

II TRANSPARENTEM

ANNUAL
REPORT
2024

LETTER FROM THE PRESIDENT

Owing first to COVID, and now to tariffs, the world is keenly aware of how much pain disruptions in global supply chains can cause the consumer. But even in moments of normalcy, hidden deep within those supply chains, workers and communities too often feel a different kind of pain. They and their environments suffer from abuse that doesn't make the headlines.

In 2024, Transparentem met these hidden harms head-on. We expanded our investigations, deepened our partnerships, and drove action at raw material farms and higher-tier worksites, where corporate responsibility too often disappears, and workers are rendered invisible. This year, we mark ten years of exposing injustice and driving change in corporate supply chains. As we reach this milestone, we are reflecting on what we've achieved and looking ahead to how much further we can and must go. Over the past decade, we have uncovered the hidden costs of global production: costs borne by workers and communities far from the eyes of consumers. In the shadows where oversight fades, we have found labor exploitation and environmental destruction—and prompted some of the world's most powerful companies to respond.

10 OF EXPOSING INJUSTICE
& DRIVING CHANGE
in corporate
YEARS supply chains

This year, we deepened that mission by reaching even further into the supply chain. We pressed more companies to shoulder greater responsibility. And we forged new strategies for lasting accountability. Our work proves that true transparency must reach where traditional corporate visibility ends—and that real change requires centering worker and community power in procurement and investment decisions.

In India, we completed an investigation across 90 cotton farms in Madhya Pradesh. There, we found children as young as five years old picking cotton destined for global markets. We followed the trail, tracing the cotton on its journey from farms to gins and spinning mills, to three of India's largest sup-

pliers, and onward to more than 60 major international brands.

In Taiwan, we built on our decade of work delivering remedy for recruited migrant workers. We investigated 13 second-tier textile manufacturers—the suppliers behind the suppliers contracted by brands. We found workers paying up to \$6,000 in recruitment fees, the highest amounts Transparentem has ever documented. A second investigation in Taiwan's electronics and appliance manufacturing sector revealed similar patterns, with loan-financed recruitment fees trapping workers in debt bondage.

The sheer number of brands we engaged with through these projects underscores both the urgency of our work and the scale of the change we are driving across industries. Our investigation in India led to the establishment of the *Harvesting the Future – Cotton in India project*, which looks to bring game-changing human rights due diligence, community-level interventions, and child protection to 32 villages in Khargone and Barwani districts, involving over 7,500 cotton farm owners.

In Taiwan, our investigation into textile manufacturing resulted in the creation of an **American Apparel & Footwear Association (AAFA) & Fair Labor Association (FLA)-led coalition** to improve conditions for migrant workers in Taiwan's textile sector. Patagonia credited the catalytic nature of our work, **noting**: “[Transparentem’s] research has made it clear that collective action is necessary and has mobilized the industry in the right direction.”

Brands and civil society organizations are now coming together to call on the Taiwanese government to strengthen protections for migrant workers. As for workers? So far, \$1.5M in recruitment fees have been returned, with more anticipated in the coming months. This brings our total reimbursements, across seven projects where we found exploitative recruitment fees, to more than \$5.5 million.

\$5.5 M IN RECRUITMENT FEES
returned to workers

Importantly, just in the last few months, three leading brands reimbursed \$390,000 in recruitment fees to 637 Bangladeshi migrant workers in a factory that Transparentem had investigated in Mauritius. This affirms a hard-won principle: that brands—not just their suppliers—bear material responsibility to right the wrongs within their supply chains.

This year reaffirmed a core belief that has driven Transparentem since our founding: transparency matters most where abuses are hardest to see. We challenged companies to understand that their duty does not stop at their first-tier suppliers. Accountability demands action all the way upstream.

As we enter our second decade, we remain relentless in our mission: to expose what others overlook, to champion the rights of the most vulnerable, and to help forge a world where corporate responsibility reaches every worker, at every tier of production.

Looking ahead, we are expanding our focus on protecting the environments where global goods are sourced. We are proud to launch our first investigation into critical mineral supply chains—resources essential to the green energy transition yet often linked to labor abuse and environmental devastation. Our goal is clear: to expose these risks, catalyze reform, and support an energy transition that is swift and just.

We know that the road ahead will not be easy. Around the world, including here in the United States, labor and environmental justice organizations face mounting threats. We stand in solidarity with those under pressure, made all the more acute by roiling global economic uncertainty. And are deeply grateful to the partners and allies whose courage and commitment sustain our work.

Thank you for standing with us in the fight for transparency, accountability, and justice.



