

Coming clean  
on the clothes  
we wear

## Part II:

### Research Criteria and Individual Transparency Report Cards

Criteria	Scoring	Weighting <sup>40</sup>
<b>1. Governance and risk management (worth 10% of overall score)</b>		
<b>1.1 Board-level responsibility for ethical issues in the supply chain</b>		
There is a formal sub-committee of the Board of Directors with explicit responsibility for ethical issues in the supply chain.	100%	40%
There is a member of the Board of Directors with explicit responsibility for ethical issues in the supply chain.	66.7%	
There is a member of the Board of Directors or committee with responsibility for CSR issues, but it is not clear if this includes responsibility for ethical issues in the supply chain.	33.3%	
There is no evidence of responsibility at the Board of Directors level for ethical issues in the supply chain either specifically or as part of responsibility for CSR issues.	0	
<b>1.2 Reporting of labour standards issues in the supply chain as a risk factor</b>		
There is evidence in the annual report and accounts of a systematic analysis of labour standards issues as a risk factor.	100%	30%
There is mention in the annual report and accounts of labour standards issues as a risk factor.	66.7%	
There is mention on the corporate website or in other corporate material of labour standards issues as a risk factor.	33.3%	
There is no mention of labour standards issues as a risk factor.	0	
<b>1.3 Risk analysis of ethical issues in the company's existing supply chain</b>		
A risk or exposure analysis of ethical issues in the company's existing supply chain has been conducted.	100%	30%
A risk or exposure analysis of ethical issues in the company's existing supply chain is yet to be conducted, but there is a stated commitment to undertake one.	50%	
There is no mention of conducting a risk or exposure analysis of ethical issues in the company's existing supply chain.	0	

<sup>40</sup> Each question is assigned a percentage weighting within each section based on its importance to that section. Each section, in turn, is assigned a percentage weighting within the overall Report Card based on its importance. The section weighting is identified in the heading for each section.

Research criteria

Criteria	Scoring	Weighting
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**2. Code for labour standards in the supply chain (worth 15% of overall score)**

**2.1 Quality and scope of the code for labour standards in the supply chain**

A code for labour standards in the supply chain exists that covers all ILO core conventions, without qualification or limitation	50%	+25% if the code includes a living wage provision  +25% if the code includes an hours of work provision that is consistent with ILO conventions	60%
A code for labour standards in the supply chain exists that addresses all of the issues of the ILO core conventions but limits or qualifies the company's commitment to one of the ILO core conventions.	25%		
There is no code that addresses labour standards in the supply chain, or a code exists that covers some but not all ILO core conventions, or the code limits or qualifies the company's commitment to more than one of the core conventions.	0		

**2.2 Publication and availability of the code for labour standards in the supply chain**

The complete code for labour standards in the supply chain is available to the public. <sup>41</sup>	100%	20%
The code for labour standards in the supply chain is referred to in published information.	66.7%	
The company will supply the code for labour standards in the supply chain on request, but there is no reference to it in published information.	33.3%	
There is no evidence of a code for labour standards in the supply chain in published information.	0	

**2.3 Application of the code for supply chain labour standards**

The code for supply chain labour standards applies to the entire breadth of or almost the entire breadth of the supply chain, including the company's own procurement. <sup>42</sup>	100%	20%
The code for supply chain labour standards applies to the entire breadth of or almost the entire breadth of the supply chain but does not apply to the company's own procurement.	66.7%	
Application of the code is (clearly or deliberately) limited to the North American supply chain or to certain products or to selected suppliers or countries of supply.	33.3%	
It is unclear how much of the supply chain the code for supply chain labour standards applies to, or there is no code addressing labour standards in the supply chain.	0	

<sup>41</sup> To score 100%, all the elements of the code must be available to the public, rather than all the details surrounding its implementation.

<sup>42</sup> Where a company sources branded products as well as own-brand products, the "entire breadth of the supply chain" is taken to refer to the supply chain for own-brand products.



Criteria	Scoring	Weighting
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**3. Stakeholder engagement (worth 20% of the overall score)**

**3.1 Membership of multi-stakeholder processes**

The company is a member of the Ethical Trading Initiative, the Fair Labor Association or Social Accountability International and/or is involved in a comparable initiative that includes representation from both NGOs and labour.	100%	50%
The company is not a member of the Ethical Trading Initiative, the Fair Labor Association or Social Accountability International or of a comparable initiative that includes representation from both NGOs and labour.	0	

**3.2 Engagement with NGOs and/or trade unions relating to labour standards in supply chains**

There is evidence of stakeholder engagement over time with NGOs and/or trade unions (excluding membership of groups in 3.1) that includes engagement in country of manufacture.	100%	50%
There is evidence of stakeholder engagement over time with NGOs and/or trade unions (beyond membership of groups in 3.1) in the host country (Canada or USA) only.	66.7%	
There is evidence of only ad hoc stakeholder engagement with NGOs and/or trade unions (beyond membership in MSIs in 3.1), or it is unclear whether engagement is taking place over time.	33.3%	
There is no evidence of proactive engagement with NGOs and/or trade unions beyond membership in MSIs in 3.1.	0	

