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It's no news that our voracious appetite for ever-changing fashions is having a devastating impact on both the environment and people across the globe. In the UK, the average female buys half her bodyweight in clothes each year and owns four times as many garments today as she did in 1980.¹

But perhaps the tide is about to turn. In 2010, 82% of adults claimed to make their clothes last.² Market researchers Mintel think "the disposable fashion trend could have peaked and 2011 may see shoppers reassessing value for money and putting more emphasis on sustainability, integrity and durability."²

In this special issue on clothing we look particularly at the recent struggles of garment workers around the world, the majority of whom are women. The first sweatshop stories broke in the nineties but how much progress has been made since then? At Ethical Consumer we're calling for UK consumers to make 2011 the year when things turn around for garment workers by pulling out all the stops and supporting their fight for a better deal.

We also catch up with the latest environmental campaigns relating to the clothing industry and look at some positive examples of businesses which put people and planet before profit.

Inside these pages you'll find buyers' guides to high street brands and jeans companies, as well as a guide to alternative brands which are leading the field in environmental and social responsibility. More and more of us today choose to shop online rather than face Saturday's high street mobs, with 60% saying they'd rather browse online than in-store,² so this time around we're also including a buyers' guide to e-tailers (on-line retailers).

References 1 Clothes: Too much, too cheap, www.independent.co.uk, 14 June 2011 2 Clothing retailing market report, Mintel, 2010

See how the companies compare:

High Street shops	10
Alternative companies	16
Jeans	21
E-tailers	26

Also inside:

- **Why fashion is a feminist issue** page 9
- **In ethically-sensitive Britain our campaigns hit harder** page 13
- **Toxic waste and water shortages – a look at the latest EJF and Greenpeace campaigns** page 15
- **Ethical fashion – is it ever possible? Ruth Rosselson spots an oxymoron** page 18
- **Wool – is the British wool industry staging a comeback?** page 19
- **Dying for a distressed look – sandblasting exposed** page 23
- **Change is in the air – now is the time to stand up for those who sew our clothes** page 24

Why fashion is a feminist issue

By Ruth Rosselson

Ethical Consumer has covered clothes in its pages many times over the years. We've tended to concentrate on flagging up the issues of workers' rights overseas, the rise of fast fashion and of the sustainability – or not – of the fabrics and the industry. Missing from all this is a gendered perspective. Yet, of all the products covered by us, clothing is the one area where we should be applying more of a gendered and feminist perspective.

It's not just that the workers in overseas factories – or working from home – are more likely to be women than men. That's likely to be the case for many products manufactured overseas. As Women Working Worldwide say, "the increased demand of the globalised economy for low cost, flexible and dispensable workforce often means a preference for female labour".¹

It's also the fact that, more than any other product on sale today, clothing has a level of meaning to it far greater than just being items of cloth to cover our bodies. What we choose to wear means so much more. In many societies across the world, clothing is integral to gender identity; there is an acceptable uniform of clothing for men and women. These uniforms may differ between cultures but negative consequences for not adhering to them are global.

The clothes women wear are publicly scrutinised, debated and even policed in a way that men's attire is not. This can take a variety of forms:

- Media approval (or not) for what women in the public eye wear. This isn't just limited to women's magazines but happens across the media.
- Verbal reactions ranging from cat-calling, name calling and teasing.
- Physical reactions from sexual harassment to stone throwing.
- Accusations that particular styles of dress are to blame for sexual abuse or physical attacks.
- Legislation to prevent women wearing the burka – such as in France.

This level of scrutiny and policing just does not happen to men's attire – though that's not to say that it doesn't happen at all.

Then there's the issue of sizing and body image – women's shape and form – and how the fashion industry chooses women of a certain size and shape and promotes this as an ideal. Plenty has been written about this elsewhere.

When it comes to gender identity in 2011 UK, what's considered by the media and popular culture to be feminine is actually so far from our natural state that even celebrities such as Cheryl Cole and Victoria Beckham have to spend an inordinate amount of time, money and effort on diets and airbrushing to fit (or to define) the mould. Part and parcel of this is the emphasis put on clothing. Popular culture dictates that a special occasion requires a brand new outfit. It dictates that we should be 'refreshing' our wardrobe and reinventing ourselves periodically. God forbid that we should wear the same outfit twice! Whereas there used to be four seasons of clothing, now fashion and seasons change almost by the week.

This means that the way that gender, particularly women's identity, is currently constructed in the UK directly facilitates fast fashion, which is in turn responsible for the way that companies do business. As campaigners have said time and time again, it's virtually impossible for companies to behave ethically if they're asking for ever quicker turnarounds and



ever cheaper prices. Asking companies to behave ethically, while they're still supporting the idea that women need to keep up with the latest fashions, is like asking for the impossible.

As well as the way that our clothes are made, we need to move away from the emphasis on how a woman looks – whether she's wearing a veil or a mini-skirt. This also means tackling and dismantling our artificially constructed idea of 'womanhood'.

From the women making clothes who are barely paid enough to live on, to the women used to model our clothes; from the women punished for not dressing 'appropriately' to the women getting into debt to afford their clothing habit, fast fashion is a feminist issue.

This article is adapted from a blog written by Ruth Rosselson for London Fashion week: <http://ruthrosselson.net/2010/09/15/fast-fashion-is-a-feminist-issue/>

Ruth Rosselson is a freelance writer and editor <http://RuthRosselson.net> and tweets from @RuthRosselson

References 1 Women Working Worldwide website: www.women-ww.org/index.php/approach-a-methodology viewed 25/7/2011



Ethics on the High Street

USING THE TABLES

Ethicscore: the higher the score, the better the company across the criticism categories.

- = bottom rating,
- = middle rating,
- empty = top rating (no criticisms).

USING THE TABLES

Positive ratings (+ve):

• **Company Ethos:**

★ = full mark,

☆ = half mark.

• **Product Sustainability:**

Maximum of five positive marks.

BRAND	Ethicscore (out of 20)	Environmental Reporting	Nuclear Power	Climate Change	Pollution & Toxics	Habitats & Resources	Animal Testing	Factory Farming	Animal Rights	Human Rights	Workers' Rights	Supply Chain Management	Irresponsible Marketing	Arms & Military Supply	Genetic Engineering	Boycott Call	Political Activity	Anti-Social Finance	Company Ethos	Product Sustainability	COMPANY GROUP
New Look [O]	9.5	●			○				●	○	●				○			●		1	New Look/Apax/Permira
Ann Harvey	8.5	●			○				●	○	●	●			○						Alexon Group
Mango	8.5	●			○				●	●	○	○			○			○			Punta NA Holding
New Look	8.5	●			○				●	○	●				○			●			New Look/Apax/Permira
Uniqlo	8.5	●		○	○				○	○	○	●			○			○			Fast Retailing Co
M&Co	8	●			●				●	○	●	●			○						Mackays Stores Group
Coast	7.5	●		○	●	○			●	○	○	○			○			○			Arion Bank
GAP	7.5	●			●				●	○	●				○		●	○			The Gap Inc
Monsoon [F or O]	7.5	●			●		●		●	●	●				○			●		1	Monsoon Holdings (Jersey)
Oasis	7.5	●		○	●	○			●	○	○	○			○			○			Arion Bank
Warehouse	7.5	●		○	●	○			●	○	○	○			○			○			Arion Bank
Zara [O]	7.5	●			●		●		●	●	●				○		○	○		1	Inditex/Gartler
Bonmarché	7	●			●				●	○	●	●			○			●			Henson No.1 Ltd
Marks & Spencer [F or O]	7				●	○	○	●	●	●	●	○			○			●		1	Marks & Spencer Group
Next	7	●			●	○			●	●	●	○			○			○			Next plc
Peacocks	7	●			●				●	○	●	●			○			●			Henson No.1 Ltd
Benetton [O]	6.5	●		●	○		●	○	●	●	●	●			○					1	Edizione Holding
H&M [O]	6.5	○			●		●		●	●	●	○	○		○	●		○		1	Ramsbury Invest
Matalan	6.5	●			●	○			●	○	●	●			○			●			Missouri Topco
Monsoon	6.5	●			●		●		●	●	●				○			●			Monsoon Holdings (Jersey)
Zara	6.5	●			●		●		●	●	●				○		○	○			Inditex/Gartler
Marks & Spencer	6				●	○	○	●	●	●	●	○			○			●			Marks & Spencer Group
Topshop/Topman	6	●			○	○	●	○	●	○	●	○			○			●			Philip Green
Benetton	5.5	●		●	○		●	○	●	●	●	●			○						Edizione Holding
H&M	5.5	○			●		●		●	●	●	○	○		○	●		○			Ramsbury Invest
John Lewis [F]	5.5	○		●	●		○	●	●	●	●	○	●		○			●	☆	1	John Lewis Partnership
Debenhams	5	●		○	●	●	○	●	●	●	●	○			○						Debenhams plc
John Lewis	4.5	○		●	●		○	●	●	●	●	○	●		○			●	☆		John Lewis Partnership
TK Maxx	4.5	●			●		●	●	●	○	●	●			○		●	○			TJX Companies Inc
River Island	4	●	○	○	●		●	○	●	○	●	●		○	○			●			LFH International
Primark	3.5	●		○	○	●	●	●	●	●	●		○		○		●	○			Wittington Investments
Sainsbury's TU [F]	3	○		●	●	●	●	●	●	●	●	○	●		○		●	○		1	J Sainsbury plc
Sainsbury's TU	2	○		●	●	●	●	●	●	●	●	○	●		○		●	○			J Sainsbury plc
Tesco [F or O]	1.5	○		●	●	●	●	●	●	●	●	○	●		○	●	●	●		1	Tesco plc
Tesco	0.5	○		●	●	●	●	●	●	●	●	○	●		○	●	●	●			Tesco plc
ASDA George	0	○		●	●	●	●	●	●	●	●	○	●	●	●		●	●			Wal-Mart Stores Inc

Alexon also owns Dash, Eastex, Kaliko and Minuet Petite. **Philip Green** also owns Burton, Dorothy Perkins, Evans, Miss Selfridge, Outfit and Wallis.

[F] = Fairtrade [O] = Organic

See all the research behind these ratings together in a PDF of this report at www.ethicalconsumer.org/researchreports. £3 or free to subscribers.

Bryony Moore examines companies' responsiveness to campaign pressure, and points out why consumers are well placed to make a difference.

One of the most interesting aspects of re-rating the clothing companies this time around has been comparing their performance against previous ratings. Ethical Consumer's data, which tracks the Corporate Social Responsibility performance of these companies over a 20 year period, makes it startlingly apparent just how much campaigns shape corporate behaviour. Over the next few pages, we pick out a few examples and hold them up for scrutiny.

In 2001, in response to campaigners' calls, the European Commission produced proposals for a new system of Registration, Evaluation and Authorisation of Chemicals and, by 2007, legislation was in place that limited the harmful chemicals present in products. After this, many companies publicly stated their policies on reducing these substances.² However, until recently, the spotlight had moved away from chemicals somewhat, with Friends of the Earth and WWF both ending campaigns on toxic chemicals within two years of each other.¹ So in 2011 many companies appear to have taken their eye off the ball in relation to chemicals, with many of those on our score table opposite having no such policy at all. Read how we are supporting Greenpeace's Dirty Laundry report and campaign, and what we are asking of companies, on page 15.

The same goes for PVC – after a massive backlash against this toxic substance, companies responded by banning it from their products. Some companies, which had banned PVC in all sectors, not just clothing, are now using it again, and many of the companies on the table opposite sell some products containing PVC. H&M commendably removed PVC from all products in 2002 but, fast forward to 2011, and products containing PVC are displayed on their website once again.

On page 13 we look at the campaign against forced child labour in the Uzbekistani cotton harvest, and how companies are responding differently to this campaign and others, depending on whether they're located in the USA or UK.

However, it's not all doom and gloom. Companies' responsiveness to campaign pressure means that as consumers we have the opportunity, as well as the responsibility, to make a real difference by supporting campaigns. See the workers' rights stories on page 24 for a list of campaigns and organisations to get involved with.

How we've rated the companies

Supply chain management

Last time we covered clothes in Ethical Consumer magazine, we weighted our supply chain policy criteria, to reflect the importance of protecting workers' rights in this sector which is renowned for its use of cheap labour overseas. This time around, partly influenced by these ratings, we have a newly-implemented set of criteria, now called 'supply chain management'. As well as a company's policies, these take into account the efforts it is making to tackle difficult issues in its supply chain such as access to trade unions in countries such as China where they are illegal. Examples of best practice include working with Non-Governmental Organisations (NGOs) and employing specialists to monitor conditions.

In recognition of the fact that companies must go further than simply posting a policy up on their website, the new criteria reward those which are spending time and money investigating how these problems can be tackled. It will be interesting to monitor companies' progress against these criteria going forwards.

See the table on page 14 for a comparison of the High Street companies' policies.



None of the companies on this table perform well enough to be eligible for our Best Buy label.

See the 'Alternative clothes companies' table on page 16 for a list of best-practice companies who do receive our stamp of approval.

However, the **New Look organic range** is the next best option.



9.5

New Look come top of our supply chain management table on page 14.

Animal rights

Ethical Consumer marks down companies which sell animal products that have involved the killing of animals. Companies have received negative marks in this column for the sale of the following:

- silk (which involves the killing of silk worms)
- leather (a slaughterhouse by-product worth around 5-10% of the market value of an animal)¹¹
- Australian merino wool (which often involves the use of the cruel practice of 'mulesing' – cutting a flap of skin from the animals' rumps to avoid a summer infestation of flies and maggots).

In this buyers' guide we have not marked down companies for the use of other wool.



Cotton sourcing

We asked all companies for a cotton sourcing policy, recognising the huge environmental and social impacts of the crop. Large companies which are unable to demonstrate that they avoid GM cotton, or cotton originating from Uzbekistan, or which have no concrete plan to phase out non-organic cotton by a certain date, receive marks in our Genetic Engineering, Workers' Rights and Pollution & Toxics categories respectively.



Gold

Ethical Consumer writer Leonie Nimmo recently appeared on Channel 4's *Dispatches* to challenge high street jewellers' claims that they knew where their gold came from. The programme 'The Real Price of Gold' uncovered the shocking reality of gold mines, including child labour, dangerous mining conditions and communities poisoned by pollution. Secretly filmed assistants working for Argos, Ernest Jones and Goldsmiths were found to be making misleading claims about how and where their gold was sourced. "Most companies have no idea

where the gold they sell comes from", says Leonie. "All they know is that it comes from banks, as admitted by a spokesperson from Signet, the biggest jewellery retailer in the UK. Companies need to take urgent action to ensure that their gold supply chains are not tainted by human rights abuses and environmental destruction".

Companies that appear in this issue (see also the e-tailers table on page 26) that sell gold products but make no commitments to source responsibly lose half a mark in the human rights and pollution and toxics categories. Those that make no credible claims about responsible

diamond sourcing lose an extra half mark in the human rights category due to the diamond trade's fuelling of conflict in Africa.

Visit the *Dispatches* website to sign the pledge calling on the British jewellery industry to clean up its act – s.coop/3fu7.

The No Dirty Gold campaign is calling on British jewellery retailers to sign the 12 Golden Rules for responsible gold mining – see www.nodirtygold.org.

Company profiles

The rich get richer...

Last December tax avoidance protesters UK Uncut targeted **Arcadia Group**, as its holding company is registered in Jersey, a tax haven.³ Added to this, rather than being registered as Sir Philip Green's (the public face of the brand), the company is registered under the name of his wife, Tina, who lives in 0% income tax zone Monaco.⁴

But Arcadia aren't the only tax dodgers in this buyers' guide – companies found to be owned by holding companies in tax havens include: **New Look, Monsoon, Peacocks, Bonmarché, Matalan Ltd** and **River Island**.

Other companies whose company groups were found to use tax havens are: **John Lewis Partnership, River Island, MNG-MANGO U.K. Ltd, Uniqlo, Aurora Fashions, Gap Inc, Inditex, H&M, Marks & Spencer, TJX Companies Inc** and **Primark**.¹⁰

Marks & Spencer, River Island and **Arcadia** have also been criticised for excessive director's remuneration (total annual amounts over £1million).¹⁰

...and the poor get poorer

A disappointingly large number of companies on the table make no commitment in their supply chain policy to paying workers a living wage, namely **Wal-Mart, Alexon Group** (no policy at all), **MNG-MANGO U.K. Ltd, Fast Retailing Co. Ltd (Uniqlo), Gap, Benetton** (no policy at all), **H&M, Matalan, Marks & Spencer, TK Maxx, River Island** and **Sainsbury's**.



UK Uncut target Arcadia Group over tax avoidance.

Taking Liberties, a recent report published by Labour Behind the Label and War on Want, exposed workers' rights abuses in the garment industry in the city of Gurgaon, India, where many high street retailers have their clothes made. Abuses included poverty wages, discrimination and non-promotion. Companies named as sourcing from the factories studied were: **Arcadia Group, Debenhams, H&M, Marks & Spencer, Monsoon** and **NEXT**.⁷

Several companies on our high street clothing and jeans tables were named as buying from sportswear factories in India, Sri Lanka and the Philippines, where the International Textile Garment & Leather Workers' Federation (ITGLWF) reported poor working conditions. These were: **Tesco, Walmart, Levi's, The North Face** (owned by **VF Corp**), **NEXT, Tommy Hilfiger, Calvin Klein, Marks & Spencer** and **Gap**.⁸

Animal testing

Many clothing companies produce their own cosmetics ranges. If this is an issue close to your heart, look out for animal testing policies, as we found a large number of companies which had none at all. These are marked by a full circle on the table under Animal Testing.

Sainsbury's get a worst rating for having a reasonable, but not best, policy for their own-brand products and also selling branded animal-tested products.

Boycotts

A boycott was called against **H&M** in March 2010 by the Palestinian Boycott, Divestment and Sanctions (BDS) Movement. See Boycotts on page 29 for more information.⁹

In ethically-sensitive Britain, we have a responsibility to act



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In this globalised world it is sometimes easy to forget that a company in the UK can be a completely different creature to its namesake in the U.S. When it comes to corporate responses to campaigns, you can see very different results depending which side of the pond you're on.

In June 2011, a report published by the Institute for Global Labour and Human Rights revealed that workers at a garment factory in Jordan had been routinely beaten, underpaid and forced to work excessive hours. In addition to this and bed bug infested dormitories without heat or hot water, a pattern of widespread sexual abuse of female employees was discovered at the factory, most of whom were migrant workers from South Asia.

A month later, the five major American brands which sourced from the factory – Hanes, Kohl's, Macy's, Target and Wal-Mart – refused to discuss their ongoing relationships with the supplier, although

all except Hanes expressed concern.

In an interview with US-based online magazine the Huffington Post, the author of the report, Charles Kernaghan, criticised the brands' silence.⁵ "When we first started with this I thought Wal-Mart and Hanes – they are not into human rights," he said. "But we thought they would draw the line in the sand at these rapes. Instead, they've been virtually silent." This failure to respond to such serious allegations would surely not have happened had the companies been based in the more ethically-sensitive UK or Europe.

Take another example - in rating companies for this buyers' guide we asked all companies for their policies on sourcing cotton from Uzbekistan, something the Environmental Justice Foundation (EJF) has been campaigning around for years due to the regime's use of forced child labour during the cotton harvest. ASDA displays on its website an

outright ban on sourcing cotton from this country.

Meanwhile, its US-based parent Wal-Mart says in its 2011 Global Responsibility Report that guaranteeing a supply free from Uzbek cotton is impossible. We contacted EJF about this issue – they disagree, saying that the required papers for exporting cotton create a paper trail that can verify its origins.

This just goes to show that as consumers in a country like the UK, where companies are regularly held to account for their actions, we have leverage that should be employed both in the UK and overseas. Our campaigns should demand action not just from UK-based subsidiaries, but from their parent companies too, wherever in the world they are based. We want Wal-Mart to stop buying Uzbek cotton, not just ASDA.

Management of workers’ rights in High Street clothes companies’ supply chains

Company	Supply Chain Policy	Stakeholder Engagement	Auditing and Reporting	Difficult Issues	TOTAL SCORE	Table Rating (page 10)
New Look	100	100	100	100	100	Best
Zara	67	100	67	33	67	Best
Gap	33	50	67	100	63	Best
Primark	100	50	33	67	63	Best
Monsoon	67	100	0	67	59	Best
H&M	67	50	33	67	54	Middle
Burton/Topshop/etc	67	50	0	100	54	Middle
Debenhams	100	50	0	33	46	Middle
Next	67	50	33	33	46	Middle
Tesco	0	50	33	67	38	Middle
Mango	33	50	33	33	37	Middle
M&S	33	50	33	33	37	Middle
Coast/Oasis/Warehouse	100	0	0	33	33	Middle
Sainsbury	0	50	0	67	29	Middle
ASDA	0	50	33	33	29	Middle
John Lewis	67	0	0	33	25	Middle
TK Maxx	33	0	0	33	17	Worst
Uniqlo	33	0	33	0	17	Worst
M&Co	0	50	0	0	13	Worst
River Island	0	50	0	0	13	Worst
Bonmarché/Peacocks	33	0	0	0	8	Worst
Matalan	0	0	33	0	8	Worst
Anne Harvey/Alexon etc	0	0	0	0	0	Worst
Dash/Eastex/Calico	0	0	0	0	0	Worst
Benetton	0	0	0	0	0	Worst

images © Qiu Bo / Greenpeace



Promising supply chain initiatives

The problems endemic in clothing supply chains are such that companies operating individually cannot hope to solve them. Here are just two examples of initiatives which seek to identify common problems and use shared knowledge to find solutions.

Made-By, a European not-for-profit organisation, supports fashion brands in implementing good environmental and social standards that can be developed and maintained within a commercial environment. In working with Made-By, a company’s supply chain is made publicly available on the organisation’s website. This level of transparency is key to improving sustainability and forms part of our new supply chain ratings criteria. www.made-by.org

The **Sustainable Apparel Coalition** (SAC), is a coalition of several big-name brands*, plus manufacturers, non-governmental organisations, academic experts and the U.S. Environmental Protection Agency. They are working together to find a ‘common approach for measuring and evaluating apparel and footwear product sustainability performance.’ The Index which SAC seeks to produce will not be publicly available, however, although the coalition says that plans are afoot to produce a consumer-facing index. Ethical Consumer awaits further developments with interest. www.apparelcoalition.org

**Including H&M, Levi’s, M&S, VF Corp and Wal-Mart of the companies in this buyers’ guide.*

References 1 An Issue and a Campaign – ‘Chemicals and Health’ and ‘REACH’, pdf document downloaded from www.earthscan.co.uk 2 ec.europa.eu/environment/chemicals/reach/background/index_en.htm 3 www.ukuncut.org.uk/blog/press-release-nationwide-day-of-tax-avoidance-protest-tomorrow 4 www.dailymail.co.uk/news/article-1302973/Is-Philip-Green-right-man-helping-Chancellor.html 5 www.huffingtonpost.com/2011/07/21/american-brands-abuses-factories-jordan-labor-conditions_n_903995.html 6 Captured by Cotton, SOMO and ICN, May 2011 7 ‘Taking Liberties’, Labour Behind the Label and War on Want, December 2010 8 ‘An Overview of Working Conditions in Sportswear Factories in Indonesia, Sri Lanka & the Philippines’, ITGLWF, April 2011 9 www.bdsmovement.net, viewed by Ethical Consumer in July 2011 10 Ethical Consumer’s Corporate Critic database, July 2011 11 www.all-about-leather.co.uk, accessed on 29/07/11

Toxic waste and water shortages



Water shortages

Juliette Williams from the Environmental Justice Foundation gives us an update on their Uzbek cotton campaign.

As we approach the start of the 2011 Uzbek cotton harvest, whilst we maintain our engagement with proactive companies on the child labour issue, EJF's work has also turned to the use of water in cotton production. Cotton is the world's thirstiest crop - in Uzbekistan, in arid central Asia, one kilo of cotton can require up to 20,000 litres of water, amounting to over 20 billion cubic metres of water every year. 28,000 kilometres of irrigation pipes and canals channel water away from rivers and into the fields, resulting in an environmental catastrophe. Satellite images reveal that the Aral Sea, once the world's fourth largest inland sea, has been decimated and now just 8% of its original volume remains. An area of 40,000 square kilometres of the original sea floor is now left exposed as a dry and salty desert. Fishing communities that once thrived along the Sea's edge are now left stranded inland, where the population has lost its source of income and is exposed to appalling health problems as a result of this new desert area. The same causes of forced child labour apply to this environmental nightmare - a Government that retains the use of Soviet-style cotton production quotas, which compel farmers to grow the crop, even where the environment cannot sustain it. As consumers, considering our 'water footprint' should be as important as our 'carbon footprint' and we should support companies that are pushing for changes and efficiencies in the way cotton is produced. An even better choice is to select organic cotton from West Africa or elsewhere, where the cotton is rain-fed rather than irrigated.

Visit the EJF website www.ejfoundation.org

Water pollution

Greenpeace campaigner Martin Hojsik (coordinator of the Toxics Water Pollution Project) sums up the organisation's recent report on toxic water pollution by factories producing sportswear in China.

As much as 70 percent of China's rivers, lakes and reservoirs are affected by water pollution, and the clothing industry is making matters worse by pouring hazardous chemicals into the mix.

A year-long Greenpeace investigation into toxic water pollution in China uncovered links between a number of major clothing brands,¹ including Adidas and Nike, and suppliers in China which were found to be discharging persistent and bioaccumulative hormone disruptors into Chinese rivers. The findings from the research provide a snapshot of the kind of toxic chemicals that are being released by the textile industry into waterways all over the world, and are indicative of a much wider problem that is having serious and far-reaching consequences for people and wildlife.

This is a global problem that requires global solutions. As brand owners, Nike, Adidas and other multinational companies are in the best position to influence the environmental impacts of production and to work together with their suppliers to eliminate the release of all hazardous chemicals from their production processes and their products. These companies need to take responsibility for the use and release of persistent, hormone-disrupting chemicals into our critical and life-sustaining waterways and use their influence to become champions for a toxic-free future.

www.greenpeace.org/international/en/campaigns/toxics/water/detox/?thingstodo.

References 1 The list of the clothing and sportswear brands is at <http://www.greenpeace.org/international/en/publications/reports/Dirty-Laundry/>

Images: Greenpeace campaigners take samples to investigate water pollution from sportswear factories in China

Greenpeace have demanded that:

- Companies establish policies that commit to shift from hazardous to safer chemicals, accompanied by a plan of action with clear and realistic timelines
- These policies to be based on a precautionary approach to chemicals management, and account for the whole product lifecycle
- Companies make the data about which chemicals their suppliers use and release publicly available

Ethical Consumer is supporting Greenpeace in its call for companies to implement chemicals policies that apply to the entire manufacturing process. For this buyers' guide, we have not rated companies on their chemicals policies, but our next clothing buyers' guide (in approximately two years) will expect progress towards Greenpeace's demands, above.

Support the little guy

Alternative

Clothing

USING THE TABLES

Ethicscore: the higher the score, the better the company across the criticism categories.

● = bottom rating,
○ = middle rating,
empty = top rating
(no criticisms).

USING THE TABLES

Positive ratings (+ve):

• **Company Ethos:**

★ = full mark,
☆ = half mark.

• **Product Sustainability:**
Maximum of five positive marks.

BRAND	Ethiscore (out of 20)	Environment				Animals			People				Politics				+ve		COMPANY GROUP	
		Environmental Reporting	Nuclear Power	Climate Change	Pollution & Toxics	Habitats & Resources	Animal Testing	Factory Farming	Animal Rights	Human Rights	Workers' Rights	Supply Chain Management	Irresponsible Marketing	Arms & Military Supply	Genetic Engineering	Boycott Call	Political Activity	Anti-Social Finance		Company Ethos
Gossypium [F & O]	17																	★	2	Vericott Ltd
Liv [F &O]	17																	★	2	Elysia
BTC [F & O]	16.5							○										★	2	Bishopston Trading Co
People Tree [F & O]	16							●										★	2	People Tree Fair Trade Group
Traidcraft [F & O]	16							●										★	2	Traidcraft plc
BTC [F]	15.5							○										★	1	Bishopston Trading Co
THTC [O]	15.5																	☆	1	Eco-T Ltd
Annie Greenabelle [F or O]	15																		1	A G Organics
Frank & Faith [O]	15																		1	Frank & Faith Ltd
Frank & Faith	14																			Frank & Faith Ltd
Komodo [O]	15																		1	The Yakit Rackit
People Tree [F]	15							●										★	1	People Tree Fair Trade Group
Traidcraft [F]	15							●										★	1	Traidcraft plc
Annie Greenabelle [S]	14.5																		0.5	A G Organics
Greenfibres [O]	14.5							○											1	Greenfibres Ltd
THTC	14.5																	☆		Eco-T Ltd
Komodo	14																			The Yakit Rackit
Lowie [O]	14							●											1	Bronwyn Lowenthal
Greenfibres	13.5							○												Greenfibres Ltd
Bibico [F]	13	●			○			●						○				★	1	Bibico
Lowie	13							●												Bronwyn Lowenthal
Jackpot [O]	11	●			○			●	○	○				○					1	IC Company
Earth Collection [O & eco]	10	●			○			○	○	●	●			○			○		1.5	Austral Yarns/C E Dickinson
Jackpot	10	●			○			●	○	○				○						IC Company
Kuyichi [O]	10	●			○			●	○	○	●			○					1	Kuyichi International
Earth Collection [eco]	9	●			○			○	○	●	●			○			○		0.5	Austral Yarns/C E Dickinson
Kuyichi	9	●			○			●	○	○	●			○						Kuyichi International
Edun [O]	6	●			○		●	○	●	○	●	○		○	○	○	○		1	Edun Apparel/LVMH
Edun	5	●			○		●	○	●	○	●	○		○	○	○	○			Edun Apparel/LVMH

Alexon also own Dash, Eastex, Kaliko and Minuet Petite. N brown also own Jacamo and Simply Be. LW corp also own Additions Direct, Choice, K&Co and Very.

[F] = Fairtrade [O] = Organic [E] = Environmental features [S] = Sustainability features [eco] = EU Flower Ecolabel

See all the research behind these ratings together in a PDF of this report at www.ethicalconsumer.org/researchreports. £3 or free to subscribers.

Most of the companies on the table opposite are small, family-run businesses who have close, long-standing relationships with their suppliers. Some of them are organic and Fairtrade pioneers, without whose dedication, years ago, we wouldn't be able to buy such niche products in our supermarkets today. Although organic and Fairtrade products bought from big chains are a good next-best option when you need something in a hurry, we would always suggest that you support these small businesses first. Their entire business models are often created around the desire to do business better. Meanwhile, supermarkets *et al* are based on the stack-em-high-sell-em-cheap model, which is unsustainable to its very core. See page 18 for Ruth Rosselson's article on the transience of fast fashion.

The rise and rise of the refashionista

With public awareness of ethical issues on the high street at an all-time high, more and more clothes-lovers are trying their hand at DIY. If you disagree with the fast fashion business model, why not arm yourself with the skills to make clothes yourself, and liberate yourself from the sheep-like trends of the fashion world?

The best way to learn is to just get stuck in. But if you don't have the kit, or are a bit nervous, there are now a huge array of courses available in independent venues all over the UK, which cater for all abilities and cover subjects as diverse as dyeing clothes with seasonal plants (Here Today, Here Tomorrow), zip and button-hole sewing, knicker-making and more. Better still, many of these venues ply you with delicious food and drink while you learn – some including alcohol, but watch those fingers!

Courses

Here is just a small selection of the workshops and courses available:

Drink, Shop, Do (London)

www.drinkshopdo.com 0203 343 9138

Here Today, Here Tomorrow (London)

www.heretodayheretomorrowblog.wordpress.com

The Makery (Bath)

01225 421175
www.themakeryonline.co.uk

The School of Sewing (Leicestershire)

www.schoolofsewing.co.uk 01530 416300



Little Owl Creations
(Warwickshire) www.littleowlcreations.co.uk

Stitched Up (Manchester)

www.stitchedupuk.blogspot.com

World of Rags to Bitches
(Manchester) 07708 093 083
www.rags-to-bitches.com

If sewing isn't your thing, skills like knitting, crochet and quilting are all enjoying a resurgence. Stitch 'n' Bitch is a worldwide community of knitting groups. Find one near you or set one up and register it at www.stitchnbitch.org. There are bound to be similar events in your area.

If you already have plenty of sewing-based skills, why not set up your own social event or workshop? They're a great way to meet people and share skills.

Ecomodo provides a platform for you to lend and borrow each other's everyday objects, skills and spaces such as sewing machines or knitting classes
www.ecomodo.com.

School of Everything helps you find local teachers, lessons and classes in all subjects, including sewing, and you can list yourself too. www.schoolofeverything.com.

More of an online socialiser? You can share your clothing refashion projects with an online community from around the world at Burdastyle.com and Refashioncoop.blogspot.com is another online community for sharing sewing skills, patterns, or finished garments.

Swap and charity shop

As always, we're recommending eBay, charity shops and 'swishes' (clothes swaps – of which there are now many), as a cheap, sustainable alternative to shopping for new clothes.

Find something near you with these handy websites:

www.swishing.org

www.bigwardrobe.com

www.charityshops.org.uk/locator.php
(also available as an iPhone app)

Other links

Ethical Fashion Forum

www.ethicalfashionforum.com

a one-stop-shop for information on the issues surrounding the clothing industry

eBay www.eBay.co.uk



The brands covered on this table are by no means the only ethical offerings out there.

The Guardian's Ethical Fashion Directory lists

many more brands on offer. Also, ethical e-tailers, particularly www.fashion-conscience.com, offer a wide range of ethical brands, although only for women I'm afraid, fellas. See the Best Buys in our e-tailers buyers' guide (page 26) for unisex ethical clothing.

Eligible for the Best Buy label are all brands scoring 13 or higher on the table; **Gossypium**, **Liv**, **Bishopston Trading**, **People Tree**, **Traidcraft**, **Annie Greenabelle**, **Frank & Faith**, **Komodo**, **THTC**, **Greenfibres**, **Lowie**, and **Bibico**.

GOSSYPIUM
Organic & Fairtrade Cotton

17

Liv

17

Guardian Ethical Fashion Directory
www.guardian.co.uk/lifeandstyle/page/ethicalfashiondirectory

E-How www.ehow.com
video tutorials for just about anything

Company profiles

Edun is a brand set up by U2 vocalist Bono and his wife, with the aim of increasing trade with Africa. LVMH, a huge designer wear and wines and spirits company, bought a 49% stake in the company in 2009. As a result, Edun's score drops from 14.5 when we last rated it, to 5 (or 6 with the positive product sustainability mark for their organic products). This is due to LVMH's negative marks across most of our ratings categories.

Kuyichi and **Earth Collection** fail to fulfil Ethical Consumer's more extensive requirements for larger companies on environmental and social reporting, hence their lower positions on the table.

Ethical fashion

Ruth Rosselson asks is it ever possible?

When Ethical Consumer first started covering ethical clothing, there were just a few UK-based companies making or marketing their clothes under the umbrella of 'ethical fashion'. Those that were producing ethical garments were often criticised for having a very narrow appeal. Few of the brands designed and sold clothes that could be described as fashionable.

Fast forward to 2011 and it's a completely different story. As we've become more aware of the ethical issues within the supply chain, more and more companies are producing, designing, and selling 'ethical fashion'. Meanwhile, the profile of ethical fashion grows year-on-year as a variety of celebrities, models and actors take up the cause. London Fashion Week even has its own ethical fashion showcase, Esthetica.

While it's positive that there are more options available for the concerned consumer, there's something fundamental that this trend fails to address: fashion is an industry that thrives on transience, consumption and disposability. The fashion industry's survival and success is down to one main concept: fashion styles come and go. What's 'in' this autumn, will probably be 'out' next autumn, requiring you to buy a whole new wardrobe – whether or not you need one. The rise of fast fashion has meant that this turnover happens more rapidly than ever before.

For ethical fashion companies to directly compete with the high street, they need to buy into the idea that fashions will change from season to season, and year to year. But can a company really call itself eco-friendly,

sustainable or ethical if it's still trying to shift a whole new season of clothes every few months? Can it really call itself ethical if its clothes are so on-trend that no one will want to wear them this time next year? Or even this time next month? It's a tricky business.

The Ethical Fashion Forum has a list of criteria for ethical fashion. However, although it addresses environmental, sustainability and animal rights issues, there is not a criterion for whether clothes are designed to be durable – in both manufacture AND design. The fact is that ethical fashion is an oxymoron. If it's 'fashionable', then almost by definition it's transient and disposable (unless that style comes back in fashion).

There are a number of companies producing ethical clothing which concentrate on producing classic styles, stylish clothes and staples. Perhaps the way forward is to throw out the idea of 'fashion' altogether, and develop instead a discourse around 'style', which is

something that is more enduring than transient? Perhaps new terms altogether are needed?

Whatever we decide to call it, ethical designers need to consider the longevity of their designs – as well as the durability of the garments – so that they're wearable season after season, year after year.

Ruth Rosselson is a freelance writer and editor <http://RuthRosselson.net> and tweets from @RuthRosselson.

Above: Last years' fashions at the Esthetica ethical fashion showcase.

Left and right: Always in fashion – truly ethical fashion from Gossypium.

© British Fashion Council and Gossypium



Why wool is my fibre of choice

Beate Kubbitz runs designer label *Makepiece*, which uses wool from her own flock, and is knitted within the community in *Calderdale*.

Sheep which are extensively farmed (i.e. outdoors) on a hillside in the UK experience general peace and tranquillity. There are rules and regulations on welfare and the inputs, and impacts on wildlife are relatively low. Even non-organic sheep rearing isn't intensive in the way other mainstream farming (like chickens and pigs) is.

My sheep are Shetlands – a small, almost feral-looking sheep, which is often used for conservation grazing. I try to farm with low inputs. Making hay provides the majority of the winter feed so I don't have to source much additional, non-local foodstuff.



There are few suppliers of 'vegetarian wool', where the sheep are never involved in meat production. My sheep are dual purpose, so as well as their wool being suitable for knitwear, the majority of my lambs will be sold for specialist meat (they're a slow growing breed so they have longer lives than conventional butchers' lamb).

Due to a long-term decline in wool price, for economic reasons farmers have concentrated less on breeding for a fine fleece. Other UK breeds still produce fleece for fancy yarns and clothing but even rough fleece is useful in carpets, futon fillings and in insulation where it's naturally fire resistant – and renewable. The recent interest in wool has gradually pushed up the price of fleece and this should re-engage farmers with fleece qualities in their sheep.

For me, wool as a by-product of farming for food is a plus – you're not using land that could be producing food or textiles. However, it shouldn't be ignored that sheep are CO2 emitters and while in the right place they can be used for conservation grazing, in the wrong place they can cause soil erosion. It's a personal choice, but I wouldn't place wool ethically below petrochemicals or energy and solvent intensive plant fibres just because sheep are eaten.

Beate suggests you look out for organic wool, and the British Wool Trademark (which means the wool has been locally farmed and probably been spun in the UK or Europe). www.makepiece.com, 01706 815888.

Mini Mills

Going local – **Pamela Ravasio** traces the journey from sheep fleece to designer knitwear.

It is old news that the wool industry in Britain and across Europe is a shadow of its former self. British breeders are in fact caught between a rock and a hard place. On the one hand, the price paid for each fleece by the British Wool Marketing Board is but a token and hardly, if at all, covers the costs¹ incurred for shearing or transport. On the other hand, it is against the law for breeders to simply dispose of wool as they please – the most cost efficient way usually means burning or burying it.² It also has to be recognised that most British sheep are not bred for their wool but for their meat and as such, some of the wool is not the quality required for high-end fabrics.

Yet although the European 'big wool industry' has probably been lost for good to other countries further east, the tide has started turning and breeders and producers are starting to take charge of their wool's fortune again. In the course of the past two or three years a trend has emerged and changes to the British and European wool landscape have become palpable. As a direct consequence, small mills – or 'mini mills' – are cropping up across Europe, and their minimum quantities for processing can be as low as a single fleece. Some guarantee full traceability down to the individual sheep, others 'only' down to the flock.

The British and European wool industry, in short, is slowly recovering some of its former glory and production capacity. The markets the mills are catering to are the breeders of small rare breed flocks, as well as crafts people and designers committed to buying local. With waiting lists as long as nine months the mills are evidently in high demand!

Pamela Ravasio is an ethical fashion journalist and consultant, and the publisher of the Award winning eco fashion Blog 'Shirahime'. (<http://shirahime.ch>).

Woolfest is a celebration of natural fibres, especially all aspects of wool, wool products and wool crafts. To find out more, visit www.woolfest.co.uk

References

- 1 <http://www.timesandstar.co.uk/news/farming/farmers-threaten-to-burn-wool-1.6160?referrerPath=news/farming>
- 2 <http://www.britishwool.org.uk/about.asp?pageid=17>

Miamo's story

This is the story of Miamo, one of the thousands who cross the border from Burma to Thailand every year looking to earn a decent living and send some money back to their families and who end up working in the sweatshop conditions of Thailand's garment industry. For more information of migrant workers in Thailand visit www.mapfoundationcm.org

"I knew that the wages would be very low, but I hoped that maybe they would increase if I worked hard. I started in a knitting factory earning about 70 baht a day. After five years I now earn 90 baht a day, still only half the legal minimum wage. The factory makes deductions from our wages for the living quarters (we stay in large dormitories with only a mat for a bed), for electricity and for food. In high season we regularly work 10 hours a day, and only after that 10 hours do we get paid any overtime. The owner keeps our work documents so we don't go outside because without documents we could be arrested.

After we learned about our rights, we tried to negotiate for proper wages and better conditions but the factory owner threatened to call immigration and have us deported. One day, however, the factory foreman beat one of the workers and we could no longer tolerate the conditions so we went on strike. It was very frightening because the factory called in the police but we stood our ground. We were nearly all deported but we managed to get some support from media coverage and from NGOs. Eventually an agreement was made. We would get clean water supplies for showering, the number of toilets would be increased and overtime would be paid at a better rate, but our daily wages remained the same! The leaders of the strike did not dare go back to work for fear of retribution and they could not get a job in Mae Sot as the employers had blacklisted them, so they had to use brokers to take them to work in other areas of Thailand."

Case study provided by the MAP Foundation



© Labour behind the label, www.flickr.com

Getting Britain making things again

A new clothing factory in the UK owned and run by its workers – Giles Simon from Co-operatives UK reports.

Over the last twenty years there has been a slow decline in the British manufacturing industry. But with rising energy costs and a growing interest in buying local, there seems to be a turn amongst consumers – individuals and businesses – towards buying UK manufactured products.

Riding the wave of this interest is Midshires Clothing, one of a relatively small number of UK clothing and garment manufacturers.

Based in Kettering, Northamptonshire, Midshires Clothing is even more unusual because it is a worker co-operative, a business owned and run by its employees.

The factory was established last year by workers from a former garment manufacturer in the area and people from a nearby worker owned co-operative, Brightkidz, which supplies high visibility clothing to schools and local authorities.

Alison Holland, a founder member of both Brightkidz and Midshires Clothing, says "Brightkidz was looking for a UK manufacturer for its products, but couldn't find any that could provide what we needed. Then the opportunity of opening a factory with local workers came up and we jumped at the chance."

The co-operative is developing its range of products. Many it produces directly

for BrightKidz, primarily high visibility clothing for children and cyclists. In addition, it manufactures workwear and specialist garments for the healthcare sector.

Recent work – which demonstrates how co-operatives are often the first to support one another – includes producing bags for Lincolnshire Co-operative, a large customer owned co-operative in the East Midlands; and shirts for the Woodcraft Folk, the participative, co-operative movement for young people.

Because of its unique nature, Midshires is also branching out into manufacturing for a small number of ethical fashion labels. As Alison says, "As a UK based business with our workers in full control of the business and the profits, we see ourselves as one of the most ethical garment manufacturers in the business."

The close relationship between Brightkidz and Midshires has its advantages. Not only does it allow Brightkidz to produce clothing it needs quickly but, because they are now based next door to one another, they can co-operate with one another.

Midshires is a new and growing enterprise that Alison rightly thinks is part of a bigger picture: "The great thing is that there is a history of garment manufacturing in Kettering and around, so there have always been people with skills but without any jobs. We can now start to offer people jobs and play a small role in getting Britain making things again."

There are a small but growing number of UK based manufacturers who are beginning to benefit from a change in how people want to shop. What makes Midshires Clothing nearly unique is that it's a UK clothing manufacturer where the workers don't just have a job: together they own and run the business.

www.midshiresclothing.co.uk



Midshires Clothing – Lyn Hope (front), Alison Holland and Francis Panther. © 2011 Paul J Lashmar

Change is in the air

Now is the time to stand up for those who sew your



Bangladeshi garment workers demand better working conditions.

The past year has been a momentous one for workers' rights.

Bangladesh's garment-making workforce, the majority of whom are women, are commonly paid far less than the cost of living. In December 2010 they were forced to take to the streets in a series of protests against their working conditions. Police and companies fought back, turning peaceful protests into violent battles in their attempts to quash the uprising, leaving dozens of men and women wounded and some dead.

The Bangladeshi government has a vested interest in keeping trade unions out of garment factories, since the garment industry produces nearly 80% of the country's total exports.¹ Companies are attracted by its highly competitive prices, maintained by the pittance paid to workers.²

The minimum wage was almost doubled at the end of 2010. However this fell short of the 5,000 taka workers and their trade unions had been asking for and only amounted to half of a living wage of just over 10,000 taka, as calculated by the Asia Floor Wage Campaign.⁴

Bangladesh is by no means the only place where such revolts have been occurring. Anti-union activity is rife throughout most of the countries which produce our clothes. A recent report by

the International Trade Union Confederation (ITUC) counted the killings of trade union activists around the world in 2010. It makes for a depressing reading. The worst countries appear to be Colombia and Guatemala, with 49 trade union activists killed and 20 escaping assassination in Colombia, and ten killed in Guatemala. Other murders were recorded in Bangladesh, Brazil,

El Salvador, Honduras, Pakistan, the Philippines, Swaziland and Uganda. In Iran a trade unionist teacher was hanged after a trial which violated basic standards of justice, according to the ITUC.³ This death toll represents nowhere near the numbers of workers killed while quite literally fighting for their right to be paid a decent wage.

It is imperative that companies with purchasing power do all that they can to remedy this situation. Workers without access to trade unions are powerless, but companies can use their position to make a difference. For this reason, one of the criteria in our newly-revamped supply chain management category is that companies engage with NGOs to aid workers in their access to trade unions. And one of the best ways to get companies to act is through consumer pressure. See the box for a list of campaigns you can add your voice to.

Sumangali Schemes

Child labour is a common problem across many countries in the garment industry. However, a recent report by the Centre for Research on Multinational Corporations (SOMO) highlighted a particularly disturbing incidence of the practice.⁵ Many young women and girls are recruited into the garment industry in

India under so-called Sumangali Schemes. The Tamil word Sumangali refers to a married woman who lives a happy and prosperous life. Sumangali schemes sign up female workers on three-year contracts, with the promise of a lump sum of money at the end, which the girl's family often then use to pay her dowry – still a general practice in rural India, even though it was banned in 1961.

SOMO's report revealed numerous abuses occurring at four garment factories in Tamil Nadu. The promised lump sum is not an additional bonus, but is the girls' wages, held back from them until they completed their contracts. SOMO argues that this makes it a bonded labour scheme. And that's if they're lucky enough to see the money at all – the report found that in some cases the amount was cut short, or even not paid at all. Having such leverage over the girls, the three-year contract was often extended over longer periods. Many of the girls staying in hostel accommodation provided by the company were only allowed out of the compound once per month and 72-hour working weeks and mandatory overtime were common.

Since the report was published some of the factories concerned have taken steps to address these issues, but there is still work to do. SOMO urges companies not to cut and run from suppliers found to be operating Sumangali Schemes, but to use their influence to improve the situation. Tirupur People Forum (TPF) and the Campaign Against Sumangali Scheme (CASS) are working to eliminate this practice. www.tpforum.in.

Workers' rights campaigns

Labour Behind the Label (UK)
www.labourbehindthelabel.org

War on Want (UK)
www.waronwant.org

No Sweat (UK)
www.nosweat.org.uk

International Labor Rights Forum (USA)
www.laborrights.org/creating-a-sweatfree-world

clothes, says *Bryony Moore*

There is another way...

Bishopston Trading is a clothing company with a difference. In 1978 a group of residents of Bishopston in Bristol twinned their community with the South Indian village of K.V. Kuppam.

Their intention was to promote friendship and mutual understanding between two very different parts of the world.

Several years later, Carolyn Whitwell, the group's secretary, received a letter from a village leader in K.V.Kuppam which moved her profoundly. The letter thanked the twinning committee for all their support, but made the simple assertion that as skilled craftspeople the villagers wanted work not charity.

With this in mind Carolyn set up the Bishopston Trading Company as a means of providing employment for the village of K.V.Kuppam by utilising the traditional handloom weaving that was one of the major crafts of the area. Most garment workers in the global South end up in sweat shops in cities because they have to move out of rural areas to find work. Alongside poor pay, this often results in housing issues, with conditions in factory-supplied accommodation or urban rented accommodation often being poor.

