It is well documented that for decades the Government of Uzbekistan has been forcing its citizens to work in the cotton harvest each year. Having engaged brands and retailers in the home goods and apparel industries on this issue since 2008, Responsible Sourcing Network (RSN) decided it was time to survey companies and report on what they are doing – and not doing – to ensure Uzbek cotton picked with forced labor is not embedded into their manufactured products.

In early 2014, RSN published *Cotton Sourcing Snapshot: A Survey of Corporate Activities to End Forced Labor*, which included survey results of 49 companies. The surveys were populated with a combination of publicly-available information and self-reporting.

Upon publishing the report, RSN was contacted by several brands requesting an opportunity to provide an update on the activities they were undertaking to address the issue of forced labor in their cotton sourcing. As a result, a year after the initial publication, RSN wants to acknowledge the improvements companies have made and is issuing a 2015 Addendum. The original survey was distributed a second time to 19 of the original 49 companies: 17 of those surveyed a second time had received overall scores under 20 points (out of 100 maximum), and two had not responded to the original survey. Of the 19, seven responded: six that originally received scores under 20 and one company, Target Corporation, which had an original score of 27.5 that was achieved through RSN’s review of publicly-available information. The six “below-20” companies that responded are: American Eagle Outfitters, Inc., Hanesbrands Inc., Kate Spade & Company (formerly Fifth and Pacific), Kering Group, Michael Kors Holdings Limited, and Sears Holdings Corporation.

The graph on the back page reflects the increased scores from the updated surveys of the seven companies. The other 12 companies never responded to our additional inquiries so their scores stayed the same, including the two that initially received and remain at a score of zero: All Saints and Urban Outfitters. The increased scores reflect new activities the companies have undertaken or disclosed that were not previously communicated or found in publicly-available sources.

**TRENDS**

All seven of the companies that responded to the survey and provided new information increased their scores by 11 – 45.5 points.

Although six of the seven companies reported they have policies not to source Uzbek cotton harvested with forced labor, with five of them being signatories to RSN’s Cotton Pledge (see box), they are all reluctant to disclose progress on implementing the policies throughout their value chains or disclosing much information about their suppliers.

All seven companies are engaged in at least one multi-stakeholder initiative such as the Sustainable Apparel Coalition, Cotton Connect, or RSN’s Economic Leverage Working Group. While these companies have supported efforts focused on sourcing cotton responsibly, their intentions have not yet translated into some key actions that could be taken. For example, most companies are not requiring Country of Origin or are not involved with a traceability program.

**BEST PRACTICES**

Surprisingly, all seven report they have Supplier Codes of Conduct (CoC) that are applicable to spinners/mills as well as to first and second tier suppliers, and six reported that their CoC also applies to the harvesting level. To enforce this, two companies are having the spinners do self-assessments, and three – Hanesbrands, Michael Kors, and Target – are auditing the spinners themselves or using independent auditors.

Because Hanesbrands owns the spinning/knitting facilities that are processing almost all of the cotton for its products, it has transparency and control over the sourcing of its cotton, which originates almost exclusively from the U.S.

Kering is implementing its *Environmental Profit and Loss (E P&L) Account* throughout its 18 brands, which will offer more transparency as to the origin of all of its raw materials.
Changes in Company Scores

All six companies that previously had scores below 20 points increased their scores above that mark. Companies with the largest improvements included Sears, Kering, and Hanesbrands – Sears increased its original score more than ten-fold; Kering’s score increased 7 times; and Hanesbrands’ score increased 5.5 times. The new scores moved Kering and Hanesbrands from the lowest 25th percentile in the ranking, with scores of 7.5 and 10 respectively, to the highest 25th percentile with scores of 53 and 54.5.

Of the companies that originally received scores in the single digits – All Saints, Bed Bath & Beyond, Costco, Forever 21, Gymboree, Kering, Sears, and Urban Outfitters – only Kering and Sears responded to RSN’s inquiry, completed the survey, and increased their previous scores. Sears signed RSN’s Cotton Pledge and took additional action boosting it from 2.5 points to a new total of 26. Although the other lowest-scoring companies listed above did not respond to the survey, their scores continue to reflect what RSN was originally able to gather from publicly available information for the 2014 Cotton Sourcing Snapshot report.

Transparency is increasingly important to consumers and investors, especially when it has to do with an egregious practice such as forced labor. It is in a company’s best interest to reply to surveys like this, to acknowledge where there are challenges and complexities in the value chain, and to work with peers and stakeholders to address the challenges.

RSN would like to extend its appreciation to all of the companies that responded to the survey. It would also like to extend a special thank you to the contributors to the 2015 Addendum: interns Joshua Drewes and Nicole Merte, Director Patricia Jurewicz, Communications Manager Andrew Montes, and designer John Opet. For inquiries, please contact info@sourcingnetwork.org.