E. Benjamin Skinner
Founder and President



A man in a red shirt and blue face mask is working with large red and white striped fabric in a factory setting. The fabric is draped over a metal frame, and the man is reaching out to adjust it. The background shows industrial equipment and other workers in the distance.

ABOUT **us**

Transparentem transforms industries by allying with workers and communities to uncover abuses in global supply chains and drive labor and environmental justice. Our mission is rooted in collaboration and accountability.

We drive systemic change to strengthen labor rights and protect the environment across entire industries.

ABOUT US

TRANSFORMATION THROUGH TRANSPARENCY

THE PROBLEM

Human rights abuses and environmental degradation are widespread across global supply chains. An estimated 160 million languish in child labor, and nearly 28 million people are victims of forced labor. Their exploitation generates billions in annual profits. At the same time, deforestation, worsening water pollution, and rising carbon emissions tied to industrial activity are inflicting increasing harm on communities and ecosystems.

While brands and retailers should understand how their products are made, many remain unaware of the extent of the exploitation and environmental damage embedded in their supply chains—especially beyond the first tier of production. Even the most well-intentioned corporations often fail to uncover or address abusive practices at farms, factories, mills, and mines further down the chain. Activist efforts to increase transparency and accountability, though valuable, are often fragmented and reactive, and can place human rights and environmental defenders at risk.

The status quo endangers people, communities, and the planet. To drive meaningful change, companies must take responsibility for the full scope of their supply chains.

OUR SOLUTION

Our work begins with holistic, evidence-based investigations into labor and environmental exploitation in factories, farms, forests, mines, mills, and tanneries. From raw material origins to final assembly, our international network of over 60 investigative reporters and research uncover abuses such as forced labor, child labor, deforestation, and gross pollution. We identify specific violations that reveal broader systemic issues—and can prompt industry-wide reform.

Once we gather credible evidence, we deliver detailed intelligence reports and tailored recommendations for remediation directly to implicated companies. Rather than immediately taking a “name and shame” approach, we prioritize independent, quiet and direct engagement with corporate actors to encourage meaningful action. After that grace period, we make our findings public—alongside a description of corporate action or inaction—to ensure accountability.

We also work with grassroots organizations, investors, policymakers, and regulators to amplify our impact. By partnering with local communities and NGOs from the outset, we align our investigations with lived realities to bring about systemic change.



Our Work in 2024

In 2024, Transparentem advanced **three investigations focused on child labor, forced labor, and the exploitative recruitment of migrant workers**. Alongside these investigations, we fostered collective action among buyers and other stakeholders to encourage meaningful remediation and systemic change.

OUR WORK IN 2024

ADVANCING ACCOUNTABILITY ACROSS EVERY TIER

UNCOVERING EXPLOITATION AT THE RAW MATERIAL LEVEL

In Madhya Pradesh, India, **we completed our largest project to date** and our first focused all the way up the supply chain at the raw material level. Completed in March 2023, the investigation examined conditions on 90 cotton farms linked to three Indian cotton suppliers. Through interviews with more than 250 workers, we uncovered widespread evidence of child labor. We found children as young as five missing school to work in the fields. Among both children and adults, we found other forced labor indicators including debt bondage, poverty-level wages, and abusive labor conditions. Among the findings, we found children handling pesticides or working in environments where pesticides were used.

Beginning in late 2023, we shared our findings with 60 companies connected to the cotton suppliers. We engaged with those companies (which include some of the most reputably ethical apparel brands), US government agencies, and civil society throughout the first half of 2024. More than half formed working groups to support supplier-led remediation efforts. In June 2024, we published **an interim report** highlighting both systemic challenges and emerging opportunities in India's cotton sector.

By September, 26 brands and two suppliers designated the Fair Labor Association to lead the *Harvesting the Future – Cotton in India* initiative. This three-year program will operate in 32 villages across 7,500 farms in Madhya Pradesh and aims to establish Child Labor Free Zones, improve grievance mechanisms, ensure legal wages, and implement supply chain mapping and capacity-building strategies. Activities are set to begin in 2025.

The third supplier and its buyers launched a baseline study in partnership with an Indian university research center and local NGO to assess labor

conditions across their supply chain. The study was due to examine some 2,000 organic and conventional cotton farms. The supplier shared its child labor remediation plan, which aligns with Transparentem's recommendations. They also shared a plan to involve farm workers in training to raise awareness of their rights and connect them to government benefits.

We continue to engage with brands and suppliers to push for even more ambitious action.



HARVESTING THE FUTURE - COTTON IN INDIA

is a 3 year program that aims to establish Child Labor Free Zones, improve grievance mechanisms, ensure legal wages, and implement supply chain mapping and capacity-building strategies.

