



La sostenibilità nei Paesi delle grandi produzioni

Verona, 28 Giugno 2022

Sostenibilità come trasformazione globale

- Le iniziative chiave di sostenibilità si sono strutturate negli anni a livello globale: vedi Global Fashion Agenda
- La differenza di implementazione è spesso legata all'avanzamento delle normative locali
- Le filiere sono globali, la responsabilità di implementazione delle iniziative prevede l'upstream implementation
- Assistiamo quindi ad un crescente coinvolgimento di tutte le aree geografiche con diverse normative e diversi rischi e performance



THE *GFA*
MONITOR
2022

Progression to a Net Positive Fashion Industry

Respectful and Secure Work Environments

The GFA Monitor 2022

Key Areas

1. **Responsible purchasing practices** with more **transparency** on working conditions to encourage workplace health and safety.
2. Promoting **equality and empowerment** at all levels of value chain
3. Strengthening workers' protection and representation systems to improve their **terms of employment**
4. Encouraging industry resilience by developing **better social protection**, respecting collective bargaining agreements

Ethical motivation

- Human rights abuses
- Dangerous working conditions, long working hours, low wages, poor occupational safety, precarious contractual conditions - especially for women, migrant workers, and informal workers

Business motivation

- Increases productivity
- Helps employee retention
- Builds resilience into value chain

Respectful and Secure Work Environments

The GFA Monitor 2022

Case Study: Social & Labor Convergence Program

- **Converged Assessment Framework** to align social auditing and enable credible, actionable data collection
- **Over 55 brands, retailers, organizations** use SLCP assessments
- Example: **C&A** has committed to replacing 100% of proprietary audits with SLCP, allowing the retail company to shift their corporate sustainability efforts towards supplier development and capability building



Respectful and Secure Work Environments

The GFA Monitor 2022

Case Study: Migrant Resource Centre in Mauritius

- Project started in 2019, supported by **ASOS**, IndustriALL, Anti-Slavery International, Confederation des Travailleurs des Secteurs Publique et Prive, and local unions
- Provides information and advice, facilitated remediation, safe space for conversation, independent grievance channel for workplace violations



“Since the Migrant Resource Centre was established over two years ago, it has helped migrant workers on the ground in Mauritius better understand and realise their fundamental human rights and has been instrumental in directly **resolving grievances** and **holding employers to account.**”

-Simon Platts, Commercial ESG and Sustainability Director, ASOS

Better Wage Systems

The GFA Monitor 2022

“88 per cent of workers hav[e] reported a loss of income because of the pandemic” (pg 27)

Key Areas

1. **Responsible purchasing practices** that reflect direct and indirect labour costs and support long-term partnerships with manufacturers.
2. Promote **freedom of association** and an environment where collective bargaining agreements contribute to a reasonable wage growth.
3. Erect mechanisms that ensure **wage parity**
4. Encourage **wage protection and security** through, for example, direct wage payments and responsible order exist processes/policies.

Why do we need an **industry-wide implementation of wages**?

- ★ Wages in garment-producing countries are far below a living wage
- ★ Brands do not directly control wages
- ★ Reluctance in sharing data about wages
- ★ Minimum wage mechanisms have not been sufficient to assure a living wage

Better Wage Systems

The GFA Monitor 2022



Case Study: Fair Labor Association & Maxwell, New Era, Puma

- Tools to allow brands to collect wage data, **identify wage gaps**, develop a public commitment and improvement plan towards a living wage
- Maxwell, New Era, and Puma in China and Vietnam: decrease working hours, increased wages by 29-57% during regular workweek within 2-3 years
 - ◆ Collaboration between buyers, suppliers, and workers
 - ◆ **Change to payment systems** that enabled better production planning, productivity boosts, and cash benefits for workers

Resource Stewardship

The GFA Monitor 2022

Key Areas

1. **Increase energy efficiency** and use of **renewable sources**
2. Move away from extractive sourcing models and towards regenerative solutions to lower impact on **land and protect biodiversity**
3. Mitigate shared water risks and promote positive basin outcomes and value creation through content-driven **water stewardship**
4. **Eliminate hazardous chemicals**, boost sustainable chemical management

“If it proceeds on the current trajectory, the **industry will fall short** of the decarbonisation targets required to conform with the 1.5-degree pathway”
(pg 44)



Resource Stewardship

The GFA Monitor 2022



Case Studies

- Through carbon offsets, **Global Fashion Group's Carbon Neutrality Strategy** has maintained carbon neutrality across its own operations (Scope 1&2) and customer deliveries (Scope 3)
- **H&M Group** has issued a €500 million sustainability-linked bond, dedicated a climate impact budget with a Green Investment Team to support projects within and beyond H&M Group facilities, and developed a Climate Positive Roadmapping tool to guide investments.
- **Apparel Impact Institute's Clean by Design** program supports brand production facilities in adopting best practices for improving energy, water, and chemical use through initiatives like regular trainings and peer learning workshops.. Through the program, **Target Corporation** was able to achieve 20% water saving and 12% GHG reduction in 2020.

