



Fair Wear Foundation

Management system audit report

Jack Wolfskin

June 2011

FWF member since:

01-07-2010

Sources of information

Interview with Melanie Kuntnawitz and Kai-Ingela Gerasch (Vendor control / CSR)

Interview with Sabine Hönicke (Sumations)

Interview with Christian Brandt (Chief Financial Officer)

Interview with Franz-Peter Kaiser (Sourcing)

Interview with Ingola Metz (Communication)

Interview with Beate Hoppe and Nicole Sieverding (Purchasing)

Annual report and work plan

Archived documents

Database FWF

Audit conducted by:

Ivo Spauwen



Fair Wear Foundation

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Fair Wear Foundation

Introduction

In June 2011 Fair Wear Foundation (FWF) conducted a management system audit (MSA) at Jack Wolfskin Ausrüstung für Draussen GmbH & Co. KGaA (hereafter: Jack Wolfskin). The MSA is a tool for FWF to verify that Jack Wolfskin implements the management system requirements for effective implementation of the Code of Labour Practices, as specified in the FWF Charter.

Starting point for the MSA has been the work plan for June 2010 – December 2011. FWF tailored the MSA to the specifics of the management system of Jack Wolfskin in order to assess the key issues of interest. During the MSA, employees of Jack Wolfskin were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the MSA. The report contains conclusions, requirements and recommendations. If FWF concludes that the management system needs improvement to ensure effective implementation of the Code of Labour Practices, a requirement for improvement is formulated. The implementation of required improvements is mandatory under FWF membership. In addition, FWF formulates recommendations to further support Jack Wolfskin in implementing the Code of Labour Practices. The numbering of the requirements and recommendations correspond with the numbers of the conclusions.

This report focuses on those aspects of the management system of Jack Wolfskin that have been identified as key areas of interest for 2011. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that MSA reports of subsequent years will focus on different aspects of the management system.

FWF will publish the conclusions, requirements and recommendations of all MSAs on www.fairwear.org.



Executive summary

Jack Wolfskin meets FWFs management system requirements and goes beyond several of them.

The sourcing practices of Jack Wolfskin generally support effective implementation of the Code of Labour Practices. Jack Wolfskin has substantial leverage as a customer at many of its suppliers. This enables the company to effectively request improvements in working conditions. In general the order placement process does not contribute to excessive overtime in factories.

During three factory audits in Vietnam, Thailand and Bangladesh (2010-2011) FWF audit teams found that these factories make use of a substantially lower amount of excessive overtime for production workers compared to the amounts that these teams generally find in other factories in these countries. No cases of payments below the legal minimum wage were found.

The percentage of the 2010 purchasing volume of Jack Wolfskin that has been audited (99%) exceeds the required percentage based on the duration of FWF membership (which is 40%). Jack Wolfskin works with external audit company Sumations to monitor working conditions in factories. During FWF's verification audits it was found that these audits generally make an accurate assessment of the level of working conditions. In general the company has a highly organised and systematic approach regarding the process of monitoring working conditions in factories. Jack Wolfskin has a system to grade suppliers regarding performance on working conditions.

In 2010-2011 Jack Wolfskin adequately responded to complaints submitted by workers. In April 2011 a complaint was filed against a factory in Indonesia which is a supplier of FWF affiliate Jack Wolfskin. Jack Wolfskin made strong efforts to help resolve the complaint before and after the complaint was filed through FWFs complaints procedure. Besides that Jack Wolfskin actively sought cooperation with other customers in an effort to resolve complaint.

Agents and suppliers of Jack Wolfskin are sufficiently informed about FWF membership and the implementation of the Code of Labour Practices. The company has developed a general presentation for suppliers which specifies its requirements regarding social standards. Jack Wolfskin puts much emphasis on awareness raising at management level during audits.

Jack Wolfskin developed a train-the-trainers program for HRM staff of suppliers. The objective of this program is to support suppliers in developing training skills and training methods. In May 2010 a seminar week was held in China for Chinese suppliers. The seminar was financed by Jack Wolfskin.

Jack Wolfskin evaluates in a systematic manner to what extent goals related to its FWF membership are achieved. Performance on improving labour standards in the supply chain is measured and evaluated during progress report meetings with top management.

