unprecedented" commitment on wages.

The review was published by the Ethical Trading Initiative ahead of H&M group's Fair Living Wage Summit in Cambodia. However, its credibility is diminished somewhat given that it was commissioned by H&M itself, the aim being to evaluate H&M group's Fair Living Wage Strategy and its progress in the five years since roll out.

The report highlights the strategy's main achievements as being strong support from most external stakeholders; efforts to improve wage management across 500

supplier factories; and substantial progress on improving workers' ability to negotiate on wages and conditions. It suggests there is evidence of slight incremental rises in some workers' wages, however, even in top performing factories some workers still report that wages aren't enough to cover living costs.

The report goes on to analyse the factors that may have affected progress, including: political and economic developments in sourcing countries; H&M group's business performance; and local regulatory changes such as restrictions on trade unions and civil society.

In the meantime, Clean Clothes continues to claim H&M has reneged on promises to provide living wages in supply chains by 2018. The NGO is urging members of the public to express their concerns on the issue directly to Karl-Johan Persson, chief executive officer and president, H&M.

## Net closes on fur for fashion trade



**DUBLIN** - The net appears to be closing on the global fur for fashion trade after the ISPCA (Irish Society for the Prevention of Cruelty to Animals) called on the Irish Government to introduce an immediate ban on the practice of fur farming in Ireland. The calls follow the introduction of a fur farming ban in Serbia on January 1. A recent Veterinary Ireland report slammed the lack of welfare standards for animals farmed for fur, however, 150,000 mink are killed for their fur each year in Ireland. The American mink was brought to Ireland in the 1950s for the purposes of farming.

In the UK, fur farming has been banned in Northern Ireland, England, Scotland and Wales. Meanwhile, in the past twelve months, Norway, Belgium and Luxembourg adopted legislation to end fur farming and currently Ireland is on the parliamentary agenda along

with Poland, Denmark, Lithuania and Estonia. Several US states have now also banned the sale of fur.

ISPCA CEO Dr Andrew Kelly said: "There is overwhelming scientific evidence outlined in the Fur Free Ireland Briefing Document that fur farming is cruel. There are three fur farms in Ireland located in Donegal, Kerry and Laois containing up to 200,000 mink, farmed in tiny, wire mesh battery cages (typically measuring 90x30x45cm) only to suffer a cruel and inhumane death by gassing. Mink are essentially wild animals and keeping them in small cages in which they are deprived of the ability to express their normal behaviours such as swimming and foraging is not acceptable. Mink are semi-aquatic and highly evolved physiologically to hold their breath, so they are prone to hypoxia meaning they will potentially suffer during gassing."



## Kering in partnership with Savory Institute

**PARIS** – French luxury apparel group Kering has announced a new collaboration with The Savory Institute to utilise the positive impact regenerative agriculture can have in the fashion industry. As part of the work, Kering has become a Frontier Founder under Savory's Land to Market programme to promote and support the regenerative production of raw materials.

Kering will utilise Savory's methodology, Ecological Outcome Verification (EOV), in its leather and fibre supply chains that come from grazing systems, such as wool and cashmere.

EOV measures the indicators of ecosystem functionality to determine the health of the land and grazing systems that support the production of these raw materials. The resulting science-based and empirical data provides farmers with information to make better decisions and realise the ecological results from regenerative grazing.

As part of their work, Kering and Savory will identify and develop a new network of farms that Kering will be able to access. As a first step to build regenerative supply within this network, Kering will focus on its key sourcing regions and work together with Savory to support farmers pursuing and demonstrating positive ecological outcomes on their land. This is intended to provide Kering with a new sustainable sourcing solution that verifies its key raw materials and provides traceability back to the farm. Furthermore, it is hoped the resulting network of farms will offer a pathway towards more restorative and regenerative practices for other companies to follow and can be incorporated in fashion and luxury's supply chains more broadly.

## Absolute Denim adopts 100% aniline-free dyeing

**REINACH** – Thailand-based Absolute Denim has become the first denim mill in the world to switch 100 per cent of its production to aniline-free indigo dyeing developed by Swiss textile chemicals specialist, Archroma.

Absolute Denim is a Thailand-based denim manufacturer producing high quality denim with a focus on eco-friendlier materials and processes. The company produces up to two million metres of denim per month for customers that include some of the biggest brands and retailers in the world.

Archroma's Denisol Pure Indigo 30 liquid dye was first launched in May 2018 as a non-toxic way to produce the traditional, iconic indigo blue that consumers associate with denim and jeans.

During traditional denim production, some of the aniline stays locked into the indigo pigment and is difficult to wash off

the fabric. The remainder of the aniline impurity, approximately 300 metric tons annually, is discharged during dyeing. This can be an issue as aniline is toxic to aquatic life.

Archroma's solution was therefore developed as an aniline-free indigo solution for designers, manufacturers and brand owners.