The Bishopston Trading project is specifically designed to create secure and fair employment for the villagers using their own skills and keeping them in their own community. The company is a member of the World Fair Trade Organisation. The clothes they sell, made with certified organic Fairtrade cotton, provide work for a team of 213 cutters, tailors, craft workers and hand finishers, plus a further 260 handloom weavers. Workers enjoy a 'provident fund, retirement gratuity, sickness benefit and health care' and have been working with Bishopston since 1985.



MAP Foundation's work in Thailand

The MAP Foundation is a grassroots NGO in Thailand that supports migrant workers from the surrounding countries, particularly Burma. There are an estimated three million migrant workers working in Thailand, both legally and illegally. Many of these migrants are concentrated in the North along the border with Burma. This is also the hub of Thailand's garment industry.

Many of the garment producing factories, based in such towns as Mae Sot, produce clothes for major transnational corporations under conditions that would be illegal in western countries. Cramped work spaces with little ventilation are common and workers will work for up to twelve hours a day to earn a meagre wage, often as little as 100 baht a day (£2). In many cases workers will live in dormitories in the factories to save just enough money to both live and send some home to their families. They often avoid travelling outside alone for fear of arrest and deportation, regardless of their legal status.

MAP works to raise awareness among migrant workers of the limited rights available to them and to support them in fighting for justice. Through workshops MAP brings workers together to discuss conditions, learn about rights and justice, and develop collective action strategies. Currently, MAP is developing a campaign based around garment production. 'Made by Migrants for Export' raises awareness among Thai garment workers of their value to the global supply chain. MAP build on their experience in the work place to develop strategies to combat 'sweatshop' exploitation. Working with groups in the west such as No Sweat and Labour Behind the Label to foster international solidarity, the aim is to present a united global front in the campaign against exploitation in the garment industry that can then be transferred to combat exploitation in other sectors.

Jay Kerr is an activist with the anti-sweatshop campaign No Sweat in the UK, currently living in Thailand working with the MAP Foundation supporting migrant workers.

Asia Floor Wage Campaign

The AFWC is calling for a single minimum living wage figure to be paid to garment workers across India, Sri Lanka, Indonesia, China, Thailand and Bangladesh. The campaign aims to stop wage competition between garment-exporting countries and halt the race to the bottom on pay.

E-tailers

Fashioning the web

Bryony Moore explains how the fashion industry is using social media and the web.

USING THE TABLES

Ethicscore: the higher the score, the better the company across the criticism categories.

● = bottom rating,
○ = middle rating,
empty = top rating
(no criticisms).

USING THE TABLES

Positive ratings (+ve):

• **Company Ethos:**

★ = full mark,

☆ = half mark.

• **Product Sustainability:**

Maximum of five positive marks.

BRAND	Ethiscore (out of 20)	Environment					Animals			People					Politics				+ve		COMPANY GROUP
		Environmental Reporting	Nuclear Power	Climate Change	Pollution & Toxics	Habitats & Resources	Animal Testing	Factory Farming	Animal Rights	Human Rights	Workers' Rights	Supply Chain Management	Irresponsible Marketing	Arms & Military Supply	Genetic Engineering	Boycott Call	Political Activity	Anti-Social Finance	Company Ethos	Product Sustainability	
Traidcraft [F & O]	16							●										★	2	Traidcraft plc	
The Green Apple [F & O]	15							●											2	The Green Apple	
Traidcraft [F]	15							●										★	1	Traidcraft plc	
The Natural Store [F & O]	15							●											2	The Natural Store	
Nigel's Eco Store [O]	14.5										○								1	Nigel's Eco Store Ltd	
The Green Apple [F or O]	14							●											1	The Green Apple	
The Natural Store [F or O]	14							●											1	The Natural Store	
Fashion-Conscience [F or O]	13.5				○			●											1	Fashion-Conscience.com	
Fashion-Conscience [Vg]	13				○			●											0.5	Fashion-Conscience.com	
Ethical Superstore [F & O]	11.5	●					●	●			○						●		2	Spark Response Ltd	
Ethical Superstore [F or O]	10.5	●					●	●			○						●		1	Spark Response Ltd	
MandMDirect.com [O]	9	●			●			●	○	●	●			○					1	M and M Holdings	
Ann Harvey	8.5	●			○			●	○	●	●			○						Alexon Group	
Cotton Traders	8.5	●			●			●	○	○	●			○						Cotton Traders Holdings Ltd	
M&Co	8	●			●			●	○	●	●			○						Mackays Stores Group	
MandMDirect.com	8	●			●			●	○	●	●			○						M and M Holdings	
Net-a-Porter [F or O]	8	●			●			●	●	●	○	●		○					1	Net-a-Porter Ltd	
ASOS [F or O]	7	●			●		●	●	●	○	●	●		○					1	ASOS plc	
Net-a-Porter	7	●			●			●	●	●	○	●		○						Net-a-Porter Ltd	
Ambrose Wilson	6.5	●			●		●	●	●	○	●			○			○			N Brown Group Ltd	
ASOS	6	●			●		●	●	●	○	●	●		○						ASOS plc	
Grattan [O]	5.5	●			●	●	●	●	●	●	●	●		○					1	KG Atlas	
Freemans [O]	5.5	●			●	●	●	●	●	●	●	●		○					1	KG Atlas	
Grattan	4.5	●			●	●	●	●	●	●	●	●		○						KG Atlas	
Freemans	4.5	●			●	●	●	●	●	●	●	●		○						KG Atlas	
Littlewoods	4	●			●	●	●	●	●	●	●	●		○			○			LW Corp	
La Redoute	3	○		●	●	○	●	●	●	●	●	●	●	○			○			PPR SA	

Alexon also owns Dash, Eastex, Kaliko and Minuet Petite. **N Brown** also owns Jacamo and Simply Be. **LW Corp** also owns Additions Direct, Choice, K&Co, Very.

[F] = Fairtrade [O] = Organic [Vg] = Vegan

See all the research behind these ratings together in a PDF of this report at www.ethicalconsumer.org/researchreports. £3 or free to subscribers.

Timberland is a great example of a company which has leapt on the social media bandwagon, with its special site www.community.timberland.com. On the Corporate Responsibility section of the site, Timberland publishes quarterly indicators and has a forum where stakeholders can comment on its performance. In the Social Networks section, consumers can connect with the brand via existing social media networks, and the Blog, written by staff, keeps readers up-to-date with all the latest

news. This includes a blog by Jeff Swartz, called 'Rantings of a Responsible CEO'. Here, the company also discusses various environmental and social initiatives.

CSR International,¹ a social enterprise founded by Wayne Visser, promotes 'CSR 2.0', an evolved idea of CSR. It seeks to create an online community of corporates that report on progress against targets in real-time and opens itself up to innovative partnerships and greater stakeholder involvement.

Ethical fashion and social media

As recently reported on our clothes news pages, Madrid-based online fashion retailer IOU uses social media to provide

consumers with information on where their garments come from, enabling consumers to 'follow the journey' of specific garments. It also has a feature called 'Trunk Show', whereby consumers can

promote and sell the company's garments via their own social networks, for a commission. www.iouproject.com.

And for those wanting to avoid buying new, there are plenty of social media plugins and websites to help you on your sharing way! See page 17.



What does social media mean for the fashion industry?

Web 2.0 facilitates the creation and sharing of user-generated content on the web, fostering participation and collaboration. Social media, built upon web 2.0, does the same thing, but exists purely for communication purposes.

Many brands are now utilising these new technologies to build their reputation and relationship with consumers, with almost every company now operating a Facebook page in addition to its usual company website. Blogs, keeping consumers up to date with the latest goings-on, are also a common feature.

This use of social media and web 2.0 has benefits for both consumers and companies.

For companies, web 2.0 levels the playing field – it enables small companies to have equal access to marketing to that of big companies, with viral videos spreading across the globe within hours. Added to that are the marketing opportunities created by mass-collection of personal data, which companies can buy.

As consumers we have the chance to become more involved, and be more aware of what we're buying into when we buy a company's product. It also creates the opportunity for us to feed back directly to brands, to either praise or express disapproval at certain practices. The



Best Buys for e-tailers are: **Traidcraft, Nigel's Eco Store, The Green Apple, The Natural Store and Fashion-Conscience.**

Com.

Most companies on the other tables in this special issue also sell their clothes online.

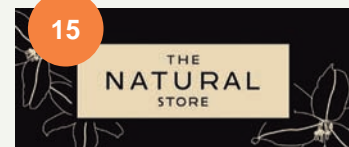


16



ethical shopping at its most stylish

15



15



14.5



13.5

visibility of this feedback, and the speed at which it can travel to huge numbers of people, means companies communicate with consumers now in a different way. This speed of communication gives great campaign leverage.

A prime example of this is Labour Behind the Label's campaign against sandblasting, 'Killer Jeans.' The campaign group asked supporters to post messages on the Versace Facebook page asking it why it used the dangerous technique on its denim. They did so in their hundreds, and the company quickly deactivated its Facebook page. A few weeks later the company announced a total ban on sandblasting.

Find out more about sandblasting in our Jeans buyers' guide on page 23.

Virtual changing rooms

One of the perils of online clothes shopping is not being able to try things on before you buy them. Although you can return items, the return postage is often at your own cost. Forum for the Future, looking ahead to the future of the fashion industry, predict 3-D body scanning beaming into your bedroom in the next 14 years.² Until then, there are a few options online for virtual fitting, including www.fits.me and www.mvm.com (My Virtual Model).

References 1 www.csrinternational.org 2 Fashion Futures 2025, Forum for the Future, February 2010 3 www.labourbehindthelabel.org, Accessed 29/07/11

High Street Clothes Shops – The stories behind the company ratings

Ann Harvey clothing

Owned by Alexon Group Plc

Alexon Group Plc, 40-48 Guildford Street, Luton, Bedfordshire, LU1 2PB, UK

Alexon Group Plc is owned by Bestinver Asset Management (14%)

Alexon Group Plc is also owned by Schroder Investment Management Limited (10%)

owned by Schroders plc (10%)

Schroders plc, 31 Gresham Street, London, EC2V 7QA

Bestinver Asset Management also owns Dash clothing and Eastex clothing and Kaliko clothing and Minuet Petite clothing

Environment

Environmental Reporting

Worst ECRA rating for environmental report (2011)

Alexon Group did not respond to Ethical Consumer's written request in 2011 for its environmental report or policy. Ethical Consumer searched the company's website (www.alexongroup.co.uk) in June 2011 for this information but the only environmental information found was the following:

- ? a large proportion of garments are sourced from the Far East and transported using modern container ships which is one of the most environmentally friendly modes of transport;
- ? a network delivery system is utilised in the UK and in Europe to minimise road haulage;
- ? a large portion of waste cardboard is recycled from the main distribution centres;
- ? employees are encouraged to use rail travel for business journeys and air travel is used only where necessary. Risk assessments carried out across the Group's operations take account of environmental, social and ethical matters.

No mention was made of agriculture, waste or energy use - all areas where the company's operations would have environmental impacts.

Since the information given included no discussion of the company's main environmental impacts, nor any dated quantified targets to reduce these, and did not appear to have been independently verified, it received Ethical Consumer's worst rating in this category. (ref: 1)

Pollution & Toxics

No cotton sourcing policy (2011)

Alexon Group did not respond to Ethical Consumer's written request in June 2011 for its cotton sourcing policy. Ethical Consumer searched the company's website (www.alexongroup.co.uk) in July 2011 for this information but none could be found.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011,

Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Alexon Group lost half a mark in the workers rights category.

Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 2)

Shareholdings in Rio Tinto (2008)

According to the brochure for Schroder's Oriental Income Fund Ltd, downloaded from the company website by ECRA in August 2008, one of the main companies invested in the by Fund was Rio Tinto. Rio Tinto's record on ECRA's database included significant criticisms under the following categories: habitats & resources; pollution & toxics; nuclear power; workers' rights, human rights, political activities. (ref: 3)

Investments in Samsung (2008)

According to the brochure for Schroder's AsiaPacific Fund Ltd, downloaded from the company website by ECRA in August 2008, one of the main companies invested in the by Fund was Samsung. Samsung's record on ECRA's database included significant criticisms under the following categories: armaments & military supply; human rights, political activities, workers' rights, anti-social finance and pollution & toxics. (ref: 4)

Animals

Animal Rights

Sale of leather products (2011)

The website of one of Alexon Group's brands, Ann Harvey (www.annharveyfashion.co.uk), showed a number of products on sale which were made from leather, when viewed in July 2011. (ref: 5)

Sale of products containing silk (2011)

The website of one of Alexon Group's brands, Ann Harvey (www.annharveyfashion.co.uk), showed a number of products on sale which were made from silk, when the website was viewed in July 2011. (ref: 5)

Sale of products containing merino wool (2011)

The Alexon Group website (www.alexon.co.uk), viewed by Ethical

Consumer in July 2011, showed several garments on sale which were made with the use of merino wool.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called “flystrike,” Australian ranchers perform ‘mulesing’ which involves carving huge strips of skin and flesh off the backs of anaesthetized lambs’ legs and around their tails. This is done to cause smooth, scarred skin that won’t harbour fly eggs, yet the bloody wounds often get flystrike before they heal. (ref: 2)

People

Human Rights

Non disclosure of country of origin (2011)

The Alexon Group website (www.alexongroup.co.uk), was searched in July 2011 for information about where the company sourced its goods. No such information could be found. Sourcing from oppressive regimes was common in the clothing sector, (for example, according to the 2006 ‘Well Dressed’ report by Cambridge University, ‘More than a quarter of the world’s production of clothing and textiles is in China, which has a fast growing internal market and the largest share of world trade’). As a result the company lost half a mark in the Human Rights category. (ref: 2)

(See also ‘Shareholdings in Rio Tinto’ in Pollution & Toxics above.)

(See also ‘Investments in Samsung’ in Pollution & Toxics above.)

Workers’ Rights

(See also ‘No cotton sourcing policy’ in Pollution & Toxics above.)

No acceptance of principle of living wage (2009)

The Labour Behind the Label report “Let’s Clean Up Fashion – 2009 update” gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. The Alexon Group received grade zero, which was defined in the report as “does not accept the principle of a living wage”. The report stated that the company “did not respond to our request for information, and, although it mentions corporate responsibility in relation to the environment on its website, no information about workers’ rights or wages is anywhere to be found. It is therefore safe to assume the worst – that it has no engagement with the issues at all.” (ref: 6)

(See also ‘Shareholdings in Rio Tinto’ in Pollution & Toxics above.)

Supply Chain Management

Worst ECRA rating for supply chain management (2011)

Alexon Group plc did not respond to Ethical Consumer’s written request in June 2011 for its supply chain management information. Ethical Consumer searched the company’s website (www.alexongroup.co.uk) in July 2011 for this information but none could be found, nor any mention of workers’ rights issues.

As a result, the company received Ethical Consumer’s worst rating in this category. (ref: 2)

Politics

Genetic Engineering

(See also ‘No cotton sourcing policy’ in Pollution & Toxics above.)

ASDA George clothing

Owned by Asda Group Ltd

Asda Group Ltd, Corporate Social Responsibility, Asda House, Southbank, Great Wilson Street, Leeds, LS11 5AD, Leeds, LS11 5AD, England

Asda Group Ltd is owned by Wal-Mart Stores Inc

Wal-Mart Stores Inc, Walmart Home Office, 702 SW 8th Street, Bentonville, Arkansas, 72716-8611, Bentonville, Arkansas, 72716-8611, USA

Environment

Environmental Reporting

Middle ECRA rating for environmental reporting (July 2011)

A search was made of the Asda website (asda.com) in July 2011. Information on environmental issues was found. No evidence of independent verification was found. The Sustainability 2.0 document was found, this covered environmental targets from 2010-2015. An example of the company’s targets follow:

“We’re aiming for a 4% cut in household food and drink waste from our sector by 2013, working with our competitors on the Courtauld Two Commitments

We aim to divert 100%** of waste from our operations from landfill by 2015. *

We aim to divert 100%** of our construction waste from landfill by 2015. *

We aim to maintain 100%** diversion of our returned George clothes from landfill. *

*absolute – means that even though we’re growing as a business, the total amount of waste we produce has gone down since 2005. **from a 2005 baseline.”

Reporting was found including reporting up to and including 2010.

The site included sections on transport and different aspects of impacts in terms of energy and waste. However, there was no section on water and impacts via agriculture were not mentioned (over and above some information about local sourcing and organic products). Therefore, the company did not have a reasonable understanding of its main impacts. The company received Ethical Consumer’s worst rating for environmental reporting. (ref: 7)

Bottom in a survey of sustainability issues (November 2009)

A November 2009 report from Consumer Focus called ‘Green to the Core’ rated the UK’s top nine supermarkets on how well they inform consumers about sustainability issues and help them make more sustainable choices. Overall ASDA scored a bottom D rating in an A-E scale.

It scored D for sustainable farming which covered the availability and promotion of organics, fairly

traded products and animal welfare. The proportion of organic produce has dropped from 18 per cent in 2007 to 11 per cent in 2009. More could be done to inform and promote sustainable farming.

It also scored D for sustainable fishing which covered its availability and signposting. Only a small proportion of fish were certified using the MSC scheme. The report stated that Asda could offer more sustainable fish and provide information for consumers through in-store signposting and via the website and helpline. (ref: 8)

Poor independent rating on CSR in supermarkets (November 2006)

Ethical Performance November 2006 reported that Asda received

a poor rating (rated as a 'D') in a report by the National Consumer Council on supermarkets' progress on corporate responsibility. The rating covered supermarkets progress on CSR factors including: commitment to stocking seasonal food and organics, sustainable sourcing policies and attempts at cutting waste. (ref: 9)

Climate Change

Petrol retailer (May 2010)

In May 2010 an article on the Mail Online website, www.dailymail.co.uk, stated that ASDA had "triggered a price war over fuel... by cutting 2p from the cost of petrol." Retailing petrol was considered by Ethical Consumer to be operating in a high climate change impact sector. (ref: 10)

Bottom of EIA supermarket refrigeration league table (April 2011)

Asda was heavily criticised in an Environmental Investigation Agency (EIA) press released, dated March 29th 2011, over its failure to participate in the organisation's survey for its report 'Chilling Facts III' on supermarket refrigeration. Asda slumped to the bottom end of the league table, which the EIA said cast grave doubts over the sincerity of its 2007 public pledge to move away from using HFCs (hydrofluorocarbons), which have a global warming impact many thousands of times worse than carbon dioxide (CO₂). The survey quizzed supermarkets on the global warming impacts of their refrigeration for warehouses, transportation and stores. For the first time, in 2011, it also included air conditioning systems as an issue, many of which use HFCs despite viable alternatives.

The alarming results of the first survey, published in 2009, showed that as much as one-third of a supermarket's carbon footprint came from refrigeration gases. In the aftermath, several supermarket chains started to tackle the issue. The number of stores running on climate-friendly refrigeration increased from 14 in the first year to 46 last year, and to 239 in this year's survey. Although Asda was pleased that direct emissions were down 6.5% and was carrying out a small trial of chiller doors Asda had not kept up with its original commitments and refused to participate in the survey. Asda was the only company whose score dropped, down 17 points from 32 out of 100 the previous year to 15. Asda's poor showing was worrying, the press release said, considering the scale of its operation in the UK and the fact that its US parent Walmart was trumpeting its sustainability policies. "We are very unhappy that Asda has not kept up with its original commitments to stop using HFCs, and disappointed that it refused to participate in the survey this year," said EIA senior campaigner Fionnuala Walravens. "It's not unreasonable to ponder whether this was perhaps to hide the fact it has made little progress on this issue and deems it a low priority. As one of the UK's biggest retailers, it is unacceptable for Asda to ignore such an important issue. It should be lambasted for what appears to be a major and unjustifiable U-turn on its previous climate commitments." (ref: 11)

Use of non Certified Sustainable Palm Oil (November 2010)

According to the sustainability policies area of the ASDA website (<http://your.asda.com>) viewed in November 2010:

"We are an active member of the Roundtable on Sustainable Palm Oil (RSPO) – an association created to promote the production and use of sustainable palm oil, and to directly help protect endangered species like the orangutan and Sumatran tiger.

In 2007 we briefed our supply base on a bold commitment – that from 2009 ASDA would not accept palm oil from Borneo or Sumatra in private label products to help protect the habitat of orangutans, as well as force the debate forwards on sustainable palm oil.

In May 2008 we were one of the first signatories of the Unilever WWF coalition on sustainable palm oil – and we have publicly signed up to the Palm Oil Coalition target, so by 2015 all of our

palm oil will be from RSPO sustainable sources."

However, the company was still at the time of writing using unsustainable palm oil. As a result ASDA received negative marks in the climate change, habitats and resources and human rights categories due to the associated serious negative impacts of palm oil. (ref: 12)

Pollution & Toxics

Elevated cadmium levels among workers at battery manufacturer (January 2008)

According to an article posted on the Wall Street Journal website, <http://online.wsj.com>, dated January 15th 2008, Mrs Wang, who for years worked as an engineer for a company making batteries for companies including Wal-Mart, had suffered kidney failure and become often too weak to walk. According to her doctors this was a result of cadmium poisoning from her place of work. 400 other employees of the firm had also been found to have unsafe levels of the toxic metal which, in addition to kidney failure, can also cause lung cancer and bone disease. For years factory workers had complained about illness - nausea, hair loss and exhaustion. Following a strike sparked by some workers paying for cadmium testing and finding they had elevated levels, the factory introduced cadmium testing. This resulted in around 900 workers quit their jobs, they were given compensation packages but many workers said the amount was not enough to cover their medical bills. Mrs Wang, who had much less contact with cadmium than most workers, was suing the company for \$400,000 in compensation. The article also said that more than 10% of China's arable land was contaminated with heavy metals such as cadmium and that the metals were entering the food supply. Academic studies had found unsafe levels of cadmium in fruit and vegetables grown in Chinese soil. The article stated that although the battery industry was not the only source of environmental cadmium contamination in China it was a major contributor and said that the Chinese nickel-cadmium battery industry was sickening workers and poisoning the soil and water. The article stated that at the time of writing Wal-Mart no longer purchased batteries from the company but declined to comment on whether it still used them in its products. (ref: 13)

PVC on sale (July 2011)

A search was made of the Asda website (asda.com) in July 2011. It was found that the company was selling PVC products, a specific example being "Pirate Deluxe PVC Boots Covers". Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 7)

Products containing parabens (February 2010)

The Asda website, www.asda.com, displayed a number of products containing parabens when viewed by Ethical Consumer in February 2010. These included Asda Hair formulas shampoo – gloss and shine, which contained methylparaben and propylparaben, and ASDA shampoo – Essential Care Medicated, which contained propylparaben.

According to the website of the Environmental Working Group, www.cosmeticsdatabase.com, viewed in March 2010, methylparaben had a hazard rating of 10, the highest assigned to any ingredient. Research studies were said to have found that exposure to this ingredient – not the products containing it – had indicated that cancer and allergies/immunotoxicity were associated health risks. A strong concern was said to be organ system toxicity (non-reproductive); moderate concerns endocrine disruption, irritation (skin, eyes, or lungs) and biochemical or cellular level changes, and of low concern was neurotoxicity. (ref: 14)

Habitats & Resources

Protests over shrimp farming (2006)

According to the summer 2006 issue of Earth Island Journal, Wal-Mart was the subject of protests by the director of the Mangrove

Action Project, who alleged that it was using faulty standards to determine the sustainability of shrimp farming operations from which its products were sourced. According to the Project, this was resulting in the destruction of mangrove forest, endangering communities by removing natural barriers to tsunamis and hurricanes, and affecting the environment. (ref: 15)

Ranking in 2011 Tuna League Table (9 March 2011)

Greenpeace released its 2011 Tuna League Table in January which ranked the sustainability of 8 major brands of tinned tuna. ASDA was initially placed 5th. But on 9th March ASDA stated that they will fully source pole and line caught FAD-free purse seine- caught tuna by 2014.

Fish aggregating devices, or FADs, are used along with vast nets known as purse seines. FADs are floating objects often equipped with satellite-linked sonar devices. Tuna instinctively gather around them, which some scientists think is for shelter and protection.

But FADs also attract a host of other species including turtles and sharks, as well as juvenile tuna that are scooped up by purse seines. These nets form a huge curtain that encircles the catch and then closes around them. On average, every time this method is used, 1kg of other species will be caught for every 9kg of tuna. (ref: 16)

(See also 'Use of non Certified Sustainable Palm Oil' in Climate Change above.)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (July 2011)

A search was made of the ASDA websites (www.asda.com) in July 2011 for the company's policy on animal testing. No such document, nor any mention of one, could be found. The company sold many own brand cosmetic, toiletry and household products which were likely to have been tested on animals. The company also sold other brands products that were known to be tested on animals. In the absence of a policy stating otherwise, ECRA considered it likely that ASDA was using animal testing and the company received ECRA's worst rating in this category. Furthermore, Naturewatch's 2010 Compassionate Shopping Guide listed ASDA as having no fixed cut off date for its own brand cosmetics, toiletries and household products. (ref: 7)

Worst rating for animal testing policy (July 2011)

A search was made of the Walmart website (www.walmartstores.com) in July 2011 for the company's policy on animal testing. No such document, nor any mention of one, could be found. The company sold many cosmetic, toiletry and household products which were likely to have been tested on animals. The company also sold other brands products that were known to be tested on animals. In the absence of a policy stating otherwise, ECRA considered it likely that Walmart was retailing products tested on animals and the company received ECRA's worst rating in this category. Furthermore, Naturewatch's 2010 Compassionate Shopping Guide listed the company's UK subsidiary as having no fixed cut off date for its own brand cosmetics, toiletries and household products. (ref: 17)

Worst ECRA rating for Animal testing policy (2010)

According to the 2010 12th edition of Naturewatch's Compassionate Shopping Guide, Netto did not have a fixed cut off date for its own brand range of cosmetics, toiletries and household products. (ref: 18)

Factory farming

Sold products likely to come from factory farmed animals (2010)

Netto did not respond to a request by Ethical Consumer in October 2010 for a copy of its animal welfare policy. However,

the 'Our Products' section of the Netto website (www.netto.co.uk), viewed by Ethical Consumer on 16 November 2010, listed meat and poultry among the fresh produce it sold. The website stated that all fresh produce carried the Quality Assured label, but no mention was made of any of these meat products being free-range or organic. It was therefore considered likely that at least some of the meat the company sold had come from factory farmed animals. (ref: 19)

Sale of meat not labelled as free range or organic (2008)

Wal-Mart did not respond to a request by ECRA in October 2008 for the company's animal welfare policy. No such policy, nor any commitment to stocking organic or free range meat, poultry or eggs could be found on the company's website (www.walmartstores.com) when it was viewed in November 2008. As a result, ECRA considered it likely that the company was selling meat products from factory farmed animals. (ref: 20)

Sale of meat not labelled as free range or organic (2008)

In response to a request by ECRA in October 2008 for the company's animal welfare policy, Asda sent the same statement that appeared on its website (www.about-asda.com). This stated that the company supported the Red Tractor scheme to promote animal welfare and that it had also "established a number of initiatives to improve animal welfare," one of which it named as the 360 Sustainable Dairy Calf Scheme. However, the company did not state that all meat products it sold were labelled as free range or organic, nor could this information be found on the company's website (www.about-asda.com), which apparently made no mention of free range meat when it was viewed by ECRA in November 2008. As a result, ECRA considered it likely that some of the meat sold by the company had come from factory farmed animals. (ref: 21)

Animal Rights

Sale of products involving the slaughter of animals (July 2011)

During a search of the company's website (www.asda.co.uk) in November 2008, ECRA found that Asda sold a range of own-brand products including ready meals such as pizza and breaded meat and fish products as well as desserts. ECRA considered it likely that some of these products contained slaughterhouse byproducts including rennet, animal fat and gelatine. (ref: 22)

(See also 'Sold products likely to come from factory farmed animals' in Factory farming above.)

(See also 'Sale of meat not labelled as free range or organic' in Factory farming above.)

People

Human Rights

No commitments to source gold or diamonds responsibly (July 2011)

In July 2011 a search was made on the Asda Group website, www.asda.com, and a number of products made with gold and diamonds were found. No mention of responsible sourcing of gold or diamonds was made on the company's corporate website, your.asda.com. An internet web search indicated that the company had not signed the No Dirty Gold campaign to end irresponsible mining practices, nor was it a member of the Responsible Jewellery Council, which aimed to advance responsible business practices throughout the diamond and gold jewellery supply chains. The January/February 2011 issue of Ethical Consumer highlighted the role of diamonds in fuelling conflict in Africa. The Channel Four Dispatches programme "The Real Price of Gold", which was broadcast on 27th June 2011 and in which Ethical Consumer participated, highlighted some of the problems in gold supply chains around the world, including environmental destruction, child labour and the human rights impacts of pollution. The publication "Golden Rules: Making the case for responsible

mining”, published by Earthworks and Oxfam America, also highlighted issues of forced displacement of local communities as a result of gold mining. The Asda Group therefore lost half a mark in the pollution and toxics category due to its lack of commitment to responsible gold mining, and a full mark in the human rights category as a result of the impacts of gold and diamonds. (ref: 23)

Abuse of the rights of Bangladeshi garment workers (2009)

A report published by the Corporate Responsibility (CORE) Coalition in May 2009 revealed abuses of garment workers’ rights in Bangladesh. According to the report, half of all Bangladesh’s garment exports were destined for the European market, including the UK. It said that major retailers, including ASDA, bought tens of millions of pounds worth of clothing produced by Bangladeshi workers each year. The power wielded by these large UK buyers over the terms of purchasing contracts was said to be used to impose very demanding requirements for low prices and fast turnaround times on Bangladeshi factories, creating competitiveness, often at the cost of workers’ rights. The report said that Bangladeshi garment workers were paid extremely low wages, with an average monthly wage of less than £25, far below what had been calculated to represent the costs of basic necessities in Bangladesh. Workers were typically required to work 10-16 hours per day, in violation of both existing Bangladeshi law and ILO Conventions. Another major problem in the sector, as identified by this report, was that most workers were denied freedom of expression. Trade unions that enabled independent representation of workers’ interests and concerns remained illegal within the export processing zones (EPZs). From January 2007-December 2008 a caretaker government ruled that industrial action and trade union activity were punishable with a sentence of between two and five years’ imprisonment. As well as legal barriers to workers exercising their rights to collective bargaining and freedom of expression, they were also said to face harassment, including sexual harassment and intimidation if they sought to defend their rights. Some workers had reported that physical violence had been used to repress organising efforts, with cases of illegal dismissal, harassment and beatings by law enforcement agencies or factories’ private security or imprisoned on falsified charges. (ref: 24)

Conflict Diamond Survey Results (May 2007)

In May 2007 Amnesty International and Global Witness released a report entitled “Conflict Diamonds, UK jewellery retailers still not doing enough.” Asda were mentioned in this report.

The report was based on findings from a questionnaire sent to leading retailers. The report stated that “although most companies adhere to the industry’s minimal system of self regulation, these are not effective in preventing the trade in blood diamonds, and more needs to be done by industry leaders to ensure that diamonds no longer fuel conflict.” Asda itself failed to disclose its auditing policy and other measures taken to combat conflict diamonds. It had no policy on its company website and it was not a member of any jewellery trade associations. (ref: 25)

Workers’ Rights

Accusations of rape at supplier factory (June 2011)

The Wall Street Journal reported that Jordanian authorities arrested a factory manager at a Wal Mart supplier after a female employee came forward to accuse him of rape. The factory in question had been at the centre of investigations by The Institute for Global Labour and Human Rights due to numerous allegations over a prolonged period of time. The activist group said it collected statements from more than a dozen current and former workers at the supplier, who alleged that women were raped by company managers.

The factory owner and independent monitors employed by the retailer at the factory said they were never able to corroborate the accounts because the accusers never made an official complaint.

The IGLHR also said that the factory owner was now leading a witch hunt to find the informer.

However in June 2011 a 26-year-old Bangladeshi woman told Jordanian investigators that she had been raped by the factory’s top manager since arriving in March, and she submitted to a medical examination. The manager, Anil Santha, was then arrested.

The article stated: “Jordan has become a magnet for apparel manufacturing since 2001, when the U.S. ratified a free-trade agreement allowing American companies to import goods from the country without tariffs. Most of the clothing is made by guest workers from countries such as Bangladesh, Sri Lanka and China, who typically work under low-wage contracts.” (ref: 26)

Criticised over fatal factory fire in Bangladesh (2010)

According to an article which appeared on the Business & Human Rights Resource centre website (www.business-humanrights.org) on 15 December 2010, a group of labour rights organisations has accused leading US and European clothing retailers and brands of failing to push for improved safety conditions in factories in Bangladesh, following the latest in a series of fatal fires at factories in the country. At least 25 workers were reported to have died earlier that week when fire broke out on the ninth and 10th floors of a factory outside Dhaka owned by the Ha-meem group, the fifth largest clothing manufacturer in Bangladesh.

Ha-meem, which owned several factories beyond the one affected by the fire, said on its Facebook page that buyers it worked with included Wal Mart. (ref: 27)

Death of security guard during stampede (November 2008)

According to an article on the Reuters website (www.reuters.com), dated 6 May 2009, a security guard employed by Wal-Mart was trampled to death in a stampede that occurred at the Wal-Mart store he was working at, on the Friday after Thanksgiving in 2008.

The company was said to have avoided a criminal prosecution by committing to improve post-Thanksgiving crowd control. This particular time of year was said to be well-known as a very busy time for retailers. According to the article, the company “did not admit guilt or wrongdoing”. The crowd control measures were said to only apply to New York stores. The worker’s family was said to have taken out a separate civil lawsuit. (ref: 28)

Supply Chain Management

Middle ECRA rating for supply chain management (July 2011)

A search was made of the Asda website (asda.com) in July 2011. No supply chain management information could be found. The website’s “How we do business” section referred readers to the parent company’s sustainability report.

The parent company received Ethical Consumer’s middle rating for supply chain management.

The ETI website was checked, it showed that Asda was still a member, however, in order to rate a company’s supply chain policy (also referred to as code of conduct, code of practice, supplier policy and various other synonymous terms), ECRA needed to see a copy of the document that is communicated to workers. This was because workers have a right to know the conditions under which the companies are expecting them to work, so that workers could use this information to press for improvements. It had come to Ethical Consumer’s attention that several ETI member companies had not fully integrated the ETI Base Code and Principles of Implementation into their supply chain policies, and that companies do not have to fulfil this criteria in order to gain membership of the ETI. Indeed, some members stated that their policy was “aligned to”/“based on” the Base Code etc., but examination of their policies revealed that key points from the Base Code were missing. For this reason, and due to the fact that the Asda referred readers to its parent company’s sustainability report, Asda received Ethical Consumer’s middle rating for supply chain management. (ref: 7)

Multiple references from Labour Behind the Label report (September 2006)

Labour Behind the Label (LBL): Let's Clean Up Fashion report (September 2006) reported several criticisms of the company they referred to as Asda/Walmart. LBL summed up its analysis by asserting that "As the world's biggest retailer, Asda should be leading the field" but instead was "more interested in ticking the right boxes...than they are in achieving actual results for their workers". This was in reference to Asda/Walmart's membership of the Ethical Trading Initiative (ETI), Better Factories Initiative and the Multi-Fibre Agreement Forum, but lack of progress on the ground.

The company's compliance manager stated that the living wage specified in the ETI Base Code could not be put into practise as there is no "clear universal definition" of what a living wage is. LBL stated that this assertion is "untenable". The manager believed that setting a living wage was the responsibility of governments. LBL stated that as a major importer, the company had an indirect impact on national minimum wages. The ETI code stated that member companies should respect the right to Freedom of Association. The company stated that it is the factory managers' and suppliers' responsibility to do this. LBL criticised this as a conflict of interest, as the same people are also responsible for delivering cost reductions etc. LBL also stated that Asda (UK) was fined £850,000 around the time of the report for anti-union activity and that its response to the Fortune Cambodia case was poor. Asda/Walmart was also criticised for relying on commercial auditors in its monitoring and verification procedures and not seeming to involve local stakeholders enough. (ref: 29)

Member of the ETI (2008)

According to the Ethical Trading Initiative website (www.ethicaltrade.org), viewed by ECRA in November 2008, Asda was listed as a member. For companies to be accepted as members, they were required to commit to the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 30)

Irresponsible Marketing

UK violations of baby milk Code (September 2006)

According to the Baby Feeding Law Group's (BFLG) website viewed by ECRA in September 2006 (www.babyfeedinglawgroup.org.uk), Asda had breached the International Code of Marketing of Breastmilk Substitutes through its 'Roll-back' promotion of Milupa's Aptamil First infant milk substitute in June 2006. Consequently, Asda was reported to the UK's Trading Standards by the BFLG. (ref: 31)

Price fixing of tobacco (April 2010)

According to BBC News on 16th April 2010, the Office of Fair Trading (OFT) fined two tobacco companies and nine retailers a total of £225m for "unlawful" tobacco pricing practices. The fines relate to infringements which took place between 2001 and 2003. Of the retailers, the Co-operative and Asda received the heaviest individual fines at more than £14m each. (ref: 32)

Named in tobacco price fixing allegation (2008)

According to the Sky News Website on Monday 28th April, 2008 (viewed by ECRA on 08/05/2008) eleven leading supermarkets, including Asda, were named in a report on tobacco price fixing by the Office of Fair Trading. The OFT had been investigating alleged deals between two tobacco firms - Imperial Tobacco and Gallaher - and 11 retailers. The claims related to the alleged collusion of the eleven firms on the wholesale price of cigarettes and the gap in retail prices between different brands. The offences spanned a three year period from 2000. John Fingleton, chief executive of the OFT said "if proven, the alleged practices would amount to a serious breach of the law." Sky business correspondent Joel Hills said: "Imperial Tobacco and Gallaher account for over 80% of the cigarette market in the UK. (ref: 33)

Arms & Military Supply

Armaments stockist (2010)

The Walmart website (www.walmart.com) was viewed in November 2010 and under the Hunting section of the website, there was a 'Special Order Gun Catalog 2010' which listed 123 pages of rifles, shotguns, combis and muzzel loaders. These guns were not available online, only in select stores, although you could buy gun barrels, stocks and sights online. (ref: 34)

Politics

Genetic Engineering

Cotton position unsatisfactory (2011)

A search was made of the Wal-Mart website (walmartstores.com) in July 2011. No GM-free cotton policy could be found. Clothing was found on sale that included cotton which was not marketed as organic. A statement in the 2011 Global Responsibility Report was found, claiming that sourcing non-Uzbek cotton was impossible. Campaigners did not agree that this was the case at the time, and others in the industry were proving this not to be the case.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, the company lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 17)

GM policy for company's own products (August 2010)

A search was made of the Asda Group website (asda.com) in August 2010. A statement on GM was found (see below). As the company did not rule out the use of GM in the feedstock of cattle that became Asda products (including milk), ECRA marked the company down for likely use of GM material.

"Genetically modified food: All our food ingredients are from non GM sources

Genetic Our definition of non-GM is something which has been produced under strictly monitored guidelines, applied at every stage – from the field to the finished product to ensure that the risk of inadvertent contamination is minimised.

We're open to GM technologies, but the benefits to the end consumer need to be clearly demonstrated in terms of, for instance, food security, better use of land, improvements in health, or lowering the cost of living.

This policy applies to human foods. We recognise that for some customers there are concerns over the feeding of GM derived materials to livestock. For customers wishing to avoid such animal derived products Asda stocks a wide range of organic foods that specifically prohibit the feeding of GM materials" (ref: 35)

No genetic engineering policy (August 2010)

A search for information on GM was made of Wal-Mart Stores Inc website (www.walmartstores.com) in August 2010. The search did not reveal the company's position on GM. ECRA considered it likely that the company sold products containing ingredients from animals fed GM feed, as GM animal feed was prevalent in supply chains. The company sold a very wide range of own brand and non-own brand consumer products. (ref: 34)

Political Activities

Lobbying against legislation to improve supply chains (2 July 2011)

In July 2011 it was reported on the Guardian website, www.guardian.co.uk, that "heavy artillery lobbying" by supermarkets, including Asda, looked likely to derail or render toothless legislation aimed at improving the way such companies treated suppliers. The company was said to have told a Commons select committee that the proposed groceries code adjudicator was an "unnecessary extra burden" on supermarkets which would lead to higher food prices. Organisations including the National Farmers Union, Friends of the Earth and ActionAid were said to have claimed that the bill was crucial to tackle "years of abuse and restrictive buying practices", resulting in supermarkets increasing profits by squeezing smaller suppliers. A spokesperson for the Grocery Market Action Group was said to have claimed that supermarkets' bullying and unfair buying practices had resulted in 3,000 farmers and other suppliers going out of business. An Observer investigation was said to have found that farmers had claimed that they were the victims of practices including being forced to use supermarkets' nominated middlemen at increased cost, having to sell produce for two-for-one discounts and "no-price contracts". Such practices may have been illegal and were banned under an existing binding code of practice, which supermarkets were said to claim was working well. Farmers were said not to speak out against breeches of the code as a result of a "climate of fear" of losing contracts. (ref: 36)

WTO lobbying (2006)

According to the March 2006 edition of the Ecologist, Wal-Mart and other companies dominated the US Trade Policy Advisory Committees. The article on the privileged access that multinational companies have over policy making at the World Trade Organisation (WTO), claimed that the 742 external advisors to the US trade department had access to confidential WTO negotiating documents, and attended meetings with US trade negotiators. 93% of these were said to represent business lobby groups and corporations. The article alleged that the 17,000 lobbyists in Washington DC outnumbered lawmakers in US Congress and federal officials by 30 to one. It also said that corporations and lobby groups spent nearly \$13 billion influencing Congress and federal officials from 1998-2004. The article claimed that tariff cuts brought about by trade liberalisation, had reduced Majority World countries' income from import taxes by up to \$60 billion per year. This was because cheap imports flooded Majority World countries markets, leaving farmers unable to sell their products and forcing local factories to shut down. (ref: 37)

(See also 'Middle ECRA rating for environmental reporting' in Environmental Reporting above.)

Anti-Social Finance

(See also 'WTO lobbying' in Political Activities above.)

Subsidiaries in 2 tax havens (2011)

According to the 2011 Walmart Annual Report, the company had operations in the following countries deemed to tax havens by Ethical Consumer at the time of writing:

Costa Rica

Guatemala (ref: 17)

Lawsuit filed over alleged executives' misconduct (May 2007)

According to an article in The Guardian newspaper dated 28 May 2007, a former senior employee of Wal-Mart had filed a lawsuit in Detroit (US), which accused a number of company executives of 'accepting gifts and discounts on items such as yachts and diamonds from suppliers and other businesses'. The former employee who launched this legal action was fired from the company in December 2006 over allegations of misusing corporate funds, and accepting gifts from an advertising company that was later hired by Wal Mart. (ref: 38)

Benetton clothes

Owned by Benetton Group

Benetton Group, CORPORATE, , Benetton Group Headquarters, Federico Sartor - Press and Communication Director, Villa Minelli, 31050 Ponzano, Treviso, Treviso, Italy

Benetton Group is owned by Edizione Holding SPA (67%)

Edizione Holding SPA, Calmaggione, 23, 31100 – Treviso (TV), Italy, Italy

Edizione Holding SPA also owns Benetton clothes [O]

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

A search was made of the Benetton Group website (benettongroup.com) in July 2011. No environmental reporting could be found, therefore the company received Ethical Consumer's worst rating in this category. (ref: 39)

Climate Change

Carbon-intensive subsidiaries (July 2011)

A search was made of the Edizione website (edizione.it) in July 2011. It was found that the company had investments in carbon-intensive subsidiaries such as toll roads and airports. (ref: 40)

Operations in airports (2007)

According to the company website www.autogrill.com, viewed by ECRA in February 2007, Autogrill was an operator of food and beverage and retail services in airports. Airports and aviation were considered by ECRA to be sectors which made major contributions to climate change. (ref: 41)

Pollution & Toxics

Cotton position (July 2011)

Benetton did not respond to Ethical Consumer's written request in June 2011 for its cotton policy. Ethical Consumer searched the company's website (www.benttongroup.com) in July 2011 for this information, none could be found.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, the company lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech

organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 39)

Animals

Animal Testing

Worst Ethical Consumer rating for animal testing (July 2011)

A search was made of the Benetton consumer website (benetton.com) in July 2011. It was found that the company sold its own perfume, and had no animal testing policy. The company's corporate website (benettongroup.com) was also checked, no animal testing policy was in evidence on this site either. (ref: 39)

Factory farming

Factory-farmed meat (July 2011)

A search was made of the Autogrill website (autogrill.it) in July 2011. It was found that the company was involved in the retail of meat that was not labelled as organic or free-range. For example, its proprietary brand The Hot Dog. (ref: 42)

Animal Rights

Leather on sale (July 2011)

A search was made of the Benetton consumer website (benetton.com) in July 2011. It was found that the company sold products made of leather, for example, leather bags. The production of leather involved the slaughter of animals. (ref: 39)

(See also 'Factory-farmed meat' in Factory farming above.)

Silk on sale (July 2011)

A search was made of the Benetton consumer website (benetton.com) in July 2011. It was found that the company sold silk. The manufacture of conventional silk involved the deaths of silk worm larvae. (ref: 39)

People

Human Rights

Land rights abuses in Patagonia (December 2010)

A search was made of the corporate Benetton website (benettongroup.com) in July 2011. A statement on the Patagonian land rights issue was found, dated December 2010. The statement included the following paragraphs:

"In 2001 Atilio Curiñanco and Rosa Nahuelquir occupied, without authorisation, 385 hectares of unpopulated land situated in Patagonia, belonging to Compañía de Tierras Sud Argentino held by Edizione Holding (holding of the Benetton family). They claimed possession of the land in Patagonia from an ancestral and historical (i.e. not legal) viewpoint.

In making this symbolic gesture, the Curiñancos stayed there for 39 days, at the end of which they were ordered to leave. As a result of this incident, Compañía de Tierras Sud Argentino was compelled to initiate a lawsuit which confirmed the total legality of its ownership of the land, situated in the area of Santa Rosa."

It also stated that the company had offered an alternative piece of land "for the benefit of the local population", but that this piece of land had been refused by the local governor as he thought the land was too low quality. (ref: 39)

Operations in 20 oppressive regimes (2011)

In July 2011, the store locator function on the Benetton consumer website (benetton.com) was accessed. It was found that the company had operations in the following 20 operations, which were all on Ethical Consumer's list of oppressive regimes at the time of writing:

Belarus, China, Columbia, Cuba, Honduras, India, Iran, Iraq, Kazakhstan, Libya, Pakistan, Philippines, Russia, Saudi Arabia, Syria, Thailand, Turkmenistan, Uzbekistan, Venezuela and Vietnam. (ref: 39)

Workers' Rights

(See also 'Cotton position' in Pollution & Toxics above.)

Supply Chain Management

Worst ECRA rating for Supply Chain Policy (2011)

A search was made of the Benetton Group website (benettongroup.com) in July 2011. No supply chain management information could be found, therefore the company received Ethical Consumer's worst rating in this category. (ref: 39)

Politics

Genetic Engineering

(See also 'Cotton position' in Pollution & Toxics above.)

Bonmarche clothing

Owned by Bonmarché

Bonmarché is owned by The Peacock Group plc

owned by Henson No 1. Ltd

The Peacock Group plc also owns Peacocks clothing

Environment

Environmental Reporting

Worst rating for environmental reporting (2011)

Peacock Group did not respond to Ethical Consumer's written request for the company's environmental policy. Ethical Consumer found some information on its website, www.peacockscorporate.co.uk, during a search in July 2011. This mentioned that the company was participating in the Carbon Disclosure Project. The rest of the environmental information available was poor for the scale of the company's operations. It made no mention of agriculture or the use of chemicals and pesticides. As an apparel company this would form a large environmental impact. It also included no dated, quantified future targets for reducing these impacts and there was no reporting on past performance, and therefore no independent verification of the data. The company received Ethical Consumer's worst rating in this category. (ref: 43)

Pollution & Toxics

Sale of PVC products (2011)

The Peacock Group website (www.peacocks.co.uk), viewed by Ethical Consumer in July 2011, listed an item on sale that was made from PVC. Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 44)

No policy on cotton sourcing (2011)

The Peacock Group did not respond to Ethical Consumer's written request in June 2011 for its cotton sourcing policy. Ethical Consumer searched the company's websites (www.peacocks.co.uk and www.peacockscorporate.co.uk) in July 2011 for this information, but none could be found.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely

to have come from Uzbekistan and the prevalence of child labour in its production, Peacock Group lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 43)

Animals

Animal Rights

Sale of leather products (2011)

The Peacock Group website (www.peacocks.co.uk), viewed in July 2011, showed a leather belt on sale. Ethical Consumer considered it likely that the company's frequently-changing collections were likely to often include leather, although none of the company's shoes were leather in July 2011. As a slaughterhouse byproduct, leather was considered to be an animal rights issue and the company lost a mark in this category. (ref: 44)

People

Human Rights

Non disclosure of country of origin (2011)

The Peacock Group corporate website (www.peacockscorporate.co.uk), was searched in July 2011 for information about where the company sourced its goods. The only information that could be found was the following statement; "We work with suppliers all over the world. Some of these countries do not have the legal and cultural framework which mean there are ethical issues which we cannot stop overnight. That won't stop us trying though." Sourcing from oppressive regimes was common in the clothing sector, (according to the 2006 'Well Dressed' report by Cambridge University, 'More than a quarter of the world's production of clothing and textiles is in China, which has a fast growing internal market and the largest share of world trade'). China was on Ethical Consumer's list of oppressive regimes at the time of writing. As a result the company lost half a mark in the Human Rights category. (ref: 43)

Supply Chain Management

Worst rating for supply chain management (2011)

Peacock Group did not respond to Ethical Consumer's written request for the company's supply chain management information. Ethical Consumer found some information on its website, www.peacockscorporate.co.uk, during a search in July 2011.

