

Appendix I: Brand Outreach Process and Responses

In October and November 2016, coalition representatives wrote to 72 apparel and footwear companies asking them to commit to and implement the Transparency Pledge.

Forty-five of the 72 had not previously published information on any factories producing for them at the time the coalition wrote them a letter; 23 had started publishing details of their global supplier factory lists either in 2016 or earlier; and four others were known to disclose their US collegiate supplier factories without attaching non-disclosure clauses, making this information available in the public domain. A list of all apparel companies that received coalition letters is provided in Appendix III, which is available online only.

The apparel companies that had not previously disclosed any information were selected based on a combination of factors: geographical spread; brands serving different markets such as fast fashion, sports apparel, and footwear; retailers and supermarkets with own-brand products in apparel and footwear; and those sourcing from countries where factories have consistently been criticized for recurring labor rights problems, including Bangladesh and Cambodia.

All apparel companies were given about one month to respond in writing. Some companies sought additional time to complete internal discussions or because they requested clarifications about the Pledge; the coalition accommodated these requests. Overall, discussions with companies continued until early April 2017. In this phase, the coalition was also open to learning more about constraints on transparency for individual brands and internal decision-making processes.¹ The overall timelines for brands to commit to implementing the bulk of the Pledge was extended by the coalition to December 2017, with additional flexibility to add smaller pieces of information in 2018.

¹ The coalition was responsive to pragmatic concerns raised by brands where they expressed an agreement in principle with the Pledge goals. For example, the original Pledge that was sent to apparel companies urged them to implement the Pledge within three months of committing to it. Some brands willing to implement the Pledge explained that they needed additional time to alter internal data gathering systems, go through a trial phase of data collection, and then publicize the information. In some cases, brands' existing contractual agreements with vendors carried confidentiality clauses, which needed to be renegotiated, requiring more time.

A detailed chart outlining apparel companies' responses is provided in Appendix III (available online only).

Appendix II: Pledge Rationale

Pledge details and reasons they were included are described below.

Level of Detail	Rationale
<p>Name and street address</p>	<p>Publishing the name and street address of the factory was existing good practice as of September 2016, at which time more than 15 apparel companies were disclosing the names and addresses of factories.</p> <p>Name and street address are the basic details needed to identify a factory. Without an actual address, it is difficult to accurately verify information about a factory. This is especially the case where a factory has multiple names or branches and all are not accurately indicated on a supplier list. Disclosing the address would minimize inaccurate report-backs to an apparel company about factories in its supply chain.</p>
<p>Worker numbers</p>	<p>As of September 2016, four apparel companies were publishing actual worker numbers at each factory published on their list. The Pledge incorporated this idea with a modification to allow apparel companies to broadly indicate the approximate number of workers in a factory.</p> <p>A rough indication of worker numbers reveals the size of the operation. This is useful to gauge the potential risks to workers where there are fire and building safety concerns; concerns regarding freedom of association in countries where the laws set a high threshold for the number of workers needed to form a factory-level union; and workers' compensation in case of sudden factory closures.</p>

Level of Detail	Rationale
<p>Product type</p>	<p>A number of apparel companies were indicating product types without revealing any commercially sensitive information. The Pledge incorporated this idea by seeking apparel companies to reveal what was being produced in each factory (that is, to indicate whether it was apparel, footwear, home textiles, and accessories).</p>
<p>Parent company information of the factory disclosed, at least for all production (cut-make-trim) factories</p>	<p>Two apparel companies were disclosing this information.</p> <p>Parent companies, especially big holding groups that own a factory, should take more responsibility for human rights due diligence in a factory they control or have majority ownership of because of their leverage and financial capacity.²</p> <p>Apparel companies’ sourcing strategies and business relationships with their vendors contractually influence human rights due diligence responsibilities. These vendors may or may not own factories that manufacture branded products for the apparel company.</p> <p>Collecting and disclosing the names of parent companies for all cut-make-trim sites was the minimum threshold that the coalition aimed to achieve. The coalition has also viewed as acceptable and useful the disclosure of</p>

² A parent company is a company that has majority ownership or control over a disclosed factory in the apparel company’s supply chain. This could be more than one factory within the same country (Ha-Meem Group; Azim group; Windy Group; and so on in Bangladesh) or across different countries (for example, Korean SAE-A Group). Furthermore, a parent company can own one factory that is in the brand’s supply chain and other factories (including non-apparel factories, non-manufacturing business, etc.) that are not in the brand’s supply chain. In some cases, these are not different from the factory itself, in which case they do not need to be separately disclosed but merely indicated as being the same. Because human rights due diligence responsibilities in subcontracted relationships flow through the supplier, the coalition set the minimum threshold limit for data at parent companies of cut-make-trim factories.

Level of Detail	Rationale
<p>Continued from previous page</p>	<p>vendor name, and an indication of whether the vendor owns or otherwise controls the factory.</p>
<p>Searchable and downloadable forma</p>	<p>Many apparel companies publish information on their websites but do not make the information easily searchable. Manual and individual searches are extremely time-consuming, making it difficult to find out quickly, for example, which factories are on a particular apparel company’s supplier lists.</p> <p>As more apparel companies publish their supplier factory information, searchable and downloadable databases will become increasingly important.</p> <p>While the coalition has been flexible with regard to the formats in which apparel companies should publish, we have advocated for open-source searchable and downloadable formats in order to facilitate fast reporting of risks to labor rights and redress for grievances.</p>
<p>Frequency of updates</p>	<p>Most apparel companies were not stating clearly how frequently the information was being updated.</p> <p>The coalition urged brands to update the information at least twice a year. But it has opted for flexibility, accepting a brand’s commitment to updating the information at least once a year.</p>

Appendix III: Brand Responses Received by Coalition

Appendix III is available online.