Criteria	Scoring	Weighting
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**4. Management (worth 20% of the overall score)**

**4.1 Resource commitment**

There is a senior manager whose primary responsibility includes labour standards in the supply chain. The manager is two or fewer reporting levels from the board. <sup>43</sup>	100%	30%
There is a senior manager whose primary responsibility includes labour standards in the supply chain. The manager is more than two reporting levels from the board, or it is not clear how many levels from the board he or she is.	50%	
There is no senior manager whose primary responsibility includes labour standards in the supply chain.	0	

**4.2 Training for buying agents**

There is ongoing, scheduled training for buying agents on labour standards in the supply chain.	100%	25%
There is training for buying agents on labour standards in the supply chain, but it is on an ad hoc rather than a scheduled basis.	50%	
There is no training for buying agents on labour standards in the supply chain.	0	

**4.3 Training for factory management personnel and workers**

There is ongoing, scheduled training for factory workers and management personnel on labour standards in the supply chain.	100%	25%
There is training for factory workers and management personnel on labour standards in the supply chain, but it is on an ad hoc rather than an ongoing, scheduled basis.	66.7%	
There is training for factory management personnel on labour standards in the supply chain, but there is no training for factory workers.	33.3%	
There is no training for factory management personnel or factory workers on labour standards in the supply chain	0	

**4.4 Rewards and incentives**

Incentives for senior management and/or purchasing staff are explicitly linked to their performance on labour standards in the supply chain.	100%	20%
Incentives for buying and/or ethical trading staff are explicitly linked to their performance on labour standards in the supply chain.	66.7%	
Incentives for labour teams are explicitly linked to their performance on labour standards in the supply chain.	33.3%	
There is no mention of incentives that are linked to labour standards in the supply chain.	0	

<sup>43</sup> Evidence sought specifically of a senior manager rather than a senior management-level committee.

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**5. Supply Chain auditing and reporting (worth 35% of the overall score)**

**5.1 Commitment to auditing labour standards in the supply chain**

There is a policy committing the company to auditing labour standards across the entire breadth of the supply chain.	100%	15%
There is a policy committing the company to ad hoc auditing or to pilot audits of labour standards across at least part of the supply chain, or the level of commitment to auditing labour standards in the supply chain is unclear.	50%	
There is no evidence of a policy committing the company to any form of auditing labour standards across any part of the supply chain.	0	

**5.2 Status of the audit schedule**

An auditing work plan has been scheduled and is currently being implemented. <sup>44</sup>	100%	5%
An auditing work plan has been scheduled but has not yet been implemented.	50%	
There is no scheduled work plan for auditing labour standards in the supply chain, or there is no auditing of labour standards in the supply chain.	0	

**5.3 Public disclosure of manufacturing sites**

The company has publicly disclosed the names and addresses of all of the facilities producing its own branded goods and those of any subsidiary brands owned by the company.	100%	10%
The company has publicly disclosed the names and addresses of all of the facilities producing only its own branded goods.	66.7%	
The company has publicly disclosed the names and addresses of a portion of the facilities producing its own branded goods.	33.3%	
The company has not publicly disclosed the names and addresses of the facilities producing its own branded goods.	0	

**5.4 Transparency of the labour standards auditing methodology**

The supply chain labour standards auditing methodology is publicly available and follows generally accepted practices and/or at least one explicit external standard. <sup>45</sup>	100%	15%
The auditing methodology is not publicly-available and/or is not grounded in a generally accepted practice and/or external standard, or there are no audits of labour standards in the supply chain.	0	

<sup>44</sup> "Work plan" refers to a schedule for auditing labour standards in the supply chain.

<sup>45</sup> An example of an explicit external standard is the SA8000 standard.

Criteria	Scoring	Weighting
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**5.5 External verification of labour standard audits**

There is third party involvement that includes systematic input from NGOs and/or labour in the country of supply into the verification of labour standard audits.	100%	20%
There is third party involvement that includes ad hoc input from NGOs and/or labour in the country of supply into verification of labour standard audits, or it is unclear how systematic this involvement is.	66.7%	
There is third party involvement in the verification of labour standard audits, but there is no input from NGOs or labour in the country of supply.	33.3%	
There is no external verification of supply chain labour standard audits.	0	

**5.6 Reporting the results of audits of labour standards in the supply chain**

There is full and complete disclosure including quantitative analysis of audit findings at the factory or supplier level.	100%	20%
There is some disclosure and analysis of audit findings at a factory or supplier level.	75%	
There is full and complete disclosure and quantitative analysis of aggregate audit findings.	50%	
There is broad commentary on aggregate audit findings, but no figures are disclosed.	25%	
There is no discussion of audit findings.	0	

**5.7 Dealing with non-compliance**

There is a policy for handling instances of non-compliance with the code, and this policy includes a staged approach to dealing with violations.	100%	15%
There is reference to handling non-compliance with the code. Details of how this is handled are given, but there is no indication of a staged approach to dealing with violations of the code.	66.7%	
There is reference to handling non-compliance with the code, but there are no details of the approach used.	33.3%	
There is no mention of dealing with non-compliance with the code.	0	