DEBT BONDAGE AT THE SECOND TIER OF THE SUPPLY CHAIN

Taiwan is a key hub for high-tech athletic and outdoor apparel fabrics, with supply chain links to brands like Adidas, Lululemon, Nike, Patagonia, and REI. In 2024, Transparentem **engaged with these brands**—as well as major tech and beverage companies like Apple and Coca-Cola—af-



ter investigating labor abuses at Taiwanese textile manufacturers. At this tier of production, oversight is often limited and exploitation hidden.

Migrant workers from Vietnam, Indonesia, the Philippines, and Thailand reported paying recruitment fees of up to \$6,000, along with additional deposits they described as intended to prevent their “escape.” Many also paid ongoing monthly “service fees” to Taiwanese labor brokers that totaled 2-3 months’ wages over a three-year contract. Workers also reported facing abusive conditions, restrictions on movement, and passport confiscation. These are indicators of forced labor.

We shared our findings and remediation recommendations with more than 40 global buyers. In response, buyers joined collaboratively to develop and begin implementing corrective action plans at eight of the nine investigated suppliers. The plans address issues including prevention of fees and debt bondage, wages and benefits, freedom of association, and grievance mechanisms.

At the industry level, the American Apparel & Footwear Association and Fair Labor Association **launched a new buyer coalition** focused on improving labor practices in the textile industry in Taiwan. More than 50 brands **signed a joint letter** urging the government of Taiwan to strengthen protections for migrant workers, and many participated in further advocacy efforts. Twenty-one civil society organizations **also pushed for policy reform**.

While momentum is building, key challenges remain. Workers have yet to receive full repayment of recruitment fees, and the Taiwanese government has not yet taken substantive action. Swift accountability from brands and policymakers is critical to ensure migrant workers are protected and fairly treated across the textile supply chain.

WIDESPREAD RECRUITMENT FEES IN TAIWAN’S MANUFACTURING SECTORS

Building on our investigation into Taiwan’s textile industry, Transparentem released *The Price of Work*, exposing the exploitation of migrant workers in Taiwan’s appliance and electronics manufacturing sectors. Our investigation, focused on four suppliers, confirmed widespread recruitment fee abuses, with workers often charged more than \$5,000 and trapped in debt bondage.

In response to our outreach, manufacturers and buyers began taking meaningful, material action. One buyer reimbursed approximately \$1.5 million in recruitment fees, with further repayments expected. Three of the four manufacturers eliminated ongoing broker fees, two adopted zero-fee recruitment policies, and several improved living conditions, restored workers’ freedom of movement, and returned identification documents.

These steps mark important progress, but systemic reform is urgently needed. We continue to press brands, suppliers, and policymakers to end exploitative recruitment practices, ensure full reimbursement of worker-paid fees, and secure legal reforms in both Taiwan and migrant-sending countries to better protect vulnerable workers across global supply chains.

This work also piloted a streamlined investigative and engagement model, focused specifically on addressing debt bondage and recruitment fee abuses in key sourcing countries where we have a network of relationships. Building on the progress achieved in Taiwan, Transparentem is committed to expanding this approach in 2025 to drive even greater outcomes for migrant workers.

BUILDING LEVERAGE THROUGH INVESTOR & GOVERNMENT ENGAGEMENT

This year, Transparentem strengthened our accountability strategy by more deeply integrating engagement with the financial sector. We retained an investment expert to develop a roadmap for influencing investors to treat labor rights and environmental risks as material concerns. This strategy outlines both immediate and long-term actions, including the creation of a database of key investors, the promotion of responsible recruitment principles, and targeted outreach to raise awareness of human rights and environmental risks across investment portfolios.

In parallel we advanced our advocacy to government regulators and officials in the United States, Mauritius, and Taiwan. These efforts added pressure on companies identified in our investigations and supported calls for stronger legal protections for workers. By engaging both public and private levers of influence, we aim to drive more comprehensive and lasting accountability across global supply chains.

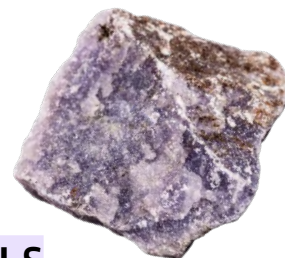
ADVANCING A JUST TRANSITION TO GREEN ENERGY

In late 2024, we launched our first investigation focused on mineral supply chains critical to the renewable energy transition. Minerals such as bauxite, cobalt, lithium, copper, and nickel are essential for technologies like electric vehicle batteries, yet their extraction often harms ecosystems and fuels labor abuses.

