

GoodGuide Scoring Apparel

Overview

Information about the environmental and social impacts of specific apparel products is generally unavailable, so GoodGuide focuses on rating the brands that consumers encounter when shopping for clothes. Even at the brand level, it is often difficult to characterize performance because apparel companies rarely operate their own factories, but instead rely on a large number of suppliers to manufacture their clothes. Until companies do a better job of providing transparency into their supply chain, our ability to accurately score brands based on their relative performance will be subject to significant uncertainties.

Environment scores are assigned to apparel brands by combining GoodGuide's standard company indicators of environmental performance (weighted at 50%) with brand-level environmental indicators that address issues that are specific to the apparel sector (weighted at 50%).

Our brand-level environmental assessment is based on indicators of

- Sustainable product design, including whether the brand integrates life cycle assessment principles into product design and participates in sustainable supply chain organizations;
- Green production practices, including whether the brand publishes a Restricted Substances List which limits use of hazardous chemicals and sources at least some of its fiber from sustainable producers;
- Consumer education initiatives, including whether the brand designs products to reduce the environmental impacts of owning its products or educates consumers about the steps they can take to reduce the amounts of energy or water used to clean and dry clothing;
- Commitment to transparency, including whether the brand publicly discloses a list of its suppliers and provides consumers with life cycle impact data on its operations or its products.

Social scores are assigned to apparel brands by combining GoodGuide's standard company indicators of social performance (50%) with brand-level social indicators that address issues that are specific to the apparel sector (weighted at 50%).

Our brand-level social assessment is based on indicators of

- Fair pay for workers, specifically whether the brand has a meaningful policy to support living wages or social wage premiums within its supply chain;
- Decent working conditions, measured by how the brand audits and responds to labor and working condition violations in its factories;

- Commitment to transparency, including whether the brand publicly discloses a list of its suppliers and any labor or working condition issues at those suppliers;
- Responsible purchasing policies, specifically whether the brand proactively addresses business practices like last minute order changes that can impact working conditions.

Health scores are not assigned to apparel brands because this product category does not generally pose health risks to consumers.

Scoring Methodology

In contrast with most product categories evaluated by GoodGuide, apparel ratings are assigned to brands and not products. Many apparel companies have multiple brands, as well as distinct product lines within a brand. In general, brands receive the same scores as their parent apparel company, unless there is a clear indication for a specific brand that it operates according to a significantly different set of environmental or social policies. When GoodGuide collects data for brand-level assessments, it reviews company and brand websites – but it does not credit a brand for positive performance that is limited to apparel sub-categories (like shoes) that we do not currently rate.

Environmental Scoring Methodology

To structure its evaluation of environmental performance issues specific to the apparel sector, GoodGuide reviewed frameworks developed within the industry (e.g., such as the Eco Index) as well as academic life cycle assessments. Most of these assessments require detailed product-level and supply chain data that are generally unavailable from most apparel brands. After determining the kinds of data that can be acquired from publicly available sources, we selected our set of brand-level indicators to characterize key sector-specific environmental performance and transparency issues and scored them using the following procedures:

Sustainable product design indicators

Life Cycle Assessment (LCA) informed product design – Integrating a life cycle perspective into a garment's design phase can have a positive environmental impact over the garment's lifetime. For instance, some fibers require ironing while others require minimal resources to wash and dry in the home. Industry leaders have corporate programs that integrate the principles of LCA into design, including giving designers the tools they need to minimize environmental impacts before products are made. Brands with some evidence of life cycle assessment are given an average score, while brands that do not make any public mention of life cycle thinking score lowest.

Sustainable supply chain support – Because of the complexity of the apparel supply chain, individual companies acting alone to enhance environmental initiatives can have limited industry-wide impact. Active support for one or more of 15 industry-wide

organizations that are attempting to improve environmental conditions (e.g., WWF Low Carbon Manufacturing Standard, NRDC Cleaner by Design, Leather Working Group, BSR Clean Cargo Working Group) is an indicator of a brand's commitment to improving the sustainability of its supply chain. Some credit is awarded to brands that promote such industry efforts through internal standards or codes of conduct, while brands that make no public mention of improving sustainability in their supply chain score lowest.

Green production practices

Restricted Substance List (RSL) disclosure – RSLs specify the hazardous chemicals that a manufacturer does not want used when making products for a given brand. Brands that publish their RSL score highest, because disclosure conveys the significance the brand assigns to reducing bad-actor chemicals and enables public assessment of the potential environmental health risks associated with its manufacturing operations (e.g., are hazardous dyes that could contribute to environmental damage used?). Adoption of industry association lists such as AAFA or support for organizations that address RSLs such as AFIRM or Bluesign receives positive credit. Use of sustainable fibers (e.g., in brands that have been certified Organic or Fair Trade also results in positive credit due to the reduced use of hazardous chemicals. Brands operating with RSLs that are not publicly disclosed receive an average score, and brands with no evidence of a RSL score lowest.