James Carnahan, head of sustainability at Archroma, said: "At Archroma we continuously challenge the status quo in the deep belief that we can make our industry sustainable - but we cannot do it alone. Without forward-thinking manufacturers such as Absolute Denim to consciously adopt these eco-advanced innovations in their daily production, like our aniline-free Denisol Pure Indigo, we will not be able to move this industry forward on our resource-constrained world we live in."

## Euratex backs calls to block dangerous chemicals database

**BRUSSELS** – Industry lobbyists, including representatives from the textile industry, are trying to kill a tool intended to allow citizens to trace harmful chemicals in products according to new claims. Euratex (the European Apparel and Textile Confederation) is among a dozen trade groups to sign a position paper urging the European Chemicals Agency to shelve plans to create a database of the dangerous chemicals, known as 'substances of very high concern'.

The database is obligatory under Article 9 of the Waste Framework Directive. The way in which industry deals with potentially toxic chemicals in recycled products is an issue authorities and legislators have been grappling with for several years.

The trade groups have now set out a position paper which claims the problem of managing chemicals in waste should be dealt with by the recycling and waste industry instead. "The signatory industries strongly believe that the database will not achieve its intended



objectives to support the Circular Economy," says the paper. "In addition, the ECHA proposal will not be workable for industry nor enforceable by authorities."

However, several environmental NGOs have now hit back at the paper, calling on the chemicals agency to "stick to its guns."

Greenpeace, the Plastic Soup Foundation and the European Environmental Bureau (EEB) are among 41 pressure groups to sign a letter that claims the ECHA database is "crucial to the circular economy and to protection of human health and the environment". The letter claims the database is a legal requirement and would mostly contain information that industry has already been obliged to hold for over a decade.



## Water-saving initiative launched in Vietnam

**HANOI** - WWF and Vietnam Textile and Apparel Association (VITAS) have launched a project to boost water management and sustainable energy use in Vietnam's textile sector. The initiative will engage multiple players in the sector to promote better river basin governance and contribute to water quality improvement.

The main focus of the project is to improve water and energy sustainability within the sector, thereby reducing its impacts to the environment.

The textile and apparel industry contributes 15 per cent of Vietnam's total export value and had an annual growth rate of 12 per cent between 2010 and 2017. The country has 6,000 factories nationwide and employs three million people.

"Vietnam ranks as the fifth largest exporter of apparel goods in the world, but our industry is more famous for low cost production with limited environmental standards. With customers worldwide now more conscious about the environment, this is forcing a lot of global brands to change their operations to include higher environmental and social standards. If we do not change our practice now, Vietnam could lose its competitiveness," said Mr Vu Duc Giang, chairman of VITAS.

The project will be implemented from 2018 to 2020 and is implemented by WWF in collaboration with VITAS. Other partners include stakeholders outside Vietnam such as China National Textile and Apparel Council (CNTAC) and Lancang-Mekong Cooperation (LMC).



## Apparel brands lag on exploitation in supply chains

**SAN FRANCISCO** - New research claims apparel brands are failing to tackle the exploitation of workers in their supply chains. KnowTheChain, a benchmark that measured 43 apparel and footwear companies' efforts to address forced labour, gives the sector an average overall score of just 37 out of 100. The apparel supply chain is more reliant than ever on migrant labour in sourcing spots such as Jordan, Taiwan and Turkey, and migrant workers are at particular risk of exploitation, as employers often hold their passports to stop them from traveling freely and enable recruitment agencies to charge hefty fees.

The new report highlights top performing companies. Adidas had the strongest overall score (92/100), followed by Lululemon (89/100), which overtook Gap Inc. (75/100) to secure the second highest

spot in the ranking. Adidas and Lululemon are the only companies that require the direct employment of workers in their supply chains, thus eliminating the risk of exploitation through employment agencies. These companies also provided evidence that their grievance mechanism is accessible to and actively used by workers in the second tier of their supply chains.

The report finds 18 companies scored 0/100 on recruitment, which measures a company's approach to reducing the risk of exploitation of workers by recruitment agencies, eliminating workers' payment of fees during the recruitment processes, and protecting the rights of migrant workers.

The lowest scoring companies include luxury brands Prada (5/100) and Salvatore Ferragamo (13/100), footwear companies Skechers (7/100) and Foot Locker (12/100), and suppliers Eclat Textile and Yue Yuen, both with 1/100.



Further Reading:  
[bit.ly/2Q78Z4q](http://bit.ly/2Q78Z4q)

## Twine and Coats form strategic alliance

**TEL AVIV** - A new alliance has been formed by Twine Solutions, the world's first digital thread dyeing system manufacturer and Coats, a leading industrial thread producer. The alliance is part of a move which has seen the latter become a strategic investor in Twine, an Israeli based technology start-up which has developed a revolutionary digital thread dyeing system.

