

RISKS IN THE APPAREL INDUSTRY

The apparel industry has incredibly extensive and complex supply chains spanning multiple countries around the world. This makes it difficult for companies to monitor labour standards across their many outlets. Companies are exposed to the risk of being linked with suppliers that recruit workers through deception and debt bondage amounting to forms of modern slavery. This underscores the need for leading apparel companies to better understand the modern slavery risks within their supply chain and how to address and mitigate these risks.



ABOUT H&M

H&M is one of the world's largest fashion companies with more than 161,000 employees worldwide. The company operates over 4100 stores across more than 66 markets globally.

BEST PRACTICES

The Mekong Club wishes to commend H&M for its leadership in combating modern slavery. The company has been a standard-setter for the apparel industry in the following ways:

1. Extending human rights due diligence

H&M has enacted a human rights due diligence process aiming to implement respect for human rights in practice. This is a three-pronged process that aims to: identify risks, address risks and account for actions. As part of this process, the company has extended its supply chain management follow-up to cover 100% of first tier units as well as 60% of second-tier suppliers of fabric and yarn. Additionally, since 2013 H&M has published a Supplier List detailing the names and locations of factories in the manufacturing and processing tiers. H&M's new clothing brand Arket has gone even further with its level of transparency by listing the specific name and location of the factory that has produced any given product listed on its online store. Finally, H&M has updated its risk assessment matrix to include details of material, process and product risks.

2. Targeted remedial action

Where red flags concerning forced/exploitative labour have been raised, H&M has taken action in two key areas. Firstly, it has targeted risks of exploitative labour at spinning mills in Tamil Nadu, India. The company has addressed this by joining an ETI initiative in the region as well involvement in the Amsterdam Coalition, an initiative between major brands and retailers supported by the OECD which undergoes prevention and mitigation activities in the region. Additionally, it has targeted risks of forced labour and child labour related to raw materials by enacting a ban on cotton sourced from Uzbekistan, Turkmenistan and Syria, as well as ensuring its material/process/product risk assessment matrix covers both new and existing raw materials.

SOURCES AND FURTHER READING:

- [H&M, 'Modern Slavery Statement 2015/2016'](#)
- [Arket Website](#)