Smart Material Choices

The GFA Monitor 2022

Key Areas

1. Shift away from virgin fossil-fuel based synthetics towards **recycled synthetics** and scaling **textile-to-textile recycling** systems.
2. Expanding use of **regenerative practices** for a nature-positive approach to plant-based fibres.
3. Responsible forest and water management, use of clean energy, and push towards next-generation **alternatives to man-made cellulosic fibres**.
4. Adopting strong standards for **animal welfare**, regenerative grazing, and land management, and supporting programs **free of deforestation and conversion** for animal-based fibres



“At least **two thirds** of a brand’s environmental footprint can be attributed to its choice of raw materials” (pg 63)

Smart Material Choices

The GFA Monitor 2022

Case Study #1: Textile Exchange

- **Preferred Fiber and Materials Matrix:** data-driven guidance for more responsible sourcing decisions
- 65+ programmes and materials across 6 indicator themes
- Helping Gap Inc achieve target of 100% sustainable cotton by 2025



Case Study #2: Kering and Conservation International's Regenerative Fund for Nature

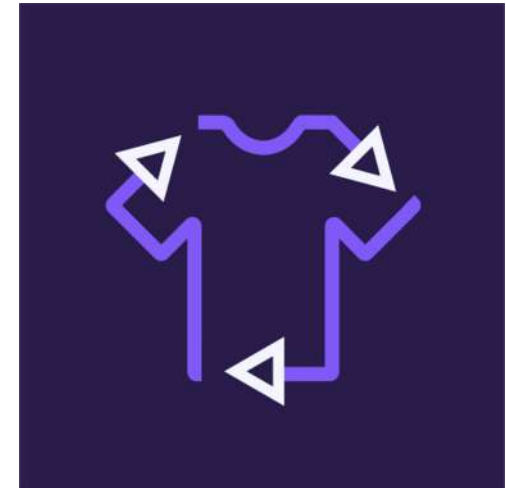
- 2025 target to bring 1 million hectares of farms and rangelands in Kering's sourcing landscape under **regenerative agricultural practices**

Circular Systems

The GFA Monitor 2022

Key Areas

1. **Designing products** for durability, recycling, remaking, and safely composted where applicable.
2. Incorporate **rental, resale, repair, and remaking** into business models
3. Collaborating and investing in scaling **textile-to-textile recycling**
4. Ensure a **just transition** towards circular practices



Why transition to a circular model?

- ❖ 2000-2015: Clothing doubled but clothing use decreased by 36%
- ❖ **Markdowns and overstocks** affect profit margins
- ❖ Disposal methods are currently weak

Circular Systems

The GFA Monitor 2022

Case Studies

- In 2019, Tommy Hilfiger joined the Ellen MacArthur Foundation's project **The Jeans Redesign** to rethink design and manufacturing processes founded on principles of durability, recyclability, traceability, and material health. The company has also trained 70% of its designers in circular design principles.
- **Nike** apparel and footwear has increased its use of recycled polyester to 38%, as well as designing out 30% of its midsole defect waste
- **BESTSELLER** worked with Reverse Resources and three of its suppliers in Bangladesh to install a textile waste segregation system and digitally trace all of its cotton waste into local recycling solutions, reintegrating this recycled cotton into 64,000 new garments.

L'ESEMPIO DEL CHEMICAL MANAGEMENT

COMMENTIAMO ALCUNI DATI.....

ZDHC – IMPACT REPORT 2021



98% of manufacturing suppliers within our community had no detection of ZDHC MRSL restricted substances in their wastewater. Metals follow the same trend, leading to the conclusion that metals are not intentionally being used in the textile supply chain.



95% of PFAS listed on the ZDHC Wastewater Guidelines has been eliminated in facilities conducting wastewater testing.



79% of brands require their suppliers to adopt and implement ZDHC's Wastewater Guidelines.