Under the agreement, Coats will invest US\$5m for a 9.5 per cent share in the company and a seat on the board. Both companies will now work together on an exclusive commercial partnership to market Twine's technology and launch it next year.

Twine Solutions was founded in 2015 in Israel by two brothers with extensive digital printing expertise. It currently employs 40

full-time workers and is situated close to Tel Aviv.

HP tech Ventures, as well as Twine's existing shareholders, Landa Ventures and Gefen Capital also participated in the investment round.

Alon Moshe, Twine CEO and co-founder said: "By digitally dyeing thread, Twine brings a unique solution to a most basic and fundamental global problem. This basic component, thread, is prevalent everywhere and is literally in 'every wear'. It is a primary and critical production bottleneck, limiting today's manufacturing of textile goods, ever more pronounced with the advent and growing of mass personalisation and customisation."



## Patagonia donates US\$10m to climate change causes

**CALIFORNIA – US** outdoor brand Patagonia will donate the entire US\$10m it saved in 2017 to non-profits which work on issues related to climate change and the environment. In an impassioned post on social media, the company's CEO Rose Marcario said: "Based on last year's irresponsible tax cut, Patagonia will owe less in taxes this year - US\$10m less, in fact. Instead of putting the money back into our business, we're responding by putting US\$10m back into the planet. Our home planet needs it more than we do."

Patagonia has been an outspoken critic of

the Trump administration and has made no secret in recent months of its endorsement for Democrat candidates. Marcario also mentioned the US government's own report on climate change, which warns that unless significant changes are made, the planet faces catastrophic and irreversible changes to our planet by 2050.

She added: "Far too many have suffered the consequences of global warming in recent months, and the political response has so far been woefully inadequate—and the denial is just evil."

"Taxes protect the most vulnerable in our society, our public lands and other life-giving resources. In spite of this, the Trump administration initiated a corporate tax cut, threatening these services at the expense of our planet."

## Jack Wolfskin purchased by Callaway Golf Company

**CALIFORNIA** - Callaway Golf Company is to acquire German outdoor brand Jack Wolfskin for US\$476m. The acquisition furthers Callaway's push into the active lifestyle category after its successful 2017 acquisitions of TravisMathew and Ogio. Jack Wolfskin is an international, premium outdoor apparel, footwear and equipment brand which designs products targeted at the active outdoor and urban outdoor customer categories.

"We are very excited to welcome the Jack Wolfskin brand into the Callaway portfolio," said Chip Brewer, president and chief executive officer of Callaway. "Jack Wolfskin is a premium outdoor brand with tremendous international reach, being a leading brand in the European market and having a substantial presence in China. It also helps Callaway expand its presence in the high-growth, active lifestyle category."

Jack Wolfskin had net sales of US\$380m in the fiscal year ended September 30, 2018. The business will continue to operate out of its headquarters located in Idstein, Germany.

The US\$476m purchase price values Jack Wolfskin at a multiple of approximately 12 times its fiscal 2018 adjusted EBITDA of US\$40m.

The acquisition is expected to close in the first quarter of 2019, subject to regulatory approvals and other customary closing conditions.



## China eyes US\$100m green textile park in Philippines

**MANILA** – A Chinese textile business has targeted the Philippines for a reported US\$100m green textile park. China Zhejiang Guannan Group, which is based in Shaoxing in China's eastern Zhejiang province, recently sent a five-man mission to the Philippines, taking a step closer to finalising terms for the textile park which we understand will be set up at the Cagayan Special Economic Zone and Freeport in Cagayan, which is in the far north of the country.

The Philippines was once a major garment and textile exporter, with exports hitting US\$3bn in the country's heyday. While these figures have dwindled in recent years, the country could be set to be a beneficiary of the ongoing trade war between China and the US, as the former shifts textile production to other locations to avoid US tariffs. Lower labour costs and attractive

inward investor sweeteners will also likely help attract more Chinese textile mills to the Philippines, especially if, as expected, trade tensions between China and the US do not thaw.

Officials of the China Zhejiang Guannan Group have committed to a formal Memorandum of Agreement with the Cagayan Economic Zone Authority, CEZA administrator and CEO Raul Lambino said in a statement.

In a press note, Lambino said the Chinese initiative was, "bold, since it will break new ground," in the Freeport in the area of textile production.

Up to 10,000 hectares of land in Sta. Ana and other neighbouring towns could be developed to accommodate the requirements of the green textile industry park.



## Is China's sustainable viscose 'roadmap' greenwash?

**LONDON** - A new report claims Chinese viscose factories which have signed up to a high-profile industry sustainability initiative are continuing to violate government regulations. The Changing Markets Foundation argues there are significant gaps in the Collaboration for Sustainable Development of Viscose (CV) which was launched with much fanfare earlier this year.

*Dirty Fashion: Spotlight on China* suggests the initiative is "short on ambition and will not meet NGO requirements on responsible viscose, which have been endorsed by leading fashion brands."