Our investigation targets the human and environmental costs tied to the mining of one of these critical minerals. Through this work, we will expose hidden risks, press companies to confront their responsibilities, and drive stronger protections for communities and the environment. We look forward to sharing our findings publicly in 2026.

In 2024, we launched
an investigation into

**ENVIRONMENTAL
HARMS IN THE
MINING OF MINERALS
FOR RENEWABLE ENERGY.**



RAVI'S STORY

“If we just let the child go to study, then how will we overcome our hunger?”

“Ravi” (a pseudonym) is one of 151 workers interviewed by Transparentem investigators across 90 cotton farms in the Khargone and Barwani districts of Madhya Pradesh, India. Now age 45, he told investigators he began working when he was just 10 years old. At the time of his interview, poverty and illness had forced him to borrow money from his employer, binding him to work off his debt on a nine-acre cotton farm connected to the supply chain of one of the three Indian cotton suppliers we investigated.

The debt, Ravi said, left him at the mercy of the farm owner. “What [the farmer] says is, ‘You have taken debt from me, so I will not allow you to go and work at anybody else’s place whether there is work on my [farm] or not.’” A full day’s labor earned him the equivalent of just \$2.42. “We can’t even ask for a wage hike,” Ravi said, “as we have taken debt from [the farm owner] ...” He added, “How can we live off only 200 rupees? So, we also take the children to work.”

After his brother’s death and his sister-in-law’s departure to seek work elsewhere, Ravi took responsibility for his niece, “Lakshmi” (a pseudonym). Lakshmi was 13 at the time of her interview and said she had been working in the cotton fields since she was 11. She told investigators that child labor was common on the farm: “There are many children.” Ravi said he often had no choice but to bring Lakshmi to the fields instead of sending her to her eighth-grade classroom.

“She goes to school rarely,” he said. “For the sake of our daily bread, we have to work. If we just let the child go to study, then how will we overcome our hunger?”

Ravi and Lakshmi’s story illustrates the unrelenting cycle of poverty fueled by low wages and exploitative labor conditions. Sub-minimum wages on Indian cotton farms keep families trapped in hardship, while debt bondage ties workers—adults and children alike—to abusive employment with little hope of escape.



IN THE NEWS

VOGUE BUSINESS

MEMBER

SUSTAINABILITY

What happens after a brand is called out for worker exploitation?

Non-profit Transparentem uncovered evidence of abuses in the Taiwanese supply chains of several major fashion brands. One response stood out as a rare example of long-term remediation that puts workers before PR.

BY BELLA WEBB

April 10, 2025



BOF

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SUSTAINABILITY

Why Can't Fashion Eliminate Labour Exploitation From Its Supply Chains?

Brands like Patagonia, Nike and Lululemon have been working for years to address the exploitation of migrant workers at key fabric suppliers in Taiwan. Despite some progress, the issue has persisted.



G Fashion firms agree to compensate garment workers in Mauritius

Transparentem, a US-based organisation that investigates workers' rights, looked into conditions at five factories in Mauritius and interviewed 83 workers in 2022 and 2023.

In a recently published report, Transparentem claims it found multiple signs of forced labour, defined as a form of modern slavery by the United Nation's International Labour Organization. As well as workers paying illegal recruitment fees for their jobs, it alleges they were subjected to deception, intimidation and unsanitary living conditions - including having no access to clean drinking water, as well as cockroach and bedbug infestations.



SOURCING
JOURNAL

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Are Poor Social Audits Fueling Migrant Worker Abuse in Mauritius's Garment Industry?

BY JASMIN MALIK CHUA 0CTOBER 17, 2024 3:30PM

The Road **AHEAD**

As Transparentem enters our tenth year, **we remain anchored in the belief that transparency matters most where oversight is weakest and abuses are most deeply hidden.** In 2025, we will build on a decade of impact by expanding and adapting our work to address the evolving realities of global supply chains.



THE ROAD AHEAD

A DECADE IN, & BUILDING FOR THE FUTURE

We will deepen our work in raw material sourcing and higher-tier production—areas that often fall outside the scope of traditional monitoring. In parallel, we will continue to advance responsible recruitment practices for migrant workers, reinforcing a core focus of our founding investigations. This includes promoting the elimination of illegal recruitment fees, strengthening accountability mechanisms, and supporting more ethical and transparent labor practices.

In 2025, we will also broaden our programming at the intersection of human rights and environmental justice. Our work will include applying our model to supply chains associated with significant deforestation and lethal environmental degradation. This includes investigating the mining of critical minerals essential to the renewable energy transition and large-scale agriculture. In doing so, we will help ensure that multinational efforts to feed our planet and create alternative energy sources are truly sustainable and done with respect for human rights.