SUPPLY CHAIN POLICY

The company's supply chain policy was displayed on its website. It contained clauses prohibiting child labour, forced labour and discrimination. However, the child labour clause was considered insufficient as it did not define the age of a child. The policy also included clauses protecting workers' rights to join a trade union and the payment of a living wage. Its clause on the limitation of the working week to 48 hours plus 12 hours overtime included the phrase "should not be required, on a regular basis" which left room for interpretation and was thus considered insufficient. There was no statement which made clear that the policy applied to all suppliers.

The company was therefore considered to have a rudimentary supply chain policy.

STAKEHOLDER ENGAGEMENT

No mention of any stakeholder engagement could be found on the company's website. The company was therefore considered to have a poor approach to stakeholder engagement.

AUDITING AND REPORTING

No mention of auditing and reporting could be found on the company's website. The company was therefore considered to have a poor approach to auditing and reporting.

DIFFICULT ISSUES

No mention of difficult issues could be found on the company's website. The company was therefore considered to have a poor approach to difficult issues in the supply chain.

The company was given Ethical Consumer's worst rating in this category. (ref: 237)

Workers' Rights

(See also 'No policy on cotton sourcing' in **Pollution & Toxics** above.)

Suppliers using UK sweatshops (2010)

According to an article which appeared on the Independent website (www.independent.co.uk), on 8 November 2010, a Channel 4 television programme, *Dispatches*, aired on 8 November 2010, discovered clothes being produced for the UK high street in sweatshop conditions.

The three-month long undercover investigation carried out in factories in Leicester found the following appalling working conditions:

- * "dangerous, pressurised sweatshop conditions";
- * pay at half the legal minimum wage;
- * workers exhorted to work faster under threat of the sack;
- * cramped and over-heated conditions with unsanitary toilets and at least one blocked fire exit.

Workers' identity and legality was also not checked, according to the programme, *Fashion's Dirty Secret*. The factories were making clothes for five high street brands, including Peacocks.

Peacocks said: "We won't be commenting before the programme because we don't know what the full facts are." (ref: 45)

No acceptance of principle of living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. The Peacock Group received grade zero, which was defined in the report as "does not accept the principle of a living wage". The report stated that the company "did not respond to our request for information, and makes no information available on its website. It is therefore safe to assume the worst – that it has no engagement with ethical trading at all." (ref: 6)

Supply Chain Management

Bottom rating in labour rights survey (September 2007)

In 2007, Labour Behind the Label (LBL) has interrogated the biggest players in the fashion industry, to see what progress has been made towards a living wage, freedom of association and

monitoring & verification since their last 'Let's clean up fashion' survey in 2006.

Bon Marche had no information public on their websites, and once again did not respond to either of LBL's letters in May and June 2007. They deserve the most severe criticism and consumer scepticism according to Labour Behind the Label. (ref: 46)

Politics

Genetic Engineering

(See also 'No policy on cotton sourcing' in **Pollution & Toxics** above.)

Anti-Social Finance

Tax avoidance (2011)

According to the Peacock Group company fact sheet on the Hoovers website (www.hoovers.com), viewed in July 2011, Henson No 2B Ltd was registered in the Cayman Islands, which at the time of writing was considered by Ethical Consumer to be a tax haven. (ref: 47)

Burton clothes

Owned by Burton Retail Limited

Burton Retail Limited, Customer Services, Colgrave House, 70 Berners Street, London, W1T 3NL, UK

Burton Retail Limited is owned by Arcadia Group Ltd

owned by Taveta Investments (No 2) Ltd (92%)

owned by Taveta Ltd (92%)

owned by Tina Green (92%)

Arcadia Group Ltd also owns Dorothy Perkins clothing and Evans clothing and Miss Selfridge clothing and Outfit clothing and Topman clothing and Topshop clothing and Wallis clothing

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2010)

In July 2011 the Arcadia Group Responsibility Report 2010 was viewed by researchers at Ethical Consumer.

Although the report discussed many ways in which the company had reduced environmental impacts to date, it lacked quantified and dated future targets for impact reduction. It failed to address the key issue of chemicals used in the growing of cotton and the manufacture and dying of fabrics and garments. It also made no meaningful carbon disclosure and it was not independently verified.

As a result, the company received Ethical Consumer's worst rating in this category. (ref: 48)

Pollution & Toxics

Sale of Teflon treated clothing (June 2007)

A shop survey of BHS conducted in Manchester in June 2007 found a number of items of children's clothing which had been treated with Teflon. Chemicals such as Teflon, belonging to the "non-stick" family of perfluorinated chemicals (PFCs) had been classified as cancer-causing by the US Environmental Protection Agency and have been found in a wide range of species including polar bears, dolphins and humans worldwide. Environmental campaigners have called for PFCs to be replaced with safer alternatives especially in clothing and other consumer products. PFCs, such as Teflon were used in many school trousers and skirts to give them durability and are frequently labelled "non-iron". (ref: 49)

Cotton sourcing policy (2011)

Arcadia Group did not respond to Ethical Consumer's written

request in June 2011 for its cotton sourcing policy. Ethical Consumer searched the company's website (www.arcadiagroup.co.uk) in July 2011 for this information.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

The company's 2010 Responsibility Report stated that it required all suppliers to verify that they did not source from Uzbekistan.

Due to the impacts of the widespread use of pesticides in cotton production worldwide Arcadia Group lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 50)

Habitats & Resources

Sold wooden products not labelled as coming from FSC certified sources (June 2007)

The BHS website was visited in July 2007, www.bhs.co.uk. It was found to be retailing a number of wooden furniture items that were not labelled as coming from FSC certified sources. (ref: 51)

Sale of factory farmed meat products (2007)

A shop survey in June 2007 found the BHS store in Manchester to be retailing a number of sandwiches containing meat fillings. As these were not labelled as free range or organic, it was therefore assumed that the meat in these sandwiches came from animals which had been reared under factory farming conditions. Additionally, the store also sold tuna, with no mention of whether this was certified by the Marine Stewardship Council as coming from sustainably caught sources. (ref: 49)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (2011)

Ethical Consumer searched the Arcadia Group website (www.arcadiagroup.co.uk) in July 2011 for the company's animal testing policy. Despite selling a range of own-brand make up under one of its brands Topshop, no animal testing policy could be found on either the Arcadia Group website, nor on its Topshop website. As a result, it received Ethical Consumer's worst rating in this category. (ref: 52)

Factory farming

(See also 'Sale of factory farmed meat products' in **Habitats & Resources** above.)

Animal Rights

Sale of products containing slaughterhouse byproducts (June 2007)

A shop survey in during June 2007 discovered the BHS store in Manchester was retailing a number of products containing leather, a slaughterhouse byproduct. (ref: 49)

Sale of leather with policy addressing the issue (2009)

The Arcadia Group website (www.arcadiagroup.co.uk), viewed by Ethical Consumer in July 2011, listed a number of clothing items on sale that were made from leather. However, the company's Code of Conduct (dated January 2009) stated that it would only use leather products which were a by product of the meat industry. As a slaughterhouse by product, however, leather was of concern to animal rights campaigners. (ref: 53)

Sale of products containing merino wool (2011)

The Topshop website (www.topshop.com), viewed by Ethical Consumer in July 2011, showed a number of garments on sale which were made with the use of merino wool.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called "flystrike," Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of anaesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbour fly eggs, yet the bloody wounds often get flystrike before they heal. (ref: 52)

People

Human Rights

Products manufactured in oppressive regime (June 2007)

A shop survey in June 2007 found a BHS store in Manchester to be selling clothes manufactured in China. (ref: 49)

Operations in oppressive regimes (2011)

According to the Arcadia Group Responsibility Report 2010, two of the countries which produced most of its products were China and India, both of which were on Ethical Consumer's current list of oppressive regimes. The 2009 Responsibility Report stated that it shared a manufacturing facility with another retailer in Bangladesh. Since the 2010 report also referred to the Asia Floor Wage Alliance's work in Bangladesh, it was assumed the company still sourced from the country, which was also on Ethical Consumer's current list of oppressive regimes. (ref: 54)

Policy about sourcing from Burma (2007)

According to the Observer, viewed online at www.observer.guardian.co.uk on 19th March 2007, BHS had a policy of not sourcing products from Burma. Burma was on ECRA's list of oppressive regimes at the time of writing. However, the article did state that campaigners believed that although many clothes retailers had this policy, they may still be selling products from Burma (Myanmar) as labels of origin were being switched. (ref: 55)

Workers' Rights

Labour right abuses at Cambodian factory (2006)

According to the 26th April 2006 issue of CSR Asia Weekly, BHS was one of a number of high street stores which had clothes manufactured at the Fortune Garment & Woollen Knitting factory outside the Cambodian capital of Phnom Penh. A report by labour rights campaigners was said to have revealed a number of labour rights abuses at the factory, including:

- the alleged sacking of a worker over his trade union activities, and a strike by workers in support of him, and overall "aggressive responses to union activity";
- criticism by the ILO of the factory, cataloguing a range of abuses in the past with few improvements despite recommendations;
- hot, stuffy conditions and problems with workers inhaling

chemical fumes in the factory;

- failure to install adequate safety equipment, and allegations by workers that the factory management made special arrangements for overseas monitors, including opening the factory doors to let air in and the temporary installation of safety equipment. (ref: 56)

No acceptance of principle of living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. BHS received grade zero, which was defined in the report as "does not accept the principle of a living wage". The report stated that BHS had been bought by Arcadia and that LBL were informed that it would shortly become a member of the Arcadia Group. According to the 2009 report, BHS had never responded to LBL's requests for information and had consistently received the lowest score. LBL said they hoped that under new ownership they would start to see some progress. (ref: 6)

Workers' rights abuses at Indian supplier factories (December 2010)

According to a report published by campaign organisations Labour Behind the Label and War on Want in December 2010, numerous workers' rights abuses had been found at two garment factories in India. At the time that the report was being researched, 'Factory A' and 'Factory B' were supplying three Arcadia-owned clothing brands, as well as other major UK high street clothes companies.

Under Indian labour law, at the time of writing, workers were entitled to an annual bonus equivalent of at least 8.33% of the salary earned over the year. They were also entitled to one day's annual leave for every 20 days worked, or, if the leave isn't taken, one day's

pay. According to the report, none of the workers in Factory A were given this annual leave or the equivalent pay, although they did get 8-10 days leave for government public holidays. In Factory B workers got one day leave for every month worked (rather than every twenty days) but only the 5% of workers employed on permanent contracts received the annual bonus. According to one factory worker interviewed from Factory B, in 2002, the factory started engaging contractors to supply workers. Then slowly almost 95% workers became on contract basis. This enabled the factory to avoid the entitlements of permanent staff, such as sick pay and holidays.

All the workers interviewed stated that they regularly worked overtime hours, although in Factory A these were only paid at the standard hourly rate, despite Indian Law stating that overtime is paid at double rate. Workers at Factory A stated that managers kept two sets of overtime records, one showing the real wages paid and the other, to be shown to buyers and their auditors, showing the overtime rate at the legal amount. Overtime hours at Factory A were estimated to be between 70 and 100 hours of overtime each month, although this went up to 140 per month during peak seasons.

Workers in both factories were set hourly targets by supervisors. Workers interviewed stated that if a worker was struggling or failing to meet the target, she or he was verbally and sometimes physically abused.

Occasionally in Factory A workers were dismissed if they repeatedly missed their targets. If all the workers met a target then it was increased in the following hour. If workers were unable to meet the target then it was never reduced. Those interviewed stated that only the very experienced workers were able to meet

the targets set for them. They estimated that in fact these targets were unreachable for around 60% of the workers.

In Factory A, filtered and purified water was only made available to supervisors and senior staff. The rest of the workers allegedly had to drink directly out of the borehole. Although adequate toilets were provided for the number of workers they were often filthy and there was rarely water available. In Factory B water was available both to drink and in the toilets, but the number of toilets was woefully inadequate, with only one toilet for every 83 male workers.

One worker in Factory A said that he could not afford to bring his family to live with him in Delhi where he worked. They had to stay behind in Uttar Pradesh when he moved away for work. He lived in a single asbestos-roofed room, which aside from being a health concern, was unbearably hot in summer and far too cold in winter. He said that he could only afford to eat two meals a day.

In Factory A all workers categorically stated that they were not allowed to unionise at the factory and that any attempt to do so was dealt with by the contractors' "security," a person whom the workers were all terrified of, due to threats of physical violence and abduction. According to a worker Factory B "Any worker who appears to be vocal is taken care of immediately through termination from the service. And it had happened with a few workers in the factory." (ref: 57)

Supply Chain Management

Middle ECRA rating for supply chain management (2011)

Arcadia Group were unable to reply to Ethical Consumer's written request for its supply chain management information. However, it pointed Ethical Consumer researchers to its latest CSR reports.

SUPPLY CHAIN POLICY

The Arcadia Group Code of Conduct (dated January 2009, but with the clauses themselves dated 2007) was downloaded from the company's website. It included clauses on prohibition of child labour, forced labour and discrimination. It included a clause on provision of a living wage and freedom of association. The clause on working hours was considered insufficient because, although it limited the working week to 48 hours plus 12 hours overtime per week, it also included the statement "employees shall not on a regular basis" work above 60 hours. It stated that these clauses applied to manufacturers and any person supplying goods to the company.

STAKEHOLDER ENGAGEMENT

Arcadia did not appear to be a member of any multi-stakeholder initiative, and indeed had attracted criticism for failing to join the Ethical Trading Initiative. Its 2010 Responsibility Report stated that it communicated regularly with six key stakeholder groups, one of which was NGOs, trade unions, governments, students and campaign groups. It gave examples of projects with which it engaged with NGOs (listed under 'DIFFICULT ISSUES' below), however, none of these appeared to include systematic input from NGOs in the country of supply into the verification of labour standard audits.

The Arcadia Group Code of Conduct Guidebook outlined a confidential complaints mechanism for employees.

AUDITING AND REPORTING

The Responsibility Report 2010 stated that the company had carried out 950 independent audits that year. This was compared to a total of around 620 suppliers, who manufactured the company's goods in approximately 1,100 factories. The report stated how many of these audits were follow-up audits, as opposed to repeat audits. It stated that it was developing an online factory and audit database, Valid8. It also stated that "factories used by Arcadia brands and BHS Menswear have an up-to-date, independent ethical audit on our system and we are working towards the same objective for the other BHS Divisions." However, the company did not define what it meant by "up-to-date". Nor did it state how often follow-up audits were required. Ethical Consumer did not consider this to constitute a transparent auditing schedule. There was no mention of who bore the costs of audits.

The document discussed the Topshop/Topman Assessment, Remediation, Capacity Building tool. It stated that this would focus on the following identified key strategic labour priorities; living wage, purchasing practices, freedom of association and subcontracting and home workers. However, no more details on how this was implemented alongside the company's auditing programme was given, and it was not applicable across all Arcadia Group brands.

DIFFICULT ISSUES

The Responsibility Report 2010 listed several issues on which the company was engaging with NGOs. These were living wages - working with the Asia Floor Wage Alliance, homeworkers - looking at channelling work through the Self Employed Women's Association (SEWA) and freedom of association - working with the International Textile, Garment and Leather Workers Federation.

The company received Ethical Consumer's middle rating for its supply chain management. (ref: 53)

Multiple workers rights criticisms (September 2006)

Labour Behind the Label: Let's Clean Up Fashion report (September 2006) listed several criticisms of Arcadia. The report strongly urged Arcadia to join a Multi Stakeholder Initiative such as the Ethical Trading Initiative. Arcadia had previously responded to LBL wage questions by stating that "a living wage is aspirational" but had said it would be willing to support research into making living wages "viable". The report stated that in 2005-6 workers in a Cambodian factory were persecuted and sacked for trying to form a union. This factory supplied Arcadia subsidiaries. (ref: 29)

Politics

Genetic Engineering

Sold products likely to come from GM cotton (June 2007)

BHS did not respond to a request from Ethical Consumer in June 2007 for a copy of its policy toward genetically modified cotton. In the absence of a policy, and because in December 2005, Ethical Consumer reported that GM cotton was said to comprise around 35% of the market, BHS was assumed to be selling products containing GM cotton. (ref: 58)

(See also 'Cotton sourcing policy' in **Pollution & Toxics** above.)

Anti-Social Finance

Excessive director's pay (2010)

According to the Arcadia Group company fact sheet on www.hoovers.com, in 2010, the company's highest paid director received

£1,918,000.00. Ethical Consumer deemed annual pay (including benefits) over £1million to be excessive. (ref: 54)

Tax avoidance by Philip Green alleged (August 2006)

The Sunday Times reported in August 2007 that Philip Green, owner of the Arcadia Group Ltd, avoided personal tax by paying out dividends to his wife, who lived offshore. It was reported that in 2005, Lady Tina was paid £1.2 billion. (ref: 59)

Parent company registered in a tax haven (21 January 2009)

According to the Hoovers profile of BHS, viewed in January 2009, its parent company - Global textiles investments Ltd was registered in Jersey - a country on ECRA's list of tax havens on that date. (ref: 60)

Coast clothing

Owned by Aurora Fashions

Aurora Fashions, Ethical Trading Manager - Global, 69-77 Paul Street, London, EC2A 4PN

Aurora Fashions is owned by Arion Bank (restored Kaupthing Bank)

Arion Bank (restored Kaupthing Bank), Borgartuni 19, 105 Reykjavik, Iceland

Arion Bank (restored Kaupthing Bank) also owns Oasis clothing and Warehouse clothing

Environment

Environmental Reporting

Worst Ethical Consumer rating for environmental reporting (July 2011)

Ethical Consumer searched the Aurora website, www.aurorafashions.com, in July 2011 and found a page on the environment on the ethics sections of the website. This showed some understanding of the company's environmental impacts, saying that the company aimed to reduce consumption of resources such as energy, water and fuel, had a fully integrated recycling system across all of its offices and distribution centre, reducing and reusing packaging and fabrics and limiting waste was continually working to reduce delivery mileage by managing delivery frequency and consolidating locations and that in the last 12 months we have reduced the number of dedicated UK delivery routes from 55 to 37. It also said the company was replacing standard lamps with energy efficient bulbs. However there was no mention of the sustainability issues surrounding fashion and clothing and no quantified reporting on past performance and no targets set for future improvements. For a company of its size Ethical Consumer considered its environmental reporting to be extremely poor and it consequently received a worst Ethical Consumer rating in this category. (ref: 61)

Climate Change

Investment relationships with oil and food producers (July 2011)

According to the Arionbanki website visited in July 2011, Arion has an asset management division engaged in pension fund management and the provision of over 30 mutual funds. Although ECRA could not translate sufficiently to understand the make up of these funds, it was assumed that a balanced portfolio would require at least some investment in oil companies and food companies. The company therefore attracted marks for having an investment relationship with companies criticised for climate change, pollution and animal rights impacts. (ref: 62)

Pollution & Toxics

(See also 'Investment relationships with oil and food producers' in Climate Change above.)

No cotton sourcing policy (July 2011)

Aurora responded to Ethical Consumer's written request in June 2011 for its cotton policy. The company did not respond to a question about the use of GM cotton. According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category. The company did however say that it had a policy in place banning Uzbek cotton. (ref: 63)

Habitats & Resources

Financing of environmentally destructive activities (2006)

According to the company website www.singer-friedlander.com, viewed by ECRA in April 2006, Singer & Friedlander owned by Aurora Fashions financed assets such as aircraft, which were considered by ECRA to have a substantial impact on climate change. (ref: 64)

Animals

Animal Rights

Policy on leather (July 2011)

According to Aurora Fashions response to an Ethical Consumer questionnaire in July 2011 its policy on leather was that it could only be used as a byproduct of the meat industry. As this involved the slaughter of animals the company received a mark in the animal rights category. (ref: 63)

(See also 'Investment relationships with oil and food producers' in Climate Change above.)

Sale of silk garments (July 2011)

A search by Ethical Consumer of the websites of the brands of Aurora Fashions, viewed by Ethical Consumer in July 2011, revealed that all of them sold garments made of silk. The use of silk was an animal rights issue as silk worm larvae had to be killed to extract the silk. (ref: 61)

People

Human Rights

Shops in oppressive regimes (July 2011)

Ethical Consumer viewed the Aurora Fashions website, www.aurorafashions.com, in July 2011 and found that the company had shops in China (Taiwan), Russia and Saudi Arabia, all of which were countries on Ethical Consumer's list of oppressive regimes at the time of writing. (ref: 61)

Manufacture in China (January 2009)

In January 2009, the website at www.mosaic-fashions.co.uk/corporate_responsibility.php explained how many of the company's products were sourced from China through the company's Hong Kong office. (ref: 65)

Workers' Rights

'Unconvincing' on payment of a living wage (2009)

According to Labour Behind the Label's 2009 Let's Clean Up Fashion Report, Aurora Fashions was given 'one cheer'. The company, Labour Behind The Label said, mentioned work on living wages but was unconvincing so far. (ref: 6)

No real efforts to apply living wage (September 2008)

The Labour Behind the Label report "Let's Clean Up Fashion - 2008 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Mosaic Fashions received grade two, which was defined in the report as "acknowledges that minimum and industry

benchmark wages are not sufficient standards, but no real efforts to apply living wage". The authors of the report commented: "As promised, a significant improvement on 2007's meagre effort, but Mosaic is still a long way behind other retailers. It would benefit from joining a multi-stakeholder initiative." (ref: 66)

Supply Chain Management

Middle Ethical Consumer rating for supply chain management (July 2011)

SUPPLY CHAIN POLICY

A search was made of the Aurora Fashions website (aurorafashions.com) in July 2011. The company's supply chain management information was found. The company had a code of conduct that had adequate provisions in terms of child labour, forced labour, freedom of association, discrimination, working hours and living wages.

STAKEHOLDER ENGAGEMENT

There was no mention of membership of multistakeholder organisations. There was no mention of a complaints process for workers. There was no mention of NGOs/TUs/not-for-profits being involved in auditing. It was stated that a more participatory audit method had been used in China, which involved the workers having a more active role in the audit.

AUDITING AND REPORTING

There was no reporting of audit results. There was no mention of who paid the cost of audits. There was no detail about what parts of the supply chain were audited. There was a staged policy in respect of remediation. There was a small amount of information about the auditing schedule: "

A long-term auditing programme, which includes year on year increases in the percentage of the supply base audited are in place."

DIFFICULT ISSUES

Unannounced audits were used. There was no mention of training buying staff. There was no mention of special measures in countries where freedom of association was illegal (although the code of conduct was strong on this point). There was no mention of special measure relating to outworkers. There was no mention of attempts to apply a living wage.

The company received Ethical Consumer's middle rating in this category. (ref: 61)

Politics

Genetic Engineering

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Use of GM cotton in clothing products (January 2009)

Mosaic did not respond to a request from Ethical Consumer in December 2008 for information regarding its policy towards GM cotton and no information could be found on the company website. The January 2006 issue of Ethical Consumer stated that: "According to UNCTAD, cotton grown from genetically modified crops currently accounts for around 35% of the global market." Therefore, in the absence of any undertaking from Mosaic that it would avoid GM cotton, it was assumed that the company was likely to be selling cotton products manufactured from GM cotton. (ref: 65)

Anti-Social Finance

Offices in tax havens (July 2011)

Ethical Consumer viewed the Aurora Fashions website, www.

aurorafashions.com, in July 2011 and found that the company had offices in Hong Kong and Ireland, both of which were territories on Ethical Consumer's list of tax havens at the time of writing. (ref: 61)

Subsidiary in one tax haven (2006)

According to the company website www.singer-friedlander.com, viewed by ECRA in April 2006, Singer & Friedlander had a subsidiary in the Isle of Man, a territory regarded by ECRA as being a tax haven. (ref: 67)

Debenhams clothing

Owned by Debenhams plc

Debenhams plc, 1 Welbeck Street, London, W1A 1DF, UK

Debenhams plc is owned by Schroder Investment Management Limited (14%)

owned by Schroders plc (14%)

Schroders plc, 31 Gresham Street, London, EC2V 7QA

Debenhams plc is also owned by Bestinver Gestion SA (12%)

owned by Acciona SA (12%)

Acciona SA, Avenida Europa 18, Parque Empresarial La Moreleja, 28108 Alcobendas, Madrid, Spain

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

The Debenhams Plc website (www.debenhamsplc.com) was searched by Ethical Consumer in June 2011, for a copy of the company's environmental report or policy. The company had not responded to a written request for this information in the same month. The website contained a dedicated Corporate Responsibility section, under which its environmental information was found. This discussed energy use, carbon emissions, fuel use in transport fleet, paper use for both company offices and promotional materials, waste recycling and carrier bags. However, although some improvements were reported, no dated, quantified future targets were set. In addition, Ethical Consumer did not consider the information to demonstrate a reasonable understanding of the company's main impacts, since it made no mention of agriculture – which as a food and clothing retailer would form a significant environmental impact of its operations. As a result, it received Ethical Consumer's worst rating in this category. (ref: 68)

Climate Change

High climate impact sectors (2007)

According to the company factsheet on business information website Hoovers.com, viewed by ECRA in October 2007, Acciona (which owns a minority stake in Debenhams) was involved in building roads and in managing airports (including offering baggage handling services and 6 European airports), both activities regarded by ECRA as making substantial contributions to climate change emissions. (ref: 69)

Shareholdings in Toyota Motor (2008)

According to the brochure for Schroder's Japan Growth Fund Ltd, downloaded from the company website by ECRA in August 2008, one of the main companies invested in the by Fund was Toyota Motor. Toyota Motor's record on ECRA's database included significant criticisms under the following categories: animal rights, human rights, political activities, workers' rights, climate change, pollution & toxics and habitats & resources. (ref: 70)

Shareholdings in Premier Oil (2007)

According to the Premier Oil factsheet on investment information website Hemscott.com, viewed by ECRA in August 2007, Schroder Investment Management (which owned a minority stake in Debenhams) had shareholdings in Premier Oil, a company

criticised by ECRA under the categories: climate change, human rights, workers' rights. (ref: 71)

Pollution & Toxics

Retail of PVC products (2011)

The Debenhams website www.debenhams.com was viewed by ECRA in June 2011. The website displayed a number of products made from PVC. PVC had been criticised by environmental campaigners for its negative environmental impact in production, use and disposal. (ref: 72)

Sale of Teflon treated clothing (June 2007)

The Debenhams website www.debenhams.com was viewed on in June 2007 and displayed a number of items of children's clothing which had been treated with Teflon. Chemicals such as Teflon, belonging to the "non-stick" family of perfluorinated chemicals (PFCs) had been classified as cancer-causing by the US Environmental Protection Agency and had been found in a wide range of species including polar bears, dolphins and humans worldwide. Environmental campaigners had called for PFCs to be replaced with safer alternatives especially in clothing and other consumer products. PFCs, such as Teflon are used in many school trousers and skirts to give them durability and are frequently labelled "non-iron". (ref: 73)

No commitments to source gold responsibly (June 2011)

In June 2011 a search was made on the Debenhams plc website, www.debenhams.com, and a number of products made with gold and diamonds were found. The company's ethical and environmental trading policies, published on its website, stated that all diamonds used for Debenhams products were conflict free: that rough diamonds should be certified by the Kimberly process and that suppliers of finished diamonds must hold on file warranties confirming the conflict free status of gems used for Debenhams production. However, no mention was made of responsible sourcing of gold and an internet web search indicated that the company had not signed the No Dirty Gold campaign to end irresponsible mining practices, nor was it a member of the Responsible Jewellery Council, which aimed to advance responsible business practices throughout the diamond and gold jewellery supply chains. The Channel Four Dispatches programme "The Real Price of Gold", which was broadcast on 27th June 2011 and in which Ethical Consumer participated, highlighted some of the problems in gold supply chains around the world, including environmental destruction, child labour and the human rights impacts of pollution. The publication "Golden Rules: Making the case for responsible mining", published by Earthworks and Oxfam America, also highlighted issues of forced displacement of local communities as a result of gold mining. Debenhams plc therefore lost half marks in the categories of pollution and toxics and human rights. (ref: 72)

Habitats & Resources

Middle Ethical Consumer rating for wood sourcing policy (July 2011)

Ethical Consumer searched the Debenhams website, www.debenhams.com, in July 2011 and found that the company was selling a number of items of furniture made from wood. A search was made for a wood sourcing policy, information was found under the company's list of trading policies which stated the following - Debenhams will only accept timber and timber products from sustainable and well-managed sources, by timber products Debenhams means all timber-inclusive or timber-derived products including fibreboard, wood pulp, paper, cellulose, charcoal etc. Verification of - well-managed forests - this procedure will include: forest certification to standards which are internationally recognised and supported by environmental organisations, "chain of custody" certification i.e. the independent auditing of every stage through which the timber passes, i.e. from forest to distributor. This confirms that the wood materials

used to make a product come from forests which have been certified as "well-managed". Verification of recycled products - suppliers must produce and maintain evidence to illustrate the original composition of the material, the percentage recycled and the sources. The company therefore had a policy which would appear to exclude illegal and unknown sources, with some explanation of how that policy is implemented (chain of custody) and mentions the use of recycled wood products. However it there were no clear goals for improvement, no clear minimum standards, no mention of certified sources, no mention of tropical hardwoods, or of involvement with or use of wood products from multi stakeholder initiatives or bridging schemes. On this basis the company was awarded a middle rating by Ethical Consumer for its wood sourcing policy. (ref: 72)

Shareholdings in Rio Tinto (2008)

According to the brochure for Schroder's Oriental Income Fund Ltd, downloaded from the company website by ECRA in August 2008, one of the main companies invested in the by Fund was Rio Tinto. Rio Tinto's record on ECRA's database included significant criticisms under the following categories: habitats & resources; pollution & toxics; nuclear power; workers' rights, human rights, political activities. (ref: 3)

(See also 'Shareholdings in Toyota Motor' in Climate Change above.)

Animals

Animal Testing

Middle ECRA rating for animal testing policy (2011)

The Debenhams website (www.debenhams.com), viewed by Ethical Consumer in June 2011, included the following policy on animal testing.

Debenhams will not accept any products which were tested on animals after 1st January 1998.

Debenhams will not accept any products, which contain any ingredients or combination of ingredients, which were tested on animals after 1st January 1998.

Any ingredient, which was tested on animals before 1st January 1998, must not have been re-tested on animals since 1st January 1998.

Suppliers must provide evidence to substantiate this and the base set data must be sent to Debenhams.

The policy did not state whether it applied to own brand products, or included all products sold by Debenhams.

In the absence of this information, it received Ethical Consumer's middle rating in this category. (ref: 68)

Factory farming

Sale of factory farmed meat products (June 2007)

A shop survey in Manchester on 8th June 2007 found Debenhams to be selling sandwiches made from bacon and also ham. As neither were labelled as organic or free range, it was assumed that the meat came from factory farmed animals. (ref: 49)

Animal Rights

Sale of leather with policy addressing the issue (2011)

According to the Debenhams website (www.debenhams.com), viewed by Ethical Consumer in June 2011, the company used only leather which was a byproduct of the food industry in its products. The company's website also stated that;

All hides used in the production of Debenhams merchandise must be a byproduct of the food industry and suppliers must produce

and maintain evidence to illustrate this.

Debenhams supports the humane treatment of all animals used in the production of leather. This includes transportation to abattoirs and quick and efficient slaughtering.

Debenhams does not permit the use of any fur, or any skins of snake, crocodile, alligator or any species specified in the IUCN Red List of Threatened Species in any of our own bought products. (ref: 68)

Sale of products made from silk (2011)

According to the Debenhams website (www.debenhams.com), viewed by ECRA in June 2011, the company sold garments and soft furnishings containing silk. The company was given a negative mark in the Other Animal Rights' category since this process involves killing silk worms. (ref: 72)

Sale of products containing merino wool (2011)

The Debenhams website (www.debenhams.com), viewed by Ethical Consumer in July 2011, showed a number of garments on sale which were made with the use of merino wool.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called "flystrike," Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of anaesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbour fly eggs, yet the bloody wounds often get flystrike before they heal. (ref: 72)

People

Human Rights

Conflict Diamonds Survey Results (May 2007)

In May 2007 Amnesty International and Global Witness released a report entitled "Conflict Diamonds, UK jewellery retailers still not doing enough." Debenhams were mentioned in this report. The report is based on findings from a questionnaire sent to leading retailers. It states that "although most companies adhere to the industry's minimal system of self regulation, these are not effective in preventing the trade in blood diamonds, and more needs to be done by industry leaders to ensure that diamonds no longer fuel conflict. Debenhams itself did have a system of warranties but did not disclose any auditing system or other measures taken to combat conflict diamonds. It was also not a member of any jewellery trade associations. It did however have a short policy on conflict diamonds on its website. (ref: 25)

(See also 'No commitments to source gold responsibly' in **Pollution & Toxics** above.)

Operations in 7 oppressive regimes (2011)

In June 2011 the Debenhams website (www.debenhams.com), included a list of stores and franchises in countries other than the UK. Seven of the countries were considered by Ethical Consumer to be oppressive regimes at the time of writing: India, Iran, Jordan, Kazakhstan, Philippines, Saudi Arabia and Vietnam. (ref: 72)

Workers' Rights

Allegations of workers' rights abuses in Cambodian factory (24 April 2006)

An Observer investigation in April 2006 into conditions in a factory in Cambodia manufacturing clothing for UK retailers, including Debenhams, found a number of violations of ILO codes of conduct. Workers complained of being paid less than \$60 a month which was said to be substantially less than other factories

in the locality and not enough to live off. The investigation also discovered harsh conditions and 'aggressive responses to union activity'. Workers described inadequate ventilation in the factory and inadequate masks to prevent inhalation of chemicals. When inspections were to take place, it was alleged that the managers bring out the best equipment and increase the ventilation and forbid workers to talk to the visitors. 200 people had also been dismissed for union activity. The article reported that the factory had already been inspected by the ILO in 2002 which found more violations than any other Cambodian company, and in 2004, it had one of the worst records for implementing the ILO's recommendations. An ILO report in 2005 found 39 outstanding issues to resolve. These included sick pay, noise, ventilation, union activities. The factory also denied the allegations, claiming that the proportion of workers that the Observer journalists had spoken to was very small. (ref: 74)

Workers' rights abuses at Indian supplier factories (December 2010)

According to a report 'Taking Liberties', published by campaign organisations Labour Behind the Label and War on Want in December 2010, numerous workers' rights abuses had been found at two garment factories in India. At the time that the report was being researched, one of these factories, called 'Factory A' in the report, was supplying Debenhams, as well as other major UK high street clothes companies.

Under Indian labour law, at the time of writing, workers were entitled to an annual bonus equivalent of at least 8.33% of the salary earned over the year. They were also entitled to one day's annual leave for every 20 days worked, or, if the leave isn't taken, one day's

pay. According to the report, none of the workers in Factory A were given this annual leave or the equivalent pay, although they did get 8-10 days leave for government public holidays.

All the workers interviewed stated that they regularly worked overtime hours, although in Factory A these were only paid at the standard hourly rate, despite Indian Law stating that overtime is paid at double rate. Workers at Factory A stated that managers kept two sets of overtime records, one showing the real wages paid and the other, to be shown to buyers and their auditors, showing the overtime rate at the legal amount. Overtime hours at Factory A were estimated to be between 70 and 100 hours of overtime each month, although this went up to 140 per month during peak seasons.

Workers in Factory A were set hourly targets by supervisors. Workers interviewed stated that if a worker was struggling or failing to meet the target, she or he was verbally and sometimes physically abused.

Occasionally workers were dismissed if they repeatedly missed their targets. If all the workers met a target then it was increased in the following hour. If workers were unable to meet the target then it was never reduced. Those interviewed stated that only the very experienced workers were able to meet the targets set for them. They estimated that in fact these targets were unreachable for around 60% of the workers.

In Factory A, filtered and purified water was only made available to supervisors and senior staff. The rest of the workers allegedly had to drink directly out of the borehole. Although adequate toilets were provided for the number of workers they were often filthy and there was rarely water available.

One worker in Factory A said that he could not afford to bring his family to live with him in Delhi where he worked. They had to stay behind in Uttar Pradesh when he moved away for work. He lived in a single asbestos-roofed room, which aside from being a health concern, was unbearably hot in summer and far too cold in winter. He said that he could only afford to eat two meals a day.

In Factory A all workers categorically stated that they were not allowed to unionise at the factory and that any attempt to do so was dealt with by the contractors' "security," a person whom the workers were all terrified of, due to threats of physical violence and abduction. (ref: 57)

No real efforts to apply living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Debenhams received grade two, which was defined in the report as "acknowledges that minimum and industry benchmark wages are not sufficient standards, but no real efforts to apply living wage". LBL added that as a long standing ETI member, this company had an understanding of the issues and had talked with other companies taking good steps on the living wage ladder. LBL said it should stop waiting around and start to implement its wage policies. (ref: 6)

Supply Chain Management

Middle ECRA rating for supply chain management (2011) SUPPLY CHAIN POLICY (good)

The Debenhams 'Supplier code of conduct' was viewed on the company's e-tail website (www.debenhams.com) in June 2011. It contained all clauses required under Ethical Consumer's ratings criteria; prohibition of child labour, forced labour and discrimination, provision of a living wage, a freedom of association commitment, limitation of the working week to 48 hours plus 12 hours overtime and a statement which applied this code to all Debenhams supplier companies, including subcontractors.

STAKEHOLDER ENGAGEMENT (rudimentary)

The Debenhams Plc website (www.debenhamsplc.com) stated that the company was a member of the ETI and was taking part in one of its projects, the Decent Work Project, working with a major Debenhams supplier in China. No mention was made of working with specific NGOs in addition to this project, nor was an employee complaints mechanism outlined.

AUDITING AND REPORTING (poor)

Neither of Debenhams' websites included an auditing schedule, or disclose the results. It did state that the company required all suppliers to pass an audit by SGS, their auditor, before they would be accepted onto Debenhams' books. Once suppliers had been approved, subsequent audits did not pass or fail suppliers, but rather engaged with them to improve any problems found. The website did not make clear whether regular ongoing audits were required of existing factories across the entire breadth and some depth of the supply chain.

DIFFICULT ISSUES (rudimentary)

The Debenhams Plc website gave details on measures it was taking to adjust purchasing practices to positively affect working conditions at its suppliers. These included training buyers, and looking at ways to improve management of the process. (ref: 72)

Politics

Genetic Engineering

Cotton sourcing policy (2011)

Debenhams plc website, www.debenhamsplc.com, was searched by Ethical Consumer in June 2011 for information about the company's cotton sourcing policy. A policy regarding Genetically Modified Organisms was found. The document 'Ethical and Environmental Policies' was obtained. This included an effective non-GMO policy which applied to the company's food and non-food products. It was not clear whether this applied to all products sold by the company or whether it applied to own brand products only.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it for non-own-brand products, it was assumed that some cotton products it sold contained some GM material.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

The Debenhams 2008 interim Financial report stated that Uzbekistan was on the company's banned list, and some time and that this included a ban on any material of Uzbek origin being used in its products. It stated that "Continuing concern over the use of cotton from Uzbekistan has led the Company to require all its suppliers to certify that no such material is used in the manufacture of any product for Debenhams." No more recent information on this policy could be found, however, Ethical Consumer assumed that this policy was still in place. (ref: 68)

Gap clothing

Owned by Gap Inc (The)

Gap Inc (The), Two Folsom Street, San Francisco, CA 94105, USA

Environment

Environmental Reporting

Worst ECRA rating for environment reporting (July 2011)

A search was made of the Gap corporate website (gapinc.com) in July 2011. The most recent relevant document was the 2007/8 Social Responsibility Report. It did not contain targets beyond 2010. There was a statement from a group of stakeholders, but this did not constitute independent verification.

The company provided information about its activities in relation to water, including information about its Clean Water Program. Information and statistics about waste were included. The company was taking action on climate change, including the installation of solar panels. Transport was covered, as was sustainable store design and distribution centres. The company included some information in respect of the environmental impact of cotton. Information on toxics was covered, including at mills and laundries, the paint used in store and a Restricted Substance List.

The company received Ethical Consumer's worst rating in this category due to the report being out of date, unverified and the targets being out of date. (ref: 75)

Pollution & Toxics

PVC on sale (July 2011)

A search was made of the Gap consumer website (gap.com) in July 2011. It was found that the company sold PVC products. PVC had come under fire by campaigners such as Greenpeace for years due to concerns about toxics. (ref: 76)

Accused of dumping chemical waste in river used for cooking water (2009)

According to a story which appeared on the Times Online website (www.timesonline.co.uk) on 3 August 2009, a factory that produced jeans for US clothing retailers including Gap was allegedly dumping chemical waste in Lesotho, posing a major hazard to children. The article said that the Sunday Times newspaper had investigated pollution in Maseru and discovered that a plant, operated by Taiwanese company Nien Hsing was pouring dark blue effluent into a river from which water was drawn for cooking and bathing. It was also alleged that the company was dumping needles, razors and harmful chemicals, such as caustic soda, at municipal dumps that attracted child scavengers as young as five. Many of the children worked for up to ten hours a day and complained of ailments that included breathing difficulties, weeping eyes and rashes, according to the newspaper. Gap were said to have ordered an immediate investigation. (ref: 77)

Listed on Fountain Set (Holding) CSR Page (2006)

According to CSR Asia Weekly Vol.2 Week 25, Gap was amongst a group of brands listed as customers on the Fountain Sets CSR page.

Fountain Sets (Holding) Limited was a publicly listed company in Hong Kong, consisting of 13 companies including Dongguan Fuann Textiles. It was said to have supplied to international retail brands and in 2005 Worldwide sales reached HK\$6.64 billion (US\$851 million).

The South China Morning Post (16th June, 2006) had reported that Dongguan Fuann Textiles had illegally discharged excessive waste water directly into a river by laying a secret pipe through which it piped over 20,000 tonnes a day, nearly equivalent to its total waste water treatment plant's capacity. Fountain Set (Holdings) was facing a fine of up to 500,000 yuan. Dongguan's deputy Mayor Li Yuquan was said to have blamed Dongguan Fuan Textiles for river pollution and said it should be severely punished. (ref: 78)

Animals

Animal Rights

Leather on sale (July 2011)

A search was made of the Gap consumer website (gap.com) in July 2011. It was found that the company sold leather products, including jackets. The production of leather involved the slaughter of animals. (ref: 76)

Silk on sale (July 2011)

A search was made of the Gap consumer website (gap.com) in July 2011. It was found that the company sold a dress containing silk through its Banana Republic brand. The production of conventional silk involved the death of silk worm larvae. (ref: 76)

Sale of products containing merino wool (2011)

The Gap website (www.gap.com), viewed by Ethical Consumer in July 2011, showed a number of garments on sale which were made with the use of merino wool.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which

means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called "flystrike," Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of anaesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbour fly eggs, yet the bloody wounds often get flystrike before they heal. (ref: 76)

People

Human Rights

Operations in 2 oppressive regimes (July 2011)

A search was made of the Sec Info website (secinfo.com) in July 2011. This website provided information about companies that operated in the US. It was found that Gap had operations in the following countries that were on Ethical Consumer's list of oppressive regimes at the time of writing:

China

Honduras

Thailand (ref: 79)

Workers' Rights

Criticised over fatal factory fire in Bangladesh (2010)

According to an article which appeared on the Business & Human Rights Resource centre website (www.business-humanrights.org) on 15 December 2010, a group of labour rights organisations has accused leading US and European clothing retailers and brands of failing to push for improved safety conditions in factories in Bangladesh, following the latest in a series of fatal fires at factories in the country. At least 25 workers were reported to have been earlier that week when fire broke out on the ninth and 10th floors of a factory outside Dhaka owned by the Ha-meem group, the fifth largest clothing manufacturer in Bangladesh. Companies sourcing from the factory included Gap. Gap said in a statement that it had dispatched a team from the company to assist at the site of the fire and was "terribly saddened" by the deaths. (ref: 27)

Implicated in deaths involving workers (18 September 2007)

According to an article on the Guardian website (www.guardian.co.uk), dated 15th October 2007, a third death had occurred at a factory that supplied Gap. The first death was that of a worker in October 2006, unions were calling for this death to be investigated. The second death was that of a baby that a worker gave birth to after she had been refused immediate leave after going into labour. The third death occurred on 18 September 2007. The worker in question had asked for leave and been denied it and verbally abused instead, it was claimed. She was later granted leave and died in hospital. The factory claimed that she had been seen by the factory nurse and given leave immediately.

Regarding the death of the baby, the factory stated that the mother had not signed a pregnancy register, which would have resulted in her being given less strenuous work. The article stated that she had returned to work and been given a one-off "humanitarian" payment. It was said that the factory claimed that the first worker had died of a heart attack whilst being transported to hospital in the company vehicle and that the third worker had low blood-pressure, according to the factory nurse that saw her when she was taken sick, and that this worker had not signed the "chronic disease" register. The article included details of how it was seeking to improve the situation. (ref: 80)

Exploitation of young female workers at Indian supplier (May 2011)

A report published by SOMO in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, 'Captured by Cotton' demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say "Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour."

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies. One of these suppliers, Eastman Exports Global Clothing, produced products which were purchased by Old Navy (owned by Gap), among other well-known brands. It operated 24 garment production facilities in Tamil Nadu. The report showed that workers were employed there under a Sumangali scheme at least until April 2010. Some of the company's customers had indicated that the Sumangali scheme had been abolished in April 2010 and since then there had also been improvements in working conditions.

This was found to be true in some instances; for example, since April 2010, the company no longer operated a lump payment scheme, but instead paid workers a monthly salary of between Rs. 110 to 170 per day for garment workers, or Rs. 170 to Rs. 240 for spinning mill workers. Workers were no longer recruited under the Sumangali Scheme, and no new workers under the age of 18 were admitted into the company's hostels.

However, interviews with workers in April 2011 revealed that excessive and forced overtime was still common practice. Workers said they worked 12 hours per day on a regular basis, and that a regular working week consisted of 72 hours. During production peaks workers were forced to work more than 12 hours per day. 1,500 workers who live in the company's hostels still had to deal with restrictions to their freedom of movement, being allowed to leave the complex only once per month, accompanied by a guard. Workers also reported not being allowed to join a trade union. (ref: 81)

Supply Chain Management

Best ECRA rating for supply chain management (July 2011)

A search was made of Gap's corporate website (gapinc.com) in July 2011. It should be noted that Ethical Consumer was concerned to see that the website did not appear to have been updated, in terms of ethical issues, since 2009.

SUPPLY CHAIN POLICY

The company's code of conduct was found. It included adequate clauses on forced labour, child labour, discrimination and freedom of association. There was no commitment to pay a living wage

and the working hours limitation was qualified with the phrase "except in extraordinary business circumstances".

STAKEHOLDER ENGAGEMENT

The company was a member of the ETI. The company was engaged in limited trade union/NGO/not for profit work. This was of particular concern as the company relied on internal staff to perform audits, although it should be mentioned that these staff were recruited from the local population. It engaged with the ILO's Better Work programme. It listed several projects it had been involved in in terms of promoting freedom of association, but there was no evidence that any of this work addressed the issue of freedom of association in countries where this practise was illegal. There was no mention of a complaints policy.

AUDITING AND REPORTING

There was detailed reporting but it was only for the year 2009. There was mention of the schedule of the audits, particularly the risk assessment process. The program applied to the whole supply chain. There was a staged process for dealing with remediation. There was no mention of company contributing towards the cost of the audit.

DIFFICULT ISSUES

There was training for buyers. Audit fraud was addressed by the use of unannounced audits. The issue of FOA was not adequately addressed (see above). Outworking was addressed, particularly through the company's "handwork" project (handwork being processes such as embroidery, which are commonly outsourced). There was no mention of specific work on living wages. The company had a vetting procedure for potential suppliers. The company was engaged in capacity work with suppliers, including increasing suppliers use of human resources systems. The company encouraged working with labour organisations that had close links to worker communities. (ref: 75)

Labour behind the Label on supply chain issues (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Gap were given a score of 3.5, which was defined by LBL as meaning "can offer concrete examples of steps to develop and implement a living wage methodology in the supplier base, with clear plans to move beyond pilot projects." LBL stated that "Gap's plans remain impressive in depth, with research completed and work now planned in seven countries. It is the one company to ensure that trade union rights are central to its plans, however, it has yet to start any real action on the ground to increase wages and needs to progress more quickly in this area." (ref: 6)

Politics

Genetic Engineering

Cotton sourcing policy (July 2011)

Gap did not respond to Ethical Consumer's written request in June 2011 for its cotton sourcing policy. The Gap websites (www.gap.com and www.gapinc.com) were searched by Ethical Consumer in July 2011 for this information.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

In an email to Ethical Consumer on 20 July 2011, an EJF

campaigner named Gap as one of the top few companies who had made a genuine commitment to eliminating Uzbek cotton from its supply chain.

However, due to the impacts of the widespread use of pesticides in cotton production worldwide, Gap lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. No mention of GM cotton could be found on the company's website. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 76)

Political Activities

Lobbying and political donations (2011)

A search was made of the Open Secrets website (opensecrets.org) in July 2011. It was found that, in 2011, the company had lobbied the US government in the following areas: education, environment and superfund, finance, health issues, labour and antitrust and workplace, trade.