The CV is a three-year Roadmap which claims to provide a way for Chinese viscose producers to achieve sustainable supply chains. It was launched amid growing concerns around the unsustainable nature of viscose production, a majority of which takes place in China. Moreover, production rates are increasing as viscose fibres are viewed by many as a better environmental alternative to cotton and polyester.

However, Changing Markets claims the CV Roadmap allows members to "pick and

choose between different standards and lacks ambition and transparency."

Changing Markets also told Apparel Insider that following an investigation by its team last year which uncovered pollution issues in Chinese viscose factories, there have been multiple further reports of violations of national and local regulations and pollution incidents at sites operated by CV members. These include:

- For improperly managing hazardous waste and sewage treatment (Sateri, in 2018) ,
- For discharging wastewater that exceeded national emissions standards (Sateri Jiujiang and Shandong Yamei Technology, in 2017)
- For improperly stacking coal and leading to dust pollution in the area (Jilin Chemical Fiber Refco Group Ltd, in 2017)

Urska Trunk, campaign adviser at Changing Markets, said: "At a time when major fashion brands such as Next and Inditex are sending a clear message to their suppliers to commit to responsible production of viscose, it is hugely disappointing to see such shortcomings in the CV Roadmap. It is a weak attempt to clean up the Chinese

viscose industry and much more needs to be done to ensure that Chinese producers are aiming for the same level of ambition as other industry players. In its current format, brands and retailers should not consider membership of the CV initiative and commitment to the CV Roadmap as proof of good environmental performance."

China has 63 per cent share of the global viscose market. The new report also highlights that Chinese viscose factories – including sites operated by the members of the CV initiative – continue to violate government regulations.

To date, eight major brands and retailers – Inditex, ASOS, H&M, Tesco, Marks & Spencer (M&S), Esprit, C&A and Next – have publicly pledged to integrate Changing Market's own Roadmap towards responsible viscose and modal fibre manufacturing into their sustainability policies. The Changing Markets *Roadmap sets the viscose industry on a pathway to closed-loop manufacturing* in line with what are currently the most ambitious guidelines for cleaner viscose manufacturing: EU Best Available Techniques (BAT).



## Fresh funding for yarns-from-seaweed business

**NEW YORK** - AlgiKnit, a biomaterials company which is developing yarn spun from kelp, has announced a US\$2.2m Series Seed round of financing led by Horizons Ventures. The funding aims to help push the start-up through the next steps of development, towards manufacturing and commercialisation of its bio-derived yarn. Kelp is a large brown seaweed that typically has a long, tough stalk.

AlgiKnit spins yarn from a combination of algae and plant biopolymers, primarily including kelp, one of the fastest growing organisms on earth. This seaweed is said to absorb the greenhouse gas carbon dioxide at a rate up to five times faster than



land-based plants. By using a non-toxic wet-spinning process, the company aims to transform these biopolymers into a strong, hypoallergenic and compostable yarn. In theory, when products made from AlgiKnit's

yarn are worn out, they can be bio-recycled.

"Our goal at AlgiKnit is to make fashion synonymous with sustainability," said Aaron Nesser, co-founder and CEO of AlgiKnit. "AlgiKnit Yarn sidesteps the harmful impacts of conventional fibres, the result is a material with exceptional sustainability performance, which does not contribute to microfibre or micro-plastic pollution. We're exceptionally pleased to be working with such visionary partners."

Bart Swanson, advisor to Horizons Ventures added: "Climate change affects everyone. We are excited that AlgiKnit's biomaterials will give a sustainable option to the textile and fibre industry."



## Organic cotton backed in Brazil

**BRASÍLIA** - Organic cotton production in Brazil has been given a boost with a new project which will support around 800 farming families in organic production and accreditation. At present, less than 0.1 per cent of cotton production in Brazil is organic, and the new Cotton in Organic Farming Consortium initiative will be hoping to change that picture in seven Brazilian states over the next two years.

C&A Foundation is supporting the initiative along with the NGO Diaconia, Embrapa Algodão and the Federal University of Sergipe (UFS). Cotton farming is an important source of income for producers in these regions, and a shift to organic farming is viewed as an opportunity to improve the lives of the farmers in Brazil.

According to agricultural engineer Fábio Santiago, coordinator of the action for the NGO Diaconia, the aim of the initiative is to reinforce management of the Participatory Conformity Assessment Bodies (OPACs) – associations representing the families of farmers certified to issue the organic product seal – thereby increasing the movement to include new families and encourage the organic production of produce.

“Most of the families included in the project are led by women. They started to participate more in the actions and to become more interested in acquiring new knowledge, which increases the family income, improving quality of life,” said Maria de Fatima da Conceição Sousa, representative of the Association of Organic Farming Producers of the semi-arid region of Piauí.