1. Positive findings

Conclusions

1. The percentage of the 2010 purchasing volume of Jack Wolfskin that has been audited (99%) exceeds the required percentage based on the duration of FWF membership (which is 40%). In addition to clothing this percentage includes the suppliers for shoes and equipment. In general Jack Wolfskin has a highly organised and systematic approach regarding the process of monitoring working conditions in factories.
2. Besides meeting FWFs requirements in responding to a complaint filed by workers of one of its suppliers Jack Wolfskin actively sought cooperation with other customers in an effort to remediate the complaint.
3. Jack Wolfskin developed a train-the-trainers program for HRM staff of suppliers. The objective of this program is to support suppliers in developing training skills and training methods. In May 2010 a seminar week was held in China for Chinese suppliers. The seminar was financed by Jack Wolfskin. After having participated in such training Jack Wolfskin expects HRM staff to pass insights on implementing labour standards on within their companies.

2. Sourcing

Conclusions

1. The sourcing practices of Jack Wolfskin generally support effective implementation of the Code of Labour Practices. Jack Wolfskin has no written policy which describes its purchasing practices. Jack Wolfskin generally aims at having long term relations with suppliers. Performance of suppliers regarding social standards is taken into account in the process of selecting suppliers and placing orders.
2. Of all suppliers in its 2010 supplier register Jack Wolfskin maintains a business relation for more than 5 years with 18 out of its 35 suppliers (subcontractors left out of consideration) which accounted for 58% of its total purchasing volume. Less than 1% of the volume came from suppliers with who a relationship existed for less than a year. Jack Wolfskin has substantial leverage (at least 5 % of factory production capacity) as a customer at suppliers representing 71% of its purchasing volume, which is a relatively high percentage considering that Jack Wolfskin is quickly expanding (for some suppliers this information was not available, the percentage could therefore be even higher in reality). This enables the company to effectively request improvements in working conditions. 3,5% of its 2010 purchasing volume is produced in low risk countries Slovenia and Italy.
3. Working conditions and the willingness of suppliers to cooperate on improvements are a criterion in the selection of new suppliers and the continuation of business relationships. Jack Wolfskin expects suppliers to participate in audits and be transparent on the level of working conditions. New suppliers are selected by the sourcing department of Jack Wolfskin. New factories are generally audited during the test order phase, in some cases an exception is made. For existing suppliers there are regular discussions between the CSR and sourcing department regarding the social compliance status of specific suppliers. Generally the CSR department discusses audit results with the sourcing department which takes their recommendations into account. Order volumes may be increased or decreased depending on the recommendations by the



CSR department, which happens seldom in practice. Jack Wolfskin has no formal incentive system to reward suppliers for realised improvements of working conditions, but may increase order volumes if suppliers perform well in this regard.

4. Jack Wolfskin has a system to grade suppliers regarding performance on working conditions. This system is based on audit results, process performance after previous audits and general capacity of factory management to ascertain good working conditions.

5. In general the order placement process does not contribute to excessive overtime in factories. It includes a detailed production timeframe for each supplier including dates for samples and delivery of orders. The purchasing department of Jack Wolfskin coordinates a central planning for each supplier, which does include a reasonable amount of slack for dealing with unexpected delay. Through ongoing communication with suppliers the company is generally able to keep track of production schedules and able to detect potential delay. In case delays occur at nominated suppliers of fabrics or trimmings or fabrics Jack Wolfskin takes responsibility in dealing with the consequences, possibilities then include payment for air freight or delaying delivery to sales outlets. The company collects feedback from suppliers regarding delivery times.

6. In case excessive overtime is found in factories Jack Wolfskin generally enters a discussion with the supplier regarding possibilities to reduce of order volumes or increase production capacity. The company offers factories the possibility to make use of independent expert support to increase productivity. To date, factories have not made use of this offer.

7. During three factory audits in Vietnam, Thailand and Bangladesh (2010-2011) FWF audit teams found that these factories make use of a substantially lower amount of excessive overtime for production workers compared to the amounts that these teams generally find in other factories in these countries.