Transparentem will continue to refine and apply a streamlined version of our investigative model in contexts where urgent action and strong in-country leverage can lead to timely improvements. We will also expand partnerships with local and community-based organizations to ensure that the needs of affected workers and communities inform the solutions we pursue.

We will also expand our engagement with the financial sector, recognizing that investors have both the power and the responsibility to elevate labor rights as core business concerns. As awareness of labor-related legal, reputational, and financial risks grows, many investors still lack the tools to assess and address these risks—particularly those tied to recruitment practices and the treatment of vulnerable workers. Transparentem will meet this need by delivering practical guidance and evidence-based insights that help investors evaluate labor practices within their portfolios and influence meaningful reform.

The year ahead presents both challenges and opportunities. As we move forward, Transparentem remains committed to working collaboratively toward a more just and transparent global economy—one in which supply chains uphold the dignity, rights, and well-being of all.



OUR SUPPORTERS AND PARTNERS

Our work is made possible by the generosity, insight, and dedication of those who believe in our mission. Their commitment enables us to expose labor and environmental abuses and drive meaningful change in global supply chains.

BOARD OF DIRECTORS

We are especially thankful for the leadership and guidance of our Board of Directors:

DAN VIEDERMAN (CHAIR) - Partner, Working Capital Fund

KYLE WRIGHT (TREASURER) - CEO, Stardust

ARUNA KASHYAP (DIRECTOR) - Associate Director, Human Rights Watch

DAN ELKES (DIRECTOR) - Head of the Institute of Technology & Portfolio Management, Altos Labs

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RYAN HAMILTON (DIRECTOR) - Senior Partner, ERM

SHAUNAGH CONNAIRE (DIRECTOR) - Emmy-nominated journalist and filmmaker

Their expertise and commitment are integral to our impact and integrity.

MAJOR FUNDERS

We also gratefully acknowledge the generous contributions of our major funders, whose support fuels our programs and amplifies our reach. **Transparentem's major funders include:**



**OPEN SOCIETY
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UBS Optimus
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LIANA ENTERPRISES LLC
THE ELKES FOUNDATION

MARGARET GRAFF AND RICHARD HIGGINS
THE SAHSEN FUND

Supporters listed contributed \$25,000 or more in the past year.

STATEMENT OF FINANCIAL POSITION

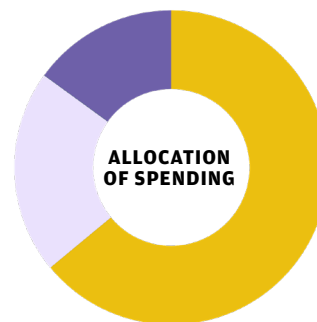
Year ended December 31, 2023

ASSETS

Cash	\$155,850.00
Grants Receivable	\$1,000,366.00
Prepaid Expenses	\$24,860.00
Other	\$7,854.00
Total Assets	\$1,488,930.00
Current Liabilities	\$117,415.00

NET ASSETS

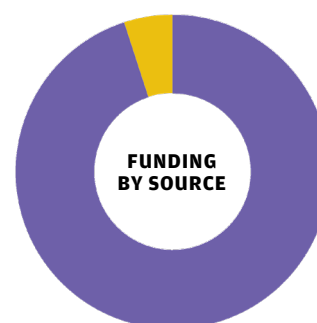
Restricted Funds	\$254,176.00
Unrestricted Funds	\$1,116,089.00
Board Designated Fund	\$1,250.00
Total Net Assets	\$1,371,515.00
Total Liabilities & Net Assets	\$1,488,930.00



64% Program Services

21% Management & General

15% Fundraising



95% Foundation Grants

5% Individual Contributions

0% Other Revenue

STATEMENT OF FINANCIAL ACTIVITIES

Year ended December 31, 2023

OPERATING REVENUE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Grants and Contributions	\$3,309,263.00	\$292,726.00	\$3,601,989.00
Other Revenue	\$11,758.00	-	\$11,758.00
Net Assets Released from Restrictions	\$201,106.00	(\$201,106.00)	-
Total Operating Revenue	\$3,522,127.00	\$91,620.00	\$3,613,747.00

OPERATING EXPENSES

Program Services	\$1,857,811.00		\$1,857,811.00
Management and General	\$597,050.00		\$597,050.00
Fundraising	\$432,117.00		\$432,117.00
Total Operating Expenses	\$2,886,978.00		\$2,886,978.00
Change in Net Assets from Operations	\$635,149.00	\$91,620.00	\$726,769.00



TRANSPARENTEM