# H&M

## closes down Cheap Monday

**STOCKHOLM** – Swedish fast fashion brand H&M is to close down its Cheap Monday skinny jeans brand amid declining sales and profits. The brand operates a traditional wholesale business model and is sold in about 3,000 stores worldwide. A spokesperson for H&M told *Apparel Insider*: “The decision to close down Cheap Monday is to do with the fact that we are streamlining and focusing on our core business. It is very important to be close to the consumer when consumer behaviour is changing rapidly. Therefore, it is not part of our strategy to work with middlemen going forward. The decision will not impact the other brands within the H&M group.”

The closure of the brand comes at a time when profits and sales generally have been on the wane at H&M, with market share being eaten into by nimbler, more agile online brands such as Asos, Boohoo and Missguided. Amazon is also hugely increasing its presence in the apparel space.

## EU backs dialogue in Bulgarian textile sector

**SOFIA** - Bulgarian textile mills, unions and brands including H&M, Inditex and ASOS met recently to look at ways to improve wages and labour rights in the country's garment and footwear sectors. The groups met as part of an EU-supported project which is targeting the textile sectors of seven countries in the region, namely Albania, Bulgaria, Croatia, Macedonia, Montenegro, Romania and Serbia. All face challenges in terms of improving employer-employee relations and labour rights in their respective textile sectors, with these issues hampering growth and competitiveness.

The national seminar, carried out in cooperation between IndustriAll Global Union and IndustriAll Europe, was also attended by Bulgaria's Deputy Minister of Economy, Alexander Manolev, who



promised the support of the government for developing social dialogue with employers and unions. “We want this industry to have a future with decent wages,” said the Minister.

Information from IndustriAll indicates that in Bulgaria, there are around 100,000 workers in the textile, garment, leather and footwear industries. The sector is characterised by low

wages and poor image, which has led to labour shortages. Bulgaria has the lowest minimum wage in the European Union, 260 Euros (US\$297) per month.

IndustriAll Global Union assistant general secretary Kemal Özkan said: “Government and employers’ representatives are committed to engaging with unions to discuss the future of the garment and footwear industries, and improving wages and working conditions. We welcome this important step forward. But there can’t be genuine social dialogue without strong and representative trade unions. Workers should be able to freely join or set up a union without fear of reprisals. We will continue to assist our Bulgarian textile affiliates in their efforts to develop strength and build bargaining power for the benefit of all in those industries.”



## BCI unveils cotton leaderboards

**LONDON** - Better Cotton Initiative has released new leaderboards showing the world's top users of Better Cotton. The world's top five users by volume are H&M, Ikea, Adidas, Gap and Nike. Of these, Ikea and Adidas, along with Decathlon, are among brands that sourced at least 75 per cent of their cotton as Better Cotton in 2017 – the most up to date production figures available.

In 2017, 71 BCI retailer and brand members sourced a record 736,000 metric tonnes of Better Cotton. The BCI is aiming towards a 2020 target of having Better Cotton account for 30 per cent of global cotton production. New figures also show that in the 2017-18 cotton season, BCI retailer and brand members contributed more than €6.4m enabling more than one million farmers across China, India, Mozambique, Pakistan, Tajikistan, Turkey and Senegal to receive support and training.

The Leaderboards also show that for some retailers and brands, Better Cotton now accounts for a substantial percentage of their total cotton sourcing. Adidas sourced more than 90 per cent of its cotton as Better Cotton in 2017, while Decathlon, Hemptex AB, Ikea and Stadium AB sourced more than 75 per cent of their cotton as Better Cotton.

Meanwhile, among the 'fastest movers' of 2017 were Adidas, Asos, Decathlon Gap Inc, G-Star Raw and KappAhl.



## C&A Foundation helps Indian cotton farmers

**GUJARAT** – Cotton farmers in India using water-saving drip irrigation techniques have radically cut water use while boosting revenues. A Government-subsidised initiative, which is also supported by the C&A Foundation, has seen farmers using just 20 per cent of the amount of water used by their peers in a water-stressed region of India.

The initiative saw farmers using 1,191 litres of water per kilogram of cotton, compared to up to 5,923 litres consumed by conventional production techniques. "The affordability of drip irrigation for small landholders has resulted in a 31 per cent higher net income from cotton cultivation compared to non-drip farmers," says a new report into the work.

Gujarat Green Revolution Corporation was formed by the Government of Gujarat in

the west of India and provides subsidies of about 70 per cent to farmers to install drip irrigation.

C&A Foundation has stepped in to supplement the remaining costs for farmers in the water-stressed region of Gujarat through the introduction of a community managed financing mechanism called the Drip Pool Programme.

Created in partnership with the Aga Khan Foundation (AKF) Aga Khan Rural Support Programme (India) provides interest-free loans to smallholder and marginal cotton farmers so that they can afford to buy and install drip irrigation units.