8. Jack Wolfskin has a workflow to ascertain that suppliers get paid in time. After order shipment and invoice checking by purchasing staff, the accounting department generally pays within 5 days.

9. Jack Wolfskin recently made a start with assessing the cost of labour in its pricing policy. The CSR department has provided a framework for salary costs in reference to the cost of living in its most important production countries on the basis of the local purchasing power parity equivalent of \$2 PPP per family member per day. As this framework was developed recently FWF could not yet verify how this information is used in price negotiations in practice.

10. During three factory audits in Vietnam, Thailand and Bangladesh (2010-2011) FWF audit teams did not find cases of payments below the legal minimum wage.

Recommendations

1. A written sourcing policy that specifies how implementation of labour standards is taken into account in selection of suppliers and order placement could give buyers a clear incentive and mandate to act accordingly.

2. FWF encourages Jack Wolfskin to discuss its cost of labour assessment in further detail to establish to which extent this approach could support a best practice example in working towards payment of living wages in factories.

3. Coherent system for monitoring and remediation

Conclusions

1. The percentage of the purchasing volume of Jack Wolfskin that has been audited exceeds the required percentage based on the duration of FWF membership (which is 40% as Jack Wolfskin joined FWF in 2010). In 2010 Jack Wolfskin audited 69 factories representing 99% of its purchasing volume according to its 2010 supplier register. All these factories had been audited at least once, a substantial share was audited on several occasions. In addition to clothing this percentage includes the suppliers for shoes and equipment. This percentage also includes factories in Italy and Slovenia, which FWF regards as low risk countries.
2. Jack Wolfskin works with external audit company Sumations to monitor working conditions in factories. During FWF's verification audits it was found that these audits generally make an accurate assessment of the level of working conditions. The audit process includes a pre-audit assessment around the factory and worker interviews on-site. These elements are given sufficient weight in the process of aggregating findings from different information sources. Audit reports contain a sufficient level of detail on findings and required corrective actions. The audit reports refer to a comprehensive supplier scoring system (zero to four points) which is clearly defined in the audit guidelines of Sumations. Sumations staff is well informed about FWFs policy documents on FWFs labour standards and actively uses FWFs country studies.
3. Corrective action plans resulting from conducted audits are systematically agreed upon, followed up and reported on. During the closing meeting of an audit, factories receive the corrective action plan from Sumations in behalf of Jack Wolfskin. The audit team discusses the findings with factory management in detail to ascertain that the supplier understands each point for improvement. If necessary a representative of the CSR department physically visits suppliers to discuss follow up on corrective action plans with management of factories. Besides that the CSR department has ongoing contact with suppliers through phone and email. If necessary sourcing staff that visits a supplier can be informed about how specific suppliers are performing with regard to social compliance. In some cases sourcing or technical staff visiting a supplier is asked to take pictures of the Code of Labour Practices that should be posted in the workplace.
4. Factories are audited once a year unless they received the maximum score. If factories receive a low score or if their score deteriorated in comparison to a previous audit, a re-audit or follow up visit is carried out within a few months. A maximum amount of three follow up visits is carried out per year.
5. Jack Wolfskin asks its suppliers to share existing reports of audits or corrective action plans by other initiatives through its information letter for suppliers. Jack Wolfskin does not structurally cooperate with other customers of factories regarding monitoring and execution of corrective action plans. In a few cases the company cooperated in the process of following up on corrective action plans with other customers.

Recommendations

2. It would be good to specify in audit reports how many workers were interviewed as part of the audit process.
5. FWF recommends Jack Wolfskin to structurally seek cooperation with other customers of suppliers. FWF actively facilitates cooperation between affiliate members sourcing from shared suppliers. An increasing amount of factories produces for multiple FWF member companies. If efforts to follow up on CAPs are coordinated greater leverage at suppliers can be attained. In case audits are carried out by FWF teams on behalf of two or more FWF members, FWF recommends companies to discuss the CAP within a month after the audit. To ensure smooth follow up between all members, it helps to agree on a number of issues that will be prioritised. Next to this it is useful to coordinate when representatives of involved member companies visit the factory to discuss follow up of the CAP. After each factory visit a status update on the CAP could be shared among all of the involved members.