In 2010, the company was said to have spent money in Political Action Committees. These "political committee[s] organized for the purpose of raising and spending money to elect and defeat candidates." £16k was said to have been spent in respect of US Democrats, and around £7k with regards to US Republicans. Detail of donations to party members was given, but it totalled less than \$100k so the company were not marked down for this under the Ethical Consumer scoring system. (ref: 82)

Member of USCIB lobby group (2007)

The website of the US Council for International Business (www.uscib.org) in July 2007 listed The Gap Inc as a member. The USCIB described itself as "founded in 1945 to promote an open world trading system, now among the premier pro-trade, pro-market liberalization organizations ...provides unparalleled access to international policy makers and regulatory authorities." ECRA noted that free trade lobby groups had been criticised by campaigners for lobbying for business interests at the expense of the environment, human rights and animal welfare. (ref: 83)

Anti-Social Finance

Subsidiaries in 4 tax havens (July 2011)

A search was made of the Sec Info website (secinfo.com) in July 2011. This website provided information about companies that operated in the US. It was found that Gap had subsidiaries in the following countries that were on Ethical Consumer's list of tax havens at the time of writing:

Hong Kong
Singapore
Ireland
Bermuda

It was also noted that the company had a subsidiary listed as being in "Free Zone, United Arab Emirates". This may have meant that the subsidiary was in an Export Processing Zone, such zones were noted for having increased workers' rights violations. (ref: 79)

H&M clothing

Owned by H&M Hennes & Mauritz AB

H&M Hennes & Mauritz AB, Regeringsgatan 48, SE-106 38 Stockholm, Sweden

H&M Hennes & Mauritz AB is owned by Ramsbury Invest AB (37%)

Ramsbury Invest AB, Regeringsgatan 48, Stockholm, 111 56,, Sweden

Ramsbury Invest AB also owns H&M clothing [O]

Environment

Environmental Reporting

Middle ECRA rating for environmental reporting (2011)

H&M Hennes & Mauritz AB did not respond to Ethical Consumer's written request in June 2011 for its environmental report or policy. Ethical Consumer searched the company's website (www.hm.com) in July 2011 for this information. This document showed a reasonable understanding of the company's main impacts, discussing cotton, transport, energy use and waste at the company's stores and impacts of chemicals involved in production processes

It included the following three group-wide targets; to reduce greenhouse gas emissions by 5 percent relative to sales year-on-year until 2012, source at least 20 percent of its energy from renewable energy sources by 2020 and to reduce energy use in stores by 20 percent per square metre by 2020, compared to 2007. the report stated that the company was looking into assurance for its reporting. However, until this was in place, the company received Ethical Consumer's middle rating in this category. (ref: 84)

Pollution & Toxics

Linked to river pollution in China (13 July 2011)

According to an article posted on the BBC News website, www.bbc.co.uk, 'Greenpeace links big brands to Chinese river pollution', dated July 13th 2011, a report by Greenpeace said that suppliers to several big clothing brands were polluting two of China's main rivers with hazardous chemicals. One of the brands named was H&M. Greenpeace said the companies were taking advantage of China's lax environmental regulations and called on the companies to make sure their products did not damage the environment and public health. Laboratory tests on samples collected from two major textile suppliers, in the Pearl River Delta in southern China and the Yangtze River Delta in Eastern China, over a period of a year revealed toxic chemicals in waste water. The chemicals found at the Youngor Textile Complex near Shanghai and the Well Dyeing Factory near Hong Kong included nonylphenols, a subset of alkylphenols and perfluorinated chemicals (PFCs). Alkylphenols and some PFCs are banned by the EU but are still widely used in the textile industry in developing countries such as China. The chemicals have hormone-disrupting properties that can cause the feminisation of fish and reduced sperm count in men, the report said. "Now we have scientific evidence confirming that hazardous chemicals are being released into China's rivers to make clothes worn by people around the globe," said Vivien Yau, a Greenpeace campaigner in Hong Kong, who was part of a team that compiled the report. Her colleague, Gloria Chang, campaign manager, said that the report's findings were just the tip of the iceberg, as there were hundreds of similar textile suppliers in China. When contacted by Greenpeace before the report was made public H&M, which confirmed its relationship with the two suppliers, said that it made no use of processes involving water of the Youngor Group in the production of its garments. Greenpeace said that the companies highlighted in the report, including H&M, had the power to persuade their suppliers to phase out the use of hazardous substances. (ref: 85)

PVC in products (2011)

H&M did not respond to Ethical Consumer's written request in June 2011 for its policy on PVC. Ethical Consumer searched the company's website (www.hm.com) in July 2011 for this information, and despite the company's endeavour in 2002 to stop stocking any PVC products, its website showed several garments on sale in July 2011 which were PVC-coated. Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 249)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (2011)

Ethical Consumer searched the H&M website (www.hm.com) in July 2011 for the company's animal testing policy. The company sold a range of own-brand make up, and displayed the following animal testing policy on its website. "No animal testing is carried out on our cosmetics products, neither during production nor on the finished products." Due to the lack of a fixed cut-off date for all ingredients, the company received Ethical Consumer's worst rating in this category. (ref: 86)

Animal testing policy not endorsed by Naturewatch (2008)

The Naturewatch Compassionate Shopping Guide 11th edition 2008 listed H&M as a company that was not endorsed by Naturewatch. Naturewatch did not endorse companies unable to demonstrate a fixed cut off date animal testing policy. Companies without a fixed cut off date policy were considered to play their part in the continued supply and demand for ingredient development (animal-tested). Naturewatch's policy was strict in that, "Naturewatch follows the policy of the parent company, as ultimately any profits made by a subsidiary could be used to fund the activities of the parent company. Subsidiaries with ethical testing policies cannot be endorsed if the parent company's policy is non-animal friendly." However, the company did receive a positive mark due to the fact that it claimed not to use animal testing. (ref: 87)

Animal Rights

Sale of leather and silk goods (2011)

The H&M website (www.hm.com), viewed by Ethical Consumer in July 2011, listed a number of clothing items on sale that were made from leather. The company's 2010 Sustainability Report stated that it had joined the Leather Working Group in 2009, which promoted sustainable

and appropriate environmental business practices within the footwear leather industry. In 2010, the company said it began to co-operate with nine

tanneries and conducted tests to ensure their compliance with its quality requirements, and planned to produce 500,000 pairs of leather shoes in 2011 with leather from certified tanneries. Its website added that the company only sold leather from sheep, pigs, goats and cattle that had been bred for meat production, not just for their skin. No other leather was permitted in products sold by H&M. As leather was a slaughterhouse byproduct, the company lost a mark in the animal rights category.

The H&M website (www.hm.com) also listed a number of clothing items on sale that were made from silk. Silk was considered to be an animal rights issue as the process involved killing silk worms. (ref: 86)

People

Human Rights

Boycott call over Israel stores (2011)

According to the Boycott, Divestment and Sanctions (BDS) Movement website (www.bdsmovement.net), viewed by Ethical Consumer in July 2011, a boycott had been called of H&M in March 2010, in response to its opening of a second store in Israel,

this time in the "Malha Mall" in Jerusalem, at a time when Israel was intensifying its illegal colonization of the occupied eastern part of the city. The BNC was calling on "solidarity organizations and people of conscience around the world, particularly in Arab states, to escalate their civil protests against H&M, reaching a total boycott of the chain, until it has ended its complicity in Israel's system of occupation, colonization and apartheid against the Palestinian people." (ref: 88)

Operations in eight oppressive regimes (2010)

According to the H&M 2010 Sustainability Report, the company sourced from the following countries which were on Ethical Consumer's list of oppressive regimes at the time of writing; China, Bangladesh, India, Thailand and Vietnam. Additionally, the company's website (www.hm.com), viewed in July 2011, stated that it owned retail outlets in the following countries on Ethical Consumer's current list of oppressive regimes; Israel, Russia and Saudi Arabia. (ref: 84)

Recall of product made in one oppressive regime (8 March 2007)

According to a release from the US Consumer Product Safety Commission (www.cpsc.gov), dated 8th March 2007, H & M and the CPSC had made public a voluntary recall of a product. The product was a compass that came attached to a boy's jacket. There had already been one report of a boy choking on a broken piece of the compass, which also contained a poisonous substance.

The product was said to be made in China, which was on ECRA's list of oppressive regimes at the time of writing. (ref: 89)

Workers' Rights

21 workers die in fire at supplier factory (March 2010)

According to an article on the Independent's website, www.independent.co.uk, dated March 2nd 2010, at least 21 workers had died and 50 were hurt when a fire swept through a Bangladeshi factory which made clothes for H&M and other firms as they worked at night to fulfil orders. The blaze at the Garib & Garib Newaj company – which was making cardigans and jumpers for the Swedish fashion chain – followed repeated concerns by War on Want about fire safety at factories making garments for Western shops. (ref: 238)

Dismissal for strike action and sickness in Bangladesh (2010)

According to an article which appeared on the Daily Mail website (www.dailymail.co.uk) on 19 July 2010, journalist from the paper Liz Jones had uncovered poor wages and working conditions at factories in Bangladesh which supplied four major British brands, during a visit to the country. The journalist had met several garment workers in Dhaka, including Jibon Sarkar and Raja Mia who worked in a factory called Hoplun in the Export Processing Zone, which supplied H&M and three other familiar UK high street names. The men had gone on strike in support of a manager who was popular and fair and who had been sacked. Jibon had worked in the warehouse for five years, earning 5,000 taka (£37.45) per month. He had from strike to find that he had been blacklisted. He had had to take out a loan from friends to support himself and his siblings, who all lived in a single room which cost half his salary to rent. Raja had a wife and two daughters and had been blacklisted from the same factory and had also had to take out a loan from family to afford to live. Liz Jones had also met another worker who had worked for 16 years in a factory called New Age that supplied H&M. This worker ironed clothes in the factory and took home 2,700 taka (£25.28) per month. She was 40 years old and lived in a room with five other people. Three months previously, she had been unable to go to work for 15 days because she had suffered an iron burn to

her leg. When she returned to work, she was told she had been sacked. According to the article, she said 'Normally, I would crawl to work, but I could not crawl with the pain. After 16 years of working 12 hours a day I have nothing. I'm like an old dairy cow. You might as well slit my throat.'

H&M responded by stating that it did not own any factories. It stated that it had offered to pay higher prices to compensate for additional costs if suppliers in Bangladesh raised the wages, but that this offer had been refused. (ref: 239)

Sourcing from criticised Bangladeshi factory (2006)

According to the October 2006 issue of the Clean Clothes Campaign (CCC) Newsletter, H&M was one of the companies which sourced from FS Sweater in Dhaka, Bangladesh. It said that rioting had broken out in industrial areas in late May 2006, following reports that police had shot a worker from the FS Sweater factory, where workers had been on strike for the release of three colleagues arrested after they demanded fairer piece rates. It said the unrest had spread as thousands of garment workers seized the chance to express their anger and frustration, particularly about low wages. The legal minimum wage for the garment sector had been set in 1994 at just 930 taka (less than 10 euros per month), and since then the cost of living had risen massively. Over a hundred factories were apparently ransacked or torched, and two workers were confirmed dead and hundreds injured after thousands of police and paramilitary units were mobilised using tear gas, batons and live rounds. By June 3rd, all factories in the Dhaka Export Processing Zone were closed for four days and workers barred from entering the Zone. Apparently, the riots had led to a Memorandum of Understanding agreeing that workers should receive one day off in seven, appointment letters, that there should be no barriers to collective bargaining and freedom of association (as per the labour law) and that a minimum wage board should be reformed. However, the basic wage of 3,000 taka per month proposed by the unions was appeared to have been rejected by the Bangladesh Garment Manufacturers and Exporters Association, which was offering less than half of this. Meanwhile, later that summer, the Minister of Commerce had given garment owners license to open fire on workers who attacked their factories, saying "You can wait for one or two incidents and then straight fire in the attackers to save your factories." (ref: 90)

Supply Chain Management

Middle ECRA rating for supply chain management (2011)

H&M Hennes & Mauritz AB did not respond to Ethical Consumer's written request in June 2011 for its supply chain management information. Ethical Consumer searched the company's website (www.hm.com) in July 2011 for this information.

SUPPLY CHAIN POLICY (reasonable)

The H&M Code of Conduct included adequate clauses prohibiting child labour, forced labour, discrimination and excessive working hours. There was a clause permitting freedom of association. There was no living wage provision, but a statement at the beginning of the document stated that the code applied to all suppliers and subcontractors of the company.

STAKEHOLDER ENGAGEMENT (some)

The H&M 2010 Sustainability Report (p.38) stated that the company was a member of the Fair Labor Association. It was also part of the Sustainable Apparel Coalition, a newly-formed coalition of apparel companies which intended to define standards and find more efficient ways of reporting and auditing by collaborating

and sharing knowledge. It also stated that it was part of the Garment Sector Roundtable India, which incorporated brands, trade unions, NGOs and independent supply chain auditors. The report showed that the company collected data on the accessibility of grievance systems and communication and was seeking to make improvements in this area, having identified it as a key issue. However, it was not clear whether this was accessible to all workers, in their first language, or whether it was anonymous.

AUDITING AND REPORTING (some)

The 2010 Sustainability Report included a table of audit results, by country. These results were broken down into; percentage of unannounced audits, number of follow-up audits and the average number of audits per active factory. It gave results, by geographical location, against each clause in the company's code of conduct. The report also compared the total number of audits that year compared to the previous one. It stated that audit results included all active manufacturing and processing (e.g. washing or dyeing) suppliers and factories, but no future audit schedule could be found. Targets for remediation were given, but the report did not give details of a staged approach to dealing with non-compliances. The report did not appear to state whether the company or the supplier paid audit costs.

DIFFICULT ISSUES (one)

The report contained lots of discussion on training, but there was no clear description of regular, scheduled training for buyers. It did demonstrate preference for long-term supplier relationships, breaking down audit results to show the distinction between the compliance of long-standing, and shorter-term suppliers.

It included audit results from 2010 relating to home workers, however it did not appear to go into detail about how it was addressing the problems associated with home working in the supply chain.

The company received Ethical Consumer's middle rating in this category. (ref: 84)

Workers rights and oppressive regime issues (September 2006)

Labour Behind the Label: Let's Clean Up Fashion report (September 2006) criticised H&M for not committing to a living wage in its Code of Conduct but did note that the company had stated that the minimum wage was "not recommended". The report also noted H&M's membership of the Fair Labor Association and that the company had begun to address the issue of workers rights. However, it also raised the issue that H&M's facilitation of the right to Freedom of Association only applied to a few pilot projects. The criticisms related to the treatment of staff in the garment factories from which the company sourced its products.

According to the report, the company had suppliers in China, China was on ECRA's list of oppressive regimes at the time of writing. (ref: 29)

Member of Fair Labor Association (February 2009)

According to the H&M website (www.hm.com), viewed by ECRA on 3 February 2009, the company was a member of the Fair Labor Association (FLA), a multistakeholder initiative which carried out monitoring of its member's suppliers. (ref: 91)

Irresponsible Marketing

(See also 'Recall of product made in one oppressive regime' in Human Rights above.)

Politics

Genetic Engineering

Positive policy on cotton supply chain (2010)

H&M did not respond to Ethical Consumer's written request in June 2011 for its cotton sourcing policy. However, Ethical Consumer searched the company's website (www.hm.com) in July 2011 for this information and found several policies relating to cotton in its latest Sustainability Report (dated 2010).

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

H&M had taken a positive stance on this issue and stated in its Sustainability Report that it would not source from Uzbekistan, taking part in a multi-stakeholder meeting in 2010 to increase co-operation between NGOs, brands, retailers, investors and trade associations to tackle the problem of child labour in Uzbek cotton production.

H&M also had a policy in place to address the impacts of the widespread use of pesticides in cotton production worldwide. The Sustainability Report stated that the company had set the target to source only sustainable cotton by 2020. It defined 'sustainable' as organic, recycled or produced through the Better Cotton Initiative (BCI). The BCI was a voluntary scheme which sought to work with cotton farmers to reduce water and pesticide use on their crops.

However, this scheme did not seek to prohibit GM cotton. According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 84)

Boycott Call

(See also 'Boycott call over Israel stores' in Human Rights above.)

Anti-Social Finance

Subsidiaries in tax havens (2011)

According to the H&M website (www.hm.com), the company had offices in three countries which, at the time of writing, were on Ethical Consumer's list of tax havens; Hong Kong, Luxembourg and Singapore. (ref: 86)

John Lewis clothing

Owned by John Lewis Plc

John Lewis Plc, Customer Services, johnlewis.com, PO Box 19615, Erskine PA8 6WU.

John Lewis Plc is owned by John Lewis Partnership plc

John Lewis Partnership plc, Senior Press Officer, John Lewis Partnership, Carlisle Place, London SW1P 1BX, London

John Lewis Partnership plc also owns John Lewis clothing [F] and John Lewis clothing [O]

Environment

Environmental Reporting

Middle ECRA rating for environment report (July 2011)

A search was made of the John Lewis Partnership website (johnlewispartnership.co.uk). The company had not released an environment report since the last time Ethical Consumer rated the company in this category. It should be noted that the report contained a section on the company's activities in terms of agriculture, including LEAF accreditation. The company also stated that it had funded the Chair of Sustainable Agriculture at a university in Wales. At the time of writing, the company owned its own farm.

The John Lewis Partnership 2010 Corporate Social Responsibility Report was downloaded from the company's website, www.johnlewispartnership.co.uk in November 2010. The report provided information on the environmental impacts of the company in five key areas: emissions, energy consumption, waste, water and transport.

The CSR report included a number of dated, quantified targets, such as:

- * Improve shop energy efficiency by 20% by 2010 (kWh per sq ft trading floor area, 2003 baseline)
- * 15% reduction in energy-related transport CO₂e emissions from deliveries by 2013, relative to £m sales (2005 baseline).
- * halve the impact of our refrigeration and cooling direct emissions (CO₂e emissions tonnes) by 2012 (baseline 2008).
- * Divert 95% of our waste from landfill by 2013; recycle 75% waste by year-end 2012.

"We have extended our timber programme to indoor furniture ranges (Living and Dining, Bedroom and Upholstery). Our target was previously 30% by 2012 but during 2009/10, we increased our ambition to 50% by 2015. All our own-brand paper-based products sold by John Lewis to be made from recycled material, PEFC or FSC sources by 2012."

There was also some information about progress made against targets and information was provided regarding the company's carbon emissions.

No mention was made of independent verification of the report. Therefore John Lewis Partnership plc received Ethical Consumer's middle rating for environment reporting. (ref: 240)

Climate Change

Petrol retailer (November 2010)

According to the Waitrose website viewed in November 2010, Waitrose operated petrol stations. (ref: 93)

Pollution & Toxics

Fined for river pollution (2006)

According to the May 2006 issue of ENDS Report, in 2006 John Lewis was fined £12,000 and ordered to pay £2,000 in costs over an incident in which diesel oil leaking from a tank polluted the Holy Brook, a tributary of the River Kennett. A faulty gauge had caused the tank to be overfilled, which an employee had not realised was

a fault, and the overflow system's poor design was said to have allowed the diesel to escape through drains. (ref: 94)

No commitments to source gold responsibly (July 2011)

In July 2011 a search was made on the John Lewis website, www.johnlewis.com, and a number of products made with gold and diamonds were found. The Our Responsibilities section of the company's corporate website, www.johnlewispartnership.co.uk, stated that it required its suppliers of diamond products to only buy diamonds and diamond jewellery from suppliers which can put a 'conflict free' warranty on their invoices. However, no mention was made of responsible sourcing of gold and an internet web search indicated that the company had not signed the No Dirty Gold campaign to end irresponsible mining practices, nor was it a member of the Responsible Jewellery Council, which aimed to advance responsible business practices throughout the diamond and gold jewellery supply chains. The Channel Four Dispatches programme "The Real Price of Gold", which was broadcast on 27th June 2011 and in which Ethical Consumer participated, highlighted some of the problems in gold supply chains around the world, including environmental destruction, child labour and the human rights impacts of pollution. The publication "Golden Rules: Making the case for responsible mining", published by Earthworks and Oxfam America, also highlighted issues of forced displacement of local communities as a result of gold mining. John Lewis Partnership plc therefore lost half marks in the categories of pollution and toxics and human rights. (ref: 95)

Nanotech product on sale (July 2011)

A search was made of the John Lewis customer website (johnlewis.com) in July 2011. It was found that the company sold at least one product that contained engineered nanomaterials. The product in question was a "Nano Carbon Rival Beginner Squash Racket" that offered "increased stability and power". Carbon nanotubes were one of the most widespread uses of engineered nanomaterials. (ref: 92)

Animals

Animal Testing

Middle Ethical Consumer rating for animal testing (July 2011)

A search was made of the Waitrose website (waitrose.com) in July 2011. The corporate responsibility pages directed readers to the John Lewis Partnership website.

A search was made of the John Lewis corporate website (johnlewispartnership.co.uk) in July 2011. The animal testing statement was as follows:

ANIMAL TESTING

Even though the UK stopped licensing animal testing for cosmetic products and ingredients in 1998, more than 35,000 animals in the European Union alone are used for testing cosmetics and toiletries every year. The John Lewis Partnership believes such practices are unethical and unnecessary and should be banned. Waitrose has been a corporate sponsor of FRAME (Fund for the Replacement of Animals in Medical Experiments) since 1996.

"OUR OWN BRANDS"

We do not test our own label cosmetics, toiletries, baby care or personal care products on animals, nor do we commission others to do so on our behalf. We operate a strict purchasing rule that ensures we do not buy any ingredient or product that has been tested on animals for cosmetic purposes by our own-label suppliers since 1990 in the case of Waitrose, and 1996 in the case of John Lewis.

Our own-label suppliers are required to complete a declaration that they adhere to our requirements on product and ingredient testing.

SUPPLIER BRANDS

Our branded suppliers have their own policies; however we encourage them to adopt an approach similar to our own-brand product policy."

Only Waitrose own label toiletries were listed in the "The Compassionate Shopping Guide 2010" as having a fixed cut off date. While Ethical Consumer welcomed this as a positive step, Waitrose sold own-brand household products with no mention of a rolling rule being applied to these products. It also retailed products by other brands that do not have a fixed cut off date or rolling rule in terms of animal testing.

The company received Ethical Consumer's middle rating in this category. (ref: 241)

Factory farming

Animal welfare policy (2008)

In response to ECRA's request in October 2008 for the company's animal welfare policy, Waitrose set out a number of positive commitments:

- All its chicken was at least 'Waitrose Select Farm', which it claimed had a stocking density consistent with RSPCA Freedom Food Standards
- As of the time of writing all its eggs were free range
- Since July 2008 all egg in Waitrose food had been free range
- All its pork was from pigs reared outdoors
- All its ducks were free range with access to ponds (ECRA previously noted, prior to this policy, that Vival's 2006 'Ducks Out of Water')

report criticised Waitrose for stocking non-free range ducks.

However, the Waitrose website (www.waitrose.com) also named several other meat products sold by the company which were not mentioned in the above policy, nor labelled as either free range or organic. Since the company did not mention any animal welfare policy regarding these meat products, including lamb, beef and veal, ECRA considered it likely that some of these may have come from intensively farmed sources. (ref: 96)

People

Human Rights

Conflict Diamond Survey Results (May 2007)

In May 2007 Amnesty International and Global Witness released a report entitled "Conflict Diamonds, UK jewellery retailers still not doing enough." John Lewis were mentioned in this report. The report was based on findings from a questionnaire sent to leading retailers. It stated that "although most companies adhere to the industry's minimal system of self regulation, these are not effective in preventing the trade in blood diamonds, and more needs to be done by industry leaders to ensure that diamonds no longer fuel conflict." John Lewis itself did not respond to the survey and so did not disclose any auditing system or other measures taken to combat conflict diamonds. It was also not a member of any jewellery trade associations and did not have a policy on conflict diamonds on its website. However in 2004 the writers of the report stated that the company followed the recommendations of the British Jewellers Association and had written to suppliers asking them to confirm that all diamonds were conflict free. (ref: 25)

(See also 'No commitments to source gold responsibly' in **Pollution & Toxics** above.)

Retails Israeli settlement products (April 2011)

The John Lewis website, www.johnlewis.com, displayed a number of SodaStream products for sale when viewed by Ethical Consumer in April 2011, including a carbonated drinks maker.

The report “SodaStream: A Case Study of Corporate Activity in illegal Israeli Settlements”, published by Who Profits? in January 2011 was downloaded from the website www.whoprofits.org, in April 2011. SodaStream’s main factory was said to be in the industrial park Mishor Edomim, located in the illegal Israeli settlement of Ma’aleh Adumim in the occupied West Bank. SodaStream was said to have reported only this production facility for its carbonation devices to the US Securities and Exchange Commission (SEC) in October 2010. The industrial park was said to constitute permanent infrastructure, in contravention of international law prohibiting occupying powers from constructing such infrastructure. Ma’aleh Adumim was said to be considered a ‘major obstacle’ to any future peace agreement.

In February 2010 the European Court of Justice (ECJ) was said to have ruled that goods produced in Israeli settlements in the West Bank must not be considered to have been made in Israel and therefore should not benefit from the preferential terms of trade that existed as a result of an EU-Israel trade agreement. The report raised the issue of consumer fraud, defined as “part of the consumers’ right to know the basic facts about the product they are purchasing, a right which has been enshrined in consumer protection laws”. It was noted that a number of companies sold SodaStream products with labelling claiming Israel to be the country of origin, however, Ethical Consumer was not able to establish how the products were labelled when they were sold by John Lewis.

Palestinian workers in the factory were said to have been employed in “discriminatory and exploitative conditions”. According to the report “employment under occupation is always exploitative, resulting in routine violations of labor rights.” Such violations were said to include below minimum wages, poor working conditions and dismissal for industrial action. Workers were said to be very unlikely to demand their employment rights for fear of losing their work permits, which required “security clearance” from the Israeli authorities. Involvement in labour disagreements was said to be defined as a “security risk”. The SodaStream factory was said to be “one of the worst” in the settlements in terms of harsh working conditions. (ref: 97)

Workers’ Rights

Supplier accused of forced labour (May 2008)

According to an article found on the Guardian website, www.guardian.co.uk, in May 2008, a UK-wide investigation into allegations of forced labour among migrant daffodil pickers had resulted in one of the industry’s largest suppliers losing its licence. The Gangmasters Licensing Authority accused the company of imposing debts on its mainly Polish workers, failing to provide them with adequate housing and paying as little as £24 a day in wages. One of the outlets that the company supplied to was Waitrose. (ref: 98)

Cotton sourcing policy (March 2011)

In February 2011 Ethical Consumer email John Lewis Partnership and included a question regarding the company’s cotton sourcing policy. The company responded that “we are focussing our efforts on ensuring our sourcing strategies are responsibly managed... We are members of the DEFRA Sustainable Clothing Roadmap, which aims to improve the sustainability of clothing. We are also in discussion with other organisations such as Better Cotton Initiative, Cotton Connect and Made-By to look for further opportunities to work collaboratively, in order to help shape change in the cotton sector.” It was also stated that the company offered a range of both Fairtrade and organic textiles and had targets to increase these. It was said to have been granted a Fairtrade licence in 2010 to produce and import own-brand clothing products.

In addition, the company’s Corporate Social Responsibility Report 2010 stated that it had mapped the provenance of the cotton used in a number of the furnishing textiles it sold.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were “rife” in Uzbek cotton production. It was also said to have caused an “environmental catastrophe of astonishing proportions” as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

In an email received by the company on 17th March 2007 it was stated that “We have made it clear to all our suppliers that they must not use cotton sourced from Uzbekistan. In addition to this we are working on systems to enable us to trace the source of all of our cotton back to the grower. This will give us further reassurance that our Code of Practice requirements are being met.” The company therefore did not lose marks in the worker’s rights category for being likely to have forced labour in its supply chain.

Due to the impacts of the widespread use of pesticides in cotton production worldwide and the fact that the company sold non-organic cotton, it did lose half a mark in the pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company’s cotton products contained some GM material. (ref: 99)

Workers’ rights abuses on Kenyan flower farms (2009)

A report published by The Corporate Responsibility (CORE) Coalition in May 2009 revealed workers’ rights abuses occurring in Kenyan flower farms. According to the report, about 75% of Kenya’s flower exports were eventually purchased by UK retailers. It said that large supermarkets, including Waitrose, had become particularly important players in the market. The report stated that workers revealed wages ranging from around 80p per day to £1.25 in the highest paying firms - significantly below what workers would need to provide their basic needs. It said there was widespread gender discrimination, since the lower paid jobs working in the greenhouses tended to be given to women, while men were disproportionately given the higher paid spraying jobs. Sexual harassment was noted as a major problem, with many women reporting that systematic abuse by supervisors and sometimes fellow workers was allowed to continue without redress. Workers were found to be expected to work long hours - up to 16 hours per day during periods of peak demand such as Mother’s Day and Valentine’s Day, in clear violation of Kenyan employment law. The farms also failed to provide a safe working environment, with many workers being exposed to extremely toxic chemicals and reporting serious health effects. They were also found to be at risk of acquiring disabling repetitive strain injuries which caused chronic pain and severely restricted their ability to work. While trade unions were formally recognised and had been formed on a small minority of farms, in practice, workers tended to be discouraged from joining. (ref: 24)

Supply Chain Management

Middle Ethical Consumer rating for supply chain management (March 2011)

A search was made of the John Lewis Partnership website, www.johnlewispartnership.co.uk, in February 2011. The company’s Responsible Sourcing Code of Practice and CSR Report 2010 were downloaded.

Supply Chain Policy (reasonable)

The code contained adequate provisions regarding child labour, forced labour, freedom of association, working hours and payment of a living wage. However, the clause regarding discrimination was not considered by Ethical Consumer to be adequate as it allowed for discrimination “provided for in domestic legislation”.

Regarding the application of the Code, it was stated that suppliers of the company’s own brand products were expected to ensure that they met the requirements of the Code, and that they communicated and ensured compliance of the Code “across all workers, suppliers and any out-workers or sub-contractors engaged in their supply chain”. Suppliers of branded goods were said to be expected to have “noted the requirements and to have established similar arrangements.”

Stakeholder engagement (poor)

John Lewis Partnership did not appear to be a member of any multi-stakeholder initiatives, such as the Ethical Trade Initiative or the Fair Wear Foundation.

The company’s CSR Report 2010 stated that it “continue[d] to work proactively with NGOs and campaign groups on issues that are relevant and material to our business operations or fit with our business principles.” However, this was not considered by Ethical Consumer to constitute systematic input from NGOs and/or labour and/or not-for-profit organisations in the country of supply into the verification of labour standard audits.

Regarding complaints, the Responsible Sourcing Code stated that “suppliers should also provide means for workers to report or discuss non-compliances confidentially”. However, this was not considered by Ethical Consumer to be evidence that workers could, on a regular basis, provide anonymous feedback on working conditions to the company, at no cost and in their first language.

Auditing and reporting (poor)

The John Lewis Partnership did not appear to disclose the results of audits or publish an auditing work plan. Third party independent audits were said to have taken place but the auditors were not named.

The 2010 CSR report stated that the company’s high-priority sites were audited, however, the company did not commit to auditing labour standards across the entire breadth of the supply chain, plus some depth, and the auditing program did not appear to apply to the vast majority of the breadth of the supply chain, plus significant depth. The company committed to using audit non-compliance information to devise continuous improvement programmes, but further details of such programmes were not provided. No mention was made of whether the company or its suppliers paid for the audits.

Difficult issues (rudimentary)

The company’s Responsible Sourcing Code of Practice stated that it aimed to build long term relationships with its suppliers. No mention was made of training for buying agents on labour standards and/or financial rewards for suppliers meeting labour standards. No mention was made of audit fraud.

Whilst the company’s Responsible Sourcing Code of Practice acknowledged that in some countries collective bargaining was restricted under national law, an explicit discussion of the problems this caused and the demonstration of a systematic approach to dealing with these problems was absent.

Regarding problems associated with outsourcing, a questionnaire returned to Ethical Consumer by John Lewis Partnership stated

“John Lewis has looked at the extent and nature of outsourcing in the supply chain, the challenges suppliers face in trying to implement our Code in the informal sector, and ways John Lewis and its suppliers could work together to address such issues in the future. Working with local experts in India, John Lewis has played an active role in setting up a supplier self help group in the carpet making sector. The group meets regularly and seeks to not only improve working conditions in carpet making units, but also undertake investment in resources to meet community needs.” Due to the fact that this only applied to carpet producers in India, it was not considered by Ethical Consumer to be a systematic approach to addressing the problem, although it was noted as a positive initiative. (ref: 242)

Irresponsible Marketing

Sale of tobacco products (2011)

The Waitrose website (www.waitrosewine.com), viewed by Ethical Consumer in August 2011, announced the news that the company had won drinks retailing awards in 2011. It included a comment from the head of Waitrose’s Beers, Spirits and Tobacco Buying team. As a result, the company received a negative mark for the sale of tobacco products. (ref: 101)

Politics

Genetic Engineering

GM policy (March 2011)

John Lewis Partnership plc returned a questionnaire to Ethical Consumer in March 2011. In response to a question regarding the company’s policy on selling genetically modified products, the company responded:

“John Lewis does not have a specific policy on genetic modification as we do not sell food products. As guidance we refer to our sister company Waitrose’s policy which is as follows:

Waitrose does not allow the use of any GM crops or food ingredients derived from GM crops in our own-brand food. It is also our objective to use non-genetically modified crops in animal feedstuffs, where it is viable to do so, from sustainable assured suppliers.

Organic standards do not permit the use of GM material. Our suppliers of non organic poultry, eggs, farmed salmon and New Zealand lamb obtain feed in accordance with a protocol which specifies that conventional (rather than GM) cereals will be used. We will continue to monitor the animal feed supply situation and provide information to customers so that an informed choice can be made.”

Whilst this was considered to be a positive policy, due to the fact that the company could not guarantee GM animal seed was not used in its own dairy and meat supply chains, and its likely sale of non own brand products derived from animals fed genetically modified seed, it was marked down in this category. (ref: 99)

(See also ‘Cotton sourcing policy’ in Workers’ Rights above.)

Anti-Social Finance

Subsidiaries in tax havens (2011)

According to the 2011 John Lewis Partnership Annual Report (p78), the company had 2 subsidiaries in Guernsey and 1 one in Jersey. Both countries were on Ethical Consumer’s list of tax havens at the time of writing. (ref: 95)

Enforcing poor terms on suppliers; position on an ombudsman (December 2008)

According to a league table on the ActionAid website (actionaid.org.uk), dated December 2008, Waitrose Limited were one of 3 mid-scoring supermarkets in terms of its position on whether or not there should be an UK ombudsman to regulate the grocery

sector.

11 supermarkets were rated.

ActionAid stated that “supermarket buying pressures get passed on to poor workers in developing countries in the form of poverty pay and unacceptable working conditions.”

It scored 3.5 out of 10, 10 being the best score. (ref: 102)

Misleading advert (October 2008)

In February 2011 Ethical Consumer viewed the website for the Advertising Standards Authority, www.asa.org.uk. The organisation had adjudicated on a national press advert, produced by the company John Lewis Partnership plc, on 22 October 2008. It was said to have upheld a complaint about an advert for digital cameras on the basis that it was misleading, due to the fact that it omitted to state a “significant condition” to the claim “Never Knowingly Undersold”, which was that the comparison did not apply to internet and catalogue competitors. (ref: 103)

Company Ethos

Employee-owned business (March 2010)

According to the John Lewis Corporate Social Responsibility Report 2009, the Partnership is an employee-owned business with the employees sharing in the profits and having a say in the business. (ref: 104)

M&Co clothing

Owned by Mackays Stores Limited

Mackays Stores Limited, Donna Downing, PR Manager, M&Co, 20 Conduit Place, Paddington, W2 1HS

Mackays Stores Limited is owned by Mackays Stores (Holdings Ltd)

owned by Mackays Stores Group Ltd

Mackays Stores Group Ltd, Donna Downing, PR Manager, M&Co, 20 Conduit Place, Paddington, W2 1HS

Environment

Environmental Reporting

Worst Ethical Consumer rating for environmental reporting (July 2011)

A search was made of the Mackays website (mandco.com) in July 2011. The only environmental information that could be found was the following statement: “Mackays Stores cares for the environment and actively supports the practical use of recycled or recyclable products and packaging.” This did not constitute an environmental report. The company received Ethical Consumer’s worst rating in this category. (ref: 105)

Pollution & Toxics

PVC on sale (July 2011)

A search was made of the Mackays website (mandco.com) in July 2011. It was found that the company sold products containing PVC, notably children’s clothing. For several years at the time of writing, campaigners had raised concerns about PVC in relation to toxics. (ref: 105)

Cotton position (July 2011)

A search was made of the Mackays website (mandco.com) in July 2011. It was found that the company sold products containing cotton.

Mackays did not respond to Ethical Consumer’s written request in June 2011 for its cotton policy. Ethical Consumer searched the company’s website (mandco.com) in July 2011 for a cotton policy, none was found.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world,

and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were “rife” in Uzbek cotton production. It was also said to have caused an “environmental catastrophe of astonishing proportions” as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, the company lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company’s cotton products contained some GM material. (ref: 105)

Animals

Animal Rights

Leather on sale (July 2011)

A search was made of the Mackays website (mandco.com) in July 2011. It was found that the company sold products containing leather, including lamb skin. The production of leather involved the slaughter of animals. (ref: 105)

Silk used in product range (July 2011)

A search was made of the Mackays website (mandco.com) in July 2011. The following statement was found about the company’s “Boutique” range: “With the focus on quality and design, we have used superior fabrics such as silk, stretch silk, French crepes and metallic finishes along with beaded or sewn embellishments and trims to help us offer a unique product.” (ref: 105)

People

Human Rights

Non disclosure of country of origin (2011)

The Mackays website (www.mandco.com), was searched in July 2011 for information about where the company sourced its goods. The website included the following information; “Mackays sources garments from more than 10 different countries. One of our suppliers in Bangladesh founded the Children’s Hope Charity.” Bangladesh was on Ethical Consumer’s list of oppressive regimes at the time of writing.

Sourcing from oppressive regimes was common in the clothing sector, (according to the 2006 ‘Well Dressed’ report by Cambridge University, ‘More than a quarter of the world’s production of clothing and textiles is in China, which has a fast growing internal market and the largest share of world trade’). China was on Ethical Consumer’s list of oppressive regimes at the time of writing. As a result of its non-disclosure of the other countries it sourced from, the company lost half a mark in the Human Rights category. (ref: 106)

Workers’ Rights

(See also ‘Cotton position’ in Pollution & Toxics above.)

Supply Chain Management

Worst Ethical Consumer rating for supply chain management (July 2011)

A search was made of the Mackays website (mandco.com) in July 2011. The company’s Ethical Policy was found.

SUPPLY CHAIN POLICY

It contained adequate clauses on forced labour, discrimination and

living wage. The hours in the working week were not limited, there was no minimum age set for workers and the policy only stated that suppliers should “respect freedom of association and the right to collective bargaining”.

STAKEHOLDER ENGAGEMENT

The company was a member of the ETI and stated that it had “have adopted their base code as our own”,

In order to rate a company’s supply chain policy (also referred to as code of conduct, code of practice, supplier policy and various other synonymous terms), ECRA needed to see a copy of the document that is communicated to workers. This was because workers have a right to know the conditions under which the companies are expecting them to work, so that workers could use this information to press for improvements. It had come to Ethical Consumer’s attention that several ETI member companies had not fully integrated the ETI Base Code and Principles of Implementation into their supply chain policies, and that companies do not have to fulfil this criteria in order to gain membership of the ETI. Indeed, some members stated that their policy was “aligned to”/“based on” the Base Code etc., but examination of their policies revealed that key points from the Base Code were missing.

Although ECRA recognised that by adopting a supply chain policy, a company’s supply chain does not instantly become compliant with the policy, ECRA sees the policy as an important statement of what the company’s feels is acceptable minimum standards.

There was no mention of trade union/NGO/not-for-profit involvement in the verification of labour standards.

There was no mention of a complaints process.

AUDITING AND REPORTING

The company had a staged approach for dealing with instances where the supplier did not abide by the policy.

There was no mention of the disclosure of audit results, the audit schedule, the parts of the supply chain that was audited or who paid for the cost of the audit.

DIFFICULT ISSUES

There was no mention of measures taken in respect of purchasing, audit fraud, illegal freedom of association, outworkers and the implementation of living wages.

The company received Ethical Consumer’s worst rating in this category. (ref: 105)

Politics

Genetic Engineering

(See also ‘Cotton position’ in Pollution & Toxics above.)

Mango clothing

Owned by MNG-MANGO U.K. LTD

MNG-MANGO U.K. LTD, C/O Alliot 5th Floor, 9 Kingsway, London, WC2B 6XF, England

MNG-MANGO U.K. LTD is owned by Punta Fa, S.L.

owned by Punta NA Holding SA

MNG-MANGO U.K. LTD is also owned by Andic Ermay and Nahman Andic Ermay

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2009)

In June 2011 Ethical Consumer emailed the Mango Group and attached a questionnaire that included a request for a copy of the company’s environmental policy, statement or report. The company did not respond. A search was made on its website, www.mango.com,

and the company’s 2009 Sustainability Report was downloaded. The company was said to have an environmental policy, which included a waste prevention plan covering aspects such as using recycled material for boxes, reusing boxes and reducing packing through a process of cross-docking. Regarding its business centres, the company’s design centre, opened in 2006, was said to have been designed according to eco-efficiency criteria, including electronic temperature and optimisation of natural light. A warehouse was said to have been fitted with solar panels. Regarding the company’s stores, the company was said to have been replacing halogen spot lights with brighter and more energy-efficient metal halide lamps. Floors in stores were said to be made from natural stone, or, where wood was used, Programme for the Endorsement of Forest Certification (PEFC) certification was requested. Bags used in stores were said to have Forest Stewardship Council (FSC) certification. The company’s transport was said to be contracted to third party companies and organised in order to minimise environmental impact. Goods were said to be transported by road or sea using full containers. Transport companies used were said to have established environmental policies. Manufacturing was also said to be carried out by third party companies. Internal and external inspections of factories were said to be carried out. The first phase of a study to measure greenhouse gas emissions was said to have been completed, covering from finished garment to point of sale in store. The second phase, covering goods supply and manufacture of garments, was said to have been verified by the Ecología y Desarrollo organisation (ECODES), resulting in the company receiving the label CeroCO2. The study was said to have been managed by Grupo de Investigación y Gestión Ambiental (GIGA). Meaningful carbon disclosure was provided, alongside a summary of energy savings that had been made resulting from energy efficiency measures. The company disclosed the weight of paper, water, toners, batteries and fluorescents it consumed. The company was said to monitor its use of potentially hazardous substances and its clothes were said not to contain chemicals harmful to health.

The Mango Group was not considered to have a reasonable understanding of its main environmental impacts as no mention was made of agricultural production or pesticides.

The Report had been independently audited by Auren Auditors and was dated within the previous two years. However, the Mango Group was not considered to have a reasonable understanding of its main environmental impacts as no mention was made of agricultural production or pesticides. No dated, quantified future targets for reducing environmental impacts were provided. The company received Ethical Consumer’s worst rating for environmental reporting. (ref: 107)

Pollution & Toxics

No cotton sourcing policy (July 2011)

In July 2011 Ethical Consumer emailed the Mango Group and attached a questionnaire that included a question regarding the company’s cotton sourcing policy. The company did not respond. Its website, www.mango.com, displayed a number of products made from cotton and no mention was made of whether the company had any policies relating to its cotton sourcing, either on the website or in its 2009 Sustainability Report.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in July 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were “rife” in Uzbek cotton production. It was also said to have caused an “environmental catastrophe of astonishing proportions” as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Mango lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 108)

Sale of PVC products (July 2011)

In July 2011 Ethical Consumer searched the Mango Group website, www.mango.com, and found a number of products made with PVC. This material had been criticised by environmental campaign groups such as Greenpeace for its negative environmental impact in production, use and disposal. The company's 2009 Sustainability Report stated that it only used PVC in accessories, not fabrics, and that it was reducing PVC use and "replacing it with other materials or other types of plastic with production processes that are less harmful to the environment". (ref: 108)

Animals

Animal Rights

Sale of leather products (July 2011)

In July 2011 Ethical Consumer searched the Mango website, www.mango.com, and found a number of products made with leather. As this was a slaughterhouse byproduct, the company lost a mark in the animal rights category. (ref: 108)

Manufacture of silk for gift to politicians (2007)

A search was made of the Mango website www.mango.com on 16th January 2009. The most up-to-date CSR literature was the 2007 Sustainability Report. The report stated that the company had designed and made a silk handkerchief for Greenpeace to offer to all members of the European Parliament. This was as part of a campaign by Greenpeace, Mango and others to put pressure on the parliament to have stricter regulations on problem chemicals. The regulations were known by their acronym REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). (ref: 109)

People

Human Rights

Operations in fifteen oppressive regimes (2011)

The Mango Group Sustainability Report 2009 was downloaded from the company's website, www.mango.com, in July 2011. It listed subsidiaries in fifteen countries considered by Ethical Consumer to be oppressive regimes at the time of writing, including China, Israel, Russia, Iraq, Iran and Uzbekistan. (ref: 107)

Store opened in Iraq (December 2009)

According to an article on the Just-Style website, www.just-style.com, Mango had opened its first store in Iraq, a country considered by Ethical Consumer to have an oppressive regime at the time of writing. (ref: 110)

Workers' Rights

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Supply Chain Management

Middle ECRA rating for Supply Chain Policy (2009)

In June 2011 Ethical Consumer emailed the Mango Group and attached a questionnaire that included a request for a copy of the company's policy addressing workers rights at supplier companies

or any policies regarding sourcing. The company did not respond. A search was made on the company's website, www.mango.com, and the company's 2009 Sustainability Report was downloaded. A section entitled "The Mango Group's Code of Ethics" contained information on the company's supply chain management.

Supply Chain Policy

The Mango Group had a compulsory Code of Conduct for all its manufacturers and production workshops which was based on the guidelines and recommendations of the ILO. This contained adequate clauses for the avoidance of child labour, forced and compulsory labour, freedom of association and collective bargaining and discrimination. Working hours and wages were said to comply with applicable laws; this was not taken to mean that living wages were paid and that working hours were restricted to 48 per week with 12 hours voluntary overtime. The company was therefore considered to have a rudimentary supply chain policy.

Stakeholder Engagement

The company was said to collaborate with NGOs and other bodies, and to conduct joint visits to its manufacturers' and suppliers' installations with them. Some monitoring and verification was said to be carried out by the Textile and Chemical Federation (FITEQA) of the trade union organisation Comisiones Obreras (CCOO). Membership of the most relevant garment manufacturers' multi-stakeholder initiatives, such as Social Accountability International, was not mentioned. No evidence was provided that workers could, on a regular basis, provide anonymous feedback on working conditions to the retailer or brand at no cost and in their first language. The company was therefore considered to have an rudimentary approach to stakeholder engagement.

Auditing and reporting

Regular monitoring visits were said to take place to ensure compliance with the company's Code. The company was said to conduct initial analysis and checks of new suppliers and to subsequently conduct internal and external audits within three months. External audits were said to be carried out by Auren Auditors-Consultors Barcelona, S.A. The company published the number of instances of breaches of the Code, however there was not full and complete reporting of the results of audits. The percentage of workshops and production plants that were said to have been audited was approximately 91.76% for garments and 90.14% for accessories, however, no mention was made of auditing second-tier suppliers. Non-compliance with the Code was said to require immediate correction by the manufacturer or workshop. In the event that corrective actions needed to be implemented and monitored, a schedule was said to be agreed in conjunction with the manufacturers and workshops. In the case of serious social emergency (child labour, forced labour, etc.), if no necessary measures are taken for their immediate correction, the company was said to cancel all relations with the relevant manufacturer or workshop. The company was considered to have a staged approach to dealing with non-compliance. No mention was made of who paid for the cost of audits. The company was considered to have rudimentary auditing and reporting procedures.

Difficult issues

No mention was made of whether there was ongoing, scheduled training for buying agents on labour standards in the supply chain and/or financial rewards for suppliers meeting labour standards. However, a preference for long-term supplier arrangements was demonstrated, as the company was said to have established a long-

term collaboration with our suppliers and to have been working with some suppliers for over 20 years. No mention was made of audit fraud, what measures the company took where freedom of association was restricted by law, homeworkers or outworkers, or living wages. The company was considered to have a rudimentary approach to dealing with difficult issues. (ref: 107)

Politics

Genetic Engineering

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Anti-Social Finance

Subsidiaries in tax havens (2011)

The Mango Group Sustainability Report 2009 was downloaded from the company's website, www.mango.com, in July 2011. It listed subsidiaries in Andorra, Hong Kong and Ireland, which were considered by Ethical Consumer to be tax havens at the time of writing. (ref: 107)

Marks & Spencer clothing

Owned by Marks & Spencer Group plc

Marks & Spencer Group plc, CORPORATE PR MANAGER, Waterside House, 35 North Wharf Road, London, W2 1NW, UK

Environment

Environmental Reporting

Best ECRA rating for environmental report (2011)

Marks & Spencer's 'How we do business report 2011' was downloaded from the company's website, corporate.marksandspencer.com, in July 2011. It summarised the company's sustainability commitments, set out in Plan A, and reported on how the company had performed on the commitments. It included an assurance statement from Ernst & Young.

