The Ivanka Trump Brand's Supply Chain Is Seemingly Untraceable

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Ivanka Trump, former head of the Ivanka Trump brand, speaking to the National Press Club.

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On Thursday, non-profit consumer education organization <u>Project Just</u> published a <u>deep-dive</u> <u>investigation</u> into the Ivanka Trump clothing line.

This wasn't unusual. The company, which aims to make fashion a more sustainable, ethical, and transparent industry, is built largely on comprehensive investigations into the supply chains of different brands, the results of which it shares on its <u>online wiki</u>. Ivanka Trump was an obvious subject in light of boycotts led by <u>GrabYourWallet</u>, which may or may not have caused <u>Nordstrom</u> and <u>Neiman Marcus</u> to back away from the line. Plus, community users had specifically requested the investigation. The reason it was unusual — enough to warrant a behind-the-scenes look at the investigation process itself — was that it found nothing.

"Project Just discovered no code of ethics, no sustainability reports, no human rights policies."

With five researchers working in six countries over the course of a month, and despite contacting spokespeople, sales reps, and brand employees, Project Just discovered no code of ethics, no sustainability reports, no human rights policies. A shipping list pointed to <u>factories</u> in China and Indonesia, but no factories were at the addresses, and calls to the phone numbers listed went unanswered. The 12-employee business offers paid maternity leave to new mothers, but revealed no policies ensuring fair wages, safe working conditions, or health care to the women working at every other level of manufacturing — despite Ivanka Trump's emphasis on empowering working women. Project Just uncovered no evidence that the brand (whose manufacturing and distribution is handled by licensing group G-III Apparel) knows anything that goes on within its own supply chain — or, at least, is willing to share what it knows.

So what does this mean? We got on the phone with Project Just cofounder Natalie Grillon and head of research Jacinta FitzGerald to talk about how far the Project Just team went to find out what little they could, why consumers are more likely to be blindly trusting of celebrity lines, and just how common such a lack of transparency is. Here's what they had to say.

Let's start with a little background about Project Just. Who are you guys, and what do you do?

Natalie Grillon: We're an online community dedicated to helping shoppers change the way that they shop for fashion. We have an online wiki that has sustainability and ethics research on over 100 brands, which is updated consistently. Then we have a <u>seal of approval</u>, which we give to the best brands in the industry for their supply chain practices. We complement that work with <u>features</u> related to ethical and sustainable fashion — everything from city guides to style files, and then in some cases, we go in-depth on the investigation process, like we did with this one, and share that information with the community through a few more channels apart from the wiki.



Workers at the Huajian shoe factory, where about 100,000 pairs of Ivanka Trump-branded shoes have been made over the years amongst other brands, in Dongguan, China. *Photo: Greg Baker/Getty Images*

Jacinta, you were heading up the research on this project. Can you tell me more about what your investigators were doing?

Jacinta FitzGerald: Ours is a global team, which is one of the great things about working at Project Just. I'm in New Zealand; we have members of the research team in Canada, Indonesia, India, and obviously in the US as well. We had a little bit of input from a journalist who was in China at the time. We had people on the ground in a lot of places, looking into different aspects of the supply chain and trying to find out anything we could, because the more we looked, the less we could find. Usually when we research a brand, we have one person looking into everything the brand reports on itself — and in this case, because it's a licensed brand, also what the supplier companies report on — and then we have another person looking into all the third-party industry organizations that might have done any reporting or investigation into the brand.

""We were able to track down factories in both China and Indonesia which reportedly shipped Ivanka Trump branded products to the United States, but we couldn't get beyond that."" For this particular brand, because we couldn't really find anything, we went in a little bit deeper. Using shipping databases, we were able to track down factories in both China and Indonesia that reportedly shipped Ivanka Trump-branded products to the United States, but we couldn't get beyond that. Our researcher in Indonesia tried at length to contact one of the factories there and couldn't get through; none of the calls to telephone numbers listed for the factory were answered. The factory wasn't at the address listed for it, but the factory was still operating. Everything was quite murky.

NG: Also a bit disconcerting that a factory is listed but it's not at the location that it says it is, and the phone lines aren't picked up.

How unusual is this, to investigate a brand and just come up with nothing?

JF: It's a little unusual. It's becoming more common now for brands to be more transparent, even in their intentions, so you'll find fast fashion brands talking about how they're aware people want to know a bit more, that they're putting policies in place, trying to make improvements. With big brands that have been quite untransparent in the past, we're seeing them starting to become more transparent and change some of their practices. We were really quite surprised that we could find absolutely nothing about a brand or a supplier company that operates at this scale.



Ivanka Trump shoes on the production line at the Huajian shoe factory. *Photo: Greg Baker/Getty Images*

Having said that, there still are a number of quite large brands, particularly US-based brands, that we've researched and found no information. <u>Lucky Jeans</u> comes to mind.

