

Some Retailers Say More about Their Clothing Origins

By Stephanie Clifford

The revolution that has swept the food industry is expanding to retail: origins matter.

With fair-trade coffee and organic fruit now standard on grocery shelves, consumers concerned with working conditions, environmental issues and outsourcing are increasingly demanding similar accountability for their T-shirts. The issue has been brought to the forefront by the garment factory collapse in Bangladesh, which killed more than 800 people.

And some retailers are doing what was once unthinkable, handing over information about exactly how, and where, their products were made.

Everlane, an online boutique, last week added paragraphs to its Web site describing the factories where its products are made.

Nordstrom says it is considering adding information about clothes produced in humane working conditions.

An online boutique breaks down the number of workers involved in making each item and the cost of every component, while a textiles company intends to trumpet the fair-trade origins of its robes when Bed Bath & Beyond starts selling them this month.

And a group of major retailers and apparel companies, including some — like Nike and Walmart — with a history of controversial manufacturing practices overseas, says it is developing an index that will include labor, social and environmental measures.

New research indicates a growing consumer demand for information about how and where goods are produced. A study last year by professors at the Massachusetts Institute of Technology and Harvard showed that some consumers — even those who were focused on discount prices — were not only willing to pay more, but actually did pay more, for clothes that carried signs about fair-labor practices.

“There’s real demand for sweat-free products,” said Ian Robinson, a lecturer and research scientist at the University of Michigan who studies labor issues. Consumers “don’t have the information they need, and they do care.”

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The garment factory collapse that killed more than 800 workers in Bangladesh last month has added urgency to the movement, as retailers have seen queries stream in from worried customers.

“In the clothing industry, everybody wears it every day, but we have no idea where it comes from,” said Michael Preysman, Everlane’s chief executive and founder. “People are starting to slowly clue in to this notion of where products are made.”

Major retailers have long balked at disclosing the full trail, saying that sourcing is inherently complex — a sweater made in Italy may have thread, wool and dye from elsewhere. Another reason: Workplace protections are expensive, and cheap clothes, no matter where or how they are manufactured, still sell, as H&M, Zara and Joe Fresh show through their rapid expansion.

But labor advocates note that consumers’ appetite for more information may put competitive pressure on retailers who are less than forthcoming. In recent weeks, government officials, including Chancellor Angela Merkel of Germany, and labor and consumer advocates have cited the Bangladesh collapse in calling for the adoption of fair-trade standards or labeling. In direct response to what happened in Bangladesh, Everlane added information to its Web site about the factories where its clothing is made. “This factory is located 10 minutes from our L.A. office,” one description for a T-shirt reads. “Mr. Kim, the owner, has been in the L.A. garment business for over 30 years.”

Everlane says it will soon add cost breakdowns for all of its clothing, along with photographs of factories where that clothing is made and information about the production.

Mr. Preysman says Everlane has long received questions from customers “around where the products are sourced from and how we can tell that the labor is good.” It is an inexact science, he said. But he added that he looks for factories certified by independent outside organizations and has executives spend time with a factory’s owner to see if he or she “is a decent human being.”

Honest By, a high-fashion site introduced last year, includes even more specific information about its products. Take a cotton shirt that costs about \$320: it took 33 minutes to cut, 145 minutes to assemble and 10 minutes to iron at a Belgian factory, then the trim took an additional 10 minutes at a Slovenian plant. The safety pin cost 4 cents, and transportation about \$10.50.

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Bruno Pieters, the site’s founder, said by e-mail that “as long as we keep paying companies to be unsustainable and unethical, they will be.” But, he said, that may be changing. He cited a spike in sales that he asserted was in response to issues raised by recent overseas sourcing disasters.

Lush Cosmetics, a company based in Britain, has added video from its factories and photographs from buying trips to places like Kenya and Ghana to its Facebook page. Simon Constantine, head perfumer and ethical buyer, said he would like to add links to the factories Lush buys from, to encourage other cosmetics companies to support them.

Nordstrom said it had provided factory information in response to shoppers’ calls, and was considering going a step further, said Tara Darrow, a spokeswoman. The Nordstrom Web site specifies eco-friendly products, “so how can we do the same with people-friendly?” Ms. Darrow asked. “Hearing from customers and knowing they care definitely compels us to want to do more.”

A variety of groups are working on new apparel industry labor standards.

The Sustainable Apparel Coalition, which includes big names like Nike, Walmart, Gap, J. C. Penney and Target, has been testing an index called the Higg Index. It started last year with environmental goals, but the new version due this fall will include social and labor measurements.

The coalition was formed in 2011 to create one industry standard for sustainability and labor practices, rather than a patchwork approach. Some of the companies supporting this index have had sourcing problems — Walmart subcontractors were using the Tazreen factory, the Bangladesh plant where a fire killed 112 workers last November. Gap, Target and Penney produced clothing at another Bangladesh factory, where a fire killed about 30 workers in 2010. Nike, which faced a global boycott over sweatshop conditions in its overseas factories, was among the first major apparel companies pressured to disclose the factories it uses.

For now, the index is just for companies’ internal use. But Jason Kibbey, executive director of the coalition, said the goal was to give the information to shoppers, too, through a label or via the Web or apps. Labor advocates like Scott Nova, executive director of the Worker Rights Consortium, however, say that self-regulation may be ineffective.

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Another certification, Fair Trade USA, began in coffee and only recently moved into apparel. PrAna, a yoga company that is among the first American apparel firms to be fair-trade certified, said the process included tours of its cut-and-sew plant in Liberia and other factories, a review of factory books and systems, and an assessment of workers' pay relative to local salaries. PrAna sold one fair-trade T-shirt in 2011, and now sells nine such products.

Those products are priced 10 percent more than a comparable item, said its chief executive, Scott Kerslake, and they have been selling well, but PrAna has to be careful not to “completely chase away consumers on it” given the more expensive process. Now, it is trying to do more to alert consumers to the certification: the logo is only on PrAna's tags, but it plans to put the certification logo on garments.

For some shoppers, the fair-trade pitch goes only so far. Marci Zaroff, founder of Under the Canopy, which is introducing a fair-trade certified bathrobe at Bed Bath & Beyond this month, said it could be hard to convey the message, and “that's why we sell on style, quality and price.”

Neeru Paharia, an assistant professor at the McDonough School of Business at Georgetown, recently completed a study on consumers' attitudes toward sweatshop labor. She found that the complex supply chain in retailing made it easier for consumers to justify poor labor practices.

“Most people probably would not hire a child, lock them in their basement, and have them make their clothes,” she said, “but this system is so abstracted.”

She also found that consumers were concerned with labor practices — as long as they were not that interested in buying a product like shoes. But “if the shoes are cute — if they like the shoes — they actually think sweatshop labor is less wrong,” she said.

The collapse in Bangladesh may be changing that. One look at the Facebook site of Joe Fresh, which produced clothing at that factory, suggests that customers are upset, and Joe Fresh's parent, Loblaw Companies, has vowed to audit factories more aggressively and compensate the victims' families. Shoppers like Lauri Langton, 62, of Seattle, plan to push retailers for more information. “You should be able to tell, right away, where the product is produced, so that you can walk away from the product and not buy it if you do not believe it was produced in a humane way,” she said. “That's where we have power as consumers.”

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