The company's 'Plan A 2010-2015' document contained 180 commitments to achieve by 2015, with the ultimate goal of becoming the world's most sustainable major retailer. The Plan covered areas including: climate Change, waste, sustainable raw materials, health and being a fair partner.

Targets for 2015 were said to include:

- * Reducing operational carbon emissions by 35% and making its operations carbon neutral
- * Reducing store refrigeration gas carbon emissions by 50%. Using CO2 systems in all new store refrigeration installations from 2010, replace HCFCs by 2014 and HFCs by 2030.
- * Sending no operational and construction waste to landfill and reducing operational waste by 25% and construction waste by 50%
- * Tripling sales of organic food in the UK and Republic of Ireland by 2012
- * Work towards M&S fruit, vegetables and salads being 75% pesticide residue-free by 2015 and 100% pesticide residue-free by 2020

The company was considered to have demonstrated a reasonable understanding of its main environmental impacts, and alongside the fact that it had dated, quantified future targets and its environmental data was independently verified, it therefore received Ethical Consumer's best rating for environmental reporting. (ref: 111)

Best independent rating on sustainability (November 2009)

The 2009 report, 'Green to the Core' published by Consumer Focus (formerly the National Consumer Council), rated the UK's top nine supermarkets on how well they inform consumers about sustainability issues and help them to make more sustainable choices.

The supermarket chains were ranked on sustainability measures such as: their offerings of UK in-season fruit and vegetables; organics; higher welfare meat and eggs; sustainably sourced fish; and how much they encourage recycling. The survey looked not just at availability in the store but also at how clearly these products were displayed and promoted to consumers.

On an A-E scale, M&S rated A, the top rating. Excellent results for stocking seasonal produce and sustainable fish backed up with strong scores for the availability of fairly traded products. This is supported by good information helping customers make more sustainable choices. (ref: 8)

Pollution & Toxics

No commitments to source gold responsibly (July 2011)

In June 2011 a search was made on the Marks and Spencer website, www.marksandspencer.com, and a number of products made with gold were found. No mention of gold sourcing policies were made in the company's Corporate Social Responsibility documents and an internet web search indicated that the company had not signed the No Dirty Gold campaign to end irresponsible mining practices, nor was it a member of the Responsible Jewellery Council, which aimed to advance responsible business practices throughout the diamond and gold jewellery supply chains. The Channel Four Dispatches programme "The Real Price of Gold", which was broadcast on 27th June 2011 and in which Ethical Consumer participated, highlighted some of the problems in gold supply chains around the world, including environmental destruction, child labour and the human rights impacts of pollution. The publication "Golden Rules: Making the case for responsible mining", published by Earthworks and Oxfam America, also highlighted issues of forced displacement of local communities as a result of gold mining. Marks and Spencer therefore lost half marks in the categories of pollution and toxics and human rights. (ref: 112)

Cotton sourcing policy (March 2011)

In February 2011 Ethical Consumer emailed Marks & Spencer Group plc and attached a questionnaire that included a question regarding the company's policy regarding cotton sourcing. The company responded as follows:

"We do not source any cotton from Uzbekistan due to concerns over the use of child labour. We are currently the UK's largest retailer of Fairtrade cotton clothing and were founding members of WWF's Better Cotton Initiative (BCI). We aim to source 50% of our cotton from proven sustainable sources by 2020."

Whilst Ethical Consumer considered this to be progress, the company lost half a mark in the pollution and toxics category due to the impacts of the widespread use of pesticides in cotton production worldwide.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 113)

Products containing one paraben (March 2010)

During a shop survey in Manchester city centre in March 2010, it was found that Marks and Spencer Mint and Rosemary shampoo and Ylang Ylang shampoo contained methylparaben. Parabens were considered by Ethical Consumer to be pollutants. (ref: 114)

Animals

Animal Testing

Middle ECRA rating for animal testing (2011)

The Marks & Spencers How We Do Business 2011 report was downloaded from the company's website, www.marksandspencer.com, in July 2011. Regarding its animal testing policy, it was stated that the company had a fixed cut-off date of January 2006 for its beauty and homecare products. However, from January 2010, M&S started selling branded products including Colgate and Head & Shoulders which are made by companies that test on animals. It therefore received ECRA's middle rating for animal testing. (ref: 111)

Factory farming

Animal welfare policy (2008)

In response to a request by ECRA in October 2008 for Marks and Spencer's policy on animal welfare, the company stated that it had committed itself to three targets on improving animal welfare in its 100-point "eco-plan", Plan A. These were:

- converting all fresh turkey, geese, duck and pork products to free range
- further improving stocking densities of Oakham chicken
- improving traceability in non-food supply chains for animal-derived raw materials and work with animal welfare groups to develop sourcing policies on animal welfare for leather and wool.

All targets in Plan A were due to be reached in 2012. ECRA recognised the positive moves the company was making to increase the range of free range meat products it sold, however, since it also sold meat which was not labelled as free range or organic, it received a negative mark in this category. (ref: 115)

Animal Rights

Fur free policy (July 2011)

A search was made of the Fur Free Alliance website (infurration.com) in July 2011. It was found that Marks and Spencer was a member of the fur free retailer programme. (ref: 116)

Products made from leather (March 2011)

In March 2011 Ethical Consumer searched the Marks & Spencer website, www.marksandspencer.com, and found a number of products made with leather. As this was a slaughterhouse by product, the company lost a mark in the animal rights category. (ref: 117)

Animal derived ingredients (October 2009)

On 3rd October 2009 it was reported in the Mail Online, www.dailymail.co.uk, that Marks and Spencer Percy Pig sweets contained pork gelatine. (ref: 118)

People

Human Rights

(See also 'No commitments to source gold responsibly' in **Pollution & Toxics** above.)

Operations in six oppressive regimes (July 2011)

In July 2011 Ethical Consumer viewed the Marks & Spencer website, www.marksandspencer.com. This stated "We have over 300 stores in over 40 territories. Going forward we plan to expand our international business through both our franchised operations and partnerships in some of the world's most dynamic emerging economies." Stores were listed in the following countries, which were considered by Ethical Consumer to be oppressive regimes at the time of writing: China, India, Libya, the Philippines, Russia, Saudi Arabia and Thailand. (ref: 112)

Products sourced from two oppressive regimes and one tax haven (June 2007)

An email received from Marks and Spencer in June 2007 confirmed that the company sourced some of its clothes from countries,

rated by Ethical Consumer as being oppressive regimes: China, Indonesia and the Philippines. (ref: 119)

Workers' Rights

Use of sandblasting in supply chain (April 2011)

The report "Killer Jeans" was published by Labour Behind the Label in April 2011. It documented the long term health effects of sandblasting (a method used to create worn or faded look on jeans) on workers in denim factories.

According to the report approximately 50 people in Turkey had died and an estimated 5000 people had developed silicosis as a direct result of exposure to silica dust whilst sandblasting denim.

While sandblasting had been banned in Turkey, production was said to have been moved to other countries such as China, India, Bangladesh, Pakistan, Argentina, and North Africa. Labour Behind the Label called for a ban on the practice of sandblasting throughout the apparel industry.

In the report, Labour Behind the Label categorised and rated UK brands and retailers based on whether they had communicated publicly their position on sandblasting and whether there were provisions to implement a ban.

The brands and retailers were also assessed on remediation and compensation, however, according to the report no brand or retailer which they had contacted was taking action in this area.

According to the report Marks and Spencers had replied to Labour Behind the Label and claimed they intended to stop using sandblasting within their supply chains and switch to alternative methods but had not issued a public ban on the process. Marks and Spencers did not supply Labour Behind the Label with a plan on when they would implement a ban along their supply chain.

Given that the practice is strongly linked with serious respiratory illnesses, and that Marks and Spencers has yet to stop the use of sandblasting within its supply chain, or to implement a satisfactory plan to remove the use of sandblasting from its supply chain, and failed to publicly ban sandblasting, it lost a mark in the workers rights category. (ref: 120)

Exploitation of young female workers at Indian supplier (2011)

A report published by the Centre for Research on Multinational Corporations (SOMO) in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, 'Captured by Cotton' demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say "Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour."

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies. One of these suppliers, SSM India, produced products which were purchased by M&S, among other well-known UK brands, via another company Crystal Martin. It employed around 1500 non-residential workers out of which some 200 were employed under the Sumangali Scheme. The following criticisms were found of the employer:

Scheme period and lump sum payment

The lump sum promised through the Sumangali Scheme, which is being saved up by withholding part of the worker's wage every month, varies between Rs. 30,000 and Rs. 50,000, depending on the scheme period. The scheme period varied between three and four years. In order to complete the scheme period the workers had to complete a certain amount of services. One service consisted of 26 days (a month). If the scheme period was three years, then the worker would have to complete 36 services. If a worker missed one day, one service (another 26 days) would be added in order to complete the scheme period. Many workers were thus forced to stay longer than the agreed period in order to receive the lump sum amount. If a worker decided to leave the factory before the scheme period had been completed they had to inform the management about their reasons for quitting. If the management accepted the reason, then part of the lump sum would be paid out. In many cases, the management doesn't accept the reason and consequently no lump sum is paid out.

Restricted freedom of movement and limited privacy

The report revealed that workers who stayed in the SSM India hostels (all facilities had hostels) weren't allowed to leave the factory premises freely. Parents were allowed to visit their daughters once a month on Sundays, for one hour. Permission to receive visits had to be requested on forehand. Workers were not allowed to have a mobile phone. They could use a phone in the warden's room, but the warden monitored all calls, and they were only permitted to call their parents.

Wages

Workers at SSM India's spinning units received a monthly wage between Rs. 2,600 and Rs. 3,300. This was below the legally set minimum wage.

Working hours

Hostel workers worked 12 hours a day on a regular basis. A regular working week consisted of 72 hours. Overtime work was mandatory for hostel workers. During peaks in production hostel workers were also forced to work night shifts (after they have already completed a full day-shift). According to the law, workers should be paid double wage for overtime hours. This was not the case at SSM.

Freedom of association

No trade unions were allowed at SSM. Workers at Sri Saravana Spinning Mills (part of SSM) who had joined a trade union had been fired. (ref: 81)

Workers' rights abuses at supplier factories (2011)

According to a report published by the International Textile, Garment and Leather Workers' Federation in April 2011 (ITGLWF), many sportswear brands were still exploiting labour in developing countries. The report, 'An Overview of Working Conditions in Sportswear Factories in Indonesia, Sri Lanka & the Philippines' examined the working conditions in 83 garment factories in these countries (18 factories in Indonesia, 17 in Sri Lanka and 47 in the Philippines). Marks and Spencer was among the brands named as currently sourcing from these factories at the time the research conducted.

The research found that not one of the 83 factories surveyed paid workers a living wage, and the majority didn't even pay the local legal minimum wage. Instances of forced overtime (in some cases to the tune of 40 hours per week) were also found to be very common, with some factories verbally or physically abusing workers who tried to refuse overtime. Also, non-payment of wages and overtime or performance supplements were reported in all three countries.

Seven of the factories were found to prohibit trade union representation. In some cases where representation was authorised, factory management selected trade unions representatives who could be trusted to represent them, and some received extra benefits for doing so.

In all three countries, the majority of the workforce was female and under the age of 35. The report found that gender discrimination occurred in Sri Lanka and the Philippines, with some factories in those countries failing to provide maternity leave and similar benefits as required by law. Some factories in Sri Lanka made pregnant workers carry out their usual heavy-duty tasks up to 7 months into their pregnancy. A small number of factories were found to carry out pregnancy testing before hiring employees, and others reported sexual harassment, which in many cases resulted in no sanctions being imposed. (ref: 121)

Supply Chain Management

Middle ECRA rating for supply chain policy (2011)

The document Marks & Spencer Global Sourcing Principles was downloaded from the company's website in July 2011. More information on the companies policies regarding workers rights at supplier companies was provided in the company's 'How We Do Business Report 2011'.

Supply chain policy

The Global Sourcing Principles document stated that the company had adopted the Ethical Trading Initiative (ETI) base code as its standard and that the company expected its suppliers to work it. However, the document lacked detail and consequently the clauses on working hours, rates of pay and child labour were considered to be inadequate. The statements on freely chosen employment, freedom of association and collective bargaining and discrimination were considered acceptable. The company was therefore considered to have a rudimentary supply chain policy.

Stakeholder engagement

Marks & Spencer was listed as a member on the ETI website. There did not appear to be third party involvement in supply chain monitoring that included systematic input from NGOs and/or labour and/or not-for-profit in the country of supply into the verification of labour standard audits. The company was said to have trialled a confidential worker complaints mechanism in

2007/2008, however, it was not stated that this had been adopted across the company's supply chain or clear whether complaints could be made in the workers' own language. The company was considered to have a rudimentary approach to stakeholder engagement.

Auditing and Reporting

The company reported that its suppliers had undertaken 4,254 corrective actions, however, the full and complete results of audits was not provided. The company reported that it had 3,512 (the company did not state what percentage of its suppliers this represented) general merchandise and food product and material suppliers on its SEDEX database with an up-to-date assessment. It was said to update the database on an ongoing basis and monitor current performance. In 2010, together with its suppliers, it was said to have completed 1,245 ethical audits. It also committed to extending its assessments to include its top 20 non-merchandise suppliers by 2015. It was unclear whether the company employed a staged approach to dealing with violations or who bore the cost of audits. The company was considered to have a rudimentary approach to auditing and reporting.

Difficult issues

Training was said to be provided to workers at supplier companies covering employees' roles, responsibilities and rights, basic health care and where possible, numeracy and literacy. No training was mentioned for buying agents on labour standards in the supply chain and/or financial rewards for suppliers meeting labour standards. A preference for long-term supplier arrangements was not demonstrated. No mention was made of audit fraud, what should happen where freedom of association was restricted by law or outreach workers. However, the company did have projects involving the implementation of a living wage in Bangladesh, India and Sri Lanka. The company was considered to have a rudimentary approach to dealing with difficult issues in its supply chain.

Marks & Spencer received a worst rating for its supply chain management. (ref: 111)

Member of ETI (2008)

The Ethical Trading Initiative website (www.ethicaltrade.org), viewed by ECRA in November 2008, listed Marks and Spencer as a member. Once a company is accepted as a member, they were required to work towards adopting the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 30)

Participation in an ETI project (4 January 2007)

According to an article in supplychainmanagement.com published on 4 January 2007 (www.supplymanagement.co.uk) and viewed by ECRA on 11 January 2007, Marks & Spencer Plc had participated in the ETI's Purchasing Practices project. The article claimed that as factories were often put under pressure by buyers to "lower prices and shorten lead times", this could lead to the former "cheating on labour standards". The article highlighted that the ETI's project "encouraged the training of buying teams to increase their awareness of how their purchasing practices affected suppliers and their employees". (ref: 122)

Politics

Genetic Engineering

(See also 'Cotton sourcing policy' in Pollution & Toxics above.)

Anti-Social Finance

Subsidiaries in 4 tax havens (July 2011)

According to the Hoovers website (www.hoovers.com), viewed by Ethical Consumer in July 2011, Marks & Spencer had subsidiaries in Guernsey, Singapore, Hong Kong and Ireland. These territories were considered by Ethical Consumer to be tax havens at the time of writing. (ref: 123)

Excessive CEO remuneration (February 2010)

On 1st February 2010 the BBC website, www.bbc.co.uk, reported that the new chief executive of Marks and Spencer, Marc Bolland, was to receive nearly £8.5m in salary and compensation awards after joining the company in May 2010. (ref: 124)

Enforcing poor terms on suppliers; position on an ombudsman (December 2008)

According to a league table on the ActionAid website (actionaid.org.uk), dated December 2008, Marks and Spencer were one of 2 top scoring supermarkets in terms of its position on whether or not there should be an UK ombudsman to regulate the grocery sector.

11 supermarkets were rated.

ActionAid stated that "supermarket buying pressures get passed on to poor workers in developing countries in the form of poverty pay and unacceptable working conditions."

Despite being second to the top of the table, the company was said to have stated that it "strongly disagrees" with the proposal that suppliers should be able to make complaints in confidence about treatment by the supermarkets.

It scored 5 out of 10, 10 being the best score. (ref: 102)

Matalan clothing

Owned by Matalan Retail Limited

Matalan Retail Limited, Gillibrands Road, Skelmersdale, Lancs, WN8 9TB

Matalan Retail Limited is owned by Missouri Bidco

owned by Missouri Topco

Missouri Topco, National Westminster House, Le Truchot, St Peter Port, Guernsey, GY1 4ND, England

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (July 2011)

In June 2011 Ethical Consumer emailed Matalan Retail Ltd and attached a questionnaire that included a request for a copy of the company's environmental policy, statement or report. The company did not respond. A search was made on its website, www.matalan.co.uk and the page entitled "Matalan's Environmental Policy" was viewed. This stated that the company had, or was introducing where possible, "processes to monitor and make improvements on areas such as: waste disposal, energy consumption, fuel efficiency, products from sustainable sources, recycling". No dated, quantified targets were mentioned, the text was not written in sufficient depth to demonstrate a reasonable understanding of the company's main impacts, no mention was made of independent verification and no disclosure was made regarding the company's carbon impacts. Matalan Ltd therefore received Ethical Consumer's worst rating for environmental reporting. (ref: 125)

Pollution & Toxics

Sale of PVC products (July 2011)

In February 2011 Ethical Consumer searched the Matalan Retail Ltd website, www.matalan.co.uk, and found a number of products made with PVC. This material had been criticised by

environmental campaign groups such as Greenpeace the for its negative environmental impact in production, use and disposal. (ref: 243)

Schoolwear contained Teflon (June 2007)

Matalan's website, www.matalan.co.uk was visited on 20th June 2007. A search of the website found a number of items of children's clothing which had been treated with Teflon. Chemicals such as Teflon, belonging to the "non-stick" family of perfluorinated chemicals (PFCs) had been classified as cancer-causing by the US Environmental Protection Agency and have been found in a wide range of species including polar bears, dolphins and humans worldwide. Environmental campaigners had called for PFCs to be replaced with safer alternatives especially in clothing and other consumer products. PFCs, such as Teflon were used in many school trousers and skirts to give them durability. (ref: 127)

Cotton sourcing policy (July 2011)

In July 2011 Ethical Consumer emailed Matalan Retail Ltd and attached a questionnaire that included a question regarding the company's cotton sourcing policy. The company did not respond. Its website, www.matalan.co.uk, displayed a number of products made from cotton and no mention was made of whether the company had any policies relating to its cotton sourcing.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in July 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

In April 2008 the Environmental Justice Foundation reported that Matalan had announced a ban on cotton sourced from Uzbekistan at the start of 2008. However, due to the fact that the company did not report on this ban on its website or indicate how it was implemented, and as a result of the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Matalan lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 128)

Habitats & Resources

Wooden product not labelled as coming from FSC certified sources (June 2007)

The Matalan company website, www.matalan.co.uk was visited in June 2007. A wooden window door was on sale. There was no mention as to whether the wood for the window came from FSC-certified sources. (ref: 126)

Animals

Animal Rights

Sale of leather goods (July 2011)

In July 2011 Ethical Consumer searched the Matalan website, www.matalan.co.uk, and found a number of products made with leather. As this was a slaughterhouse byproduct, the company lost a mark in the animal rights category. (ref: 129)

People

Human Rights

Non disclosure of country of origin (2011)

The Matalan website (www.matalan.co.uk), was searched in July 2011 for information about where the company sourced its goods. No such information could be found. Sourcing from oppressive regimes was common in the clothing sector, (according to the 2006 'Well Dressed' report by Cambridge University, 'More than a quarter of the world's production of clothing and textiles is in China, which has a fast growing internal market and the largest share of world trade'). China was on Ethical Consumer's list of oppressive regimes at the time of writing. As a result the company lost half a mark in the Human Rights category. (ref: 130)

Workers' Rights

Exploitation of young female workers at Indian supplier (May 2011)

A report published by SOMO in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, 'Captured by Cotton' demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say "Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour."

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies. One of these suppliers, Eastman Exports Global Clothing, produced products which were purchased by Matalan, among other well-known brands. It operated 24 garment production facilities in Tamil Nadu. The report showed that workers were employed there under a Sumangali scheme at least until April 2010. Some of the company's customers had indicated that the Sumangali scheme had been abolished in April 2010 and since then there had also been improvements in working conditions.

This was found to be true in some instances; for example, since April 2010, the company no longer operated a lump payment scheme, but instead paid workers a monthly salary of between Rs. 110 to 170 per day for garment workers, or Rs. 170 to Rs. 240 for spinning mill workers. Workers were no longer were no longer recruited under the Sumangali Scheme, and no new workers under the age of 18 were admitted into the company's hostels.

However, interviews with workers in April 2011 revealed that

excessive and forced overtime was still common practice. Workers said they worked 12 hours per day on a regular basis, and that a regular working week consisted of 72 hours. During production peaks workers were forced to work more than 12 hours per day. 1,500 workers who live in the company's hostels still had to deal with restrictions to their freedom of movement, being allowed to leave the complex only once per month, accompanied by a guard. Workers also reported not being allowed to join a trade union. (ref: 81)

Workers' rights abuses in India (3 September 2007)

According to an article on the Guardian website (www.guardian.co.uk), dated 3rd September 2007, employees of factories supplying Matalan claimed that they were "regularly forced to work overtime of between 6 and 18 hours per week". One of the factories that was said to supply Matalan denied the claim of forced overtime.

The article stated that workers making clothes for Matalan claimed that they were "harassed and bullied" by management when targets were not met, and that sick leave requests were refused. They were also said to claim that they were forced to do unpaid overtime. One worker stated that security guards pressurised women on toilet breaks to get back to work. (ref: 131)

Criticised for squeezing supplier factories (2006)

According to the Summer 2006 newsletter from Labour Behind the Label, Matalan was one of a number of large clothing brands in the UK whose profits on low-cost clothes were dependent on "squeezing suppliers hard" in order to keep manufacturing costs low. This was also said to result in poor labour standards, with workers often paid low wages, working long hours and in poor conditions. (ref: 132)

Supply Chain Management

Supply chain policy criticisms (September 2007)

In 2007, Labour Behind the Label (LBL) has interrogated the biggest players in the fashion industry, to see what progress has been made since their last survey in 2006 towards a living wage, freedom of association and monitoring & verification for the labour behind the labels.

Matalan had no information public on their websites, and once again did not respond to either of LBL's letters in May and June 2007. They deserve the most severe criticism and consumer scepticism according to Labour Behind the Label.

Matalan's website displayed a code of conduct that claimed to be based on the ETI base code, yet it had omitted key provisions on freedom of association and collective bargaining. With no information on how the code was monitored and implemented, LBL had to assume that it wasn't. (ref: 46)

Worst ECRA rating for supply chain management (July 2011)

In June 2011 Ethical Consumer emailed Matalan Retail Ltd and attached a questionnaire that included a request for a copy of the company's policy addressing workers rights at supplier companies or any policies regarding sourcing. The company did not respond. A search was made on the company's website, www.matalan.co.uk and the page entitled "Matalan's Ethical Workforce Responsibility" was viewed.

Supply Chain Policy

The web page stated that supplier factories must "at the very least abide by local government laws" on the following: basic minimum wage, overtime, minimum working age and hours of work. These provisions were not considered by Ethical Consumer to constitute adequate protection against the use of child labour in line with ILO conventions, or to be equivalent to the payment of a living wage and working hours limited to 48 hours a week and 12 hours voluntary overtime. Factory owners were said to allow and support

freedom of association and collective bargaining. No mention was made of discrimination or forced labour. The company's supply chain policy was considered to be inadequate.

Stakeholder engagement

No mention was made of stakeholder engagement.

Auditing and reporting

Every garment factory used by Matalan was said to be audited. The company was said to have its own full time auditors, which had conducted 650 audits in three years, and to retain independent auditors with local language skills that had carried out more than 85 audits in the past three years. 1100 positive corrective actions were consequently said to have been completed. A number of unplanned visits were said to have been made over the previous year. Whilst the company stated that it audited all the factories it used, and remediation was mentioned, no mention was made of a staged approach to violations. Disclosure of its audit results, schedule or audit plan was not provided. The company's provided rudimentary evidence of some auditing and reporting.

Difficult issues

No mention was made of audit fraud, homeworkers, or how to allow for collective bargaining where it was effectively restricted or prohibited by law. Factory owners and management were said to allow and support working to paying a realistic living wage, however, it was not stated what they were actually doing in this regard. Regarding purchasing practices, the company was said to have "invested heavily in recruiting people with many years experience in the industry who are on hand to work closely with suppliers at all levels on improving their quality of working practices and conditions". However, there was not said to be ongoing, scheduled training for buying agents on labour standards in the supply chain. The company's approach to difficult issues in its supply chain was considered to be inadequate.

Matalan Retail Ltd received Ethical Consumer's worst rating for supply chain management. (ref: 128)

Politics

Genetic Engineering

(See also 'Cotton sourcing policy' in **Pollution & Toxics** above.)

Anti-Social Finance

Holding company in tax haven (July 2011)

According to the Hoovers.com company data website the parent company of Matalan Ltd, Missouri Topco, was a holding company based in Guernsey, considered by Ethical Consumer to be a tax haven at the time of writing. (ref: 133)

£250m pay-out to company chief (April 2010)

According to an article on the BBC News website www.bbc.co.uk, dated April 4th 2010, and titled 'Matalan chief gets £250m pay-out' John Hargreaves, the founder of budget clothing chain Matalan, was in the process of paying himself a £250m dividend. Ethical Consumer considered any total annual remuneration above £1m to be excessive. (ref: 134)

Enforcement of poor terms on suppliers (2008)

The Forum of Private Business (fpb.org) published a Late Payment Hall of Shame. People could nominate companies for inclusion by emailing campaigns@fpb.org.

The organisation stated that "Late payment can have a crippling effect on small firms. The Late Payment of Commercial Debts Act was introduced in 1998 and granted businesses the right to

claim interest on late payments. The legislation did not provide a solution for many businesses and we therefore continue to name and shame businesses which make retrospective changes to payment terms, effectively squeezing their suppliers. We have also been lobbying for businesses to sign up to the Prompt Payment Code.”

Matalan was included in the 2008 Late Payment Hall of Shame. (ref: 135)

Monsoon clothing

Owned by Monsoon Ltd

Monsoon Ltd, Monsoon Accessorize Ltd, Monsoon Building, 1 Nicholas Road, London, W11 4AN, UK

Monsoon Ltd is owned by Drillgreat Ltd

owned by Monsoon Holdings (Jersey) Ltd

Drillgreat Ltd also owns Monsoon Fairtrade clothing and Monsoon organic clothing

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

In response to Ethical Consumer’s written request in June 2011 for its environmental policy, a Monsoon company representative sent a link to the company’s environmental information on its website, www.monsoon.co.uk. The company did not produce an environmental report.

The information provided was not considered to show a reasonable understanding of the company’s main impacts, as no mention was made of how the company was tackling the huge environmental impacts of cotton growing, throughout its operations. The website did say that the company was funding a project in India to help farmers to convert to organic methods. However, no detail was given as to how much of the supply chain this constituted, nor whether it was being rolled out to other supplier countries. It also mentioned its Clothes For Life project, which took back old Monsoon clothing from consumers and recycled or resold it, with the proceeds going to New Life charity, which helped disabled and terminally ill children in the UK. The report included one dated, quantified future target for reducing environmental impacts; to reduce use of air freight by 20% between 2009 and 2012. There was no meaningful carbon disclosure nor of independent verification of environmental data.

As a result, the company received Ethical Consumer’s worst rating in this category. (ref: 136)

Pollution & Toxics

PVC products (2011)

The Monsoon website (www.monsoon.co.uk), viewed by Ethical Consumer in July 2011, listed a number of items on sale that were made from PVC. Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 137)

Sale of products made from PVC (January 2009)

Monsoon’s website (www.monsoon.co.uk) was searched on 26 January 2009. PVC flip-flops were found to be on sale under the Accessorize brand. (ref: 138)

Cotton sourcing policy (2011)

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were “rife” in Uzbek cotton production. It was also said to have caused an “environmental catastrophe of astonishing proportions” as a result of its impact on the Aral Sea, reported to be 15% of

its former volume.

The Monsoon ETI Report 2009, which was available online, stated that the company supported the ban on Uzbek cotton.

Due to the impacts of the widespread use of pesticides in cotton production worldwide Monsoon lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. In response to Ethical Consumer’s written request for the company’s policy on GM cotton, it replied that it didn’t have one, although it was involved in a project to improve access to organic methods for growers in India. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company’s cotton products contained some GM material.

(ref: 136)

Animals

Animal Testing

No animal testing policy (2011)

A search of Monsoon’s website (www.monsoon.co.uk) in July 2011 showed that Monsoon sold perfume and body lotions. No animal testing policy was found on the company’s website. Therefore the company was awarded a negative mark in this category. (ref: 137)

Worst ECRA rating for animal testing (2011)

In response to Ethical Consumer’s written request, in June 2011, for the company’s policy on animal testing, a representative stated that the company did not allow animal testing. However, no more detail was provided, such as a fixed cut off date for the testing of ingredients, and this information was also unavailable on the company’s website, www.monsoon.co.uk, when it was searched in July 2011. As the company sold numerous own-brand fragrances, Ethical Consumer expected the company to have this sort of policy in place. (ref: 136)

Animal Rights

Sale of silk and leather products (2011)

The Monsoon website (www.monsoon.co.uk), viewed by Ethical Consumer in July 2011, listed a number of clothing items on sale that were made from leather and silk.

As a slaughterhouse byproduct, leather was considered to be an animal rights issue. Silk was considered to be an animal rights issue as the process involved killing silk worms. (ref: 137)

Sale of leather goods (January 2009)

According to the company website www.monsoon.co.uk, viewed by ECRA in January 2009, Accessorize sold goods made of leather and suede. (ref: 138)

Sale of products containing merino wool (2011)

The Monsoon website (www.monsoon.co.uk), viewed by Ethical Consumer in July 2011, showed a number of garments on sale which were made with the use of merino wool.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called “flystrike,”

Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of anaesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbour fly eggs, yet the bloody wounds often get flystrike before they heal. (ref: 137)

People

Human Rights

Operations in 11 oppressive regimes (2011)

According to the Monsoon website (www.monsoon.co.uk) in July 2011, the company had outlets in the following countries, all of which were on Ethical Consumer's list of oppressive regimes at the time of writing: China, India, Israel, Jordan, Kazakhstan, Libya, Pakistan, Philippines, Russia, Saudi Arabia and Vietnam. (ref: 137)

Workers' Rights

Use of sandblasting in supply chain (April 2011)

The report "Killer Jeans" was published by Labour Behind the Label in April 2011. It documented the long term health effects of sandblasting (a method used to create worn or faded look on jeans) on workers in denim factories.

According to the report approximately 50 people in Turkey had died and an estimated 5000 people had developed silicosis as a direct result of exposure to silica dust whilst sandblasting denim.

While sandblasting had been banned in Turkey, production was said to have been moved to other countries such as China, India, Bangladesh, Pakistan, Argentina, and North Africa. Labour Behind the Label called a ban on the practise of sandblasting throughout the apparel industry.

In the report, Labour Behind the Label categorised and rated UK brands and retailers based on whether they had communicated publicly their position on sandblasting and whether there were provisions to implement a ban.

The brands and retailers were also assessed on remediation and compensation, however, according to the report no brand or retailer which they had contacted was taking action in this area.

According to the report Monsoon had replied to Labour Behind the Label and claimed they intended to stop using sandblasting immediately but had not issued a public ban on the process. Monsoon went on to tell Labour Behind the Label that they would tell suppliers to refrain from using sandblasting and this would be 'vigorously' monitored but failed explain exactly what this meant.

Monsoon had agreed to the immediate ban of sandblasting but had yet to implement a satisfactory plan to remove the use of sandblasting from its supply chains. Labour Behind the Label believed more could be done and therefore Monsoon has lost half a mark in the workers rights category. (ref: 120)

Workers' rights abuses at Indian supplier factories (December 2010)

According to a report published by campaign organisations Labour Behind the Label and War on Want in December 2010, numerous workers' rights abuses had been found at two garment factories in India. At the time that the report was being researched, one of these factories, called 'Factory B' in the report, was supplying Monsoon, as well as other major UK high street clothes companies.

Under Indian labour law, at the time of writing, workers were entitled to an annual bonus equivalent of at least 8.33% of the salary earned over the year. They were also entitled to one day's annual leave for every 20 days worked, or, if the leave wasn't taken, one day's

pay. In Factory B workers got one day leave for every month worked (rather than

every twenty days) but only the 5% of workers employed on permanent contracts received the annual bonus.

Workers in factory B reported having hourly targets set for them. Failure to meet the target leads to scolding, shouting and humiliation from supervisors. All workers reported that they faced tremendous pressure as a result of this and found work extremely stressful.

In Factory B water was available both to drink and in the toilets, but the number of toilets was woefully inadequate, with only one toilet for every 83 male workers.

According to one factory worker interviewed, in 2002, the factory started engaging contractors to supply workers, until almost 95% of workers became on contract basis. This enabled the factory to avoid the entitlements of permanent staff, such as sick pay and holidays.

"Any worker who appears to be vocal is taken care of immediately through termination from the service. And it had happened with a few workers in the factory" - Worker Factory B

Labour contractors were said to play an important role in union-breaking in Gurgaon, being harsher than factory management. (ref: 57)

Supply Chain Management

Best ECRA rating for supply chain management (2011)

In response to Ethical Consumer's written request in June 2011 for its supply chain management information, a Monsoon company representative directed Ethical Consumer researchers to this information on the company's website, www.monsoon.co.uk.

SUPPLY CHAIN POLICY (reasonable)

In the company questionnaire, a Monsoon company representative stated that the company had adopted and applied the Ethical Trading Initiative (ETI) Base Code across its supply chain. The company also displayed this policy on its website. It included clauses prohibiting child labour, forced labour, discrimination and a clause which allowed for payment of a living wage and freedom of association. The clause on working hours included the term "shall not on a regular basis" and therefore was considered insufficient.

STAKEHOLDER ENGAGEMENT (good)

The company questionnaire stated that Monsoon was a founder member of the ETI. It added that it was part of Bareilly Homeworkers Group and The Indian National Homeworker Group, both coalitions of companies and NGOs, supported by the ETI, which sought to improve conditions for home workers. The company provided a confidential complaints mechanism for workers which allowed them to lodge complaints directly with Monsoon.

AUDITING AND REPORTING (poor)

The company stated that it was committed to transparency, pointing out that it has published its Ethical Trading Report online for 3 years, which disclosed the whole auditing process, including non-conformities and actions taken to remediate them. However, Ethical Consumer could not find this report online, therefore was unable to verify the depth of the data provided. The company

questionnaire stated that Monsoon put step-by-step corrective plans in place for any suppliers not complying with their code. Again, this information was not available to view online. No mention was made of whether the company or its suppliers paid the costs of audits, nor of an auditing schedule. Ethical Consumer could not find a clear commitment to auditing the entire breadth and some depth of the supply chain.

DIFFICULT ISSUES (reasonable)

The company was involved with the home workers projects outlined above. The company questionnaire also stated that it was working on a project (within the ETI) which aimed to allow Chinese workers access to trade unions. It was funding India's Self-Employed Women's Association (SEWA) - a trade union working with embroidery and other workers in the informal sector. According to the information provided, the company was looking to increase orders to one particular facility that was being developed under the programme. While a promising initiative, it could not be considered a systematic approach to tackling the problems associated with home working across the company's entire supply chain. The company also described its work with its buyers, saying it undertook regular training programmes with them so that they were fully aware of their responsibilities and their potential impact. "They are held accountable for this within the performance management system. We implemented a Purchasing Practices project in 2010 to examine how we manage our critical path and measure the impact of our purchasing decisions. This project has underlined the importance of getting the design and the specification right first time, among other findings, and these findings are being given high priority going forward. In particular, they have been factored into our new company wide inventory management project which aims to deliver efficiency gains and ensure that prices take into account our living wage and ethical trading strategy."

The company stated that it was due to start publishing a full CSR report from 2012, which would include all the details above. The company received Ethical Consumer's best rating in this category. (ref: 244)

Politics

Genetic Engineering

(See also 'Cotton sourcing policy' in **Pollution & Toxics** above.)

Anti-Social Finance

Holding company based in tax haven (2011)

According to the Balmain Investment & Trade Inc company fact sheet on the Hoovers website (www.hoovers.com), viewed by Ethical Consumer in July 2011, the company was based in the British Virgin Islands, which at the time of writing was considered by Ethical Consumer to be a tax haven. Therefore it was considered likely that the purpose of this arrangement was to avoid taxes. (ref: 139)

Product sustainability

Fairtrade Product

Fairtrade clothing (2011)

According to an Ethical Consumer company questionnaire, filled out by a representative of Monsoon plc in June 2011, the company sold a range of Fairtrade clothing and was hoping to expand this in future. (ref: 245)

Organic Product

Organic clothing (2011)

According to an Ethical Consumer company questionnaire, filled out by a representative of Monsoon plc in June 2011, the company sold a range of organic clothing and was hoping to expand this in future. (ref: 246)

New Look clothing

Owned by New Look Retail Group Ltd

New Look Retail Group Ltd, Ethical Co-ordinator, New Look House, Mercery Road, Weymouth, Dorset, DT5 5HJ

New Look Retail Group Ltd is owned by Permira Advisors Ltd (28%)

owned by Permira Holdings Limited (28%)

New Look Retail Group Ltd is also owned by Apax Partners & Co (27%)

Apax Partners & Co, 445 Park Ave, New York, NY 10022, USA

New Look Retail Group Ltd is also owned by Tom Singh (23%)

Permira Advisors Ltd also owns New Look Organic Clothing

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

In response to a questionnaire sent by ECRA in June 2011 New Look noted that it did not currently produce a CSR or environment report. The company's 2011 Annual Report included a few paragraphs on environmental issues, noting that 2010-2011 the company recycled 64% of all waste from UK stores, up from 20% in 2008-2009, and had saved 2,300 tonnes of CO2 emissions through Building Management Systems in over 200 stores. The report also noted that the company was subject to the mandatory Carbon Reduction Commitment.

As it did not produce an environmental report the company received a worst mark in this category. (ref: 141)

Pollution & Toxics

Cotton Policy (2011)

In response to a questionnaire sent to New Look in June 2011 the company noted the following positive policy: "Due to the continued widespread use of organised child labour in cotton cultivation in Uzbekistan, we are against the use of Uzbek raw cotton in New Look products. We have banned the use of Uzbek cotton since March 2010. Our policy is communicated to suppliers through our supplier manual which all suppliers sign up as part of being a supplier to New Look. We have asked all our suppliers to guarantee that they do not source cotton from mills which source cotton from Uzbekistan and ask that they investigate their cotton supply chain and take all necessary steps to avoid its use in our products. We expect all suppliers to be able to identify the source of the raw cotton used in New Look products and to maintain records to prove its country of origin. We reserve the right to request copies of such records to verify the cotton's origin".

New Look reported it did not have a policy on GM cotton in the supply chain. According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material.

In response to the questionnaire New Look also noted: "We launched our organic cotton range in 2007. In 2008 we sold

an amazing 2.32 million organic cotton items and 4.2% of our womenswear was made using organic cotton. In 2009 we launched another organic cotton range which included knitwear and received certification from the Soil Association". However because the company also sold non-organic cotton it received a negative mark in the Pollution and Toxics category due to the intensive use of pesticides in cotton growing. (ref: 141)

Buyout of agrochemical company (2008)

According to Risks newsletter Number 347 - March 15 Permira (which owned New Look) had been given the go-ahead from the European Commission to purchase Japan's agrochemical company Arysta LifeScience, the tenth largest agrochemical multinational by market share, manufacturing a range of agrochemicals, herbicides, pesticides and fumigants along with pharmaceuticals and veterinary products. Many of its products were said to have been certified as carcinogens which the IUF had advocated banning in view of their threat to human life. (ref: 142)

No cotton sourcing policy (2011)

Valentino Fashion Group did not respond to Ethical Consumer's written request in June 2011 for its cotton policy. Ethical Consumer searched the company's websites (Valentino and www.valentinofashiongroup.com) in August 2011 for this information, but no mention of the issues below could be found.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, the company lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

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Animals

Animal Rights

Animal Welfare Policy and Sale of Leather (2011)

According to New Look's website (www.newlook.co.uk) viewed July 2011 the company has won the 2010 RSPCA award for large fashion companies. The company's animal welfare policy was as follows:

"Animal Fur: We will not use any real fur in our products. This includes both farmed fur and fur which may be a byproduct of the meat industry.

Endangered Species: We will not use any materials derived from species that appear on the CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) or IUCN (International Union for Conservation of Nature) lists of endangered species.

Leather or Skin Products: We will not use any leather or skin materials that are obtained from live skinning or live boiling.

All leather used for New Look must be a byproduct of the meat industry. We will not use Karakul or any other leather or skin materials that are the products of unnatural abortions.

Live-Plucked Feather or Down: We will not use feathers or down obtained from the live plucking of birds.

Australian Merino Wool: We will not source merino wool from Australia due to the widespread practice of mulesing in its production.

Mongolian Lambs Fur: Due to the practices involved in the traditional methods of slaughter we will not use this sheepskin variety."

However the company did receive a negative mark in the animal rights category for the sale of slaughterhouse products (leather).

In addition to the specific points above New Look expects all animal derived materials used in our products to have come from animals treated humanely and according to the recommendations on animal welfare set out by the OIE in their Animal Health Codes.

A number of leather goods including shoes and accessories were on sale. (ref: 144)

Use of fur (2011)

According to the International Fur Trade Federation website www.fur-style.com, viewed by ECRA in August 2011, Valentino's Autumn/Winter 2011/12 collection included three items made with fur, including fox fur coats. The company had also used fur in the three Autumn/Winter collections prior to 2011/12. Valentino was owned by Permira, New Look's parent company. (ref: 145)

Sale of leather, silk and merino wool (2011)

The Valentino Fashion Group online store (<http://store.valentino.com/>), viewed by Ethical Consumer in August 2011, listed a large range of products containing leather, silk and merino wool. All were considered to be animal rights issues;

- the processing of involved the killing of silk worms
- leather was a slaughterhouse byproduct
- merino wool from Australia involved the cruel practice of mulesing - Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called "flystrike," Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of anaesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbour fly eggs, yet the bloody wounds often get flystrike before they heal. Valentino was owned by Permira, New Look's parent company. (ref: 146)

People

Human Rights

Operations in two oppressive regimes (2011)

According to the New Look 2011 Annual Report had stores and franchises in Russia and Saudi Arabia, both considered oppressive regimes by ECRA at the time of writing. (ref: 147)

Non disclosure of country of origin (2011)

The Valentino Fashion Group website (www.valentinofashiongroup.com), was searched in August 2011 for information about where the company sourced its goods. No such information could be found. Sourcing from oppressive regimes was common in the clothing sector, (according to the 2006 'Well Dressed' report by Cambridge University, 'More than a quarter of the world's production of clothing and textiles is in China, which has a fast growing internal market and the largest share of world trade'). China was on Ethical Consumer's list of oppressive regimes at the time of writing. As a result the company lost half a mark in the Human Rights category. (ref: 143)

Ownership of companies in oppressive regimes (9 July 2011)

According to the Apax Partners website (www.apax.com) it had: significant investment in or ownership of Psagot, the largest asset management business in Israel; Tnuva, the largest food manufacturer and distributor in Israel; Bezeq, Israel's largest and leading telecommunications group; IGate Patni, an Indian business process outsourcing services company; "significant investment" (US\$163m) in SouFun, China's largest online real estate portal. Israel and China were on ECRA's oppressive regime list at the time of writing. (ref: 148)

Workers' Rights

Suppliers using UK sweatshops (2010)

According to an article which appeared on the Independent website (www.independent.co.uk), on 8 November 2010, a Channel 4 television programme, Dispatches, aired on 8 November 2010, discovered clothes being produced for the UK high street in sweatshop conditions.

The three-month long undercover investigation carried out in factories in Leicester found the following appalling working conditions:

- * "dangerous, pressurised sweatshop conditions";
- * pay at half the legal minimum wage;
- * workers exhorted to work faster under threat of the sack;
- * cramped and over-heated conditions with unsanitary toilets and at least one blocked fire exit.

Workers' identity and legality was also not checked, according to the programme, Fashion's Dirty Secret. The factories were making clothes for five high street brands, including New Look.

New Look thanked the investigators and said it shared "concerns about factory conditions in Leicester". After carrying out its own investigation, the company met with its UK suppliers to remind them of "the risks linked to sourcing from UK factories, including poor health and safety, lack of transparency, lack of records, risk of illegal workers, minimum wage violations, unpaid and withheld wages, lack of proper contracts, sick pay and holiday pay". New Look added that it did not allow sub-contracting in its supply chain. (ref: 45)

Manager manipulated into resigning after maternity leave (2011)

According to the BBC news website, viewed on 27 June 2011, bosses at New Look "manipulated" a store manager into resigning on her return from maternity leave, the Court of Appeal ruled.

The plaintiff was asked to attend a return to work interview, attended by her line manager and human resources manager. She was told she would now have to open the store at 7am every weekday, as opposed to the one or two early mornings before she took maternity leave.

The judge pointed out that, despite her line manager being aware she was being given incorrect information, she did not intervene to correct the misapprehension nor was any reminder given of the employment provision for application for flexible working hours. She was then asked by the human resources manager if she wanted to resign, handed a piece of paper and told what to write, the court heard.

Mr Justice Hart stated: "This was a contrived set of circumstances manipulated...in order to provoke the appellant into resigning on the basis of a materially incorrect state of affairs represented to her in relation to an exceptionally important part of her working conditions. The only conclusion...was that that appellant was

dismissed because she was manipulated into resigning." (ref: 149)

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Supply Chain Management

Best ECRA rating for Supply Chain Management (2011)

New Look provided ECRA with a document called 'Our Ethical aims' in response to a request for the company's supply chain policy.

SUPPLY CHAIN POLICY (good)

The document detailed what ECRA rates as a 'good' supply chain policy, based on the Ethical Trading Initiative's 'Base Code'. Specific provisions related to: forced labour; freedom of association and the right to collective bargaining; safe working conditions; child labour conforming with International Labour Organisation standards; Living wages meeting as a minimum basic needs and providing discretionary income; working hours of not more than 48 hours a week, 12 hours voluntary overtime and a day off a week; no discrimination or harsh and inhumane treatment; regular employment; as well as noting that the code should apply to all suppliers and sub-contractors of direct suppliers (whole supply chain).

STAKEHOLDER ENGAGEMENT (good)

New Look's website (www.newlookgroup.com/newlook/en/sustainability/ethicaltrading) noted its commitment to the Ethical Trading Initiative, quoting Dan Rees, ETI Director: "New Look is at the forefront of developing innovative approaches to tackling some of the most urgent issues for workers, including raising wages and enabling workers to organise themselves. We support its efforts to start to tell the story of how it is putting its ethical trade principles into practice."

The Ethical Aims document noted that all employees in the supply chain should have access to New Look's 'Ethical Department' if they could not resolve an issue through other means. A further document on New Look's website 'Leaving a Legacy' noted a number of NGOs that the company had partnered with such as Better Factories Cambodia. It further noted the company's work with the Women in Informal Employment: Globalizing and Organizing (WIEGO) global research policy network that seeks to improve the status of the working poor, especially women, in the informal economy, and with the The International Textile, Garment and Leather Workers Federation (ITGLWF).

This represented best practice in stakeholder engagement.

AUDITING AND REPORTING (good)

'Leaving a Legacy' reported in detail on the company's auditing in 2009 noting "we worked with 331 suppliers covering 1016 factories across 32 countries...carried out 16 audits working with Impactt [a highly regarded supply chain specialist not-for-profit organisation], backed up by 184 standard audits." Detailed figures and graphs on types of non-compliances raised through audits in 2009, year-on-year comparisons and details of remediation of issues, noting "over the last three years, actions have been taken to resolve 1761 issues affecting workers in our factories".

DIFFICULT ISSUES (good)

'Leaving a Legacy' gave further details on 'tackling difficult issues' such as audit fraud, purchasing practices, living wage, homeworking, and parallel means of free association and bargaining where not provided by law. It notes: "We understand that simply finding issues through auditing is not enough. We work to tackle the root causes of poor working conditions by working with others. We use experience from the business world, from trade unions and local experts to find lasting solutions."

The document quotes Labour Behind the Label, a campaigning organisation which supports garment workers' rights worldwide

'Let's clean up fashion 2009' report that whilst the programme has scope for further improvement:

"New Look is carrying out very advanced work which is increasing wages for workers on a large scale. It is starting to integrate purchasing practices improvements into all levels of the design and production process and their projects are designed so that the improved package meets workers expressed needs. New Look is the only brand who has managed this". (ref: 147)

Labour Behind the Label on living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. New Look was given a reasonable score of 3.5, which was defined in the report as "can offer concrete examples of steps to develop and implement a living wage methodology in the supplier base, with clear plans to move beyond pilot projects." The report authors were impressed with the steps taken by the company, commenting that theirs was "An impressive project with wide scope and a clear plan for improvement to pay, but productivity improvements are still not delivering living wages." (ref: 6)

Politics

Genetic Engineering

(See also 'Cotton Policy' in Pollution & Toxics above.)