NG: <u>Forever 21</u> and <u>Abercrombie</u> are others which, based on the last time we checked their websites, all pretty recently, have no information available. But then you look at brands like H&M and <u>Gap</u>, who are now publishing their first-tier supplier lists, and I think that that's starting to become best practice.

Ivanka Trump's line is licensed to G-III Apparel, which does the manufacturing. How come we can't just transpose their policies to Ivanka Trump's brand?

NG: We looked into G-III in addition to the Ivanka Trump brand itself. In the case of a lot of celebrity brands — like <u>Ivanka Trump</u>, Beyoncé's line, Melissa McCarthy's line — they're manufactured by a holding company. There are actually many of these giant holding companies that handle manufacturing and distribution for a variety of different brands. In some cases they handle design, in some cases they don't. <u>Kate Spade</u> does this, as do some other major names that people would know. It's very common. It's very *un*common to find a vertically integrated brand that actually does all its manufacturing and design.

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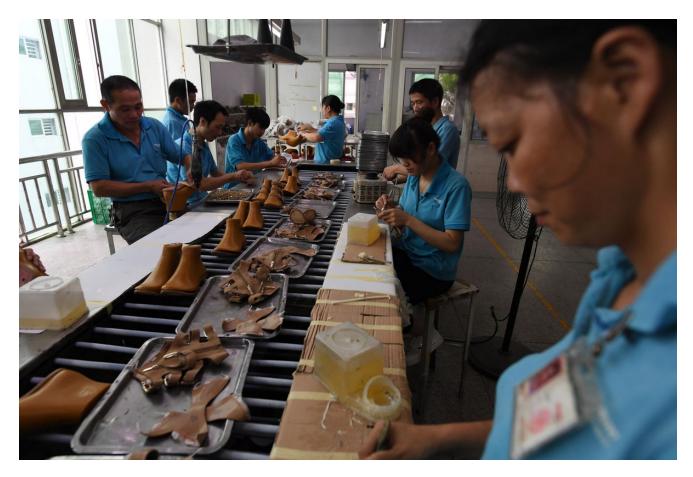
But in this case, because Ivanka's name is on the clothes — much like Beyoncé's line, much like the other celebrity lines — we think that, for the consumer, it adds an additional level of trust but also opaqueness. The assumption is made that, well, because it carries her name, it must be vetted by her, it must be designed by her, she must be watching over it very closely, when in actuality it's quite the opposite. With celebrity brands, the celebrity might handle design or give a thumbs-up on certain elements, but in most cases they have not visited the factories, and they have no real relationship with the manufacturer on the ground. They do their dealings through these larger holding companies. It allows for an additional lack of accountability on the part of those brands.

Especially when, in the case of Ivanka Trump's #womenwhowork motto, the brand offers a surface-level sense of empowerment that consumers might assume is part of the company's philosophy. But you've found no evidence of that traveling through every level of the supply chain.

NG: None whatsoever.

JF: Not at all.

NG: That is, as an almost all-female team, something that's really frustrating for us — that a brand speaks of empowering women and championing women who work, when women who work in the garment supply chain are in fact most likely working more hours than any of us, and under much harsher conditions, and are not being talked about, period, never mind championed.



Workers on the production line at the Huajian shoe factory. *Photo: Greg Baker/Getty Images*

You mentioned, at least, that the Ivanka Trump brand offers paid maternity leave to its employees. What is the kind of thing Ivanka Trump, or her brand, would have to do to ensure that every woman involved in the manufacturing of her line was being treated well?

JF: I would say one of the most important things would be for her brand to implement some policies around the practices that they will tolerate — so, for example, implementing a vender code of conduct, which they would require all of their vendors to sign. They would have full license to put in there whatever they want, so they can ensure that their workers have good conditions, are paid a reasonable rate, they could have maternity leave if that's something she wants to champion. The brand can set out any conditions of trade they want, and then ensure that the suppliers follow those conditions themselves, and then pass those on to the second and third and fourth tier suppliers down the chain. It comes from the top. There needs to be some policies put in place for what the brand deems acceptable practice.

""They can ensure that their workers have good conditions, are paid a reasonable rate, they could have maternity leave if that's something she wants to champion.""

NG: Also, along with those policies, there's setting up incentive structures, and making sure that you're aligning long-term contracts with the factories so they know that investing in policies like maternity leave, and maybe childcare and healthcare onsite at the factory, is worth it. They know the brand will continue to honor their commitment. Obviously audits are standard practice in factories, but those have failed to catch a lot of abuses and problems in supply chains in the past. What's being encouraged now is more open, transparent conversations, so that purchase orders done on a regular basis require sustainability and wage data. You also have some brands, like H&M, trying to negotiate to push collective bargaining in their factories, which is a huge step and really impressive, because then the power is in the workers' hands.

It's worth noting, too, that though the lack of evidence for ethical working conditions is especially striking because working women is such a part of Ivanka's personal brand, you also looked into, and found nothing about, the brand's environmental impact, sustainability, and quality control. Can you talk a bit about the different arms of these investigations?