85% increase in facilities following ZDHC's Wastewater Guidelines since 2019. The number of wastewater reports nearly doubled from April 2019 to October 2021.

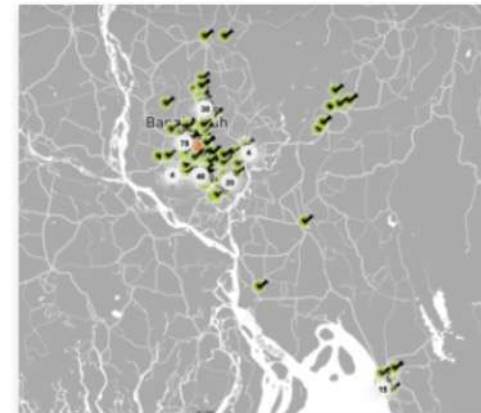
TITOLO

	% Suppliers with all parameters meet WWG 1.1		% Suppliers with at least one parameter that was on alert	
	Conventional Parameters	MRS� Parameters	Conventional Parameters	MRS� Parameters
China	30,95%	48,59%	55,63%	49,67%
Bangladesh	83,49%	96,83%	10,16%	3,17%
Turkey	1,93%	74,13%	88,42%	25,48%
India	45,99%	94,09%	17,72%	5,91%
Italy	8,06%	51,64%	67,74%	38,52%

TITOLO

1. Bangladesh – 315 suppliers

- 97% met the ZDHC MRSL Parameters
- 83% conformed to all Conventional Parameters
- The percentage was low (which is good) for suppliers with “at least one parameter on alert” – 3% for MRSL Parameters and 10% for Conventional.*



- Meets requirements
- Does not meet requirement (s), corrective action(s) taken place
- Does not meet requirement (s)

TITOLO

2. India – 237 suppliers

The second-best performers were from India, although the patterns were a little less consistent. Out of 237 suppliers:

- 94% conformed to the ZDHC MRSL Parameters
- 46% conformed to all Conventional Parameters
- “At least one parameter on alert” was 18% for MRSL Parameters and 6% for Conventional.



- Meets requirements
- Does not meet requirement (s), corrective action(s) taken place
- Does not meet requirement (s)

TITOLO

3. Turkey – 259 suppliers

Turkish suppliers did not perform well with Conventional Parameters – only 2% – which is extremely low; but did well with MRSL.

- 49% met all MRSL requirements
- 31% met the requirements for Conventional Parameters
- 50% of them had “at least one MRSL parameter on alert” and 56% had at least one Conventional Parameter on alert. Again, this needs to improve.



- Meets requirements
- Does not meet requirement (s), corrective action(s) taken place
- Does not meet requirement (s)

TITOLO

4. China* – 462 suppliers

Chinese suppliers' performance is equally divided.

- 49% met all MRSL requirements
- 31% met the requirements for Conventional Parameters
- 50% of them had "at least one MRSL parameter on alert" and 56% had at least one Conventional Parameter on alert. Again, this needs to improve.

**It is not possible to see on Detox.Live data on China because Google Analytics, which we use for our reporting, is not available in China.*

TITOLO

5. Italy

- 52% of suppliers conformed to the ZDHC MRSL Parameters
- 8% conformed to all Conventional Parameters
- 39% had at least one ZDHC MRSL Parameter on alert and 68% had at least one Conventional Parameter at an unacceptable level.



- Meets requirements
- Does not meet requirement (s), corrective action(s) taken place
- Does not meet requirement (s)



Q & A

ITALY HQ

Via Sabadell 162/21, 59100 **Prato**
Via Roma 1 A, 59013 **Montemurlo**
primo.brachi@brachi.it
marketing@brachi.it
+39.0574.591343

brachi
servizi integrati per l'impresa

CHINA

Hangzhou Brachi Technological Services Co.,
LTD
Room 1102, n.9 building, No.88 Jiangling Road
Binjiang District, **Hangzhou**
+86.0571.82869973
Anna.zhang@brachi.com.cn

BANGLADESH

Brachi Testing Services (BD) Ltd
Dhaka office - House#07,
Road#05, Block#F Banani, Dhaka 1213
Gazipur Lab - Plot : 21 & 22, Ananda Bag Mills
Ltd, Masimpur, Nishat Nagar, Tongi, Gazipur
Narayangonj Branch Lab - BSCIC Industrial Area,
Plot No. A 142-145, B 501-
503, Enayetnagar, Fatullah, Narayangonj
+88-02-222270436
Marketing@brachi.com.bd