Supplier of animal feed stuffs without GM policy (2011)

According to Provimi's website viewed 14 July 2011 the group was a world leader in the growing market of animal nutrition. The company's website was searched but no policy on Genetically Modified organisms was found. As GM was commonplace in animal feed supply chains and the company had no policy to address this Provimi received a negative score in this category. (ref: 150)

Anti-Social Finance

Subsidiaries in tax havens (2011)

According to the New Look 2011 Annual Report the group had five subsidiaries registered in Guernsey, one in Ireland and one in Singapore, all considered by ECRA at the time of writing to be tax havens. (ref: 152)

Criticised for unfair treatment of suppliers (June 2006)

According to the website of the Forum for Private Business, an organisation representing small businesses in the UK, viewed by ECRA in June 2006, at that time New Look was named as one of the companies in the 'Hall of Shame.' It was said to have written to suppliers telling them that as of July 2006 they would be enforcing payment terms of 75 days, in order to finance their expansion plans. (ref: 153)

Holding company in tax haven (2011)

According to the Hoovers company database website (www.hoovers.com) viewed 14 July 2011 Valentino's ultimate holding company was Red & Black Holdco Sarl, a holding company based in Luxembourg, considered at the time of writing by ECRA to be a tax haven. (ref: 154)

Next clothing

Owned by Next Plc

Next Plc, Desford Road, Enderby, Leicester, Leicestershire, LE19 4AT, UK

Next Plc is owned by BlackRock Inc (12%)

Next Plc is also owned by Fidelity Investment Services Ltd (11%)

owned by Fidelity Investments (11%)

owned by FMR Corp (11%)

FMR Corp, 82 Devonshire St, Boston, MA 02109, USA

Environment

Environmental Reporting

Worst ECRA rating for environment report (2010)

NEXT did not respond to Ethical Consumer's written request for its environmental policy. However, some environmental reporting was found in its most recent Corporate Social Responsibility report, which was dated 2010. This included some detailed carbon disclosure, and measured the previous financial year's figures on energy use, waste etc. with the results for the current one. No future targets were set. The report did not mention the agricultural impacts of cotton, one of the company's major raw materials. Nor was there any mention of outside verification. NEXT received Ethical Consumer's worst rating for its environmental reporting. (ref: 155)

Pollution & Toxics

Sale of children's clothing treated with Teflon (July 2007)

A search was made of Next's consumer-facing website (www.next.co.uk) on 21st January 2009. It was found that the company was still selling Teflon-coated children's clothing.

Chemicals such as Teflon, belonging to the "non-stick" family of perfluorinated chemicals (PFCs) had been classified as cancer-causing by the US Environmental Protection Agency and had been found in a wide range of species including polar bears, dolphins and humans worldwide. Environmental campaigners had called for PFCs to be replaced with safer alternatives especially in clothing and other consumer products. PFCs, such as Teflon were used in many school trousers and skirts to give them durability and are frequently labelled "non-iron". (ref: 156)

Products contained parfum and parabens (June 2007)

A shop survey in Manchester in June 2007 discovered a number of personal care products on sale. Some of these contained "parfum" as an ingredient, while others contained "parabens".

Parabens were one of a group of chemicals cited by campaign groups such as Friends of the Earth and Greenpeace as chemicals which mimicked oestrogen. Campaigners argued that the long-term effects of so-called 'hormone disruptors' were unknown and that their effects could be "considerable on both humans and their environment" and wildlife. Campaigners argued that parfum could be in the form of artificial musks which were persistent and bioaccumulative (Greenpeace website), and had been linked with reproductive toxicity and effects on the endocrine system in humans. (ref: 49)

Named on Fountain Set (Holding) CSR Page (2006)

According to CSR Asia Weekly Vol.2 Week 25, Next was amongst a group of brands listed as customers on the Fountain Sets CSR page.

Fountain Sets (Holding) Limited was a publicly listed company in Hong Kong, consisting of 13 companies including Dongguan Fuann Textiles. It was said to have supplied to international retail brands and in 2005 Worldwide sales reached HK\$6.64 billion (US\$851 million).

The South China Morning Post (16th June, 2006) had reported

that Dongguan Fuann Textiles had illegally discharged excessive waste water directly into a river by laying a secret pipe through which it piped over 20,000 tonnes a day, nearly equivalent to its total waste water treatment plant's capacity. Fountain Set (Holdings) was facing a fine of up to 500,000 yuan. Dongguan's deputy Mayor Li Yuquan was said to have blamed Dongguan Fuan Textiles for river pollution and said it should be severely punished. (ref: 78)

Habitats & Resources

Middle Ethical Consumer rating for wood sourcing policy (March 2011)

Ethical Consumer viewed the Next 2010 Corporate Social Responsibility Report in March 2011 and found its wood sourcing policy. This stated that all of its tropical hard-woods were FSC certified and that the company had responded to the Forestry Disclosure Projects. The policy did not exclude all illegal and unknown sources, was not clearly implemented, there was a lack of clear goals for removing problematic timber from supply chains although it did outline further work the company would be doing on the issues, there were no good minimum standards, it did not state that preference was given to certified sources, it did not say what proportion of products were FSC certified or mention the use of recycled or reclaimed wood used. However, the fact the company had a policy and only used FSC certified tropical hard woods and had taken part in a multi-stakeholder initiative meant that it qualified for a middle Ethical Consumer rating for its wood sourcing policy. (ref: 155)

Investment relationships with companies criticised in ECRA categories (2011)

The Blackrock website (www.blackrock.co.uk) was viewed on 14 January 2010 and the fact sheets for the investment house's ISA and Unit Trusts examined. It was established that Blackrock had significant investments in companies with full negative marks in all ECRA categories where investment relationships were recorded. For example, the top ten holdings for Blackrock's UK fund in 2010 were listed as:

HSBC 6.3%

Rio Tinto 5.4%

Vodafone 4.5%

GlaxoSmithKline 4.0%

BP 3.6 %

Tullow Oil 3.6 %

Imperial Tobacco Group 3.4%

BG 3.3%

Royal Dutch Shell (Class B) 3.1%

AstraZeneca 3.0%

Blackrock's website stated that it had £2.23 trillion assets under management. (ref: 157)

Shareholdings in Tesco (2007)

According to the Tesco factsheet on investment information website Hemscott.com, viewed by ECRA in August 2007, Fidelity International and FMR had shareholdings in Tesco, a company criticised by ECRA under the categories: habitats & resources, workers' rights, climate change, factory farming and pollution & toxics. (ref: 158)

Animals

Animal Rights

Sold products made from leather (2011)

The NEXT website, when searched by Ethical Consumer in March 2011, listed a number of products which contained leather, a slaughterhouse by product. (ref: 156)

(See also 'Investment relationships with companies

criticised in ECRA categories' in Habitats & Resources above.)

People

Human Rights

Operations in six oppressive regimes (January 2010)

The Next plc Corporate Responsibility Report to January 2010 was downloaded from the company's website, www.nextplc.co.uk in February 2011. The company was said to have operations in China, Libya, Pakistan, Russia, Saudi Arabia and Thailand, all of which were on ECRA's list of oppressive regimes at the time of writing. (ref: 155)

Operations in 9 oppressive regimes (2008)

A search of the Next PLC website (www.nextplc.co.uk) was made on 21st January 2009. A copy of the Corporate Responsibility Report to January 2008 was obtained. This report stated that Next Retail had stores in China, Indonesia, Kuwait, Lebanon, Pakistan, Russia, Thailand, Saudi Arabia and the United Arab Emirates. All of these countries were on ECRA's list of oppressive regimes at the time of writing. (ref: 159)

Operations in 4 oppressive regimes (2008)

A search of the Next PLC website (www.nextplc.co.uk) was made on 21st January 2009. A copy of the Corporate Responsibility Report to January 2008 was obtained. The report stated that Next Sourcing (NSL) had operations in China, Indonesia, the Philippines and Thailand. These countries were on ECRA's list of oppressive regimes at the time of writing. (ref: 159)

Workers' Rights

Exploitation of young female workers at Indian supplier (2011)

A report published by SOMO in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, 'Captured by Cotton', demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say "Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour."

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies. One of these suppliers, SSM India, produced products which were purchased by NEXT, among other well-known UK brands, via another company Crystal Martin. It employed around 1500 non-residential workers out of which some 200 were employed under the Sumangali Scheme. The following criticisms were found of the employer.

Scheme period and lump sum payment

The lump sum promised through the Sumangali Scheme, which is being saved up by withholding part of the worker's wage every month, varies between Rs. 30,000 and Rs. 50,000, depending on the scheme period. The scheme period varied between three and four years. In order to complete the scheme period the workers had to complete a certain amount of services. One service consisted of 26 days (a month). If the scheme period was three years, then the worker would have to complete 36 services. If a worker missed one day, one service (another 26 days) would be added in order to complete the scheme period. Many workers were thus forced to stay longer than the agreed period in order to receive the lump sum amount. If a worker decided to leave the factory before the scheme period had been completed they had to inform the management about their reasons for quitting. If the management accepted the reason, then part of the lump sum would be paid out. In many cases, the management doesn't accept the reason and consequently no lump sum is be paid out.

Restricted freedom of movement and limited privacy

The report revealed that workers who stayed in the SSM India hostels (all facilities had hostels) weren't allowed to leave the factory premises freely. Parents were allowed to visit their daughters once a month on Sundays, for one hour. Permission to receive visits had to be requested on forehand. Workers were not allowed to have a mobile phone. They could use a phone in the warden's room, but the warden monitored all calls, and they were only permitted to call their parents.

Wages

Workers at SSM India's spinning units received a monthly wage between Rs. 2,600 and Rs. 3,300. This was below the legally set minimum wage.

Working hours

Hostel workers worked 12 hours a day on a regular basis. A regular working week consisted of 72 hours. Overtime work was mandatory for hostel workers. During peaks in production hostel workers were also forced to work night shifts (after they have already completed a full day-shift). According to the law, workers should be paid double wage for overtime hours. This was not the case at SSM.

Freedom of association

No trade unions were allowed at SSM. Workers at Sri Saravana Spinning Mills (part of SSM) who had joined a trade union had been fired.

NEXT was also named as a customer of another supplier, Eastman Exports Global Clothing, which was criticised in the report for similar abuses linked to its employment of girls under a Sumagali scheme. Interviews with workers at Eastman found that, as the company had claimed, working practices had improved. However, unresolved issues remained, according to interviews conducted with workers in April 2011. Excessive and forced overtime was reported, alongside being paid only normal wages for overtime hours (rather than double pay as required under Indian law). They were confined to the company's hostels for all but one day per month, and had to be accompanied by a guard when they did leave the compound. Workers were also not allowed to join trade

unions and weren't supplied with a contract notifying them of their entitlements. (ref: 81)

Workers' rights abuses at supplier factories (2011)

According to a report published by the International Textile, Garment and Leather Workers' Federation in April 2011 (ITGLWF), many sportswear brands were still exploiting labour in developing countries. The report, 'An Overview of Working Conditions in Sportswear Factories in Indonesia, Sri Lanka & the Philippines' examined the working conditions in 83 garment factories in these countries (18 factories in Indonesia, 17 in Sri Lanka and 47 in the Philippines). Next was among the brands named as currently sourcing from these factories at the time the research conducted.

The research found that not one of the 83 factories surveyed paid workers a living wage, and the majority didn't even pay the local legal minimum wage. Instances of forced overtime (in some cases to the tune of 40 hours per week) were also found to be very common, with some factories verbally or physically abusing workers who tried to refuse overtime. Also, non-payment of wages and overtime or performance supplements were reported in all three countries.

Seven of the factories were found to prohibit trade union representation. In some cases where representation was authorised, factory management selected trade unions representatives who could be trusted to represent them, and some received extra benefits for doing so.

In all three countries, the majority of the workforce was female and under the age of 35. The report found that gender discrimination occurred in Sri Lanka and the Philippines, with some factories in those countries failing to provide maternity leave and similar benefits as required by law. Some factories in Sri Lanka made pregnant workers carry out their usual heavy-duty tasks up to 7 months into their pregnancy. A small number of factories were found to carry out pregnancy testing before hiring employees, and others reported sexual harassment, which in many cases resulted in no sanctions being imposed. (ref: 121)

Workers' rights abuses at Indian supplier factories (December 2010)

According to a report published by campaign organisations Labour Behind the Label and War on Want in December 2010, numerous workers' rights abuses had been found at two garment factories in India. At the time that the report was being researched, 'Factory A' and 'Factory B' were supplying Next, as well as other major UK high street clothes companies.

Under Indian labour law, at the time of writing, workers were entitled to an annual bonus equivalent of at least 8.33% of the salary earned over the year. They were also entitled to one day's annual leave for every 20 days worked, or, if the leave isn't taken, one day's

pay. According to the report, none of the workers in Factory A were given this annual leave or the equivalent pay, although they did get 8-10 days leave for government public holidays. In Factory B workers got one day leave for every month worked (rather than every twenty days) but only the 5% of workers employed on permanent contracts received the annual bonus. According to one factory worker interviewed from Factory B, in 2002, the factory started engaging contractors to supply workers. Then slowly almost 95% workers became on contract basis. This enabled the factory to avoid the entitlements of permanent staff, such as sick pay and holidays.

All the workers interviewed stated that they regularly worked overtime hours, although in Factory A these were only paid at the standard hourly rate, despite Indian Law stating that overtime is paid at double rate. Workers at Factory A stated that managers kept two sets of overtime records, one showing the real wages paid and the other, to be shown to buyers and their auditors, showing the overtime rate at the legal amount. Overtime hours at Factory A were estimated to be between 70 and 100 hours of overtime each month, although this went up to 140 per month during peak seasons.

Workers in both factories were set hourly targets by supervisors. Workers interviewed stated that if a worker was struggling or failing to meet the target, she or he was verbally and sometimes physically abused.

Occasionally in Factory A workers were dismissed if they repeatedly missed their targets. If all the workers met a target then it was increased in the following hour. If workers were unable to meet the target then it was never reduced. Those interviewed stated that only the very experienced workers were able to meet the targets set for them. They estimated that in fact these targets were unreachable for around 60% of the workers.

In Factory A, filtered and purified water was only made available to supervisors and senior staff. The rest of the workers allegedly had to drink directly out of the borehole. Although adequate toilets were provided for the number of workers they were often filthy and there was rarely water available. In Factory B water was available both to drink and in the toilets, but the number of toilets was woefully inadequate, with only one toilet for every 83 male workers.

One worker in Factory A said that he could not afford to bring his family to live with him in Delhi where he worked. They had to stay behind in Uttar Pradesh when he moved away for work. He lived in a single asbestos-roofed room, which aside from being a health concern, was unbearably hot in summer and far too cold in winter. He said that he could only afford to eat two meals a day.

In Factory A all workers categorically stated that they were not allowed to unionise at the factory and that any attempt to do so was dealt with by the contractors' "security," a person whom the workers were all terrified of, due to threats of physical violence and abduction. According to a worker Factory B "Any worker who appears to be vocal is taken care of immediately through termination from the service. And it had happened with a few workers in the factory." (ref: 57)

Supply Chain Management

Middle ECRA rating for supply chain management (2010)

NEXT did not reply to Ethical Consumer's request, in February 2011, for a copy of its supply chain management policy.

Supply chain policy

The company's Code of Practice was found on its website www.nextplc.co.uk when it was searched in March 2011. This stated that the company's code was aligned to the Ethical Trading Initiative's base code, to which it provided a link. This code included clauses on freedom of association, prohibiting forced and child labour, maximum hours in a working week and payment of a living wage. The company's 2010 CSR report stated that it audited all of its suppliers, but that suppliers were responsible for ensuring

that any subcontractors they hired operated within the code. The company was therefore considered to have a reasonable supply chain policy.

Stakeholder engagement

NEXT was a member of the ETI. It also gave details of a project it was working on with NGO the International Textile, Garment and Leather Workers' Federation (ITGLWF). This aimed to develop a model management system, working with two factories in India, which could eventually be rolled out to Chinese suppliers. The company was considered to have a rudimentary approach to stakeholder engagement.

Auditing and reporting

The NEXT 2010 CSR report stated that the company was looking to introduce an internal factory monitoring system to replace its current supplier policing system achieved through audits. It stated that it internally audited all its first tier suppliers. It did not disclose the countries in which its suppliers were located, nor set out its auditing schedule for the future. No mention was made of remediation or who paid the cost of the audits. The company was considered to have a rudimentary approach to auditing and reporting.

Difficult issues

The company mentioned ongoing training for all employees who had contact with suppliers. The company was considered to have a rudimentary approach to dealing with difficult issues in its supply chain. (ref: 155)

Labour Behind the Label on living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Next was given a reasonable score of 3.5, which was defined in the report as "can offer concrete examples of steps to develop and implement a living wage methodology in the supplier base, with clear plans to move beyond pilot projects." The report authors commented that the company showed "some transfer of learning between pilot projects but still no clear plan towards implementing a living wage across the supply base. However Next are working on a project to draw together learning which shows hope." (ref: 6)

Politics

Genetic Engineering

Cotton sourcing policy (July 2011)

NEXT did not respond to Ethical Consumer's request (in February 2011) for the company's policy on cotton sourcing. However, its 2010 Corporate Social Responsibility Report included details of a project the company was undertaking to source some of its cotton fabrics from small suppliers in Zambia, and reinvesting some of the profits in the community. While this was a positive move, it did not address the pressing issues of GM cotton and the use of pesticides as detailed below.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume. An email from an Environmental Justice

Foundation campaigner in July 2011 confirmed that NEXT was one of the handful of companies taking proper steps to eliminate Uzbek cotton from its supply chain and as such, the company did not receive a negative mark in the workers' rights category.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Next Ltd lost half a mark in the workers rights category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material.

As a result, Ethical Consumer could not be sure the company was not sourcing GM or Uzbek cotton, and therefore, it received negative marks in the genetic engineering and workers' rights categories. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category. (ref: 155)

(See also 'Investment relationships with companies criticised in ECRA categories' in Habitats & Resources above.)

Anti-Social Finance

Excessive directors' pay (2010)

According to the Next Plc Annual Report and Accounts 2010, the company's Executive Director SA Wolfson, received £1,737,000 in 2010. Remuneration per year above £1 million was considered by ECRA to be excessive. (ref: 160)

(See also 'Investment relationships with companies criticised in ECRA categories' in Habitats & Resources above.)

Operations in eight tax havens (2007)

According to the FMR corporate website (www.fidelity-international.com) viewed on 12th January 2007, it had operations in the Bahamas, Bahrain, Bermuda, the Cayman Islands, Hong Kong, Luxembourg, Malta and Singapore, all of which were on ECRA's list of corporate tax havens at the time of writing. (ref: 161)

Primark clothing

Owned by Primark

Primark, 141 West Street, Reading, Berkshire, RG1 1TT, UK

Primark is owned by Associated British Foods Plc

owned by Wittington Investments Ltd (54%)

Wittington Investments Ltd, Weston Centre, Bowater House, 68 Knightsbridge, London, SW1X 7QT

Primark is also owned by Garfield Weston Foundation (43%)

Environment

Environmental Reporting

Worst ECRA rating for environmental report (2011)

The Primark website www.ethicalprimark.co.uk, viewed by Ethical Consumer in July 2011, stated that it operated within the CSR guidelines of its parent company, (at the time of writing, this was Associated British Foods) therefore its environmental report was rated according to ABF's 2010 Corporate Responsibility report.

The report discussed energy, CO2, water (for irrigating sugar cane), waste and packaging. Biodiversity & sustainable agriculture was

discussed, but only in relation to two specific examples which made no mention of the use of chemicals in agriculture and their effects on the environment. As the company owned significant agriculture and apparel operations, this was considered to constitute a major aspect of the company's environmental impacts. It also talked about sustainable biofuels, an area of controversy as many campaigners have criticised the use of food crops as fuel.

The report did include some quantified reporting on past environmental reporting which was independently verified by KPMG. The report contained only one quantified future target, but since this related only to a subsidiary it was not taken into account.

The company therefore received Ethical Consumer's worst rating for its environmental reporting. (ref: 162)

Climate Change

Use of unsustainable palm oil (August 2011)

Ethical Consumer searched the website of Associated British Foods, www.abf.co.uk, in April 2010 for the company's position on the sourcing of palm oil and found the following statement: 'Globally, Associated British Foods (ABF) and its subsidiaries use a very small quantity of palm oil, accounting for approximately 0.06% of the total annual supply, which is understood to be 45million tonnes. Some ABF businesses currently operate sustainable palm oil policies and are already purchasing Certified Sustainable Palm Oil and 'Green Palm' certificates. As a responsible corporate citizen, our aim is to ensure that all ABF businesses use only Certified Sustainable Palm Oil by 2015, provided that supply is available. It is also our intention to expand existing ABF representation at the Roundtable on Sustainable Palm Oil with a view to promoting an increased supply of Certified Sustainable Palm Oil, together with the necessary processing facilities, by 2015.'

An email from an ABF representative in August 2011 confirmed that this information was correct, and added that at least two of the company's subsidiaries and that others had switched to use 100% Certified Sustainable Palm Oil (CSPO) already. Others were said to be currently purchasing Green Palm certificates as an interim step towards using CSPO.

However at the time of writing it was clear that some of the company's subsidiaries were using non-sustainable palm oil.

Oil palm plantations used by major food companies were said to be resulting in the release of CO2 stored in massive peat deposits in Indonesia. As well as destroying huge areas of habitats of endangered species, the destruction of the peat bogs was said to be likely to contribute massively to climate change emissions. Palm oil plantations were also noted by Ethical Consumer to have negative consequences for local inhabitants as a result of forced evictions in many places. The company therefore lost marks in the categories of climate change, habitats and resources and human rights. (ref: 163)

Pollution & Toxics

No cotton sourcing policy (2011)

Primark stated that it was unable to respond to Ethical Consumer's written request in June 2011 for its cotton sourcing policy. Ethical Consumer searched the company's websites (www.primark.co.uk and www.ethicalprimark.co.uk) in July 2011 for this information, but none could be found, nor any mention of the issues surrounding cotton.

According to the Environmental Justice Foundation (EJF) website, www.ejfoundation.org, viewed by Ethical Consumer in February

2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer (EJF quoted UN data which stated that Europe received almost a third of all cotton sold by Uzbekistan). The website stated that forced child labour, human rights violations and excessive pesticide use were “rife” in Uzbek cotton production. It was also said to have caused an “environmental catastrophe of astonishing proportions” as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Primark lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company’s cotton products contained some GM material. (ref: 164)

Sale of PVC products (March 2011)

In February 2011 Ethical Consumer searched the Heal & Son Ltd website, www.heals.co.uk, and found a number of products made with PVC. This material had been criticised by environmental campaign groups such as Greenpeace for its negative environmental impact in production, use and disposal. (ref: 165)

No cotton sourcing policy (March 2011)

In February 2011 Ethical Consumer emailed Heal & Son Ltd and attached a questionnaire that included a question regarding the company’s cotton sourcing policy. The company did not respond. Its website, www.heals.co.uk, displayed a number of products made from cotton and no mention was made of whether the company had any policies relating to its cotton sourcing.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were “rife” in Uzbek cotton production. It was also said to have caused an “environmental catastrophe of astonishing proportions” as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Heal & Son Ltd lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company’s cotton products contained some GM material. (ref: 165)

Animals

Animal Testing

No animal testing policy (January 2009)

British Sugar did not respond to a request by Ethical Consumer

in December 2009 for a copy of its animal testing policy, neither was one apparent on the company’s website, www.britishsugar.co.uk, when viewed by Ethical Consumer in January 2009. As a large player in the UK sugar market, without a policy to confirm otherwise, Ethical Consumer assumed that the company was involved with funding research into sugar some of which was likely to involve testing on animals. The company also retailed artificial sweeteners which are routinely tested on animals. (ref: 166)

Sold personal care products that could have been tested on animals (July 2007)

The Heals website, www.heals.co.uk, was visited in July 2007 and found to be selling a number of cosmetics products that were not endorsed as having adequate animal testing policies by campaigners. This meant that Heals were selling products that could have been tested on animals. (ref: 167)

Worst ECRA rating for animal testing policy (2011)

A search of the Primark website www.primark.co.uk in July 2011 revealed that the company had received awards in Ireland for its own brand sun lotion and a concealer. No animal testing policy could be found on the company’s website. The company responded to this rating in August 2011 with the following statement: ‘Primark is against animal testing. Primark and our own label manufacturers do not commission animal testing on any Primark own brand products or ingredients. Our own brand cosmetics and toiletry product range have not been tested on animals by us, or by our own brand manufacturers.’ However, in the absence of a fixed cut-off date, the company received Ethical Consumer’s worst rating in this category. (ref: 164)

Factory farming

Supplier of meat products in Australia (July 2007)

According to the Associated British Foods website, www.abf.co.uk/about/overview_grocery.asp, the company was a supplier of “sausages, hams, salami and dairy products” in Australia. As there was no mention of whether these products were organic, it was assumed that the meat and dairy products were from animals which had been factory farmed. (ref: 250)

Animal Rights

GM-free policy except for animal feed which could contain GM ingredients (April 2010)

Ethical Consumer found the following information on the Associated British Foods website regarding the company’s policy on genetically modified organisms. “Crop derived products and ingredients where we have complete control of the supply chain can be confirmed to be from non-genetically modified sources. With other products involving ingredients where genetically modified varieties exist, our companies have worked closely with approved third party suppliers to secure future supply sourced from non-GM, identity preserved material. The supply chain in this area is closely monitored to ensure compliance. All new ingredients are assessed for compliance with the above statements and any existing and future legislation on traceability and labelling will be fully complied with in this area.”

It’s policy on the use of GM in animal feeds was as follows “ABF, the UK’s leading supplier of animal feeding products, recognises the considerable concern currently being expressed by some sections of the British public over genetically modified crops. ABF must balance these concerns with its primary commitment to its customers to ensure the success, efficiency and competitiveness of UK livestock production. ABF supplies a comprehensive range of feed materials; blended and compound animal feeds into all sectors of the market and offers its customers a wide range of high quality, nutritious products. Currently the only key feed materials used in compound and blended products, which may originate from GM crops, are those derived from Soya and maize sourced

from the major growing areas of North and South America. These are cleared by the EU and UK regulatory authorities. Feed materials such as Molassed Sugar Beet Feed, Brewers Grains, and Groundnuts are not affected by this, as the crop from which they are derived has not been the subject of genetic modification. The EU and UK authorities have passed certain varieties of GM Soya and maize as safe for both human and animal consumption and ABF is confident that their continued use does not in any way affect the wholesomeness of its compound and blended feeds.

Nevertheless, the company seeks to service all sectors of the market and is seeking to establish suitable sources of identity preserved maize and Soya should its customers express a serious interest in this. It must be recognised, however, that the producers of these specified feed materials expect a significant price premium over non specified feed materials and furthermore the complexities of feed material transportation, storage and manufacturing a range of alternative feeds will add to the cost of livestock feed.

ABF, however, is confident that due to its purchasing scale, supplier relationships and mill configuration, it will be able to maintain these premiums to the lowest industry levels. This would be a similar situation as currently exists in the organic feeds market, a sector which ABF is already servicing and where the customer benefit of identity preservation attracts a price premium over standard feeds”.

Therefore although the company had a positive policy on the use of GM in human grade food products it received a negative mark in this category for its use of GM ingredients in animal feed. It also received a mark in the animal rights category for its sale of animal feed. (ref: 251)

People

Human Rights

Abuse of the rights of Bangladeshi garment workers (2009)

A report published by the Corporate Responsibility (CORE) Coalition in May 2009 revealed abuses of garment workers' rights in Bangladesh. According to the report, half of all Bangladesh's garment exports were destined for the European market, including the UK. It said that major retailers, including Primark, bought tens of millions of pounds worth of clothing produced by Bangladeshi workers each year. The power wielded by these large UK buyers over the terms of purchasing contracts was said to be used to impose very demanding requirements for low prices and fast turnaround times on Bangladeshi factories, creating competitiveness, often at the cost of workers' rights. The report said that Bangladeshi garment workers were paid extremely low wages, with an average monthly wage of less than £25, far below what had been calculated to represent the costs of basic necessities in Bangladesh. Workers were typically required to work 10-16 hours per day, in violation of both existing Bangladeshi law and ILO Conventions. Another major problem in the sector, as identified by this report, was that most workers were denied freedom of expression. Trade unions that enabled independent representation of workers' interests and concerns remained illegal within the export processing zones (EPZs). From January 2007-December 2008 a caretaker government ruled that industrial action and trade union activity were punishable with a sentence of between two and five years' imprisonment. As well as legal barriers to workers exercising their rights to collective bargaining and freedom of expression, they were also said to face harassment, including sexual harassment and intimidation if they sought to defend their rights. Some workers had reported

that physical violence had been used to repress organising efforts, with cases of illegal dismissal, harassment and beatings by law enforcement agencies or factories' private security or imprisoned on falsified charges.

UPDATE: In a response drafted to Ethical Consumer in August 2011 relating to this report, Primark stated that it had “worked with Nari Uddug Kendra (NUK), a local NGO, to tackle some of the root causes of poor working conditions in factories in Bangladesh. The learnings from this programme (described below) are now being incorporated into our long-term programme in Bangladesh to create sustainable improvements in labour standards in our supply chain. This programme takes us beyond the scope of our audit and compliance programme, and looks at the entire operations of a factory. It includes training and capacity building for management and workers on industrial relations and human resource planning, including a focus on worker participation and worker-management dialogue to facilitate effective communication and mutual understanding on issues. It is designed to provide workers with the tools to identify and prioritise issues; and training on communication skills and negotiation techniques to allow them to represent themselves effectively to management and lay the foundations for a mature system of industrial relations. We will be using both participatory approaches and the Asia Floor Wage as benchmarks for this programme.” (ref: 24)

(See also ‘Use of unsustainable palm oil’ in Climate Change above.)

Sourcing from oppressive regimes (2011)

According to the Primark website www.primark-ethicaltrading.co.uk, viewed by Ethical Consumer in July 2011, the company sourced from Bangladesh, China, India and Vietnam, among other countries. All were on Ethical Consumer's list of oppressive regimes at the time of writing. (ref: 168)

Workers' Rights

Exploitation of young female workers at Indian supplier (2011)

A report published by SOMO in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, ‘Captured by Cotton’ demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say “Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour.”

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies.

One of these suppliers, SSM India, produced products which were purchased by Primark, among other well-known brands. It employed around 1500 non-residential workers out of which some 200 were employed under the Sumangali Scheme. The following criticisms were found of the employer.

Scheme period and lump sum payment

The lump sum promised through the Sumangali Scheme, which is being saved up by withholding part of the worker's wage every month, varies between Rs. 30,000 and Rs. 50,000, depending on the scheme period. The scheme period varied between three and four years. In order to complete the scheme period the workers had to complete a certain amount of services. One service consisted of 26 days (a month). If the scheme period was three years, then the worker would have to complete 36 services. If a worker missed one day, one service (another 26 days) would be added in order to complete the scheme period. Many workers were thus forced to stay longer than the agreed period in order to receive the lump sum amount. If a worker decided to leave the factory before the scheme period had been completed they had to inform the management about their reasons for quitting. If the management accepted the reason, then part of the lump sum would be paid out. In many cases, the management doesn't accept the reason and consequently no lump sum is be paid out.

Restricted freedom of movement and limited privacy

The report revealed that workers who stayed in the SSM India hostels (all facilities had hostels) weren't allowed to leave the factory premises freely. Parents were allowed to visit their daughters once a month on Sundays, for one hour. Permission to receive visits had to be requested beforehand. Workers were not allowed to have a mobile phone. They could use a phone in the warden's room, but the warden monitored all calls, and they were only permitted to call their parents.

Wages

Workers at SSM India's spinning units received a monthly wage between Rs. 2,600 and Rs. 3,300. This was below the legally set minimum wage.

Working hours

Hostel workers worked 12 hours a day on a regular basis. A regular working week consisted of 72 hours. Overtime work was mandatory for hostel workers. During peaks in production hostel workers were also forced to work night shifts (after they have already completed a full day-shift). According to the law, workers should be paid double wage for overtime hours. This was said not to be the case at SSM.

Freedom of association

No trade unions were allowed at SSM. Workers at Sri Saravana Spinning Mills (part of SSM) who had joined a trade union had been fired.

Primark (Ireland) was also named in the report as a customer of KPR Mill, another company found to be operating a Sumangali scheme. The report had found that similar workers' rights abuses were occurring at this factory. The report quoted research from April 2011 which stated that in interviews, workers who had left the factory in January 2011 and October 2010 indicated that workers' rights infringements still occurred at KPR. They said workers were still employed under the Sumangali scheme and

were severely restricted in their freedom of movement.

UPDATE: In a response drafted to Ethical Consumer in August 2011 relating to this report, Primark stated that it realised its standard audit would not necessarily have picked up this Sumangali scheme, and as a result had been working with an NGO in 2010 to adapt its methodology as well as conducting awareness raising workshops with all its suppliers in the region in October 2010 and since this date had included this in all training for buyers and staff. The company added that it was a member of the Tirupur Stakeholders Forum, established in 2011. It stated that its next steps would be "working with suppliers and NGOs in the region to look in detail at the policies and practices of recruitment and we will report on this further on our website." (ref: 81)

Use of sandblasting in supply chain (April 2011)

The report "Killer Jeans" was published by Labour Behind the Label in April 2011. It documented the long term health effects of sandblasting (a method used to create worn or faded look on jeans) on workers in denim factories.

According to the report approximately 50 people in Turkey had died and an estimated 5000 people had developed silicosis as a direct result of exposure to silica dust whilst sandblasting denim.

While sandblasting had been banned in Turkey, production was said to have been moved to other countries such as China, India, Bangladesh, Pakistan, Argentina, and North Africa. Labour Behind the Label called a ban on the practise of sandblasting throughout the apparel industry.

In the report, Labour Behind the Label categorised and rated UK brands and retailers based on whether they had communicated publicly their position on sandblasting and whether there were provisions to implement a ban.

The brands and retailers were also assessed on remediation and compensation, however, according to the report no brand or retailer which they had contacted was taking action in this area.

According to the report Primark had scaled down their sandblasting suppliers from 9 to 3, but did not provide a deadline for when the production of orders already in the pipeline would cease.

Primark provided a detailed description of their plans which included changing designs of products, the hiring of a health and safety specialist in China and provide formal training in Bangladesh. However, monitoring was to be carried out by a third party company called Systain, whose expertise in the field of health and safety of silicosis remained unclear to Labour Behind the Label.

In an update sent to Ethical Consumer in August 2010, Primark stated that it had made a public commitment on its website to eliminate the majority of sandblasted product from its business by the end of 2011, with total elimination by the end of 2012. It added that "We are also part of a working group of brands convened by the ITGLWF to address the issue of sandblasting."

While Primark was making progress in ensuring that the process of sandblasting was removed from its supply chain, production using the method was still in place, therefore Primark lost half a mark in the workers rights category. (ref: 120)

Dismissal for strike action and payment of poor wages (2010)

According to an article which appeared on the Daily Mail website (www.dailymail.co.uk) on 19 July 2010, journalist from the paper Liz Jones had uncovered poor wages and working conditions at factories in Bangladesh which supplied four major British brands,

during a visit to the country.

The journalist had met several garment workers in Dhaka, including Sharti Akta. She was 25 years old and had been working until a month previously, at a factory called Acropoli. There she earned 3,800 taka (£35.59) a month for 12 hours days, 6 days a week. She paid 2,000 taka (£18.73) for one room. The factory had been open only 5 months when workers went on strike in June, calling for a new minimum wage of 5,000 taka (£46.42) per month. As soon as this happened, the factory closed down. A notice was pinned to the door promising workers a month's salary, but at the time of her interview with Liz Jones in July, Sharti had still not received any of this money. Sharti showed the journalist a label from the clothes she had been sewing at this factory – it said Primark. Primark responded to this story by confirming that Acropoli did make a small number of clothes for it, but that it was an unauthorised sub-contractor. The company assured Daily Mail that it would send an auditor to the factory within the following two days, impose a 'mediation plan' on the authorised supplier that 'wrongly sub-contracted this small part of its production', and inform NUK, the women's rights organisation in Bangladesh, 'of this woman's plight'.

In a response sent to Ethical Consumer in August 2011 regarding to this article, Primark stated that it had "followed up with the supplier, putting in place a remediation plan to address unauthorised sub-contracting. We met with the local trade union that had been representing workers of Acropoli, including Sharti Akta, to address the issues raised in the article." (ref: 169)

Supply Chain Management

Some efforts to apply living wage, but inconsistently (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Primark was given a score of 3 which was defined in the report as meaning the company "can offer concrete examples of steps to develop and implement a living wage methodology in supplier base, but only in a few pilot projects." The report authors commented that Primark had made significant progress since 2008: "Evidence of in-depth work with the ETI and local partners is

apparent, pilot wage projects in Bangladesh and China, and homeworking research in India is also under way. We are pleased to see that Primark has started to deal seriously with these issues, however it still fails to acknowledge the extent to which its pricing and purchasing practices play a role in keeping wages low." (ref: 6)

Best ECRA rating for supply chain management (2011)

Primark stated that it was unable to respond to Ethical Consumer's written request in June 2011 for its supply chain management information. Ethical Consumer searched the company's websites (www.ethicalprimark.co.uk and www.primark-ethicaltrading.co.uk) in July 2011 for this information. Some was found there and in the 2010 Corporate Responsibility Report of Primark's parent company.

SUPPLY CHAIN POLICY (good)

The Primark Code of Conduct was available at www.primark-ethicaltrading.co.uk. It contained clauses prohibiting child labour, forced labour, discrimination and a working week over 48 hours plus 12 hours voluntary overtime. It also contained provision for payment of a living wage and freedom of association. The company confirmed to Ethical Consumer in August 2011 that its Code of Conduct applied to all suppliers in its supply chain, plus all their suppliers.

STAKEHOLDER ENGAGEMENT (rudimentary)

Primark was a member of multi-stakeholder initiative the Ethical Trading Initiative (ETI). The company's website named several NGOs it was working with on different projects to do with its sourcing. However, it was not clear that these were ongoing or involved systematic input in the verification of labour standards. The 2010 CR report mentioned above did state that the company had set a target to trial the incorporation of NGO verification as part of its inspection methodology, which the company confirmed to Ethical Consumer by email was a target set for the end of 2011. It intended to report on its achievements at the end of the year. As such, it wasn't yet in place. The 2010 CR report mentioned some training with Chinese suppliers aimed at improving grievance mechanisms, but nothing which applied across the whole supply chain could be found.

AUDITING AND REPORTING (reasonable)

Primark conducted twice as many audits in 2009 as in 2008: 1,136 audits in total, covering 94% of its top 250 suppliers, accounting for more than 87% of total business. This exceeded its stated target for that year of 1,000 audits. These suppliers' locations were not disclosed, and the 'top 250 suppliers' was based on spend, not on risk, although the company's website stated that auditing priorities were based on five factors, including spend and risk. The findings of the audits were disclosed, with the types of non-compliance and rate of improvement quantified, but not broken down by geographical region. The company stated in a response to Ethical Consumer dated August 2011 that "Our aim is to progressively audit and assess the lower tiers of our supply chain, which can include fabric mills, dye-houses, laundries, home-based workers, and suppliers of components such as buttons and zips." However, this did not make clear that any second-tier suppliers were currently audited.

Although the report mentioned remediation, and stated that half of audits had focused on this, a staged remediation policy was not found. However, the following appeared on the company's website www.ethicalprimark.co.uk; "We encourage suppliers and factories to submit evidence of their own actions, but we carry out site visits to confirm implementation. Only very rarely and as a last resort do we consider terminating a supplier's contract for failure to comply with our Code." In a written response to Ethical Consumer in August 2011, the company stated that it paid the cost of all audits.

DIFFICULT ISSUES (reasonable)

The 2010 CR Report stated that all Primark buyers were required to undergo ethical trade training as part of their induction programme, and the company had also set the target to provide buyers with additional ethical trade training during 2009. The company provided information to Ethical Consumer in August 2011 which stated that this training was ongoing. Some of the company's future targets regarding ethical sourcing related to providing buyers with more training in this area. The company's website also mentioned freedom of association in countries such as China and Vietnam where this is not provided for by law. However, a staged approach to addressing this issue was not given, other than that it was linked to the problem of lack of transparency which the company planned to address. The CR report mentioned that the company was undertaking a living wage project in China and/or Bangladesh

The company had undertaken a project in the Philippines working with homeworkers to better understand their situation and afterwards the company participated in a ground-breaking ethical supply chain workshop, organised and hosted by Engaged Partnerships for Change and the Fashion Accessories Manufacturers and Exporters Association (FAME). Primark had also been working with NUK* – a local non-governmental organisation in Bangladesh - to tackle some of the root causes of poor working conditions in factories in Bangladesh. Its benchmark assessments conducted in 2009 showed that despite audits, almost 80 percent of factories in its sample did not have adequate management systems or the knowledge to be able to meet the rigorous ethical codes of conduct set out by Primark and other international retailers. Ninety percent of workers were unaware of their rights, legal benefits, and responsibilities as employees. The project sought to address this through training for both workers and management. It implemented the programme in 16 factories in key manufacturing hubs in Dhaka, Savar Gazipur and Narayanganj, training over 500 factory managers, and 1100 factory workers.

In 2009 the company embarked on a long-term project in China aimed at paying a living wage. This project also factored in the problems associated with audit fraud.

It was a member of the Indian National Homeworker Group, which was supported by the ETI. The company also stated that it provided ongoing training for buyers. However, it was not stated how often this occurred.

The company received Ethical Consumer's best rating in this category. (ref: 164)

Member of ETI (May 2006)

On 26 May 2006, Primark joined the Ethical Trading Initiative, an alliance including retailers, trade unions and non-governmental organisations that aims to promote respect for the rights of poor workers in factories and farms worldwide.

By signing up to ETI, Primark had pledged to apply the ETI Base Code across

its supply base. The Base Code is a set of commitments covering wages, overtime, health and safety, discrimination and other international labour

standards. Primark has also committed to communicating its endorsement of ethical trade

and ETI to its staff and suppliers, to participating in ETI's experimental projects to identify best practice in ethical trade, and to reporting annually to the ETI Board. The company plans to provide till notices for interested customers that set out the company's commitment to continually improving working conditions in its suppliers' factories. (ref: 170)

Irresponsible Marketing

Marketing padded bikini at seven year old girls (2010)

According to an article which appeared on the Telegraph website (www.telegraph.co.uk) on 14 April 2010, Primark had withdrawn from sale a padded bikini aimed at girls as young as seven.

The £4 bikini was part of the retailer's swimming costume range.

The company apologised for any offence caused by the product and said profits from any bikinis already sold would be given to a children's charity. A spokesman said: "Primark has taken note of the concern this morning regarding the sale of certain bikini tops for girls, a product line that sells in relatively small quantities.

"The company has stopped the sale of this product line with immediate effect.

Child protection campaigners said girls wearing the bikinis

would be sexualised and risked being made attractive to sexual predators.

Child protection consultant Shy Keenan, of The Phoenix Chief Advocates which helps victims of paedophiles, earlier called for a boycott of Primark until the bikini top was withdrawn.

"As victims' advocates, we know why you should never sexualise children or help to normalise the sexualisation of children," she said.

"They may be learning how to look sexy in an adult way, but no-one is teaching them what to do if they receive robust unwelcome adult attention."

The chain, which had 138 UK stores and 38 in Ireland, said on its website: "Every girl wants to look her best and at Primark we make no exception for the younger ladies. All the high fashion trends can be found in our Girlswear section, no matter what age you are." (ref: 171)

Politics

Political Activities

Donations to political parties (2006)

According to the Associated British Foods 2006 annual report, in a statement dated November 2006, Food Investments Ltd had made the following political donations in Australia:

- 2006, Liberal Party of Australia, £12,273

- 2005, Australian Labour Party, £1,446

- 2005, National Party of Australia, £207 (ref: 172)

Member of "independent" food information charity (22 March 2010)

An article on the Spin Watch website (spinwatch.org.uk), dated 22 March 2010 and credited to the British Medical Journal, outlined criticisms made against the British Nutrition Foundation, of which British Sugar was said to be a member. In the article a representative of the International Association for the Study of Obesity was quoted as saying that the Foundation "did a big piece of work for the Food Standards Agency reviewing 'influences on consumer food choices' which conveniently left out any review of the influence of marketing and advertising techniques". A representative of the Campaign Against Trans Fats in Food commented on two documents published by the Foundation on his area of expertise "The first is a briefing sheet and is very balanced...The other is a submission to the Scottish parliament on a bill to limit trans fats, and essentially it says to do nothing", which coincides with the industry view, according to the representative.

The Foundation was said to be open about its involvement in lobbying, stating that it aimed to "help shape and support policy".

The article stated that "many of the Foundation's staff move between the organisation and the food industry" and that food companies often direct people to the Foundations work, claiming that it is an independent source of information.

The article detailed the involvement with the Foundation of several other large, named, food companies. (ref: 173)

Donated to Australian political parties (2006)

According to the 2006 Associated British Foods Annual Report, a subsidiary of ABF donated to the Liberal Party of Australia, to the Australian Labour Party and to the National Party of Australia. (ref: 172)

Anti-Social Finance

Subsidiaries in four tax havens (2011)

According to the Associated British Foods company fact sheet on the Hoovers website (www.hoovers.com) in July 2011, the company had several subsidiaries in the following countries which

were on Ethical Consumer's list of tax havens at the time of writing: Hong Kong, Jersey, Luxembourg and Singapore. (ref: 174)

Profits dependent on squeezing suppliers (2006)

According to the Summer 2006 newsletter from Labour Behind the Label, Primark was one of a number of large clothing brands in the UK whose profits on low-cost clothes were dependent on "squeezing suppliers hard" in order to keep manufacturing costs low. This was also said to result in poor labour standards, with workers often paid low wages, working long hours and in poor conditions. (ref: 132)

Subsidiaries in tax havens (February 2011)

The Hoovers Family Tree for Wittington Investments Ltd, accessed on its website, www.hoovers.com, by Ethical Consumer in February 2011, stated that the company had subsidiaries in Guernsey, Hong Kong, Ireland, Luxembourg and Singapore. These territories were considered by Ethical Consumer to be tax havens at the time of writing. (ref: 175)

River Island clothing

Owned by River Island

River Island is owned by Lewis Trust Group Ltd

owned by LFH International Ltd

LFH International Ltd, c/o Campbell Corporate Services Limited, 4th Floor, Scotiabank Building, GEORGE TOWN, GR CAYMAN, Cayman Islands

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2009)

River Island did not respond to Ethical Consumer's written request in June 2011 for its environmental policy. Ethical Consumer searched the company's website (www.riverisland.com) in July 2011 for this information. The website contained only a brief statement regarding the company's environmental impacts, which stated that it had integrated renewable energy sources into its operations, reduced the levels of product packaging and that it recycled and used biodegradable materials whenever possible.

No mention was made of agriculture, transportation or energy use - all areas where the company's operations would have environmental impacts.

Since this information included no discussion of the company's main environmental impacts, nor any dated quantified targets to reduce these, and did not appear to have been independently verified, it received Ethical Consumer's worst rating in this category. (ref: 176)

Nuclear Power

Investment relationships with companies criticised by ECRA (2011)

The Cavendish Asset Management (www.cavendisham.co.uk) website was viewed 22 July 2011 and the factsheet for various funds was downloaded. According to this the top holdings included companies criticised by ECRA:

BP Plc, criticised under the category of 'climate change'; BAE Systems, criticised under the category of 'Arms and military supply'. Both these companies were listed in the UK Balanced Income Fund.

Bayer AG (European Fund), criticised under the following categories: nuclear power, pollution and toxics, animal testing, factory farming, human rights, workers' rights. (ref: 177)

Climate Change

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

Pollution & Toxics

Sale of PVC products (2011)

The River Island website (www.riverisland.com), viewed by Ethical Consumer in July 2011, listed a number of clothing items on sale that were made from PVC. Campaigners such as Greenpeace had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 176)

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

No cotton sourcing policy (2011)

River Island did not respond to Ethical Consumer's written request in June 2011 for its cotton sourcing policy. Ethical Consumer searched the company's website (www.riverisland.com) in July 2011 for this information but none could be found.

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, River Island lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 176)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (2011)

Ethical Consumer searched the River Island website (www.riverisland.com) in July 2011 for the company's animal testing policy. Despite selling a range of own-brand fragrances, no animal testing policy could be found on the company's website. The company had not responded to Ethical Consumer's written request for this information in June 2011. Additionally, it sold a non-won brand range of nail varnish and appeared to have previously stocked other make up such as lip gloss. As a result, it received Ethical Consumer's worst rating in this category. (ref: 176)

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

Factory farming

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

Animal Rights

Sale of leather and silk goods (2011)

The River Island website (www.riverisland.com), viewed by Ethical Consumer in July 2011, listed a number of clothing items on sale that were made from leather. As this was a slaughterhouse by product, the company lost a mark in the animal rights category. It also retailed silk products. Silk was also considered to be an animal rights issue as the process involved killing silk worm larvae. (ref: 176)

People

Human Rights

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

Operations in three oppressive regimes (2011)

According to the River Island website (www.riverisland.com), viewed by Ethical Consumer in July 2011, the company had outlets in Jordan, Russia and Saudia Arabia, all of which were on Ethical Consumer's list of oppressive regimes at the time of writing. (ref: 176)

Workers' Rights

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

Accepts legal minimum/industry benchmarks for living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. River Island received grade one, which was defined in the report as "accepts the principle of a living wage, but applies legal minimum/industry benchmark". According to the authors of the report, 2009 was the first time the company had responded to their survey, but that the company still had "a long way to go if they are to make any real effort to engage with the issues." (ref: 6)

Supply Chain Management

Worst rating for supply chain management (2011)

River Island did not respond to Ethical Consumer's written request in June 2011 for its supply chain management information. Ethical Consumer searched the company's website (www.riverisland.com) in July 2011 for this information.

