

US: Major retailers lead in supply chain compliance

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[Levi Strauss](#), [Wal-Mart Stores](#), [Gap Inc](#), [Hanesbrands](#), [Gildan Activewear](#) and [Nordstrom](#) are leading the apparel industry when it comes to global supply chain compliance programmes, a new survey has revealed.

A scorecard included in the report 'Towards a Safe, Just Workplace: Apparel Supply Chain Compliance Programs,' is thought to provide the first publicly available comparable baseline data with which to evaluate the compliance programs of many of the top apparel companies doing business in the US.

The project by corporate responsibility group **As You Sow** was designed to provide information on the substance and scope of programmes developed to improve factory working conditions.

The report ranks the resources allocated and actions companies are employing in key compliance areas such as factory auditing, remediation, continuous improvement, collaboration, company management accountability and transparency.

The highest grades of B+ were awarded to Levi Strauss and Wal-Mart Stores, while The Gap, Hanesbrands, Nordstrom, and Gildan Activewear all received a grade of B. The lowest grades of C- were received by five companies.

"Several major brands are employing an impressive amount of resources to address social compliance in their supply chains, but other popular brands are lagging," says Amy Galland, research director, **As You Sow**.

"We were encouraged that companies are increasingly collaborating with one another via stakeholder engagement and working with local and regional governments, as this is key to improving conditions in factories, particularly in regions with less stringent rule of law."

Major recommendations for companies include:

- Put more resources into continuous improvement, working with suppliers to build management capacity, training workers and managers on labour rights and health and safety, and tracking key performance indicators.
- Greater emphasis on initiatives specifically aimed at empowering workers.
- Integrate factory compliance performance into compensation for executives.
- Analyse purchasing practices to assess if internal policies exacerbate violations and commit more resources to improve practices.
- Increase detailed public reporting on specific supply chain audit findings and remediation actions.

"We are pleased with the leadership shown by the top scorers in our survey. However, 18 companies did not participate," adds Conrad MacKerron, senior program director at **As You Sow**, who conceived the project after involvement in shareholder dialogues with many companies on labour and human rights issues.



A new report evaluates the compliance programs of US apparel retailers.

"Global sourcing has sparked controversies over factory working conditions for more than a decade. More companies in this sector should be willing to publicly discuss how they are managing these issues."

The report - [which can be read in full here](#) - offers data for other companies to compare themselves with, and for stakeholders to use to further verify company claims.

As You Sow plans to follow up with companies that did not respond to the survey, including Abercrombie & Fitch, [Kohl's](#), [Macy's](#), Sears, and [TJX](#) Companies.