



Guidelines for writing the social report

General remarks

As required by the terms of membership of Fair Wear Foundation (FWF), each affiliate is obliged to report progress in implementing the Code of Labour Practices after the end of every financial year. In the social report you describe how you have implemented the previous year's work plan. The affiliates' social report is an important tool in communicating your efforts towards fair labour standards.

This document gives guidelines for filling in the template for the social report. Each FWF affiliate must publish the contents of the social report on its website. In case you publish your own (social) report that includes other sustainability efforts, you are encouraged to integrate the answers to the questions in the FWF format into your own report, rather than publishing two separate reports.

The questions in this template aim to align the report with international standards and principles. The work of FWF relates to among others the OECD guidelines and the UN Guiding Principles for Human Rights. The reporting template will show how FWF affiliates' efforts to implement the Code of Labour Practices contribute to meeting those principles. In the template we have included some of the indicators of the Global Reporting Initiative (GRI) to align with the international reporting standard.

Affiliates are free to include additional information. The social report can be considered a great (marketing) opportunity to show your consumers, customers and other stakeholders what you have achieved under FWF membership. It strengthens transparency and accountability towards consumers and stakeholders.

The deadline for submission of the social report is 90 days after the end of your financial year.



Summary

The summary of achievements should be based on your internal evaluation of the goals you set in the work plan. Given that the summary is the part most people read online, make sure you present it well. Briefly summarize key events, achievements and challenges of the reporting period related to social compliance. Being open and transparent about your disappointments and challenges is key in effective sustainable reporting!

Describe what you have achieved in the past financial year in terms of implementing the FWF Code of Labour Practices along your supply chain. Include a statement from the most senior decision maker of the organisation about the relevance of improving labour conditions to the organisation and its strategy. Describe broader trends affecting the organization's sustainability strategy.

1. Sourcing strategy

1.1. Sourcing strategy & pricing

Describe the sourcing strategy of your company: type of product, sourcing countries, division of production among different factories, average duration of relations with producers.

Did your company change its sourcing strategy over the past year? If so, why and how?

This section can be similar to last years, given that the sourcing strategy is a long term strategy. However, please also specify any developments of the past year. You may include results from the Performance Check if applicable.

1.2. Organisation of the sourcing department

Describe the sourcing department; number of staff and responsibilities. When and by who is decided which manufacturers will get orders? Are buyers/ product managers assessed based on formal criteria such as margins, compliance with labour standards, quality?

Did you work via agents or other intermediaries? Which role did they play in sourcing?

1.3. Production cycle

Describe the production cycle and the number of collections of the past year. In which stage of the production cycle are manufacturers informed about orders? Which lead times are used?



1.4. Supplier relations

Describe whether you have selected new suppliers last year. If so, describe the selection process of new factories. In case you have terminated relationship(s) with supplier(s) last year, describe the process and reasoning behind it.

How were working conditions in factories taken into account when placing orders?

In general, which criteria are used for the selection of new factories? Who assesses potential new factories? For example by linking orders or production guarantees to the level of execution of corrective action plans?

1.5. Integration monitoring activities and sourcing decisions

Describe the way in which (the outcomes of) your monitoring activities influenced your sourcing strategy. Did results of audits or other developments regarding social compliance influence sourcing decisions?

Describe how your company ensures that its sourcing policy supports effective implementation of the Code of Labour Practices. Are suppliers that respect labour standards rewarded in any way? Do you rank manufacturers? If so, based on which criteria (compliance with labour standards, quality, and price)?

2. Coherent system for monitoring and remediation

A coherent monitoring programme includes among other factory audits, the execution of corrective action plans, self-assessments by the suppliers, informing manufacturers and their employees about the Code of Labour Practices, questionnaires, a complaints procedure that involves workers in the monitoring of working conditions in the factory, and factory visits by affiliate company representatives.

When establishing a monitoring programme, FWF affiliates are advised to use information from FWF country studies. Furthermore, FWF affiliates should acquaint themselves with the outcomes of FWF's consultations with local organisations. These are included in country studies and audit reports.

In this section you report the most important findings per FWF labour standard.

2.1. Factory A/Country A

Describe per country (one country per paragraph) and per factory¹ your monitoring activities and outcomes and how you followed up on Corrective Action Plans. Also describe how workplaces are selected for auditing.

For each factory¹, indicate:

¹ If you source from more than 15 factories in the same country, you have the option of summarising the outcomes a) through i) per country rather than per factory.