SUPLPY CHAIN POLICY (poor)

The website stated that the company was "firmly committed to the adoption and integration of the ETI Base Code into our World Wide Ethical Policy, throughout our global supply chain and into our core business activities". It then set out the ETI Base code, minus the detailed definitions of a living wage, the age of a child and the length of the working week. As a result, these clauses were considered insufficient.

STAKEHOLDER ENGAGEMENT (some)

The company was a member of the Ethical Trading Initiative. No other evidence of stakeholder engagement was found.

AUDITING AND REPORTING (poor)

None found.

DIFFICULT ISSUES (poor)

None found.

The company received Ethical Consumer's worst rating in this category. (ref: 176)

Member of the ETI (January 2009)

In December 2008 River Island was contacted with a questionnaire

requesting information on the company's supply chain code of conduct; no reply was received. River Island's website (www.riverisland.com) was searched 26 January 2009 and found to contain a page on corporate social responsibility. According to this page in June 2008 River Island became a member of the Ethical Trading Initiative (ETI). The page stated "River Island is firmly committed to the adoption and integration of the ETI Base Code into our World Wide Ethical Policy, throughout our global supply chain and into our core business activities". In addition it stated "...our buying and technical teams regularly visit our factories throughout the year and actively engage with our manufacturing partners and other key stakeholders in identifying areas for improvement. This process is further backed by continuous and extensive third-party independent auditing by internationally recognised auditing companies." (ref: 178)

(See also 'Accepts legal minimum/industry benchmarks for living wage' in Workers' Rights above.)

Arms & Military Supply

(See also 'Investment relationships with companies criticised by ECRA' in Nuclear Power above.)

Politics

Genetic Engineering

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Anti-Social Finance

Tax avoidance (2011)

According to the Hoovers.com company fact sheet for LFH International, viewed by Ethical Consumer in July 2011, the company was a holding company based in Jersey, considered by Ethical Consumer to be a tax haven at the time of writing. The company stated on its website (www.http://www.lfh.je) that "Jersey has, over the past 40 years, established itself as a leading international finance centre. It is an ideal location from which LFH can manage its global interests." It also had a subsidiary in Luxembourg, which was also on Ethical Consumer's current list of tax havens. (ref: 179)

Excessive directors' pay (2008)

According to the River Island Clothing Co. Ltd company fact sheet on Hoovers, viewed by Ethical Consumer in July 2011, the company's highest paid director was paid £2,872,216.00 in 2008. Ethical Consumer deemed any sum above £1million to be excessive. (ref: 179)

Sainsbury's TU clothing

Owned by J Sainsbury plc

J Sainsbury plc, 33 Holborn, London, EC1N 2HT, UK

Environment

Environmental Reporting

Middle ECRA rating for Environmental Report (July 2011)

A search was made of Sainsbury's corporate website (j-sainsbury.co.uk) in July 2011. The 2011 sustainability report was downloaded. No evidence of independent verification could be found. The report included targets, 2 of these are summarised here:

- own-brand packaging to be reduced by 33% by 2015

- reduce CO2 per m3 by 25% by 2012.

The report showed a reasonable understanding of the company's main impacts, including fish (including tuna), deforestation, timber, palm oil, soya, cotton, energy (including refrigeration, renewables, carbon footprint and transport), food waste, other waste ("zero waste to landfill" programme), water, carrier bags, biodiversity (including bees) and agriculture. (ref: 180)

Average independent rating for environmental performance (November 2006)

The National Consumer Council's 2006 report on supermarkets awarded Sainsbury's a C rating for its environmental performance (showing potential). The rating covered supermarkets' progress on CSR issues including: commitment to stocking seasonal food and organics, sustainable sourcing policies and attempts at cutting waste.

These were assessed as follows:

D (room for improvement) on food transport issues. Only 59% of its in-season veg was sourced from the UK according to the survey.

It was awarded C for waste and a B for its fish policies and stocking. It scored C for trees as a quarter of its kitchenware was FSC certified. Additionally, it scored B for sustainable farming as it stocked the highest percentage of organic options in the surveyed food categories. It also had a stated policy to publish its pesticide residues data. (ref: 181)

Climate Change

Petrol retailer (May 2010)

In May 2010 an article on the Mail Online website, www.dailymail.co.uk, stated that ASDA had "triggered a price war over fuel... by cutting 2p from the cost of petrol." Morrisons and Tesco matched the Asda cuts with Sainsbury's signalling it would follow suit.

Retailing petrol was considered by Ethical Consumer to be operating in a high climate change impact sector. (ref: 10)

Palm oil policy (2010)

According to Sainsbury's Sustainability Report 2010 which was downloaded in November 2010:

"We have set ourselves the goal of using only certified palm oil across our entire product range by the end of 2014. In May 2008 our 'basics' frozen fish fingers were the first British supermarket food product to use palm oil from certified Roundtable on Sustainable Palm Oil (RSPO) sustainable sources. We were also the first retailer to make all of our own brand digestive and rich tea biscuits using only RSPO certified product.

We also want to make it easier for customers to see whether there is palm oil in our products, instead of using the more generic term 'vegetable oil' as many other companies still do. We were the first supermarket to identify palm oil on the labels of all fresh and chilled food and completed similar labelling on all Sainsbury's food products in 2009. All the same, we still need to source higher quantities of sustainable palm oil and as part of this effort we are working with our suppliers on the ground to drive industry-wide changes in sourcing practices. We have established our own tracker to identify the sources of palm oil in our own products. This has helped us to identify our top 20 major users of palm oil and we are now working with them to make the move to certified supplies."

However, the company was still at the time of writing using unsustainable palm oil. As a result Sainsburys received negative marks in the climate change, habitats and resources and human rights categories due to the associated serious negative impacts of palm oil. (ref: 182)

(See also 'Average independent rating for environmental performance' in Environmental Reporting above.)

Pollution & Toxics

PVC on sale (July 2011)

A search was made of Sainsbury's consumer website (sainsburys.co.uk) in July 2011. It was found that the company sold PVC products, including map cases. Campaigners had been campaigning about the toxics issues related to PVC for many years at the time of writing. (ref: 183)

Cotton position (July 2011)

A search was made of Sainsbury's corporate website (j-sainsbury.co.uk) in July 2011. No mention of a policy regarding the sourcing of cotton was found. According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, the company lost half a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category. According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. The company's consumer-facing clothing website was checked (sainsburys-tu-clothing.co.uk), cotton clothes were found on this website with no mention of them being organic. (ref: 180)

Product containing parabens (March 2010)

In March 2010 the J Sainsbury website, www.sainsburys.co.uk, stated that the company's Apple Shampoo contained Methylparaben and Propylparaben. Parabens were considered by Ethical Consumer to be pollutants. (ref: 184)

Habitats & Resources

(See also 'Palm oil policy' in Climate Change above.)

(See also 'Average independent rating for environmental performance' in Environmental Reporting above.)

Allegations of stealing water in Kenya (21 October 2006)

Guardian Unlimited / Guardian website www.guardian.co.uk "How your supermarket flowers empty Kenya's rivers" (21 October 2006). This article reported on allegations made about flower producers in Kenya stealing local water supplies. The article stated: "According to the head of the water authority, the 12 largest flower firms...in the region...supply supermarkets such as Sainsbury's...". Amongst the stakeholders were a local human rights group supported by ActionAid. The article stated that the water authority had to lock up water outlets to stop the flower companies stealing water and that the river had receded by 60 miles. (ref: 185)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (July 2011)

A search was made of the Sainsbury corporate website (j-sainsbury.co.uk) in July 2011. The following statement was found:

"As part of our aim to be the number one supermarket for animal welfare, we have made a commitment to the Humane Cosmetics Standard (HCS), certifying that all Sainsbury's cosmetics and toiletry products are free from animal testing."

Whilst Ethical Consumer welcomed this positive step, there were still limitations in the company's approach. The company was still retailing other non-medical, branded products that had been tested on animals. The company's own-brand household products were subject to a 5 year rolling rule, in terms of animal testing, which was not as stringent as a the fixed cut off date necessary to achieve the HCS.

The company received Ethical Consumer's worst rating for animal testing policy. (ref: 180)

Factory farming

Animal Welfare Policy (2008)

Sainsbury's did not respond to a written request by ECRA in October 2008 for the company's animal welfare policy. The company's website www.j-sainsbury.co.uk, viewed by ECRA in November 2008, stated that Sainsbury's aimed to extend its higher welfare standards for chickens to frozen and processed lines, commencing 2011. It said that it had introduced a new range of Freedom Foods chicken which meant that "nearly a third" of its own-brand chicken would be higher welfare. It also stated that all its shell eggs would be 'cage-free' by 2012 and that it had "gradually reduced" the proportion of caged eggs in its processed products over the past 12 months, adding that all its "Taste the difference", "Supernaturals" and "Kids" ranges used free-range eggs. However, the website stated that the company sold two ranges of chicken - "Fresh British" and "Sainsbury's Basics" that were not labelled as Freedom Food, free-range or organic standard. Additionally, the company made no mention of free-range or organic certification of other types of meat it sold. As a result, ECRA considered it likely that some of these meat products had come from factory farmed animals and the company received a negative mark in this category. (ref: 186)

Sold factory farmed pig meat (June 2006)

According to Supermarkets & Farm Animal Welfare 'Raising the Standard' published by the Compassion in World Farming (CIWF) Trust in 2006, Sainsbury's was still selling pig meat under its own label that was imported from stall systems. In these systems, sows were confined in narrow stalls and were unable to turn round or exercise during their pregnancy. Sow stalls had been banned in the UK on cruelty grounds. 70% of the pig meat sold by Sainsbury's was from the offspring of mothering sows kept in narrow farrowing crates. (ref: 187)

Low rating for animal welfare standards (January 2006)

According to the Food Magazine (Issue 72, Jan/Mar 2006), Sainsbury's was one of four UK supermarkets that had shown 'poorer results' in research carried out by Compassion in World Farming for its 'Compassionate Supermarket of the Year' Awards. (ref: 188)

Animal Rights

Leather on sale (July 2011)

A search was made of Sainsbury's consumer website (sainsburys.co.uk) in July 2011. It was found that the company sold leather products, including sofas. The manufacture of leather involved the slaughter of animals. (ref: 183)

Products contained unexpected animal derived ingredients (March 2009)

In March 2009 The Food Magazine reported that Sainsbury's Chocolate Trifle contained pork gelatine, a slaughterhouse byproduct, but that the product was not labelled as 'unsuitable for vegetarians'. (ref: 189)

Stocked products containing animal byproducts (2008)

During a search of the company's website (www.j-sainsbury.co.uk) in November 2008, ECRA found that the company sold a range of products which ECRA considered likely to contain slaughterhouse byproducts including rennet, animal fat and gelatine. (ref: 190)

People

Human Rights

Labour abuses from Action Aid report (2007)

According to the 2007 Action Aid "Who Pays?" report, Sainsbury was involved in several problematic practices. The report focussed on supermarkets, particularly those that were the "Big 4" in the

UK at the time of the report, of which this company was one.

The report stated that "the pressure on [supermarket] suppliers to deliver more for less is passed on to workers in the form of low wages, job insecurity and a denial of their basic human rights."

The report looked at banana, garment and cashew nut companies that supplied the supermarkets. It stated that health and safety provisions were not adhered to when suppliers' margins were squeezed by supermarkets. (ref: 191)

Sale of products from illegal settlements (2006)

According to a July 2006 report by War on Want, Sainsbury was one of several supermarkets which sold products such as Soda Stream items made in the illegal settlement of Mishor Adumim. Settlements were described as an appropriation of land, illegal under international law, which in the West Bank was often associated with violence and threats against Palestinian residents by the Israeli army and by armed settlers. (ref: 192)

Illegal settlements products on sale (July 2011)

According to an article on the Guardian website (guardian.co.uk), dated 10 December 2011, Sainsbury's had stocked produce from illegal settlements in Palestine. It was said that the company stocked produce from some/all of the 27 Israeli firms that operated from settlements and exported to the UK.

Sainsbury's was said to comment that it was pleased that there was now "greater clarity" over the issue, as Defra had issued guidelines to make labelling clearer. (ref: 193)

Workers' Rights

(See also 'Cotton position' in Pollution & Toxics above.)

Fine for workplace accident (2006)

According to the January-March 2006 issue of Hazards, Sainsbury's had been convicted of safety offences and was fined £10,000 and ordered to pay costs of £11,040 after a bakery manager slipped on a wet floor and suffered neck and back injuries. (ref: 194)

Labour rights abuses in Kenya (2009)

A report published by The Corporate Responsibility (CORE) Coalition in May 2009 revealed workers' rights abuses occurring in Kenyan flower farms. According to the report, about 75% of Kenya's flower exports were eventually purchased by UK retailers. It said that large supermarkets, including Sainsbury's, had become particularly important players in the market. The report stated that workers revealed wages ranging from around 80p per day to £1.25 in the highest paying firms - significantly below what workers would need to provide their basic needs. It said there was widespread gender discrimination, since the lower paid jobs working in the greenhouses tended to be given to women, while men were disproportionately given the higher paid spraying jobs. Sexual harassment was noted as a major problem, with many women reporting that systematic abuse by supervisors and sometimes fellow workers was allowed to continue without redress. Workers were found to be expected to work long hours - up to 16 hours per day during periods of peak demand such as Mother's Day and Valentine's Day, in clear violation of Kenyan employment law. The farms also failed to provide a safe working environment, with many workers being exposed to extremely toxic chemicals and reporting serious health effects. They were also found to be at risk of acquiring disabling repetitive strain injuries which caused chronic pain and severely restricted their ability to work. While trade unions were formally recognised and had been formed on a small minority of farms, in practice, workers tended to be discouraged from joining. (ref: 24)

Supply Chain Management

Middle ECRA rating for supply chain policy (July 2011)

In order to rate a company's supply chain policy (also referred to as code of conduct, code of practice, supplier policy and various other synonymous terms), ECRA needed to see a copy of the document that is communicated to workers. This was because

workers have a right to know the conditions under which the companies are expecting them to work, so that workers could use this information to press for improvements. It had come to Ethical Consumer's attention that several ETI member companies had not fully integrated the ETI Base Code and Principles of Implementation into their supply chain policies, and that companies do not have to fulfil this criteria in order to gain membership of the ETI. Indeed, some members stated that their policy was "aligned to"/"based on" the Base Code etc., but examination of their policies revealed that key points from the Base Code were missing.

Although ECRA recognised that by adopting a supply chain policy, a company's supply chain does not instantly become compliant with the policy, ECRA sees the policy as an important statement of what the company's feels is acceptable minimum standards.

In July 2011, a search was made of Sainsbury's corporate website (j-sainsbury.co.uk). Information about the company's supply chain management was found. The company was a member of the ETI. The company referred to its "Code of Conduct for Ethical Trade" and "Supplier Handbook", but neither of these documents could be found on the site. The company had a feedback system for suppliers and also a confidential complaints system that covered its own staff and some of the supply chain (the company stated that it was planning to roll it out to China). Information about audits was limited, the company stated that it had carried out 1700 audits last year but provided no comment on or detail of the findings. A risk assessment approach was used and low risk companies were not audited by independent third party auditors. Remediation was briefly mentioned. Buying staff received training on ethical trade and their performance on putting this into practice was monitored. The company sought to establish and maintain long term stable relationships with suppliers. Work was being done to address workers' rights issues with some of the agency workers in the supply chain. A living wage project was ongoing in China and Bangladesh.

The company received Ethical Consumer's middle rating for supply chain policy. (ref: 180)

No real effort to apply living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Sainsbury's received a grade 2, which was defined in the report as meaning the company "acknowledges that minimum and industry benchmark wages are not sufficient standards, but no real efforts to apply living wage." The authors of the report commented that "as with last year, Sainsbury's have failed to supply any concrete information about their work." (ref: 6)

Membership of ETI (2008)

According to the Ethical Trading Initiative website (www.ethicaltrade.org), viewed by ECRA in November 2008, Sainsbury's was listed as a member. Once companies have been accepted as members, they should adopt the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices, were required. (ref: 30)

Irresponsible Marketing

Allegations of unlawful practices linked to tobacco prices (April 2008)

According to an article which appeared on the BBC news website on the 25th of April 2008, the Office of Fair Trading (OFT) had alleged that tobacco firms and supermarkets had been engaged in unlawful practices linked to retail prices for tobacco. Allegations were that retailers and tobacco groups had arranged to swap information on future pricing, and that there was an understanding that the price of some brands would be linked to rival brands. Sainsbury was one of the companies named by the

OFT. (ref: 195)

Sale of tobacco products (2007)

The Mintel December 2007 Convenience Retailing Report defined convenience retailers as 'open 7 days a week... and selling an extended range of goods including tobacco products...' Sainsbury Local was a retailer profiled in this report. (ref: 196)

Misleading labelling of high fat spreads (March 2009)

In March 2009 The Food Magazine reported that Sainsbury's Basics Soft Spread, Freefrom Vegetable Spread and Sunflower Spread were labelled with an 'amber' traffic light, which should have meant that they contained a 'medium' level of saturated fat (between 1.5% and 5%). However, the products were said to have contained high levels of saturated fat (between 9% and 15%). The article stated that manufacturers were allowed to use this misleading claim due to an incongruity in labelling law. Sainsbury's 'So Organic' Olive Spread was said to have contained only 4% olive oil and 55% sunflower oil and palm fat. (ref: 189)

Politics

Genetic Engineering

GM Policy (August 2010)

A search was made of the J Sainsbury plc website (j-sainsbury.co.uk) in August 2010. The company's position on GM was found in the FAQ section of the website. It stated that only certain Sainsbury ranges were GM-free, including the organic range and some of the "Taste the Difference" range. The company did not have a group-wide policy outlawing GM from its products. It also stocked many non own-brand products that were likely to include GM ingredients. (ref: 182)

GM material possible in food products (2006)

According to the Greenpeace Shoppers Guide to GM, viewed on the Greenpeace UK website on 7th September 2006, the following products had been given the 'red' rating applied to "food which may contain GM ingredients or be derived from animals fed on GM crops": Sainsbury's beef, lamb, traditional beef, milk/dairy products. (ref: 151)

Political Activities

Lobbying against proposals for ombudsman (November 2009)

According to an article on the Guardian website (guardian.co.uk), dated 29 November 2010, Sainsbury's had been lobbying against the proposal for an independent ombudsman. It was said that issues with the way that supermarkets treated suppliers had prompted the Competition Commission's proposal for an ombudsman to regulate the sector. The company was said to be of the opinion that no ombudsman was needed and that the Office of Fair Trading provided sufficient control on the sector. (ref: 197)

Lobbying against legislation to improve supply chains (July 2011)

In July 2011 it was reported on the Guardian website, www.guardian.co.uk, that "heavy artillery lobbying" by supermarkets, including Sainsbury's, looked likely to derail or render toothless legislation aimed at improving the way such companies treated suppliers. The company was said to have told a Commons select committee that the proposed groceries code adjudicator was an "unnecessary extra burden" on supermarkets which would lead to higher food prices. Organisations including the National Farmers Union, Friends of the Earth and ActionAid were said to have claimed that the bill was crucial to tackle "years of abuse and restrictive buying practices", resulting in supermarkets increasing profits by squeezing smaller suppliers. A spokesperson for the Grocery Market Action Group was said to have claimed that supermarkets' bullying and unfair buying practices had resulted in 3,000 farmers and other suppliers going out of business. An

Observer investigation was said to have found that farmers had claimed that they were the victims of practices including being forced to use supermarkets' nominated middlemen at increased cost, having to sell produce for two-for-one discounts and "no-price contracts". Such practices may have been illegal and were banned under an existing binding code of practice, which supermarkets were said to claim was working well. Farmers were said not to speak out against breaches of the code as a result of a "climate of fear" of losing contracts. (ref: 36)

Member of "independent" food information charity (22 March 2010)

An article on the Spin Watch website (spinwatch.org.uk), dated 22 March 2010 and credited to the British Medical Journal, outlined criticisms made against the British Nutrition Foundation, of which Sainsbury was said to be a member (the article stated that "all the main supermarket chains apart from Tesco" were members). In the article a representative of the International Association for the Study of Obesity was quoted as saying that the Foundation "did a big piece of work for the Food Standards Agency reviewing 'influences on consumer food choices' which conveniently left out any review of the influence of marketing and advertising techniques". A representative of the Campaign Against Trans Fats in Food commented on 2 documents published by the Foundation on his area of expertise "The first is a briefing sheet and is very balanced...The other is a submission to the Scottish parliament on a bill to limit trans fats, and essentially it says to do nothing", which coincides with the industry view, according to the representative.

The Foundation was said to be open about its involvement in lobbying, stating that it aimed to "help shape and support policy".

The article stated that "many of the foundation's staff move between the organisation and the food industry" and that food companies often direct people to the Foundations work, claiming that it is an independent source of information.

The article detailed the involvement with the Foundation of several other large, named, food companies. (ref: 173)

Anti-Social Finance

(See also 'Lobbying against legislation to improve supply chains' in Political Activities above.)

Poor conditions in South African supplier farms (February 2009)

The War on Want report 'Sour Grapes: South African wine workers and British supermarket power', published in February 2009, stated that the UK government's Competition Commission report of April 2008 found that "supermarkets have used their buying power to squeeze suppliers by transferring risk and costs onto them". Suppliers were reported to be hesitant to speak out against supermarkets in case they were removed from the supermarket's list of suppliers.

Specific problems noted in relation to South African producers were the fact that it was rare for suppliers to have formal contracts, leading to the potential of being de-listed at short notice; supermarkets changing their costs and prices as they liked to suit their needs, and last minute order cancellations without compensation. South African producers were said not to receive assured prices, so there was no guarantee that they could cover their costs. Delays in payment for orders were said to be common, with 120-day long delays becoming increasingly so. Discounts offered by supermarkets were said to be often passed on to suppliers, through pressure to 'promote' the products. Supermarkets were also said to charge for good positioning on the shelf: from £15,000 to £100,000. In addition, it was stated that supermarkets often press suppliers to enter into exclusivity agreements with them, so that the suppliers were entirely dependent on one customer.

The report claimed that "it is the South African workers who pay the price for UK supermarket power and greed." Issues related to this were said to be: sacking workers; lack of formal employment contracts and low wages. The trend towards employing seasonal workers who had no benefits was said to be increasing: in 1995 the ratio of seasonal workers to permanent workers was about equal; by 2000 it was 65%:35%. This was said to reduce the ability of the workers to organise. Women were said to be more vulnerable as a result of the worsening working conditions of workers, to be paid lower wages than men, and to be frequently subjected to sexual harassment at work.

Sainsbury's was named as one of the largest importers of South African wine, with a 12% share of all sales. (ref: 198)

Enforcing poor terms on suppliers, position on an ombudsman (December 2008)

According to a league table on the ActionAid website (actionaid.org.uk), dated December 2008, Sainsbury's were one of 3 "bottom of the class" scoring supermarkets in terms of its position on whether or not there should be an UK ombudsman to regulate the grocery sector.

11 supermarkets were rated.

ActionAid stated that "supermarket buying pressures get passed on to poor workers in developing countries in the form of poverty pay and unacceptable working conditions."

It scored 2 out of 10, 10 being the best score. (ref: 102)

Tesco F&F clothing

Owned by Tesco plc

Tesco plc, Tesco House, Delamare Road, Cheshunt, Waltham Cross, Herts, EN8 9SL, UK

Environment

Environmental Reporting

Middle ECRA rating for environmental reporting (August 2011)

In August 2011, a search was made of the corporate Tesco website (tescoplc.com). The 2011 CR report was downloaded. There was a Forum for the Future statement at the end of the report, but it was made clear that this was not independent verification. ERM had audited the company's claims about its carbon footprint. There was no independent verification of the whole report. The report included targets, here are 2:

to be a zero carbon business by 2050

to achieve the 3 future, dated, quantified Courtauld 2 targets on packaging

The company did not have a reasonable understanding of its main impacts, as nothing could be found when a search of the website was performed on the following search terms: pesticide, chemical, substance, toxic, hazard.

There were whole sections on climate change, waste (including packaging and recycling) and transport. In terms of water, the company acknowledged that its main impacts were in terms of consumer end use and supply chain, and was taking measures to start to address supply chain impacts. In terms of agriculture, the company was working with the Chinese government (China was on Ethical Consumer's list of oppressive regimes at the time of writing) on a large number of agricultural projects. There were also small sections in the report on timber, soy, seafood, palm oil and local sourcing.

The company received Ethical Consumer's middle rating for environmental reporting. (ref: 199)

Climate Change

Petrol retailer (May 2010)

In May 2010 an article on the Mail Online website, www.dailymail.co.uk, stated that ASDA had “triggered a price war over fuel... by cutting 2p from the cost of petrol.” Morrisons and Tesco matched the Asda cuts with Sainsbury’s signalling it would follow suit.

Retailing petrol was considered by Ethical Consumer to be operating in a high climate change impact sector. (ref: 10)

Use of non-certified sustainable palm oil (2010)

A search was made of the Tesco website (www.tescocorporate.com) in April 2011. The company’s 2010 CR report, downloaded from the website, stated that the company had a target of sourcing all “palm derived ingredients from certified sustainable oil” by 2015, and of sourcing all its oil from an RSPO-certified system such as GreenPalm, by 2012.

However, it did not state that Tesco was already using Certified Sustainable Palm Oil. The palm oil supplier was not specified, neither was the country of origin. At the time of writing, most CSPO had had to be sold as normal palm oil, due to poor take up of CSPO amongst companies, many of whom were members of the RSPO. Therefore, due to the fact that the company did not communicate to ECRA (either directly or through its publicly-available documents) that it sourced CSPO or bought Greenpalm certificate or any other meaningful alternative, the company received negative marks for impacts on climate change, habitat destruction and human rights. (ref: 201)

Pollution & Toxics

PVC products on sale (July 2011)

A search was made of the Tesco website (tesco.com) in July 2011. It was found that the company sold products containing PVC. Campaigners had taken action on PVC for years due to toxics concerns. (ref: 202)

Sale of PVC and chemicals policy (February 2011)

Ethical Consumer contacted the major garden furniture retailers in February 2011, including Dobbies, with a questionnaire. When asked about its policy on chemicals, the company made the following statement: ‘Dobbies and its suppliers have legal responsibilities under the Sale of Goods Act for all products they sell to ensure all products we sell are “safe” and legal. Dobbies also has legal responsibility for all food products it imports into the UK and all Non-Food products it imports into the European Union. The use of chemicals used in all Dobbies own-brand products will be assessed for their safety against a list of risk chemicals that is being prepared at this time. This list is being drawn together from a wide range of sources including the BRC Chemical Tool Kit, Reach Substitute list (SIN list), the removal of chemicals contained within the OSPAR list of chemicals for priority action and the UK Chemical Stakeholder Forum list of “Chemicals of Concern”. It is envisaged that over time many of the chemicals that are listed for action will eventually be picked up under the REACH legislation. Where identified within Dobbies own-brand products this chemical will be reduced, or preferably a suitable safer alternative sought as a replacement. We will be encouraging our suppliers to innovate towards safer chemicals. For example, we do realise that there are a number of products on sale within Dobbies that are made with textile which is known to contain PVC. PVC may also be contained within inflatable pools and inflatable pool products. It is however unlikely that such items would be disposed off with general household waste and therefore unlikely to be incinerated with a risk of dioxin production. There are concerns that PVC may leach out of products, especially when in contact with food or chewed. The products sold within our furniture /outdoor living range are unlikely to be in contact with food or chewed and at this time are considered to be the next area of investigation. Our core focus is initially on fertilisers, plant feeds, weed control products and

food packaging that may be in direct contact with food. After these products have been assessed we will then address other products on a risk based approach. Overall Dobbies are taking a reasonable approach to the chemicals used in our products, and to encourage innovation within our supplier base in order to drive towards the use of safer chemicals. (ref: 203)

Cotton position - GM and traceability (July 2011)

A search was made of the Tesco corporate website (tescoplc.com) in July 2011. Information was found that Tesco had worked with the Environmental Justice Foundation on labour and environmental issues related to cotton. The company stated that it had a cotton traceability programme regarding Bangladesh, China and Turkey. Cotton could be sourced from these countries as an alternative to Uzbek cotton, which involved highly systematic child slave labour.

A search was made of the Tesco website (tesco.com) in July 2011, cotton clothing that was not organic was found advertised for sale.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company’s cotton products contained some GM material.

Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the and pollution and toxics category.

[see also “Cotton position - Uzbek cotton”, March 2011] (ref: 202)

Habitats & Resources

Worst Ethical Consumer rating for wood sourcing policy (March 2011)

Ethical Consumer viewed the Tesco website, www.tescoplc.com in March 2011 and found its wood sourcing policy. This stated the following: ‘We are committed to purchasing timber and timber products only from legal, sustainable sources.’ and then went on to talk solely about paper products. The policy was vague, there was no clear implementation, it did not exclude all illegal and unknown sources, was not clearly implemented, there was a lack of clear goals for removing problematic timber from the supply chain although it did outline further work the company would be doing on the issues, there were no good minimum standards, it did not state that preference was given to certified sources, it did not say what proportion of products were FSC certified, or whether its tropical hard-wood products were certified or mention involvement in multi-stakeholder initiatives or the use of recycled or reclaimed wood used. Tesco was awarded a worst rating by Ethical Consumer for its wood sourcing policy. (ref: 204)

Allegations of breached planning rules (2006)

According to a BBC investigation released on 18th August 2006 and covered on the news.bbc.co.uk website, Tesco had been found to have breached planning regulations on some of its stores. A shop in Portwood, Stockport, was found to have been built 20% over the size for which the company had planning consent, and was still said to be open and turning over £1 million a week. At another site in Buckinghamshire a 27,000 tonne pile of waste, taken from an incident when the wall of a new Tesco store collapsed onto a main train line, was said to have been left on a Site of Outstanding Natural Beauty, despite orders from the council to remove it. The company was said to have claimed that it was trying to rectify the situation in both circumstances, but the journalist who made the original programme was quoted as saying that Tesco stood accused of “dragging out the planning process, challenging

enforcement orders, manipulating the planning laws, bending them, and breaking them on occasion.” (ref: 205)

Middle Ethical Consumer rating for wood sourcing policy (March 2011)

Dobbies, majority owned by Tesco, responded to an Ethical Consumer information request with its wood sourcing policy in March 2011. Ethical Consumer assessed this policy as follows: Dobbies has a wood sourcing policy which is clearly implemented, giving clear preference to certified wood products. All of its tropical hard-wood products were FSC certified and it mentioned the use of reclaimed or recycled wood. However, the policy did not appear to exclude all illegal and unknown sources from the company’s timber supply chain and there was a lack of clear goals for removing problematic timber as well as a lack of minimum standards. There was also no mention of multi-stakeholder initiatives. As a result the company was awarded a middle rating by Ethical Consumer for its wood sourcing policy. (ref: 206)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (February 2011)

Ethical Consumer contacted the major garden furniture retailers in February 2011, including Dobbies, with a questionnaire. When asked about its policy on animal testing, the company made the following statement: ‘Dobbies is currently developing a written policy on animal testing. Our own-brand products are not tested on animals, for cosmetic purposes, however we do recognise that until satisfactory replacement tests are available some animal testing may be carried out by other parties to meet regulatory requirements and to protect public health. As part of our ongoing program to promote social, ethical and environmental performance within our supply chain Dobbies will be working with branded suppliers through our supplier assessment and approval processes to confirm that they have a proactive animal testing policy.’ (ref: 203)

Middle ECRA rating for animal testing policy (July 2011)

A search was made of the Tesco website (tescoplc.com) in July 2011. The following statement was found about animal testing:

“We do not support testing on animals for cosmetic or household products and do not carry out or commission such tests on our own-brand products or the ingredients they contain. Tesco Naturally and Natural ranges do not use any ingredient that has been tested or retested on animals for cosmetic purposes since 31 Dec 1990. All other Tesco products operate a fixed cut off date, for ingredients, of 31 Dec 2007. We support FRAME which seeks to end animal testing.”

Although Tesco had a good own-brand policy, because the company sold other brands that did use animal testing, the company received middle ECRA rating in the animal testing column. (ref: 202)

Factory farming

Local sourcing policy and sale of meat (February 2011)

Ethical Consumer contacted the major garden furniture retailers in February 2011, including Dobbies, with a questionnaire. When asked about its policy on local sourcing, the company made the following statement: ‘Dobbies’ key focus on local sourcing at present relates to the goods sold in our Farm Foodhalls. We do not have a written policy on the levels of locally sourced product that should be offered but in practice we are sourcing around 20% of the goods in our Farm Foodhalls from within 40 miles of the store. There is a much wider range of branded Scottish and UK products on sale that could be considered local depending on the distance travelled but we do not include this as direct local

sourcing. Our 17 Farm Foodhalls also have local butchers in residence to supply locally sourced meat products to customers. Not only does this allow the supply of local meat it also allows Dobbies to support small local businesses by offering them retail space within our stores.

Where it possible Dobbies also support local horticultural businesses and nurseries by directly sourcing a wide range of bedding plants, herbaceous perennials, climbers, trees, heathers and herbs from local growers. For example, at our store planned for opening in late 2011 in Carlisle we have been working with Westland to provide a substantial proportion of the plant stock from this recognised local grower.

There was nothing in the response or available on the company’s website to indicate that the meat sold in Dobbie’s food halls was from free range animals.

As Dobbies develops a wider remit and understanding of social / environmental responsibilities we will work with local suppliers and our Buying/Merchandising teams to develop a plan to increase local sourcing across the full product range offering Dobbies Garden Centres. This will form a written policy detailing the level of locally sourced goods that should be offered in stores. This policy will be reviewed once in place to ensure that we are able to offer customers the level of quality and quantity they expect and a price that they are willing to pay. Where we are unable to secure a local supplier who is unable to provide our customers with the volumes at the quality they desire we may increase the distance deemed to be “local” in order to ensure supply, whilst maintaining a local focus.’ (ref: 203)

Sale of factory farmed meat and eggs from caged birds (2008)

On its website (www.tescocorporate.com), viewed November 2008, Tesco outlined its position on animal welfare. It stated that it met all legal and industry standards for animal welfare and that it aimed to increase sales of chickens raised with higher welfare standards. However, it did not mention any targets to reduce sale of factory farmed birds or eggs from caged hens. Since the company sold non-organic and non-free range meat and eggs, ECRA considered it likely that these products had come from factory farmed sources. Tesco was the subject of a campaign by Compassion in World Farming in 2008 due to its refusal to pledge to improve conditions of its chickens sold for meat or used to produce eggs. (ref: 207)

No commitment to cage-free hens (2007)

According to Farm Animal Voice Winter 2007 Tesco was one of the only supermarkets to have made no commitment on going ‘cage free’ and eliminating products from battery hens from its stores. (ref: 208)

Animal Rights

Leather on sale (July 2011)

A search was made of the Tesco website (tesco.com) in July 2011. It was found that the company sold items made with leather. The manufacture of leather involved the slaughter of animals (ref: 202)

Sale of leather products (March 2011)

In February 2011 Ethical Consumer searched the Tesco Stores Limited website, direct.tesco.com, and found a number of products made with leather. As this was a slaughterhouse byproduct, the company lost half a mark in the animal rights category. (ref: 209)

(See also ‘Local sourcing policy and sale of meat’ in **Factory farming above.**)

People

Human Rights

No commitments to source gold and diamonds responsibly (July 2011)

In July 2011 a search was made on the Tesco plc website, direct.tesco.com, and a number of products made with gold and diamonds were found. No mention of responsible sourcing of gold or diamonds was made on the company's website. An internet web search indicated that the company had not signed the No Dirty Gold campaign to end irresponsible mining practices, nor was it a member of the Responsible Jewellery Council, which aimed to advance responsible business practices throughout the diamond and gold jewellery supply chains. The January/February 2011 issue of Ethical Consumer highlighted the role of diamonds in fuelling conflict in Africa. The Channel Four Dispatches programme "The Real Price of Gold", which was broadcast on 27th June 2011 and in which Ethical Consumer participated, highlighted some of the problems in gold supply chains around the world, including environmental destruction, child labour and the human rights impacts of pollution. The publication "Golden Rules: Making the case for responsible mining", published by Earthworks and Oxfam America, also highlighted issues of forced displacement of local communities as a result of gold mining. Tesco plc therefore lost half a mark in the pollution and toxics category due to its lack of commitment to responsible gold mining, and a full mark in the human rights category as a result of the impacts of gold and diamonds. (ref: 202)

Violations of the rights of Bangladeshi garment workers (2009)

A report published by the Corporate Responsibility (CORE) Coalition in May 2009 revealed abuses of garment workers' rights in Bangladesh. According to the report, half of all Bangladesh's garment exports were destined for the European market, including the UK. It said that major retailers, including Tesco, bought tens of millions of pounds worth of clothing produced by Bangladeshi workers each year. The power wielded by these large UK buyers over the terms of purchasing contracts was said to be used to impose very demanding requirements for low prices and fast turnaround times on Bangladeshi factories, creating competitiveness, often at the cost of workers' rights. The report said that Bangladeshi garment workers were paid extremely low wages, with an average monthly wage of less than £25, far below what had been calculated to represent the costs of basic necessities in Bangladesh. Workers were typically required to work 10-16 hours per day, in violation of both existing Bangladeshi law and ILO Conventions. Another major problem in the sector, as identified by this report, was that most workers were denied freedom of expression. Trade unions that enabled independent representation of workers' interests and concerns remained illegal within the export processing zones (EPZs). From January 2007-December 2008 a caretaker government ruled that industrial action and trade union activity were punishable with a sentence of between two and five years' imprisonment. As well as legal barriers to workers exercising their rights to collective bargaining and freedom of expression, they were also said to face harassment, including sexual harassment and intimidation if they sought to defend their rights. Some workers had reported that physical violence had been used to repress organising efforts, with cases of illegal dismissal, harassment and beatings by law enforcement agencies or factories' private security or imprisoned on falsified charges. (ref: 24)

Labour abuses detailed in Action Aid report (2007)

According to the 2007 Action Aid "Who Pays?" report, Tesco was involved in several problematic practices. The report focussed on supermarkets, particularly those that were the "Big 4" in the UK at the time of the report, of which this company was one.

The report stated that "the pressure on [supermarket] suppliers to

deliver more for less is passed on to workers in the form of low wages, job insecurity and a denial of their basic human rights."

The report looked at banana, garment and cashew nut companies that supplied the supermarkets. It stated that health and safety provisions were not adhered to when suppliers' margins were squeezed by supermarkets.

A worker on a plantation that supplied Tesco was quoted as saying "Eight years ago the majority of packers were women. Now they're mostly young men. The company doesn't want women, because they get pregnant or ill. The company only wants young men these days, who don't complain and are fit."

The report stated that most garment factory workers in Bangladesh receive a wage that is far from meeting their basic needs. A worker in one of these factories, that supplied Tesco, stated that sometimes, her family did not have enough to eat. Tesco responded to these criticisms, according to the report, but only to say that it had come across this information in the course of its monitoring. (ref: 191)

Workers' Rights

Exploitation of young female workers at Indian supplier (May 2011)

A report published by SOMO in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, 'Captured by Cotton' demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say "Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour."

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies. One of these suppliers, KPR Mill, produced products which were purchased by Tesco, among other well-known brands. It employed around 10,000. The report showed that workers were employed there under a Sumangali scheme at least until August 2010.

Buyers from the company had indicated that improvements in working conditions had been made since September 2010. However, the report quoted research from April 2011 which stated that in interviews, workers who had left the factory in January 2011 and October 2010 indicated that workers' rights infringements still occurred at KPR. They said workers were still employed under the Sumangali scheme and were severely restricted in their freedom of movement. The interviewed girls had worked at the factory for 2 to 2.5 years but not received anything

of the promised lump sum amount. (ref: 81)

Workers' rights abuses at supplier factories (2011)

According to a report published by the International Textile, Garment and Leather Workers' Federation in April 2011 (ITGLWF), many sportswear brands were still exploiting labour in developing countries. The report, 'An Overview of Working Conditions in Sportswear Factories in Indonesia, Sri Lanka & the Philippines' examined the working conditions in 83 garment factories in these countries (18 factories in Indonesia, 17 in Sri Lanka and 47 in the Philippines). Tesco was among the brands named as currently sourcing from these factories at the time the research conducted.

The research found that not one of the 83 factories surveyed paid workers a living wage, and the majority didn't even pay the local legal minimum wage. Instances of forced overtime (in some cases to the tune of 40 hours per week) were also found to be very common, with some factories verbally or physically abusing workers who tried to refuse overtime. Also, non-payment of wages and overtime or performance supplements were reported in all three countries.

Seven of the factories were found to prohibit trade union representation. In some cases where representation was authorised, factory management selected trade unions representatives who could be trusted to represent them, and some received extra benefits for doing so.

In all three countries, the majority of the workforce was female and under the age of 35. The report found that gender discrimination occurred in Sri Lanka and the Philippines, with some factories in those countries failing to provide maternity leave and similar benefits as required by law. Some factories in Sri Lanka made pregnant workers carry out their usual heavy-duty tasks up to 7 months into their pregnancy. A small number of factories were found to carry out pregnancy testing before hiring employees, and others reported sexual harassment, which in many cases resulted in no sanctions being imposed. (ref: 121)

Living wage and hours abuses (February 2010)

According to an article on the Ekklesia website (ekkleisia.co.uk) dated 25 February 2010, some workers in Tesco's supply chain, in four Bangladeshi factories, were paid well below a living wage and sometimes worked 80 hours a week. The ETI Base Code states that a living wage should be paid and that working hours should not exceed 48 hours plus 12 hours voluntary overtime. (ref: 210)

Supply Chain Management

Middle ECRA rating for supply chain policy (August 2010) SUPPLY CHAIN POLICY (good)

The Tesco website (www.tesco.com) was searched by Ethical Consumer in July 2011. The company's latest Corporate Responsibility report (dated 2011) was downloaded. The report stated the ETI and that it expected its suppliers to meet the standards set out in the ETI Base Code. It did not list the standards, but included a link to the ETI website. This included adequate clauses on freedom of association, living wage, hours in a working week, prevention of discrimination, child labour and forced labour.

STAKEHOLDER ENGAGEMENT (rudimentary)

Tesco was a member of the Ethical Trading Initiative No evidence of systematic input from NGOs in the country of supply into

the verification of labour standards could be found. The report contained details of a confidential telephone line and email address where employees could report anonymous complaints about management. However, this information appeared in the 'Creating good jobs and careers' section of the report, and appeared to apply only to Tesco employees, rather than workers at supplier factories around the world. The company's website (www.tescopl.com) mentioned a pilot grievance mechanism, but this had not been rolled out across all suppliers at the time of writing.

AUDITING AND REPORTING (rudimentary)

The company used SEDEX to record its audit results, which was considered a positive move, although this did not make audit results transparent. The company's website stated that "high-risk supplier sites subject to annual independent ethical audits, medium risk sites being audited once every two years, and low-risk sites required to review their self-assessments every 6 months." No clear statement could be found in which the company made a commitment to auditing the entire breadth and some depth of its supply chain. Although the company stated that it was working with the Global Social Compliance programme on this, a staged approach to remediation could not be found, nor any mention of who paid the costs of audits.

DIFFICULT ISSUES (reasonable)

The company adopted semi-announced audits for all high-risk sites, in order to combat audit fraud. It stated a preference for long-term supplier relationships, and had set up a 'preferred supplier' scheme for its clothing businesses in which it aimed to develop a three-year business plan with all Gold suppliers (as opposed to Silver or Bronze). The company's website mentioned ethical trading training courses for suppliers, but did not indicate that these were ongoing. The company's website stated that "in the Indian sub-continent and supported by our local Ethical Trade Manager, we worked closely with The National Homeworkers Group, the Bangladesh Buyers Forum, the Indian Brands Ethics Working Group, the Apparel Exporter Promotion Council and SEWA (the Self-Employed Women's Association)."

The company received Ethical Consumer's best rating in this category. (ref: 211)

Membership of ETI (2008)

According to the ETI website www.ethicaltrade.org, visited by ECRA in November 2008, Tesco was listed as a member. For companies to be accepted as members, they were required to commit to adopting the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 30)

Supply chain criticism (September 2006)

According to the Labour Behind the Label (LBL) report, "Let's clean up fashion", published in September 2006, LBL had several criticisms of Tesco. The report noted that although the company was working on implementing a living wage methodology in supplier factories, this was only at the level of a few pilot projects. LBL also alleged that the company made no real efforts to make sure that its workers had access to freedom of association and collective bargaining, even though the company had acknowledged that management and worker training was needed in order to achieve access.

LBL also expressed concerns about the lack of robust procedures to monitor and verify that workers rights were being upheld, but

also noted that Tesco was a member of the ETI and the Multi Fibre Agreement Forum. The report stated that Tesco had operations in China, which was on ECRA's list of oppressive regimes at the time of writing.

Of particular note is this statement in the report "Riots over wages by workers at a Bangladesh factory supplying Tesco earlier this year [2006] resulted in a worker being killed in clashes with police". (ref: 29)

Irresponsible Marketing

Sells tobacco products (2007)

The Mintel December 2007 Convenience Retailing Report defined convenience retailers as 'open 7 days a week... and selling an extended range of goods including tobacco products...' Tesco Express and One Stop was a retailer profiled in this report. (ref: 196)

Caught breaching EU rules on harmful chemicals (2010)

According to an article which appeared on the Ecologist website (www.ecologist.org) on 13 October 2010, major retailers in Europe including Tesco were found to be breaking EU rules designed to protect consumers from harmful chemicals, according to an investigation.

Under the landmark Registration Evaluation Authorisation and restriction of Chemicals (REACH) legislation introduced in 2007, consumers, upon request, had been given the 'right to know' about whether products they were buying contained certain chemicals known to be toxic or carcinogenic. These harmful chemicals were due to be phased out in the future but in the meantime were listed by the EU as substances of very high concern (SVHC).

An investigation by the European Environmental Bureau (EEB) to test this legislation saw just 22 per cent of requests receive adequate responses. Half of the requests were not answered at all by retailers including Tesco.

In the case of Tesco, stores in Hungary were selling flip flop shoes containing harmful chemicals.

'Whether it is a misunderstanding of their requirements or a clear and informed refusal remains to be seen but some retailers are clearly failing their obligations regarding REACH,' said an EEB report on their investigation.

Many retailers confessed to being unable to find the products requested on their inventory or being unable to get information from suppliers. But EEB said ultimately retailers were responsible and required by law to have all relevant safety information.

'All citizens ought to be given full information about what properties of chemicals are in the products they buy. A parent, for instance, should automatically be informed whether a pencil case for their child contains phthalates which can impair sexual development,' said Christian Schaible, EEB Chemicals Policy Officer.

"Unfortunately, EU law forces consumers to repeatedly ask about chemicals in stores, and suppliers are only obliged to give information under specific conditions. However, we have shown that not even this legal right is guaranteed in practice", he added.

A spokesperson for Tesco said it was aware of its requirements under REACH. 'We have a Restricted Chemicals Code of Practice in place for Clothing and Footwear that includes the SVHC's detailed in REACH. We have worked closely with our suppliers to identify these substances and have replaced them with suitable alternatives.' (ref: 212)

Politics

Genetic Engineering

GM possible in certain food products (2006)

According to the Greenpeace Shoppers Guide to Genetic Modification, viewed on the Greenpeace UK website on 7th September 2006, the following products had been given the 'red' rating applied to "food which may contain GM ingredients or be derived from animals fed on GM crops": Tesco pork and Tesco milk and dairy products. (ref: 151)

Boycott Call

Boycott call over slaughter of live turtles in China (July 2011)

Care for the Wild (CWI) were contacted in July 2011 and confirmed that their boycott of Tesco over sales of live turtles in Tesco China stores was ongoing.

Evidence from CWI investigations in Tesco China stores during 2010 has revealed that:

- * Live turtles are displayed adjacent to tanks of ice. The cooling of the turtles' environment in this way is likely to be detrimental to their welfare.

- * Contrary to Tesco's stated policy, Chinese soft shelled turtles are not the only species being offered for sale in Chinese stores.

- * Turtles are purchased live by the customer for slaughter at home, or slaughtered in-store

- * Contrary to Tesco's stated policy, store staff indicated that different methods of slaughter could be used depending on the customer's requirements. Tesco claims it operates a standardized in-store slaughter policy involving decapitation followed by immediate crushing of the skull.

CWI has also accumulated evidence to show that the farming of turtles in China is not sustainable and is damaging to wild populations. The sale of live turtles to the public also presents a significant public health risk.

When challenged at Tesco's shareholders AGM in 2008, Sir Terence Leahy claimed that any future sale of live turtles would be based on "sound science". (ref: 213)

Political Activities

Lobbying against proposal for ombudsman (29 November 2009)

According to an article on the Guardian website (guardian.co.uk), dated 29 November 2009, Tesco had been lobbying against the proposal for an independent ombudsman. It was said that issues with the way that supermarkets treated suppliers had prompted the Competition Commission's proposal for an ombudsman to regulate the sector. It was said that Tesco declined to comment on the issue the night before the article was published. (ref: 197)

Tax avoidance plan (15 January 2009)

On 15th January 2009, the New York Review of Books published an article written by the then editor of the Guardian, Alan Rusbridger. The article was an attempt to explain the recent libel battle with Tesco over an article that the Guardian had published. The article also explored some of the pitfalls of UK libel law.