Sustainable fibers – Brands that source at least some of their fiber from suppliers that are operated sustainably receive positive credit. Because “sustainable” or “environmentally preferred” fibers do not have a standard definition, GoodGuide credited brands that have made a meaningful commitment to acquire fiber from any one of 10 organizations that operate sustainably grown/managed fiber programs (e.g., Fairtrade, Organic, Oeko-Tex, etc.).

Consumer education

Impact reduction during product use – How consumers wash and dry an apparel product is the single biggest variable determining the overall life cycle impact of that clothing, because of the energy use and its associated environmental impacts (from green house gasses and air pollution). Apparel brands that recognize the consumer's significant role in the overall impact of its product receive positive credit. The highest scores are given to brands with programs that actively educate consumers about how to care for their clothes in the most resource efficient manner.

Commitment to transparency

Life Cycle information on product or brand level – GoodGuide gives positive credit to brands that have conducted LCA studies on specific products because this is a strong indicator of the company's commitment to understanding the range of impacts associated with its operations. Brands that characterize brand-level impacts only

receive an average score. Brands that have not disclosed any information about quantifying their environmental impacts at the product or brand level score lowest.

List of suppliers – GoodGuide gives positive credit to brands that have publicly disclosed a list of their suppliers, as this is a prerequisite for any credible evaluation of a brand's overall environmental performance. Apparel manufacturing facilities are overwhelmingly located outside of the U.S so standard regulatory sources of information about pollution releases (like EPA's TRI program) usually do not cover a brand's manufacturing impacts. Even with a list of suppliers, assessing local production impacts in developing world countries is difficult, but without a list, it is impossible. Transparency about supply chains is crucial to create incentives for individual factories to improve their environmental performance.

Social Scoring Methodology

GoodGuide identified a set of brand-level indicators that could be used to enhance our standard rating of company social performance and scored them using the following procedures:

Fair pay for workers – Minimum wages in developing countries are often less than 50% of what is considered a "living" or "social" wage (i.e., a wage that enables workers to escape poverty). While there is no single standard definition or agreed-upon methodology for calculating a living wage, all definitions include provisions for meeting people's basic needs plus resources for discretionary savings or a culturally-specific basket of goods. A social wage is a fair trade price premium for products that workers determine how to divide. GoodGuide assessed whether a brand includes a living wage or social premium mandate in its supply chain policies. The best policies include detail about enforcement mechanisms and show evidence that wage improvements are occurring. Basic codes of conduct that only address meeting minimum wage or industry standard levels are regarded as insufficient.

Decent working conditions

Auditing best practices – Because the apparel sector has been under scrutiny for its labor conditions longer than other industries, there are widespread and well developed practices for auditing for labor conditions. Brands receive positive credit if they follow best practices like use of off-site worker interviews, unannounced visits, and local consultation with non-profits and other organizations that have insight into conditions for workers.

Response to violations – Given conditions in the industry, violations are found at nearly all factories used by apparel brands. How brands respond to factory violations is a strong indicator of their commitment to improving working conditions in their supply chain. GoodGuide scores are based on reports by the Worker Rights Consortium (WRC), a leading NGO that compiles independent factory-level performance data. WRC evaluates labor violations in factories and communicates with brands to encourage

them to exercise their leverage to improve labor conditions in their supply chain. Brands receive positive credit for engaging with a supplier to respond to violations found by WRC (rather than abandoning a problematic factory), for obtaining remediation for workers affected by violations, and for supporting the development of independent dispute resolution mechanisms or recognizing worker association and collective bargaining rights.

Commitment to transparency

List of suppliers – GoodGuide gives positive credit to brands that have publicly disclosed a list of their suppliers, as this is a prerequisite for any credible evaluation of a brand's overall social footprint. Transparency in the supply chain is crucial in the apparel sector because of the large number of labor violations that are recorded in supply chain factories. Publicly disclosing a supplier list is crucial to verify labor compliance claims by brands.

Transparency about labor violations – GoodGuide gives positive credit to brands that publish data about factory violations uncovered through their auditing process. The most transparent brands provide factory-specific data that can be verified by third parties. Less transparent brands may restrict their disclosure to violation data that has been aggregated across all of its suppliers. Aggregate data without a supplier list precludes verification of a brand's claims about its labor violation record, so brands only receive credit for transparency if their supplier lists are disclosed as well.

Responsible purchasing practices – GoodGuide gives positive credit to brands that address purchasing practices that can contribute to the creation of poor working conditions or labor violations. For example, frequently changing orders at the last minute can lead to overtime violations as workers are forced to work excessive hours to complete orders. The highest scoring companies have internal policies to manage the social impacts of their purchasing policies and strengthen relationships with suppliers, including minimizing order changes, activity-based costing to ensure adequate wages are possible for the work supplied, and focusing on long-term supplier relationships.

Note: Emerging Issues

GoodGuide is tracking an emerging issue involving the addition of silver nanoparticles or other biocidal agents to clothing to prevent odors. Concerns include the impacts of nanoparticle release into the environment and the potential health risks of exposures to chemicals via clothing. It was not possible to incorporate these concerns into GoodGuide apparel ratings at this time because it would require product-level data that are generally unavailable.