C&A Foundation is now scaling up the initiative to four districts in Saurashtra. The latest phase of the programme aims to reach an additional 9,750 farmers by 2020, and continues to be implemented by AKRSP-I.

## Consumers back calls for transparency

**AMSTERDAM** - The vast majority of consumers want more transparency from apparel brands and retailers claims new research. 80 per cent of 5,000 European consumers surveyed by Fashion Revolution said they think fashion brands should publish the factories used to manufacture their clothes, while two thirds would like fashion brands to tell them where the materials used in their products come from.

In one of the most significant surveys ever carried out on the issue, Fashion Revolution questioned 5,000 people aged 16-75 in the five largest European markets, including Germany, United Kingdom, France, Italy and Spain, to find out how supply chain transparency and sustainability impacts consumers' purchasing decisions when shopping for clothing, accessories and shoes.

When buying clothes, more than one in three consumers surveyed said they consider social (38 per cent) and environmental impacts (37 per cent).

More people (39 per cent) said that buying clothes made by workers paid a fair, living wage was important than any other topic surveyed, including: environmental protection (37 per cent), safe working conditions (31 per cent), animal welfare (30 per cent), local production (10 per cent) and use of recycled materials (6 per cent).

The results also showed the majority of people think it is important for fashion brands to reduce their long-term impacts on the world by addressing global poverty (84 per cent), climate change (85 per cent), environmental protection (88 per cent) and gender inequality (77 per cent).



# Myanmar workers “not benefitting” from wage rise

**YANGON** - Garment workers in Myanmar are unlikely to benefit from recent minimum wage increases as factories have upped production targets to compensate. New research has now called on apparel brands and retailers that source products from Myanmar to take into account the revised minimum wage rate in their cost calculations, enabling suppliers to pay workers at least the new legal minimum wage. Researchers have also called for a minimum floor wage in Asia for garment workers.

In summer last year, the legal minimum wage in Myanmar was raised from 3,600 kyat (US\$2.30) a day to 4,800 kyat (US\$3.00) a day. The Centre for Research on Multinational

Corporations (SOMO) and Action Labor Rights claim the increase has had the unintended consequence of leading to higher production targets, meaning workers will have to work harder or even longer (unpaid) hours.

Say the researchers: “Taking into account inflation rates, increasing costs of living and cut production bonuses, workers may not earn a penny more than before the 2018 minimum wage was introduced.

“Garment brands and retailers that source products from Myanmar must take into account the revised minimum wage rate in their cost calculations, enabling their suppliers to pay workers at least the new legal minimum wage.”

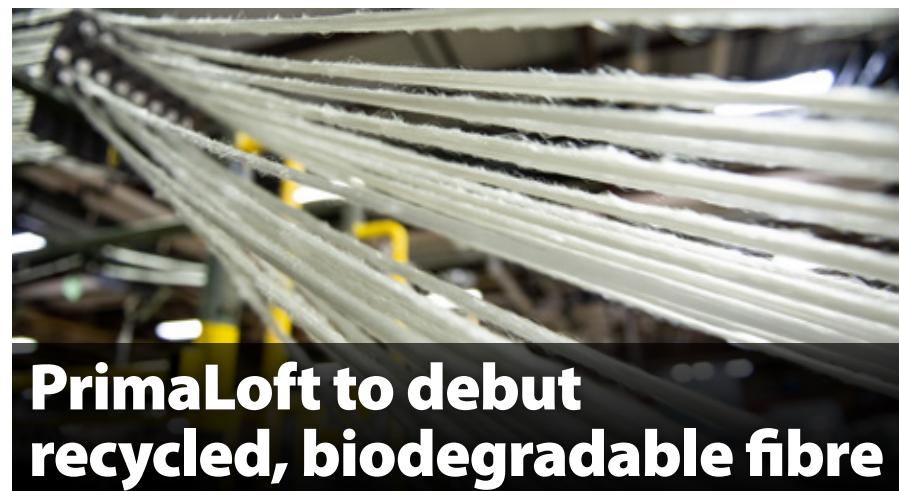
# Amazon clothing listings soar

**NEW YORK** - The amount of clothing retailed on Amazon increased by 27 per cent between February and September 2018. Most of the increase was driven by third-party listings, which were up 30 per cent, as against just a 2 per cent increase in Amazon own products. In fact, just 11 per cent of all clothing products on Amazon are now Amazon own, with the rest from third-parties from the likes of Nike, Tommy Hilfiger – which is growing rapidly – and Under Armour.

Coresight Research, in collaboration with competitive intelligence provider DataWeave, aggregated data on more than one million women's and men's clothing products listed on Amazon.com. The findings illustrate the extent to which Amazon continues to steal clothing industry market share from the high street, thanks in large part to convenience services such as Amazon Prime.

