



Cotton On puts focus on supplier relations

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Australian fashion business **Cotton On** is growing impressively without compromising its ethics, according to a report on worker exploitation.

The company was the highest-rated non-fairtrade company *in last year's Australian Fashion Report on worker exploitation*, conducted by *Baptist World Aid Australia*. Cotton On achieved an A- grade, all in the midst of yearly sales growth of over 20% since 2009 and a 2015 sales forecast of AUS\$1.51 billion.

One of few Australian retailers to expand internationally, the Cotton On Group (COG) has more than 1,300 stores in 17 countries, showcasing eight brands, having entered Brazil, Thailand, the Philippines and the Middle East in recent years. Around 600 more stores are planned globally by 2018, alongside a target to lift online sales to AUD250m (£123m). COG remains undaunted by the forays into Australia of colossuses H&M, Uniqlo, TopShop and Zara.

"What's made them such a success is they're a supply chain business and a property business," says Ferrier Hodgson's head of retail James Stewart. "They bring quality products to the market at the cheapest possible price and their supply chain and sourcing strategies are critical to them being able to offer [their] value proposition... Their stores are relatively inexpensive to put together, so the capital investment is not very high and their pay-back period is very fast."

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