It was stated that, on 4th April 2008, the Guardian was sued by Tesco in relation to an article the newspaper had published which alleged that the company had been avoiding paying large amounts of corporation tax. The Guardian subsequently admitted that some of the facts of the article had been wrong and printed an apology. It was later discovered that the information that had led the Guardian to believe that the company was avoiding a large amount corporation tax, actually related to the company avoiding a smaller amount of Stamp Duty Land Tax. However, it was said that Private Eye then discovered information that the company was using certain methods to avoid corporation tax, one of which had subsequently been outlawed by the government.

Tesco was said to have originally stated that the Guardian's claim that it was avoiding corporation tax was a "devastating attack on [the company's] integrity and ethics". The article also provided some information about the company's use of the following tax havens:

Cayman Islands

Jersey

Luxembourg

Rusbridger stated that the Guardian had, on 16th May that year, made an offer of amends to the company. This legal tool had recently been introduced by Parliament "as a means of settling defamation cases quickly and with minimum cost". Tesco did not readily decline or accept. According to the article, the judge in the case found against Tesco on all counts, and ordered the company to state whether or not it would "walk through the open door provided by the offer of amends."

It was stated that the company was also involved in similar litigation relating to its operations in Thailand, where the defendant, a Thai MP, faced the possibility of 2 years in jail. It was said that copies of the Guardian's apology were given out to those involved in the trial. Thailand was on Ethical Consumer's list of oppressive regimes at the time of writing.

The article also made the point that, at the time, the global financial crisis meant that it would be an apt point at which to scrutinise organisation's financial dealings more carefully, and that libel actions of this nature made this less likely. Rusbridger went on to outline the pitfalls of UK libel law, where the burden of proof is on the defendant, and the pitfalls of producing journalism on these subjects, where the only way to protect the publisher was to employ a prohibitively expensive amount of expert advice beforehand. (ref: 214)

Political Donations in the UK (2007)

According to Tesco's Annual Report and Financial Statements 2007 viewed on their corporate website (www.tescocorporate.com) on 6 February 2008:

"There were no political donations (2006 – £nil). During the year, the Group made contributions of £41,608 (2006 – £54,219) in the form of sponsorship for political events: Labour Party £11,000; Liberal Democrat Party £5,350; Conservative Party £4,218; Progressive Democrat Party £2,213; Fine Gael £1,476; Fianna Fail £1,408; the Republic of Ireland Labour Party £234; Trade Unions £15,709." (ref: 215)

Anti-Social Finance

Child labour in cosmetics supply chain (19 July 2009)

According to an article in on the Times website (www.timesonline.co.uk), dated 19 July 2009, child labour had been found in Tesco's supply chain. It was said that the company sourced mica from S Black, which in turn sourced it from Merck. The article stated that Merck KGaA sourced mica from Jharkhand, India, where child labour was widespread. A local NGO was said to estimate that "tens of thousands of local children may be working in mica mines." It was said that a six year old girl and her eight year old sister were found sifting through stones hoping to earn enough for a meal. The reporter was said to have found 15 other children working in similar situations. One of the workers stated that "If we each earn 50 rupees (63p) in a day then we eat... Sometimes we don't". To earn this amount, workers were said to have to work 12 hours a day. One of the workers stated that "loose earth falls down all the time. Last year one girl was buried". It was not clear whether or not she lived. It was said that the minimum working age in India was 14 but that for mine work, it was 18. It was said that police were bribed to overlook these legal breaches. Several workers mentioned that they scared of getting malaria and snake bites. Other workers stated that they had incurred exhaustion, broken bones and heatstroke.

According to the article, Tesco stated that it would get in touch with suppliers and investigate and that it was taking the matter seriously. Mica is used in the production of some cosmetics. (ref: 216)

(See also 'Tax avoidance plan' in Political Activities above.)
(See also 'Criticised over practices on suppliers, farmers, workers and the environment' in Climate Change above.)

Product sustainability

Fairtrade Product

Fairtrade Foundation-certified clothing (July 2011)

A search was made of the Tesco website (tesco.com) in July 2011. It was found that the company sold clothing certified by the Fairtrade Foundation. (ref: 236)

Organic Product

Organic clothing (July 2011)

A search was made of the Tesco website (tesco.com) in July 2011. It was found that the company sold organic t-shirts in aid of Climate Week. (<http://blog.clothingattesco.com/tag/organic/>)

The company also stocked organic lingerie by a separate company called O Lingerie.

No other evidence of organic clothing products could be found. (ref: 236)

TK Maxx clothing

Owned by TK Maxx

TK Maxx, TK Maxx and HomeSense, 50 Clarendon Road, Watford, WD17 1TX

TK Maxx is owned by TJX Companies Inc

TJX Companies Inc, 770 Cochituate Rd, Framingham, Massachusetts, 01701, USA

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

Ethical Consumer viewed the TK Maxx website, www.tkmaxx.com, in July 2011 and found a section on the environment which showed a reasonable understanding of the company's environmental impact as it mentioned recycling of clothing, as well as reducing waste and water use and carbon emissions. However it did not include meaningful quantified recording of past performance and did not include any targets for future improvement. The company was therefore awarded a worst rating by Ethical Consumer for its environmental reporting. (ref: 217)

Pollution & Toxics

Sale of PVC (July 2011)

Ethical Consumer searched the TK Maxx website, www.tkmaxx.com, in July 2011 for a policy on the sale of PVC. No such policy could be found and the company had until recently been selling PVC bags which at the time of the search were currently out of stock. Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 217)

No policy on PVC (July 2011)

Ethical Consumer searched the TJX website, www.tjx.com, in July 2011 for a policy on the sale of PVC. No such policy could be found. Given the highly variable nature of the company's stock it was assumed that without a policy indicating otherwise, that the company at times sold PVC products. Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 218)

Sale of items incorporating nanotechnology (July 2011)

Ethical Consumer searched the TK Maxx website, www.tkmaxx.com, in July 2011 and found that the company was selling a number of hair straightening products which incorporated nanotechnology. Campaigners had documented growing evidence that nanomaterials pose a unique but so far poorly understood range of toxicity problems, along with concerns about the wider social and economic impacts of nanotechnology. (ref: 217)

Pollution & Toxics

No cotton sourcing policy (July 2011)

The TJX Companies Inc website was searched in July 2011 for the company's policy on GM cotton. No such policy, nor any mention of GM cotton could be found.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. As a result, the company lost half a mark in the Genetic Engineering category. (ref: 248)

Animals

Animal Testing

Sale of cosmetics and toiletries with no animal testing policy (January 2009)

Ethical Consumer searched the TK Maxx website, www.tkmaxx.com in July 2011 and found that the company was retailing a number of brand name toiletry products made by companies known to test on animals. (ref: 217)

Factory farming

Passing off real fur as fake (December 2007)

According to an article posted on the Mail Online website, www.dailymail.co.uk, dated December 7th 2007, titled 'Scandal as stores pass off real fur as fake', an RSPCA investigation had found that TK Maxx was selling clothes made from animal skins which were labelled as being synthetic. Laboratory tests revealed that the trim of a coat bought by a mystery shopper, labelled as being made from polyester and nylon, was in fact made from arctic fox. Following the RSPCA investigation, TK Maxx said it was "committed to enforcing rigorous processes to ensure real fur product does not enter our business. TK Maxx is proud to have implemented a long-standing policy with regard to not buying real fur product," the company said. "It was therefore with great surprise and regret we learned a coat with real fur trim was found in one of our stores." A more recent blog article suggested that the company was still selling real fur despite in theory operating a fur free policy, but that it would remove real fur items if they were pointed out by customers. (ref: 219)

Animal Rights

(See also 'Passing off real fur as fake' in **Factory farming** above.)

Sale of leather and silk (2011)

A search of the TK Maxx website (www.tkmaxx.com) in July 2011 revealed that the company was selling leather and silk as a matter of course. As a slaughterhouse byproduct, leather was considered to be an animal rights issue, silk was considered to be an animal rights issue as the process involved killing silk worms. (ref: 217)

Sale of leather and silk (2011)

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be an animal rights issue as the process involved killing silk worms. (ref: 247)

People

Human Rights

Criticised for slow progress on improving precious metal supply chain (March 2010)

In March 2010 EARTHWORKS and the No Dirty Gold campaign released the report "Tarnished Gold? Assessing the jewelry industry's progress on ethical sourcing of metals". The No Dirty Gold campaign was said to be "an effort to educate and motivate consumers and jewelry retailers to push the mining industry towards more responsible practices". More than 60 companies were said to have signed up to the campaign's Golden Rules principles for responsible sourcing of precious metals since the campaign was launched in 2004. The report was said to be an evaluation of the efforts made by jewellers towards responsible sourcing, based on their responses to a survey sent to them. Companies were graded based on their self-reporting of progress, or lack thereof. It was noted in the report that at present there is no widely accepted, independent third-party certification system for precious metals. The Golden Rules highlighted possible detrimental human rights, workers rights and environmental impacts of mining precious metals.

TJ Maxx was graded F for failing to sign the Golden Rules or respond to the survey. The company lost half marks in the pollution and toxics, workers' rights and human rights categories. (ref: 221)

Subsidiaries in two oppressive regimes (March 2011)

According to its list of subsidiaries included in its filing with SEC Info dated March 30th 2011, TJX had subsidiaries in India and China (Hong Kong), both of which were on Ethical Consumer's list of oppressive regimes at the time of writing. (ref: 222)

Supply chain criticisms (September 2006)

According to the Labour Behind the Label report, "Let's clean up fashion", published in September 2006, LBL had several criticisms of TK Maxx. LBL alleged that the company did not "accept the principle of a living wage". LBL also alleged that although the company did accept the right to freedom of association and collective bargaining, it could not demonstrate how it enforced this right.

LBL also expressed concerns about the lack of robust procedures to monitor and verify that workers rights were being upheld. The company is not a member of a Multi-Stakeholder Initiative such as the ETI. The report stated that TK Maxx's own website indicated that it sourced products from China, China was on ECRA's list of oppressive regimes at the time of writing. (ref: 29)

Workers' Rights

Fine for accident which left employee unconscious for a month (2008)

According to Hazards January/March 2008 Number 101 TK Maxx had been fined £50,000 after employee Christopher Polles, 51, fell off a ladder and was unconscious for almost a month. Management was said to have been aware there was a problem with a conveyor he was unblocking at the company's distribution centre in Chesterton and had been advised by the local council on the action to take, but had failed to act. (ref: 223)

(See also 'Criticised for slow progress on improving precious metal supply chain' in **Human Rights** above.)

'Disappointingly slow' on labour rights (2007)

In 2007, Labour Behind the Label (LBL) interrogated the biggest players in the fashion industry, to see what progress had been made since their last survey in 2006 towards a living wage, freedom of association and monitoring & verification for the labour behind the labels. TK Maxx was placed in a section titled 'disappointingly

slow'. The report said that these brands were the most frustrating. With a long experience of working on ethical trading, LBL would have expected them to be much further ahead, yet they didn't seem particularly concerned about the slow pace of progress, or else they seemed to think that things were going pretty OK in their supply chains. In some cases, they took exception to LBL's criticism the previous year, but this only confirmed LBL's feeling that these brands were in denial. It said that these companies needed a reality check, and needed to move much faster. (ref: 217)

Supply Chain Management

Worst ECRA rating for supply chain management (2011)

The TK Maxx website, when searched by Ethical Consumer in July 2011 for the company's supply chain management strategy, displayed the code of conduct of its parent company.

SUPPLY CHAIN POLICY (rudimentary)

The code covered health and safety, child labour referring to a child as anyone below 14, forced labour, wages but not stipulating a living wage, working hours with a working week limited to 60 hours but allowing for more during extraordinary circumstances, harassment and abuse, discrimination and freedom of association where such rights are recognised by law. Ethical Consumer considered this to constitute a rudimentary supply chain policy.

STAKEHOLDER ENGAGEMENT (poor)

The only reference to stakeholder engagement involved the company's involvement in multi-stakeholder meetings on the issue of child labour in the Uzbekistan. Although commendable, as this did not involve ongoing engagement with named NGOs for systematic improvement of working conditions throughout the whole supply chain, the company's stakeholder engagement was considered to be poor.

AUDITING AND REPORTING (poor)

The company went into some detail on auditing and reporting but did not appear to publish audit results, an schedule or audit plan and it left responsibility for compliance with the code of conduct by subcontractors with the vendors doing the subcontracting. Ethical Consumer considered this to constitute a poor approach to auditing and reporting, despite the company having a good remediation strategy and stating that it aimed to improve factories rather than pull out of them.

DIFFICULT ISSUES (rudimentary)

The company showed an awareness that its small percentage of private label purchases may not represent a large enough or consistent enough percentage of a specific factory's business to exert meaningful influence on its business practices. It said this was one of the reasons that it focussed its Vendor Social Compliance initiative so heavily on the cooperation, support and leadership of its buying agents, whose relationships with production facilities through multiple purchasers tend to be more extensive than TJX's on its own. Ethical considered this to be a difficult issue that the company was taking steps to address. (ref: 217)

(See also 'Supply chain criticisms' in Human Rights above.)

Politics

Genetic Engineering

Use of GM cotton in clothing products (July 2011)

The TJX Companies Inc website was searched in July 2011 for the company's policy on GM cotton. No such policy, nor any

mention of GM cotton could be found.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. As a result, the company lost half a mark in the Genetic Engineering category. (ref: 218)

Political Activities

Lobbying and political donations (2010)

According to the Open Secrets website, www.opensecrets.org, in 2011 TJX Companies spent \$320,000 on lobbying activities with the Podesta Group. (ref: 224)

Anti-Social Finance

Subsidiaries in two tax havens (March 2011)

According to its list of subsidiaries included in its filing with SEC Info dated March 30th 2011, TJX had subsidiaries in Ireland and Hong Kong, both of which were on Ethical Consumer's list of tax havens at the time of writing. (ref: 222)

Excessive director pay (2011)

According to a filing with the Securities and Exchange Commission, dated April 28th 2011, compensation for at least five key executives of TJX were in line to receive in excess of £1million that year in compensation, the highest figure being \$23,079,110 for its chief executive. Ethical Consumer deemed any remuneration sum above £1million to be excessive. (ref: 225)

Uniqlo clothing

Owned by UNIQLO Co. Ltd

UNIQLO Co. Ltd is owned by Fast Retailing Co. Ltd

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

The Fast Retailing 2011 CSR report was downloaded from the company's website (www.fastretailing.com). This document contained only one page dedicated to the company's environmental initiatives. It included data from 2010 measuring the company's energy usage, usage of packaging, CO2 emissions and amount of products recycled. It did not demonstrate a good understanding of the company's main impacts as no mention was made of cotton growing, which as a clothing company would be a major aspect of the company's business. It did not set any dated, quantified future targets for reduction of its environmental impacts, nor mention any independent verification of the environmental data given. The company received Ethical Consumer's worst rating in this category. (ref: 226)

Climate Change

Lowest effective ranking for carbon impact disclosure (June 2011)

The Carbon Disclosure Project is a scheme designed to encourage corporate carbon impact reduction through regular public reporting and disclosure. In its 2010 Global 500 Report, Fast Retailing was listed as 'no response' thereby giving it the lowest effective ranking on carbon transparency amongst the biggest 500 companies in the world. Only 77 other companies scored as low as this putting the company in the bottom 16% of global corporations on this issue. (ref: 227)

Pollution & Toxics

No cotton sourcing policy (2011)

The Fast Retailing Co. website (www.fastretailing.co.uk) was

searched by Ethical Consumer in April 2011 for the company's policy on cotton sourcing. No such document could be found, nor any mention of the social and environmental concerns associated with cotton production. According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of forced child labour in its production, Fast Retailing Co Ltd lost a mark in the workers rights category. Due to the impacts of the widespread use of pesticides in cotton production worldwide the company also lost half a mark in the and pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the companies avoided it, it was assumed that the companies' cotton products contained some GM material. (ref: 226)

Animals

Animal Rights

Sale of silk, leather and merino wool products (2011)

The Uniqlo website (www.uniqlo.com), viewed by Ethical Consumer in July 2011, included an article dated 2010 which publicised the company's new range of merino wool garments.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called "flystrike," Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of unanesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbor fly eggs, yet the bloody wounds often get flystrike before they heal. Products containing silk and leather were also found. Both were considered to be animal rights issues; leather being a slaughterhouse by product and the process of making silk involving killing silk worm larvae. (ref: 228)

People

Human Rights

Operations in four oppressive regimes (2011)

According to the Fast Retailing Co 2011 CSR report, the company had production offices in China and Vietnam. The document also included a map showing where its employees were based. This map listed employees as being based in the USA and Russia. All four were on Ethical Consumer's list of oppressive regimes at the time of writing. (ref: 226)

Workers' Rights

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Supply Chain Management

Worst ECRA rating for supply chain management policy (2011)

The Fast Retailing Group Code of Conduct for production partners was downloaded from the company's website (www.fastretailing.com) in April 2011. The same one page document also appeared in the company's 2011 CSR report.

SUPPLY CHAIN POLICY

The document was said to have been put together 'drawing upon the conventions and recommendations of the International Labour Organization' (ILO). It contained clauses on prohibition of discrimination and harassment and allowed the forming of trade unions. However, although it contained a clause which said child labour was prohibited and two which stated only 'wages and benefits' and 'working hours,' these were considered by Ethical Consumer to be insufficient as they did not clearly define their scope. In the case of the prohibition of child labour, the age of the child was not defined, and nor was the length of the working week, or payment of a living wage stated. Ethical Consumer consider Fast Retailing Co as having a worst supply chain policy.

STAKEHOLDER ENGAGEMENT

No evidence could be found of any stakeholder engagement on supply chain management issues.

AUDITING AND REPORTING

The report stated that the company's 'major partners' (the suppliers who owned the majority of its production facilities) were all required to sign and pledge to comply with its Code of Conduct. The CSR report stated that in FY 2010 the company had audited 174 suppliers, but did not say what proportion of the total this constituted or where they were based in the world. It gave a basic schedule for audits which stated that once suppliers had signed the code of conduct, regular monitoring (twice yearly, 'in principle') began. The supplier was categorised through this process as being either band A, B, C, D or E in relation to its social performance, A being the best. Grade A and B were passed, but C, D and E required further monitoring and if they didn't pass, their contract with the company was to be reviewed. The company gave details of how it dealt with cases of violations of its code of conduct. In one case, child labour was found to be being used, and in another, false records had been provided by suppliers to the company's auditors. In both cases, the company's stated response was to sternly reprimand the company (and the child, in the child labour case) and reduce its volume of business, neither of which were considered to be adequate remediation strategies.

DIFFICULT ISSUES

As mentioned above, the company was aware of the issue of falsification of records for audits. However, it did not have a considered step-by-step approach to eradicating this problem, aside from reiterating its code of conduct to or reprimanding the supplier, or reducing the business it gave them. The company did mention a nursery programme which gave parents time off work for child care which could be taken any time up until the child was a year old. After that, parents could return to work on reduced hours to allow time for child care. However, having made no mention elsewhere in the report of limiting working hours to

a reasonable level, Ethical Consumer did not consider this to be a thorough attempt at addressing a difficult issue. (ref: 226)

Politics

Genetic Engineering

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Anti-Social Finance

Subsidiaries in two tax havens (2011)

According to the Fast retailing Co. Ltd company factsheet on the Hoovers website (www.hoovers.com), viewed in April 2011, the company had subsidiaries in two countries which were considered by Ethical Consumer at the time of writing to be tax havens; Hong Kong and Singapore. (ref: 226)

Zara clothing

Owned by Zara

Zara is owned by Inditex Group

Inditex Group, Edificio Inditex, Avenida de la Diputacion, 15142 Arteixo, La Coruna, Spain

Zara is also owned by Gartler S.L. (50%)

Inditex Group also owns Zara organic clothing

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2011)

In response to Ethical Consumer's written request, in June 2011, for the company's environmental policy or report, the company stated that this information was presented in the company's Annual Report. The latest report (dated 2010) contained one dated, quantified future target; to reduce GHG emissions associated with logistics and distribution by 20% by 2020. It contained some detailed reporting on the previous two years' environmental achievements. Ethical Consumer did not consider the report to demonstrate a reasonable understanding of the company's main environmental impacts, since no mention was made of agriculture. With cotton being associated with huge pesticide and water use, Ethical Consumer felt that this was a serious omission from a garment-producing company's environmental report. The Annual Report had been audited by SGS, although it was unclear whether this included all environmental data presented. As a result, Inditex received Ethical Consumer's worst rating in this category. (ref: 229)

Pollution & Toxics

PVC products (2011)

According to the website of one of Inditex Group's brands (www.zara.com), viewed by Ethical Consumer in July 2011, the company sold some garments which were made with PVC. This was despite the company also stating that it made PVC-free footwear. Campaigners had been calling for a phase-out of PVC for many years due to toxics concerns. (ref: 230)

No cotton sourcing policy (2011)

In response to a written request from Ethical Consumer in June 2011 for Inditex Group's cotton sourcing policy, the company responded that it was a member of the Better Cotton Initiative and the Textile Exchange. However, Ethical Consumer did not feel that membership of these organisations adequately addressed the following issues relating to cotton;

According to the Environmental Justice Foundation website, www.ejfoundation.org, viewed by Ethical Consumer in February 2011, Uzbekistan was the third largest exporter of cotton in the world, and Europe was its major buyer. The website stated that forced

child labour, human rights violations and excessive pesticide use were "rife" in Uzbek cotton production. It was also said to have caused an "environmental catastrophe of astonishing proportions" as a result of its impact on the Aral Sea, reported to be 15% of its former volume.

Due to the high proportion of cotton on the British market likely to have come from Uzbekistan and the prevalence of child labour in its production, Inditex lost half a mark in the workers rights category. The company was working with the Better Cotton Initiative, however, this did not mean that the company was not sourcing Uzbek cotton.

Due to the impacts of the widespread use of pesticides in cotton production worldwide it also lost half a mark in the pollution and toxics category.

According to the International Service for the Acquisition of Agri-Biotech Applications (ISAAA), a non-profit pro biotech organisation, genetically modified cotton accounted for almost half of the 33 million hectares of global cotton planted in 2009. In response to Ethical Consumer's request for the company's policy on GM cotton, a company representative responded that the company did "not buy fibre directly; only finished products or fabrics are bought directly". Due to the prevalence of GM cotton in cotton supply chains and the lack of any evidence that the company avoided it, it was assumed that the company's cotton products contained some GM material. (ref: 231)

Animals

Animal Testing

No animal testing policy (January 2009)

The Massimo Dutti website (www.massimodutti.com) was viewed 23 January 2009 and was found to retail a range of fragrances. There was no evidence on a policy on animal testing on the company website and it therefore received a negative mark in this category. (ref: 232)

Animal Rights

Sale of products made of leather (2011)

The Zara website (www.zara.com), viewed by Ethical Consumer in July 2011, listed a number of clothing items on sale that were made from leather and silk. As leather was a slaughterhouse byproduct and silk was considered to be an animal rights issue as the process involved killing silk worms, the company lost a mark under the animal rights category. (ref: 233)

Sale of products containing merino wool (2011)

The Zara website (www.zara.com), viewed by Ethical Consumer in July 2011, showed a number of garments on sale which were made with the use of merino wool.

No information on the origins of this wool could be found. In the absence of a clear stated policy against using Australian merino wool, Ethical Consumer gave the company a negative mark in the animal rights category. According to PETA, the production of Australian merino wool involved the cruel practice of mulesing. Merino sheep are specifically bred to have wrinkled skin, which means more wool per animal. Attracted to the moisture, flies lay eggs in the folds of skin, and the hatched maggots can eat the sheep alive. In order to prevent this condition called "flystrike," Australian ranchers perform 'mulesing' which involves carving huge strips of skin and flesh off the backs of unanesthetized lambs' legs and around their tails. This is done to cause smooth, scarred skin that won't harbor fly eggs, yet the bloody wounds often get flystrike before they heal. (ref: 233)

People

Human Rights

Operations in seven oppressive regimes (2011)

According to the Inditex company website www.inditex.com, and the company's 2010 Annual Report, both viewed by Ethical Consumer in July 2011, the company had operations in the following countries regarded by Ethical Consumer at the time of writing as having oppressive regimes: Bangladesh, China, India, Russia, Saudi Arabia, Thailand and Vietnam. (ref: 230)

Workers' Rights

Criticised over fatal factory fire in Bangladesh (2010)

According to an article which appeared on the Business & Human Rights Resource centre website (www.business-humanrights.org) on 15 December 2010, a group of labour rights organisations has accused leading US and European clothing retailers and brands of failing to push for improved safety conditions in factories in Bangladesh, following the latest in a series of fatal fires at factories in the country. At least 25 workers were reported to have been earlier that week when fire broke out on the ninth and 10th floors of a factory outside Dhaka owned by the Ha-meem group, the fifth largest clothing manufacturer in Bangladesh.

Ha-meem, which owned several factories beyond the one affected by the fire, said on its Facebook page that buyers it worked with included Zara. (ref: 27)

Exploitation of young female workers at Indian supplier (May 2011)

A report published by SOMO in May 2011 revealed how garment suppliers in India are exploiting young unmarried women to provide themselves with a cheap, captive workforce.

The report, 'Captured by Cotton' demonstrated the widespread use of the Sumangali Scheme in the Tamil Nadu garment industry. The Tamil word Sumangali refers to a married woman who leads a happy and contented life with her husband with all fortunes and material benefits. Mainly poor families from rural areas send their daughters to work in garment factories with the Sumangali Scheme in order to save up for their dowry, by working a three-year contract at a factory with a promised lump sum at the end of it.

According to SOMO, the reality of working under the Sumangali Scheme stands in sharp contrast to the attractive picture that is presented to the girls and young women during the recruitment process. Excessive overwork, low wages, no access to grievance mechanisms or redress, restricted freedom of movement and limited privacy are part and parcel of the working and employment conditions under this scheme. The lump sum promised is not a bonus, but part of the regular wage that is withheld by the employer. Often women workers do not even receive the full promised lump sum. SOMO say "Without exaggeration, the Sumangali Scheme in its worst form has become synonymous with unacceptable employment and labour conditions, even with bonded labour."

The report centred around case studies of four suppliers whose products were bought indirectly by a number of companies. One of these suppliers, Eastman Exports Global Clothing, produced products which were purchased by Inditex, among other well-known brands. It operated 24 garment production facilities in Tamil Nadu. The report showed that workers were employed there under a Sumangali scheme at least until April 2010. Some of the company's customers had indicated that the Sumangali scheme had been abolished in April 2010 and since then there had also been improvements in working conditions.

This was found to be true in some instances; for example, since April 2010, the company no longer operated a lump payment scheme, but instead paid workers a monthly salary of between Rs. 110 to 170 per day for garment workers, or Rs. 170 to Rs. 240 for spinning mill workers. Workers were no longer recruited under the Sumangali Scheme, and no new workers under the age of 18 were admitted into the company's hostels.

However, interviews with workers in April 2011 revealed that excessive and forced overtime was still common practice. Workers said they worked 12 hours per day on a regular basis, and that a regular working week consisted of 72 hours. During production peaks workers were forced to work more than 12 hours per day. 1,500 workers who live in the company's hostels still had to deal with restrictions to their freedom of movement, being allowed to leave the complex only once per month, accompanied by a guard. Workers also reported not being allowed to join a trade union. (ref: 81)

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Supply Chain Management

Best ECRA rating for supply chain management (2011)

In response to Ethical Consumer's written request in June 2011 for its supply chain management information, Inditex Group directed Ethical Consumer to its Annual Report 2010.

SUPPLY CHAIN POLICY

The Inditex Group Code of Conduct was viewed on the company's website (www.inditex.com). It contained adequate clauses prohibiting forced labour, child labour and discrimination, plus allowing payment of a living wage and freedom of association. However, the clause on working hours was considered insufficient, despite saying a week should be a maximum of 48 hours plus 12 hours overtime, as it included the words "as a rule of thumb", potentially leaving this matter open to interpretation. The Annual Report 2010, which contained a link to this document, stated that it applied to all Inditex manufacturers and suppliers.

As a result, the company's supply chain policy was considered to be reasonable.

STAKEHOLDER ENGAGEMENT

The Annual Report states that the company was working with both the Ethical Trading Initiative and the ILO's Better Work Programme, which aimed to improve employment standards in Cambodia, Vietnam, Jordan and Lesotho. In the Ethical Consumer questionnaire, returned in June 2011, a company representative stated that "confidential complaint mechanisms are put in place in the Inditex external manufacturers and suppliers in order to facilitate grievance procedures for workers at Inditex supplier factories: 1) Social Audits which include among its procedures the performance of confidential interviews with workers carried out by both internal and external social auditors, 2) Confidential hotline for workers (email address).

The company was therefore considered to have a good approach to stakeholder engagement.

AUDITING AND REPORTING

In an Ethical Consumer company questionnaire, a representative

stated that Inditex publicly disclosed on an annual basis the results of its Compliance Programme of its Code of Conduct for External Manufacturers and Suppliers. It added that assessments were carried out by both internal and external social auditors and pointed Ethical Consumer researchers towards its Annual Report where more detail was given. In the report, the geographical locations of suppliers were disclosed, as were the numbers of audited suppliers, and the results of these audits (by region, not country). An audit schedule did not appear to be disclosed, and there was no clear statement that the auditing process applied to the entire supply chain, although this did seem to be implied. A staged approach to dealing with non-compliances was given. No mention was made of who paid the costs of supplier audits. The company was therefore considered to have a reasonable approach to auditing and reporting.

DIFFICULT ISSUES

The Inditex Code of Conduct for manufacturers and suppliers stated that suppliers must not use fraudulent actions to pass audits. However, no more detail was given on how the company addressed the issue of audit fraud. The Annual Report also contained details on a joint effort by the ITGLWF and Inditex to ensure workers at three factories in Cambodia and Turkey were able to join trade unions. No other difficult issues were found. The company was considered to have a rudimentary approach to dealing with difficult issues.

The company received Ethical Consumer's middle rating in this category. (ref: 230)

Politics

Genetic Engineering

(See also 'No cotton sourcing policy' in Pollution & Toxics above.)

Political Activities

Membership of one international lobby group (2011)

According to the organisation's website www.ert.be, viewed by ECRA in April 2011, an executive from Inditex sat on the European Round Table of Industrialists. This was considered by ECRA to be a high level corporate lobby group which exerted undue corporate influence, to the potential detriment of the environment and human and animal rights. (ref: 234)

Anti-Social Finance

Subsidiaries in two tax havens (2011)

According to the Inditex Group Hoovers website (www.hoovers.com), viewed by Ethical Consumer in July 2011, Inditex had subsidiaries in Hong Kong and Ireland. Both were on Ethical Consumer's list of tax havens at the time of writing. (ref: 235)

Benetton clothes [O]

See Benetton Group above

Dash clothing

See Alexon Group Plc above

Dorothy Perkins clothing

See Burton Retail Limited above

Eastex clothing

See Alexon Group Plc above

Evans clothing

See Burton Retail Limited above

H&M clothing [O]

See H&M Hennes & Mauritz AB above

John Lewis clothing [F]

See John Lewis Plc above

John Lewis clothing [O]

See John Lewis Plc above

Kaliko clothing

See Alexon Group Plc above

Marks & Spencer clothing [F]

See Marks & Spencer Group plc above

Marks & Spencer clothing [O]

See Marks & Spencer Group plc above

Minuet Petite clothing

See Alexon Group Plc above

Miss Selfridge clothing

See Burton Retail Limited above

Monsoon Fairtrade clothing

See Monsoon Ltd above

Monsoon organic clothing

See Monsoon Ltd above

New Look Organic Clothing

See New Look Retail Group Ltd above

Oasis clothing

See Aurora Fashions above

Outfit clothing

See Burton Retail Limited above

Peacocks clothing

See Bonmarché above

Sainsbury's TU Fairtrade clothing

See J Sainsbury plc above

Tesco F&F Fairtrade clothing

See Tesco plc above

Tesco F&F Organic clothing

See Tesco plc above

Topman clothing

See Burton Retail Limited above

Topshop clothing

See Burton Retail Limited above

Wallis clothing

See Burton Retail Limited above

Warehouse clothing

See Aurora Fashions above

Zara organic clothing

See Zara above

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Ratings Information

General Information

Although the Ethical Consumer database holds information going back to 1991, all ratings and Ethiscores are based only on information published in the last five years. It's also important to remember that while most corporate responsibility rating organisations 'rate' company groups as single organisations, Ethical Consumer structured to map complex company groups. The exception to this is under the policy categories: "Environmental Reporting", "Supply Chain Policy" and "Animal Testing Policy" categories, where ratings can refer to the specific subsidiary's environmental report or Supply Chain Policy if this is better. When one company buys another, the new company is deemed to have inherited the past record of the other, unless there is clear evidence that the take-over has seen a change in policy and practice.

Significant effort is made by Ethical Consumer to maintain the integrity and accuracy of information. Each company is assigned to its UHC (Ultimate Holding Company) but frequent global mergers, takeovers and acquisitions mean that company group information can be of an advisory nature only. Therefore, if a particular piece of information is to play a significant role in a campaigning or investment decision, we recommend making additional ownership checks or contacting us on 0161 226 2929 for a quote for a screening. Of course, accurate ownership information is of the utmost importance to us at Ethical Consumer, and we make every effort to monitor significant changes. If you discover information which you believe is incorrect, please contact us and we can make changes within 24 hours if necessary.

Where our information comes from

The Ethical Consumer database (available online as Corporate Critic) is compiled primarily from information already in the public domain. Our team of researchers regularly search through over 100 publications and summarise information on corporate activity into easy-to-read abstracts or 'stories'. Information on companies is taken from:

- **Publications by environmental, animal rights and Third World campaigning NGOs** such as Greenpeace, Friends of the Earth, Amnesty, WDM etc.
- **Corporate communications** such as Annual Reports and company websites for environmental reports, codes of conduct and animal testing policies.
- **Commercial defence and nuclear industry directories**
- **Pollution and health & safety prosecution records**
- **A wide range of other international sources**
- **Daily news**

Each abstract is fully referenced to a particular publication, permitting users to explore and follow up stories in more detail. Our researchers in Manchester add new stories to the database on a daily basis. These are uploaded onto Corporate Critic website and the Ethiscore website and so ratings are recalculated nightly. Because of the ongoing nature of this behaviour-monitoring process, we do not systematically check each story or rating with companies prior to publication. We encourage companies to contact us if they believe a story or rating is in error and we will always address the issues raised.

Ratings Key ☒ **Full Circle** (our worst rating) ☐ **Clear Circle** (our middle rating) ☐ **No Circle** (our best rating)

The Categories /ENVIRONMENT

Environmental Reporting

- ☒ The company or parent company:
 - i) did not respond to a request by ECRA for a copy of its environmental policy or report and did not display such a policy or report on its website, OR
 - ii) supplied to ECRA or displayed on its website an environmental policy or report which contained neither specific targets nor discussion of impacts specific to the company.
- ☐ The company or parent company supplied to ECRA or displayed on its website an environmental policy or report which contained at least two quantified targets and/or discussion of impacts but:
 - i) was not dated within the last two years, OR
 - ii) failed to demonstrate a reasonable understanding of the company's main impacts, OR
 - iii) was not independently verified.
- ☐ The company or parent company:
 - i) supplied to ECRA or displayed on its website an environmental policy or report which;
 - (a) contained at least two specific time and performance targets, AND
 - (b) which demonstrated a reasonable understanding of the company's main impacts, AND
 - (c) was dated within the last two years, AND
 - (d) was independently verified by an organisation named in the report.
 - ii) is a small business (turnover of less than £5 million per year) specialising in the supply of products with low environmental impacts or which are of environmental benefit or which offer other social benefits.

Nuclear Power

- ☒ The company is involved in:
 - i) design, construction, decommissioning, ownership or operation of nuclear power stations, AND/OR
 - ii) nuclear fuel and related equipment - the mining, processing or reprocessing of uranium; nuclear fuel fabrication; fuel rods etc, AND/OR
 - iii) nuclear reactor products and services - such as nuclear reactors, reactor cores, neutron detectors, control rods, steam generator, AND/OR
 - iv) the transport of waste from the nuclear industry, AND/OR
 - v) membership of a nuclear power industry association such as British Nuclear Industry Forum and World Nuclear Association.
- ☐ The company is involved in:
 - i) production of other nuclear related equipment for example monitoring and testing equipment; electricity and communications cabling, insulation, seals; temperature and pressure measurement devices; gas and water analysers; air coolers, compressors, pumps, valves and IT products, AND/OR
 - ii) the supply of radioactive waste services such as treatment, handling and storage.
- ☐ We have found no evidence for involvement in nuclear power for the company.

The Categories /ENVIRONMENT (CONTINUED)

Climate Change

Negative ratings in this category indicate that the company has been criticised for involvement in sectors considered by Ethical Consumer to contribute significantly to climate change, such as fossil fuels, aviation, cars or cement, or that it has been criticised for having high levels of contribution to climate change emissions, by direct emissions, through its products, or by making misleading claims about climate change.

- ☒ Involvement in areas deemed by us to be a higher contributor to climate change (such as fossil fuels) OR involvement in more than one areas deemed to be less significant (for example; cars, aviation, lobbying)
- ☐ Involvement in one of the above areas deemed as less significant.
- ☐ No criticisms have been found under this category for the company in question.

Pollution & Toxics

Negative ratings in this category indicate that a company has been prosecuted or criticised by government or campaign groups for emissions of toxic or damaging substances into the environment, AND/OR a company is involved in the manufacture or sale of chemicals or products containing chemicals which are a cause of concern because of their impacts on human and animal health and the environment (eg toxic or bioaccumulative chemicals, ozone depleting chemicals or pesticides and herbicides.)

- ☒ The company has either received one major criticism (such as a major pollution incident) or a number of minor criticisms (ie involvement in nanotechnology, unsustainable packaging, small fines for pollution).
- ☐ The company has received one or two minor criticisms in this area.
- ☐ No criticisms have been found under this category for the company in question.

Habitats and Resources

Negative ratings in this category indicate that a company has been criticised for activities which: destroy or damage the environment through unsustainable resource extraction and mining, or detrimental land use, OR destruction of specific habitats, depleting biodiversity and reducing the ability of ecosystems to renew themselves, including unsustainable fishing and forestry or impacting severely on the habitats and lives of endangered species.

- ☒ The company has either received one (or more) major criticism OR more than two minor criticisms.
- ☐ The company has received one or two minor criticisms in this area.
- ☐ No criticisms have been found under this category for the company in question.

The Categories /ANIMALS

Animal Testing

- ☒ The company:
 - i) conducts or commissions tests on animals for non-medical products or ingredients, OR
 - ii) conducts or commissions tests on animals for medical products or ingredients, OR
 - iii) sells animal-tested cosmetics, toiletries or household products, OR
 - iv) operates in a sector where animal testing is common and has no written animal testing policy statement, or did not reply to our request for a copy of one, or sent us a policy with standards less stringent than those required for a middle rating.
- ☐ i) The company operates in a sector where animal testing is common and has a policy of not testing products or ingredients on animals, and of not commissioning such tests but does not have a fixed cut-off date (i.e. a specific date set by the company after which it will not use any new ingredients tested on animals), OR
- ☐ ii) The company is a retailer with a fixed cut-off date for own brand products but also sells animal-tested non own-brands.
- ☐ The company EITHER does not operate in a sector where animal testing is common OR operates in a sector where animal testing is common and has a fixed cut-off date policy.

Factory Farming

- ☒ The company:
 - i) is a factory farmer of meat, poultry (broilers and eggs), fish or fur, OR
 - ii) manufactures or supplies intensive farming equipment such as battery cages, beak trimmers, pig crates, OR
 - iii) supplies breeding stock, OR

iv) sells or processes meat, poultry (broilers and eggs) or fur that is not labelled as free range or organic.

- ☐ The company has an investment relationship with a company criticised in this category.

Animal Rights

- ☒ The company is:
 - i) a farmer of non-intensive or free range meat, poultry or fish
 - ii) sells or processes meat, poultry or fish
 - iii) involved in the production, supply or retail of fur
 - iv) a slaughterhouse owner or user of slaughterhouse by-products such as leather and gelatine
- ☐ The company is:
 - i) a supplier of animal feedstuffs, OR
 - ii) is a dairy farmer or egg producer, OR
 - iii) is involved other activities which lead to the suffering of animals such as zoos and circuses and the production of musk and civet. OR
 - iv) a company or employee has been accused of cruelty to animals.

The Categories /PEOPLE

Human Rights

- ☒ Involvement in one or more of the following:
i) operations in six or more oppressive regimes taken from the list below (country not counted if company is domiciled there).
ii) human rights abuses, through any of the following:
 a) the use of its equipment, staff or facilities in perpetrating human rights abuses
 b) human rights abuses perpetrated by security forces associated with a company's operations
 c) involvement in projects that have proven links with human rights abuses
 d) collaboration with a government AND/OR military in perpetrating human rights abuses
 e) allegations of human rights abuses by company staff
iii) land rights abuses; specific instances where indigenous peoples have been or may be removed from their land, or whose livelihoods may be threatened, to facilitate corporate operations (either extant or planned)
- ☐ A company will receive our middle rating if it has operations in two or more of the following regimes on our 2011 list of Oppressive Regimes (country not counted if company is domiciled there): Afghanistan, Bangladesh, Belarus, Burma, Chad, China, Colombia, Congo, DRC, Cuba, Equatorial Guinea, Eritrea, Ethiopia, Honduras, India, Iran, Iraq, Israel, Jordan, Kazakhstan, Laos, Libya, Nigeria, North Korea, Pakistan, Philippines, Russia, Saudi Arabia, Sri Lanka, Sudan, Swaziland, Syria, Thailand, Turkmenistan, Uzbekistan, Venezuela, Vietnam, Yemen, Zimbabwe.
A company will not receive a mark in this column if all its products sourced from these regimes are marketed as fair trade. Our Oppressive Regimes listing has been compiled from different human rights and workers' rights reports.
- ☐ Our best rating indicates that we have not received any criticisms under this category for the company in question.

Workers' Rights

- ☒ A full circle or clear circle represents criticism of the company or its suppliers for infringement of workers' rights, which includes: intimidation of workers by management; use of forced or slave labour; payment of wages below a level which is adequate to live on; a working week of over 48 hours; forced and/or excessive overtime; exploitative use of child labour; denial of the right to associate, form unions or bargain collectively; discrimination on the grounds of race, sex, sexuality or creed; the provision of inadequate or dangerous working conditions.
- ☐ No criticisms have been found under this category for the company in question.

Supply Chain Policy

In industries where supply chains commonly stretch into low wage economies we expect companies to have developed a publicly available supply chain policy addressing workers' rights at supplier companies. We look for the following elements in each policy:

- 1) no use of forced labour
- 2) freedom of association
- 3) payment of a living wage
- 4) working week limited to 48 hours and 12 hours overtime
- 5) eliminations of child labour (under 15 years old, or under 14 if country has ILO exemption)
- 6) no discrimination by race, sex etc
- 7) independent monitoring

Codes with all 7 clauses will receive the best rating. Companies which manufacture products that are labelled and certified as Fairtrade, or smaller companies (turnover of less than £5 million) which can show an effective, if not necessarily explicit, policy addressing workers' rights at supplier companies will also receive a best rating. As will companies that operate in sectors where ECRA considers supply chain policies unnecessary. 4-6 clauses get a middle rating (half circle). 0-3 clauses or no code at all receive a worst rating (whole circle).

Irresponsible Marketing

- ☒ Marketing of products in a way that has been criticised for causing severe physical harm. The manufacture or sale of tobacco products automatically receives a worst rating in this category as does the infringement of the International Code of Marketing of Breastmilk Substitutes. Our lowest rating could also indicate several minor criticisms in this area.
- ☐ Marketing of products in a way that has been criticised as being detrimental to health or likely to cause injury. This includes the use of excessively thin or childlike models in fashion advertising.
- ☐ No criticisms have been found under this category for the company in question.

Arms & Military Supply

- ☒ Involvement in the manufacture or supply of nuclear or conventional weapons including: ships, tanks, armoured vehicles and aircraft; weapons systems components; systems aiding the launch, guidance, delivery or deployment of missiles; fuel; computing; communications services.
- ☐ A clear circle (middle rating) represents the manufacture or supply of non-strategic parts for the military, not including food and drink.
- ☐ No criticisms have been found under this category for the company in question.

The Categories /POLITICS

Political Activity

- ☒ The company has made a donation of £50,000 or more to a political party, either direct or indirect or in 'soft money,' in the last five years, or has membership of 3 or more lobby groups, or has directly lobbied governments or supranational institutions on trade liberalisation issues.
- ☐ Membership of 2 or less lobby groups, or a donation of less than £50,000 to political parties in the last 5 years, or secondment of staff to political parties, governments or supranational institutions.

The Categories /POLITICS (CONTINUED)

A lobby group is defined as a corporate lobby group which lobbies for free trade at the expense of the environment, animal welfare, human rights or health protection. A current list of such groups includes:

- American Chamber of Commerce/AMCHAM-EU
- Bilderberg Group
- Business Action for Sustainable Development
- Business Round Table
- European Round Table of Industrialists
- European Services Forum
- International Chamber of Commerce
- Transatlantic Business Dialogue
- Trilateral Commission
- US Coalition of Service Industries
- World Business Council for Sustainable Development
- World Economic Forum

Boycott Call

- A boycott of the brand name featured in the report has been called somewhere in the world or a boycott of the entire company group has been called.
- A boycott of one of the parent company's subsidiaries or brands has been called somewhere in the world.

Genetic Engineering

- Involvement in:
 - i) the non-medical genetic modification of plants or animals, and/or
 - ii) gene patenting, and/or
 - iii) xenotransplantation.
- Involvement in:
 - i) the manufacture or sale of non-medical products involving or containing genetically modified organisms (GMOs), and/or

- ii) the manufacture or sale of non-medical products likely to contain GMOs and the lack of a clear company group-wide GMO free policy, and/or
- iii) public statements in favour of the use of GMOs in non-medical products.
- iv) the development or marketing of medical procedures or products involving genetic modification, which have been criticised on ethical grounds.

Anti-Social Finance

Ratings are based on criticisms for activities which are likely to impact negatively on the economic well-being of the societies that companies operate in. Such criticisms include: tax evasion and use of tax havens; bribery and corruption, insider share dealing, involvement in Third World debt, price fixing, irresponsible marketing of financial products, excessive directors' remuneration.

Company Ethos

This category is intended to draw the attention of consumers to company groups who, by structural innovation or clear product policies, demonstrate an ethos committed to sustainability. We understand sustainability to include environmental, social justice and animal rights elements.

- ★ A full star may indicate a policy to only sell fairtrade products, organic products, vegan products or BUAV approved products or a combination of these. A large star may also indicate a formalised not-for-profit trading structure.
- ☆ A clear star indicates a policy to only sell innovative environmental alternatives

The Categories /PRODUCT SUSTAINABILITY

- Organic Product**
1 point indicates that the product is certified organic.
- Fairly Traded Product**
1 point indicates that the product is labelled with the Fairtrade Mark (UK) or equivalent FLOI symbol.
Half a point indicates that the product is marketed as fair trade.
- Positive Environmental Features**
1 point indicates that the product has been recommended by an independent environmental organisation, or that the product has received the TCO environmental label.
Half a point indicates that the product has received either an A+ (or

- better) EU Energy Label, the Blue Angel Label of the Nordic Swan label.
- Other Sustainability Features**
1 point indicates that the product embodies other significant sustainability feature.
Half a point indicates that the product embodies other less significant sustainability features.
- Animal Welfare Features**
1 point indicates that the product is certified by the Vegan or Vegetarian Society.
Half a point indicates that the product is marketed as vegan or vegetarian.

The Categories /ETHISCORE

- The Ethiscore is a numerical ethical rating designed to help users quickly differentiate companies which have attracted significant levels of criticism from those which have attracted less attention. Excellent for benchmarking companies within product or market sectors, the Ethiscore is also a superb tool for monitoring corporate ethical improvements.
- The are two types of ethiscore**
A company Ethiscore of 0 to 15 points.
15 is the best Ethiscore and 0 worst. The company Ethiscore is based on the subtraction of all the corporate responsibility categories in which the database holds current criticisms from a baseline number of 14.
- Therefore if a company has received criticisms in the Animal Testing (1 point) and Workers Rights (1 point) categories, its ethiscore will be 12.

- [14 (baseline) minus 2 categories = 12].
- If the company had a lesser criticism under, say, Workers Rights (0.5 points) then its Ethiscore would be 14 minus 1.5 = 12.5
- The fifteenth point is for 'Company Sustainability' - a positive Corporate Responsibility category - which gives an additional point to companies who, for example, only sell organic products.
- A product Ethiscore of 0 to 20 points.**
20 is the best Ethiscore and 0 worst.
- This Ethiscore is a score for products and is made up by combining a company Ethiscore with a rating for product sustainability, and is based on five positive attributes which a product may have. Therefore if a 12 point company is listed as selling an organic (1 point) and fairtrade (1 point) tea, then the tea would receive an ethiscore of 12+2 = 14.