Says the report: “In just over six months, we have seen major brand shifts on Amazon Fashion. The number of Nike listings has slumped by 46 per cent, driven entirely by a drop in third-party listings that followed Amazon's partnership with Nike. The number of Tommy Hilfiger clothing products has grown rapidly, fuelled by third-party sellers. Under Armour listings have grown strongly on the back of many more first-party listings.

“Amazon built much of its early success in apparel on sportswear. Our research suggests that Amazon is now rebalancing its offering, with strong growth in listings for formal categories such as suiting. We recorded a 98 per cent increase in women's suiting and blazer listings and a 52 per cent rise in men's suit and sport coat listings between February and September 2018.”



## PrimaLoft to debut recycled, biodegradable fibre

**NEW YORK** – A US material technology business has launched what is claimed to be the world's first 100 per cent recycled, biodegradable synthetic fabric. Made from post-consumer recycled material – plastic bottles – it is claimed PrimaLoft Bio fibres are engineered to break down when exposed to specific environments, such as a landfill or the ocean. PrimaLoft has enhanced the fibres to be more attractive to the naturally-occurring microbes found in these environments, with the microbes said to eat away at the fibres at a faster rate, returning the fabric to natural elements. The fibres will debut in 2020.

“From the beginning of this process, we have

always considered fabrics to be a particularly important part of the development of biodegradable materials. With this advancement, a fabric garment may now be completely returned to nature,” said Mike Joyce, president and CEO of PrimaLoft.

Specific test results show 84.1 per cent biodegradation in 423 days under accelerated landfill simulation conditions and 55.1 per cent in biodegradation in 409 days under accelerated marine simulation conditions. “We never saw recycling as the final answer. We have not only been able to break the biodegradability code but we're really setting sustainability forward,” Joyce added.







# DEAL MAKERS

A round-up of business deals, mergers, acquisitions and expansions in the global apparel and textile industries

Edward Lampert, chairman of **Sears Holdings**, has succeeded in a bankruptcy auction for the US department store retailer, having improved his takeover bid to US\$5.2bn. At the time of writing, the move means about 400 stores will remain open, although most analysts suggest the business faces an uphill struggle to survive 2019.

The Committees of Advertising Practice (CAP), the body responsible for the setting the industry standards enforced by the Advertising Standards Authority (ASA) in the UK, has issued an enforcement notice in an attempt to stem misleading 'faux fur' claims in clothing. The enforcement notice arrives after **Boohoo** and **Zacharia Jewellers** were made to remove real animal fur products from sale, following an investigation that revealed they were being falsely advertised as 'faux fur'.

Irish fast fashion retailer **Primark** has said it gained market share, increased sales and cut down on discounting over Christmas by focusing on the high street and continuing to steer clear from the internet. Sales at the fashion chain's established UK stores rose 3 per cent over the Christmas period, according to analysts' estimates, and slipped less than 2 per cent in the four months to January, despite very poor clothing sales for many chains.

**M&S** has announced plans to close another 17 stores with the loss of more than 1,000 jobs, as part of a review of its portfolio aimed at returning the group to profitability. Children's clothing retailer **Gymboree Group** has filed for bankruptcy for the second time in less than two years in a move which will bring about the end of its flagship brand.

**Gymboree Group** said it plans to start closing all of its 800 Gymboree and Crazy 8 branded stores.

**Badger Sport**, a North Carolina firm that makes custom sportswear for institutions like the University of Pennsylvania and Texas A&M, has ditched supplier **Hetian Taida Apparel**. The Chinese manufacturer was reportedly making clothes using forced labour from an oppressed ethnic minority. Fast fashion brand **New Look** is said to have reached a critical step in its turnaround plans after an agreement in principle was inked with key financial stakeholders to cut its debt by £1bn and raise £150m to provide a capital to boost the business.

Global sustainability consultancy **Anthesis Group** has acquired the key assets of non-profit **Made-By**, which went into liquidation in October. Several existing sustainability 'scoring tool' products from Made-By will be rolled out as part of the move.

Steve Shiffman, CEO of **PVH Corp** business, **Calvin Klein**, has announced the brand's 654 Madison Avenue store will be closing in spring 2019 as part of a broader restructuring.

Boston-based **New Balance Athletics** is preparing to open an advanced manufacturing facility in Methuen, also in Massachusetts, as it expands its domestic manufacturing footprint...

**Foot Locker** has taken a US\$3m minority stake in **Super Heroic**, a tactical play and entertainment company. Foot Locker's investment brings the total raised by Super Heroic to US\$10m since 2016.

Active outdoor apparel retailer **Columbia Sportswear** has completed the acquisition of the remaining 40 per cent stake in

**Columbia Sportswear Commercial**

(Shanghai) Company from Swire Resources in China. Columbia Sportswear Commercial currently operates 86 retail stores and brand-specific e-commerce websites to sell its products in China.