JF: To start with, we just look at the brand's business model, in its size and structure. That's fairly self-explanatory: how many employees they have, how many garments they make annually, etc. We look into how transparent the brand is, social practices and environmental practices, any intention the brand has of making improvements. We look at any innovations that the brand invests in, whether that be renewable energy or using sustainable fabrics. We try to give it a really holistic broad view of the entire operations of the business.

One aspect I'm curious about is the investigation of the product quality, which feels like something the consumer would be especially interested in. How do you dive into that?

""Up until now, we didn't find clothes at that sort of price point falling apart. I was surprised by that.""

NG: In this case, we went to several of the retailers, because, again, it was so difficult to find information. We were hoping to trace the clothing back through codes found on the garment tags, which sometimes reveal a bit more than what we were able to find here. While we were checking the tags, I also checked out the clothes, because I wasn't very familiar with the brand. I'd never touched the clothes. I'd never tried them on before. I found at both Macy's and Lord & Taylor that an Ivanka Trump dress retailing for \$150 was falling apart in the midsection, where two of the seams came together right below the bust.

We don't necessarily always put the quality of the clothes as the first thing we look at, because we often find that ethical and sustainable brands we highlight sell clothes that are made to last. They're made to be durable, whereas typically, the fast fashion clothes we look at, priced in the \$10, \$20, \$30 range are made in a more disposable way. They're meant to be worn several times and then either donated or thrown away. Up until now, we didn't find clothes at that sort of price point falling apart. I was surprised by that.

Would you draw any conclusions from that about the quality of the material, or the conditions of the factory it was made in?

NG: It could mean a lot of different things. This particular dress in Lord & Taylor had a belt on it, and in Macy's it didn't. The belt they attached may have been too heavy for the item as it was shipping, so it may have pulled apart, and that might be why. Again, that's a huge miss on their part. It may have been, at this factory on this day, that quality control was really lacking. It could be that it was a factory rushing to get an order out to hit a deadline, which you see a lot. I can't really draw a conclusion, but I can say that for a \$150 dress, you shouldn't be seeing the seams falling apart when nobody has even worn the thing yet.



A worker on a production line at the Huajian shoe factory. It takes more than 200 workers to move a single pair of shoes from the concept stage to the loading dock. *Photo: Greg Baker/ Getty Images*

You reached out to 21 people connected to the brand and got no responses. People who are reading this report, seeing no information offered by spokespeople or discoverable by your investigation, might assume that no information means bad

information. Do you think that's a fair assumption?

NG: I think it means that there's a huge of risk of bad practices happening. Typically, if you're not going to answer, it means you don't have the information readily available, which means that you're not communicating with your supply chain, which means that there are things going on that you don't know about. They could be amazing things and they could be bad things, but I think that's bad — if you are making clothing and you're putting your name on it, you're putting your brand on it, and you don't know, can't tell us, where it's happening or what's happening, I think that's a bad sign.

And this investigation was over the course of the month, so people you contacted had ample time to respond to you.

NG: Yes, and we followed up as well.

I know that you mention in the beginning of the Medium piece that this is an objective investigation and you are a nonpartisan group, but since a lot of the issues you're looking at — environmental sustainability, worker rights — are kind of at odds with the current administration, were you worried about this looking politically partisan?

NG: I'm not worried about it because we serve the consumer, and the consumer comes in every shape and size, every different political mindset, from all over the world, and I think that everyone would agree if you are paying for something, you have a right to know what you're buying and if it is meeting your expectations. We try to empower the consumer with that information.

""We reported on this brand in the same factual way that we would report on any brand."" We reported on this brand in the same factual way that we would report on any brand, and you'll see on the site that there are other brands listed where we have little to no information. We thought this was an opportunity to speak to celebrity lines in general, which are often based on this kind of a model, and the consumer often isn't aware. I know it's a very hot, controversial topic. I encourage people to engage with the information and read it and form their own opinions.

Do you see consumers in greater numbers acting with their money and putting pressure on companies and brands to be more transparent?

NG: Yeah, I think so. I say that knowing that I do this work day in and day out, so I'm trying to keep a perspective of a larger global marketplace, but I think when we look at the ethical fashion movement, the organic and fair trade food movements, all of these things are growing, and it's been over the course of decades, so it's not just a trend. Organic food is now sold in Walmarts. Starbucks has fair trade coffee. <u>Zara</u> and H&M both have conscious, sustainable lines. They see their consumer asking for it and they wouldn't be doing it if they

didn't feel that the product was going to sell. This is something that people want. They want transparency from companies. They want to know what they're buying. They don't necessarily trust brand names anymore.

Have you gotten feedback on this investigation yet?

NG: We've had a few positive responses saying thank you, this is really comprehensive. We pride ourselves on being super thorough, so that's good to hear. We're going to keep doing investigations like this, and highlighting how we went about the process, so that people can engage with the information in a different way rather than just looking up the brand on the wiki. We're excited to see what people think of it. We want that feedback.