- a) The percentage of your total production sourced from the factory in question;
- b) If the factory has been visited and by whom,
- c) Whether during the factory visit there has been discussion of code implementation, informing staff, upcoming or past audits, progress of corrective action plans etc.;
- d) If any complaints have been filed and how these were handled;
- e) Cooperation with other clients, for example on complaints or corrective actions;
- f) If the factory has been audited and how often;
- g) What the most important audit outcomes were; Report the most important findings per FWF labour standard.
- h) If there is a corrective action plan and what corrective actions have been taken. Also include the time lag between audits and follow up of findings.
- i) Any other monitoring activities (e.g. factory training).

Report the most important findings per FWF labour standard per country/factory.

- 1) Employment is freely chosen
Provide examples of non-permanent and non-full-time status' and policy regarding the use of home working.
- 2) There is no discrimination in employment
Report on incidents of discrimination and actions taken. Include any gender based discrimination.
- 3) No exploitation of child labour
Operations identified as having significant risk for incidents of child labour and measures take to contribute to the elimination of child labour.
- 4) Freedom of Association and the right to collective bargaining
Include percentage of employees/suppliers covered by collective bargaining agreements, percentage of workplace where there is one or more independent trade union(s), percentage of workplaces where in the absence of a trade union, there are worker management committees, broken down by country.
- 5) Payment of a living wage
Report on the policy and practices regarding wages. Include conclusions from the FWF Wage Ladder and what you have done with the FWF Wage Ladder data.
- 6) No excessive working hours



Provide your definition of overtime and describe actions to prevent excessive and forced overtime.

7) Safe and healthy working conditions:

If possible, include percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on Occupational Health & Safety programs, rates of injury, occupational diseases and absenteeism. Include risk assessments and preventative measures for accidents and injuries.

8) Legally binding employment relation

Describe the common workforce by employment type, contract and social security in several countries/factories.

2.2. Factory B/Country B

Etc.

2.3. External production

If applicable, describe which monitoring activities were conducted at suppliers of "external production". External production = finished goods which are bought by affiliate from other brands for resale in a retail or wholesale (web) shop owned by the affiliate.

Affiliates generally have limited influence over the sourcing behaviour of external brands. However, FWF believes it is important for affiliates that have a retail or wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods. If applicable, please describe how you have collected this information and whether you have sent the FWF questionnaire for external production.

FWF encourages affiliates to resell goods from another FWF affiliate or a member of Fair Labour Association. FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously. Please describe your efforts into ensuring this.

3. Complaints procedure

Describe what you have done to make sure workers at your suppliers are aware of the FWF complaint mechanism.

Report on the policy for receiving, investigating and responding to grievances and complaints. In case there were complaints received at your supplier(s) please describe how you dealt with the complaints.



Is there a system in place to post and monitor information regarding complaints? Have you investigated if the root causes of the complaint are present in other factories, and if so taken corrective action?

Have you revised your sourcing/monitoring practices to address root causes of received complaints?

4. Training & Capacity Building

4.1. Activities to inform staff members

Describe activities undertaken to inform and train staff about FWF membership. For instance through newsletters, presentations, intranet, training for new employees etc.

4.2. Activities to inform agents

Describe activities undertaken to inform and train agents. In case you work with agents they must not only be informed, but also support the implementation of the Code of Labour Practices. Please explain how you ensure this in your relation with agents.

4.3. Activities to inform manufacturers and workers

Describe activities undertaken to inform and train manufacturers and workers. In case you have participated in any of the trainings FWF offered, such as the Workplace Education Programme, please describe the process and results.

For other trainings, describe the strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social performance. Efforts may include but are not limited to:

- Human resource management
- Managerial skills
- Labour rights
- Health and safety
- Production process and its impact on code compliance.
- Communication, grievances and/or complaints mechanisms.

5. Transparency & communication

Describe the activities undertaken to inform the public in general and consumers in particular about FWF membership and the progress made in the implementation of the FWF Code of Labour Practices.



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6. Stakeholder Engagement

List the stakeholder groups engaged by your company both in Europe and in production countries and the key topics/concerns that have been raised through stakeholder engagement. E.g. trade unions, other NGOs etc.

Did you make use of any FWF stakeholder resources such as a country study or other input?

7. Corporate Social Responsibility

If applicable, describe other activities undertaken in the field of corporate social responsibility.

Aspects that are not covered in this report, you can add here; for instance policies regarding gender and/or corruption.