**Michael Kors Holdings** has changed its name to **Capri Holdings** following the acquisition of **Versace** last year. Michael Kors bought Versace for US\$2.1bn in September 2018 as part of its plan to become a luxury fashion conglomerate to rival **Kering** and **LVMH**.

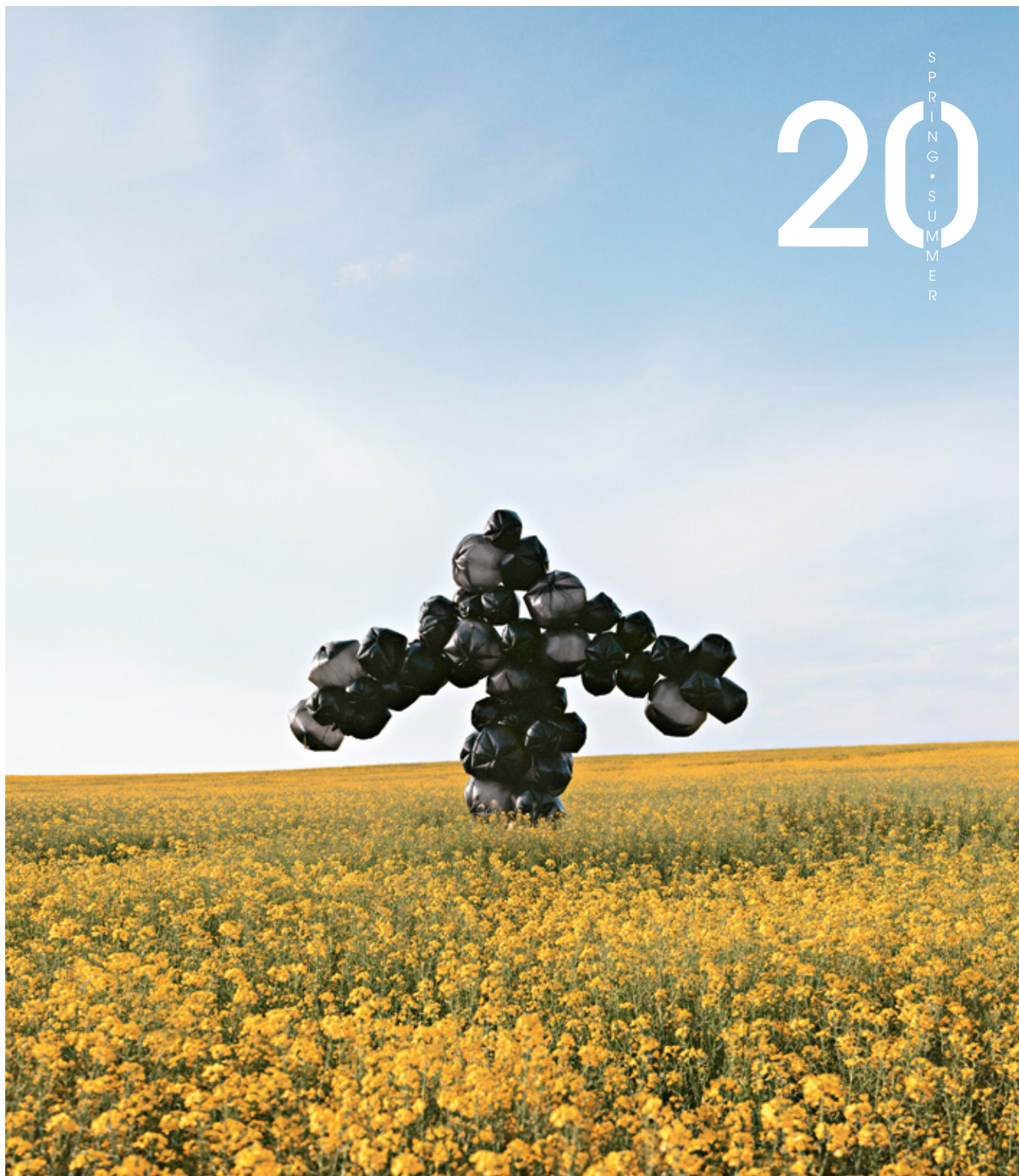
US based clothing company **Guess Inc** has been fined US\$46m by the European Commission for restrictive distribution agreements that prevented EU consumers from shopping in other member states. The agreements are said to have violated EU competition rules.

Apparel and footwear retailer **Genesco Inc** has agreed a deal to sell **The Lids Sports Group** for US\$100m to **FanzzLids Holdings**, a holding company controlled and operated by affiliates of **Ames Watson Capital**.

**L Brands** has announced plans to sell its luxury lingerie brand **La Senza** to an affiliate of private equity firm **Regent LP**. L Brands has been facing growing competition from the likes of **American Eagle Outfitters** as well as smaller brands such as **Adore Me** and **Third Love**. Hence it has opted sell off non-core assets and focus on brands such as **Victoria's Secret** and **Bath & Body Works**.



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