

[Garment worker, Sahana Akhter, photographed at her home in Dhaka. Photo credit: Fabeha Monir/Oxfam]

## BRAND TRACKER BACKGROUNDER

## Milestone 1: Making a commitment

The What She Makes campaign calls on Canadian fashion brands to ensure the women who make our clothes are paid a living wage. This backgrounder provides additional information on the first milestone highlighted on our corporate brand tracker.



### 1 WHAT IS A BRAND TRACKER?

The What She Makes campaign calls on Canadian fashion brands to ensure the women who make our clothes are paid a living wage. We are engaging a small group of Canada's biggest and best-known fashion brands to take leadership and concrete steps towards paying a living wage. As part of our campaign, we will be using a **brand tracker** to show where companies are at in their progress towards living wages. The tracker is meant to be a tool to hold companies accountable to their commitments and international obligations.

The brand tracker is a scoring system which provides a grading for each company based on their actions in support of a living wage. The brand tracker includes four milestones which companies will be evaluated against:

#### 1. Making a commitment

As a first step, we want brands to make a public commitment to pay a living wage within their supply chain within 4 years and publish it on their website.

#### 2. Being transparent

Brands should be transparent and disclose their full supply chain and publish the following information on their website: full name of authorized production units and processing facilities, site addresses, parent companies, types of products made and number of workers.

#### 3. Publishing plans

Brands should develop and publish a step-by-step strategy outlining how and when a brand will achieve its commitment to pay workers a living wage and meet all requirements with clear milestones and targets.

#### 4. Paying a living wage

Within 4 years of making a commitment, brands should be paying a living wage within their supply chains. This requires collaboration, consultation and public reports on their progress throughout the process.

Companies will either score green, amber or red depending on the actions they have taken in relation to each milestone. We assess brands' score by considering a set of indicators outlined under each milestone. A green score on the brand tracker shows that the brand has fulfilled all of the elements outlined within a milestone, while amber shows that the brand has taken some action and red illustrates that the company has not taken any action.

These four milestones form the runway to a living wage that ensures that the corporate systems are in place to follow through on the initial commitment to pay a living wage within their supply chains.

Oxfam Canada developed its runway to a living wage based on three foundational pillars:

- 1. Getting the basics right
- 2. Roadmap to a Living Wage
- 3. Paying a living wage

To learn more about WSM's runway to a living wage and the various components included in each pillar, please read **outline of the runway to a living wage**.

As some of these steps are sequential, we will only be assessing a company on a milestone once it becomes relevant to where they are in their journey. As such, you may see Not Applicable sections on the brand tracker, where we have yet to assess or score companies.

While brands have the flexibility on how to best report on their progress, they are evaluated only on publicly available information, such as their annual or impact reports or their code of conduct. Insights and content shared privately with Oxfam cannot be considered in the scoring of the brand tracker.

# 2 MAKING A CREDIBLE COMMITMENT

To get the basics right, which is the first step in the runway to a living wage, a company needs to make a credible commitment to paying living wages within their supply chain within 4 years. The commitment must be publicly available on the brand's website and clearly outline that the brand is going to ensure payment of a living wage to garment workers within its supply chain and that it will embed this commitment in how it conducts its business. A credible, public commitment to pay a living wage should include:

- A commitment statement with a clear definition of living wage that includes all mandatory aspects of a living wage
- Publish at least three measurable, relevant, and verifiable milestones
- Commit to publicly report on progress with full transparency and accessibility of information

Most brands and retailers have a code of conduct that reflects a set of labour standards. However, most brands' codes of conduct refer only to a minimum or prevailing industry wage, while the right to a living wage goes unaddressed. A commitment to minimum or prevailing industry wages is not enough. In many countries, the minimum wage is set at a level that does not correspond to the cost of living as countries 'race-to-the-bottom' on wages to attract foreign investment.

Companies committed to ethical sourcing must do more than abiding to local laws, particularly minimum wage laws, if they want to show that they are paying workers a fair wage. Several companies, including **Gildan**,

**H&M**, **Kmart**, **and Target** have already made a clear commitment to pay a living wage to the workers in their supply chain.

Another example of a strong commitment statement comes from **Patago-nia**:

"Patagonia believes that every worker has the right to fair compensation and a living wage. As a founding member of the Fair Labor Association (FLA), we have embedded its living wage standard in our code of conduct and developed an approach to improving wages in our partner factories. As of 2019, 35 percent (11 out of 31) of our apparel assembly factories are paying their workers a living wage, on average."

A credible commitment statement is critical to ensuring brands are willing and able to develop strategies within their supply chain to start paying a living wage so that the reality goes beyond moral support for the issue. It also ensures that the brands are transparent throughout their journey.

By not paying a living wage, companies are trapping the women who make our clothes in a cycle of poverty. We believe that fashion brands can be a force for good and help address human rights concerns across the industry. The first step is to make a credible commitment to paying living wages.

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Oxfam Canada acknowledges the historical and ongoing oppression and colonization of all Indigenous Peoples, cultures and lands in what we now know as Canada. We commit to acting in solidarity with First Nations, Inuit and Métis peoples in their struggles for self-determination and decolonization and in support of the Calls to Action of the Truth and Reconciliation Commission (2015) and the Calls for Justice of the National Inquiry on Missing and Murdered Indigenous Women and Girls (2019). Oxfam Canada's offices are located on the unceded, unsurrendered traditional territories of the Algonquin Anishinabe, Musqueam, Squamish and Tsleil-Waututh peoples. We recognize the privilege of operating on lands that these peoples have nurtured since time immemorial. As guests on these lands, we commit to walking in solidarity with our host nations and according to Oxfam's values of equality, empowerment, solidarity, inclusiveness, accountability and courage.

This paper was written by Nirvana Mujtaba with support from Ian Thomson, Kelly Bowden and Diana Sarosi.

For further information on the issues raised in this paper please email info@oxfam.ca

The information in this publication is correct at the time of going to press.

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