

PRESS RELEASE: FASHION TRANSPARENCY INDEX 2022

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The latest Fashion Transparency Index Brazil shows little progress by the largest fashion brands in the country.

Amid debates on deforestation and increasing social inequality, the Fashion Transparency Index Brazil (FTIB) shows to what extent 60 of the biggest fashion brands sourcing from the country publicly disclose their socio-environmental policies, practices and impact.

With the aim of accelerating systemic change in the fashion industry, Fashion Revolution Brazil publishes the FTIB annually. The fifth edition has just been released, revealing the level of public disclosure of 60 major brands and retailers in the Brazilian market. The Index reviews data on their policies, practices and impacts and along the entire value chain, covering over 200 indicators on topics related to purchasing practices, living wages, gender and racial equality, circularity, climate and biodiversity, supply chain traceability, governance and more.

Transparency should not be confused with sustainability, but without it it will be impossible to achieve a more sustainable, responsible and fair fashion industry. Therefore, transparency is seen as a tool for change and not as the ultimate goal. In order to achieve a holistic approach, the FTIB is divided into five sections: policies and commitments; governance; traceability; know, show & fix, and spotlight issues.

"Social justice and climate justice are inextricably linked. Fashion, as one of the world's major industries, must operate in a fairer and more transparent manner, providing a decent livelihood for its workers and contributing to the regeneration of nature." - Isabella Luglio, educational lead at Fashion Revolution Brazil.

In a year that deforestation and biodiversity loss in Brazil reached record numbers, the data presented in the Index are discouraging. None of the 60 largest brands and retailers reviewed in the Index publicly disclose measurable and time-bound commitments to zero deforestation. Acting against deforestation should be crucial and urgent for brands operating in Brazil, as the rates of this practice have increased exponentially and are already impacting all national biomes.

It is also worth mentioning that as the FIFA World Cup kicks off, several sports brands did not perform well, for example Nike Brasil, Penalty and Netshoes obtaining a score of 0, reinforcing that transparency in fashion must not be limited to only fast fashion or luxury brands but all sectors of the market.

Traceability is a major challenge for global supply chains, as this link is crucial to guarantee dignity in the lives of the people who make our clothes. In the Index this year, 67% of the companies reviewed did not disclose any information about their supplier lists. Scores in this section experienced the biggest drop compared to the general average observed last year, from 21% in 2021 to 18% in 2022.

Among the companies reviewed, the average score was 17%, one point percentage lower than the previous year. The highest scorers were: C&A (73%), Malwee (68%), Havaianas (57%), Renner (57%) and Youcom (57%). The majority of brands were concentrated in the range of 0-10% and, among them, 22 brands have a score of zero: Besni, Brooksfield, Caedu, Carmen Steffens, Cia. Maritime, Colcci, Di Santinni, Forum, Havan, Klin, Kyly, Leader, Avenida Stores, Pompeii Stores, Marisol, Moleca, Netshoes, Nike, Penalty, Sawary, TNG and Trifil.

Public disclosure of reliable, comprehensive and comparable information about fashion supply chains allows investors, policymakers, journalists, NGOs, unions, workers and their representatives to ensure accountability by brands and retailers. This transparency enables such actors to examine what companies claim to practise for the guarantee of human rights and protection of the environment, in addition to holding them accountable for their policies and practices. It also allows collaboration between actors to stop, mitigate, prevent and remedy environmental and human rights and share strategies and best practices on these issues.

Transparency alone will not solve all complex problems deeply rooted in the fashion industry, but it does allow a baseline, without which we will not be able to make significant progress towards real improvements. By shedding light on the places and conditions our clothes are in being made in, it is possible to solve problems more quickly and collaboratively.

NOTES TO EDITORS

The report will launch on Tuesday 29th November and will available to download at www.fashionrevolution.org/brazil

Please email <u>brazil@fashionrevolution.org</u> for interview requests, images or any further information.

About the Fashion Transparency Index Brazil

The Fashion Transparency Index Brazil 2022 was prepared by Fashion Revolution and Instituto Fashion Revolution Brasil, with the financial support of Laudes Foundation and the technical partnership of ABC Associados, a consultancy specialising in methodologies for analysing the performance and profile of companies in the field of corporate sustainability.

Previous reports

Fashion Transparency Index Brazil 2021

Fashion Transparency Index Brazil 2020

Fashion Transparency Index Brazil 2019

Fashion Transparency Index Brazil 2018