4. Complaints procedure**Conclusions**

1. Jack Wolfskin has designated a person to handle complaints. This person is well aware of FWF's complaints procedure and is able to follow up on complaints quickly. Jack Wolfskin has not adopted a formal workflow or procedure for complaints handling as only a limited number of staffs is involved in this process. If a complaint is received from workers of suppliers this is discussed with the head of sourcing who oversees the relationship with the supplier concerned.
2. Jack Wolfskin sees to it that the Code of Labour Practices (CoLP) including contact information of the local complaints handler of FWF is posted in factories in a location that is accessible to workers. In case of a supplier visit staff from sourcing or technical departments are occasionally asked by the CSR department to check if the document is posted.
3. FWF verified that FWF's CoLP including the contact information of the local complaints handler of FWF is posted in the work place at two out of three suppliers. In the case of the third factory, Jack Wolfskin provided the CoLP in English and the local language but the supplier had only posted the English version in the workplace at the time of the audit.
4. In 2010-2011 Jack Wolfskin adequately responded to complaints submitted by workers. In April 2011 a complaint was filed against a factory in Indonesia which is a supplier of FWF affiliate Jack Wolfskin. The complaint related to the labour standard 'Freedom of Association and the right to Collective Bargaining': members of a trade union were dismissed by factory management on unfair grounds after filing a complaint regarding their working conditions at the local government. The complaints report can be accessed [here](#). Jack Wolfskin made strong efforts to help resolve the complaint before and after the complaint was filed through FWF's complaints procedure.
5. Jack Wolfskin actively sought cooperation with other customers in an effort to resolve complaint.

5. Labour conditions and improvements

Conclusions

1. Between June 2010 and June 2011, three factory audits were carried out by FWF teams. These audits were done in Vietnam (December 2010), Thailand (April 2011) and Bangladesh (May 2011). The audited factories represented respectively 3,9 %, 14,2 % and 6,2 % of the total purchasing volume of Jack Wolfskin according to its 2010 register.

2. During the audit at the supplier in Vietnam no violation regarding forced labour, child labour, abuse or discrimination was found. Workers committee members were not aware of the existing collective bargaining agreement and grievance procedures had insufficiently been communicated to workers. Minimum wage was paid in this factory. No substantial overtime was found but some minor discrepancies between time records and other records came up. Most importantly further improvements were needed regarding fire safety and machine safety. All workers had received a job contract according to legal requirements.

3. The audit in Thailand did not demonstrate violations regarding forced labour, child labour or abuse. Minor payment differences were found in pay rates for men and women doing the same work, which pointed out that the factory could not guarantee that gender discrimination would not happen. The factory did not have trade union or workers committee, and workers were generally not aware of their rights to collective bargaining. Sick leave pay was not compensated without medical certificate. Inconsistencies were found between the payroll and time records, pointing out that some workers had worked unregistered overtime. Various improvements were needed regarding fire safety and machine safety. Employees who were under probation did not receive social security insurance and not all employees had received a copy of their employment contract.

4. During the audit in Bangladesh no violation regarding forced labour, child labour, abuse or discrimination was found. The factory did not have an active trade union or workers committee. Wage levels for all workers meet legal minimum requirements and are above the amount requested by local trade unions and some NGOs. Wages are generally higher compared to other garment factories in the area. A minority of the workers earns a wage above the amount requested by Asian Floor Wage campaign. For a limited number of workers excessive overtime was found. Various improvements were needed regarding fire safety and machine safety. All workers had received a job contract according to legal requirements.

Based on results of audits carried out by FWF teams to verify improvements FWF has drawn up an overview of improvements in labour conditions in factories. The overview is annexed to this report. This overview includes results of audits by FWF local audit teams. Results of audits by other initiatives are not summarized.



Recommendations

2-4. Jack Wolfskin could use the wage ladder tool developed by FWF to further work towards implementation of living wages in factories. FWF recommends to assess in cooperation with key suppliers which have demonstrated a reasonable amount of progress in implementation of a CAP how further steps forward towards payment of living wages for a regular working week can be made.

6. Training and capacity building

Conclusions

1. Staff of Jack Wolfskin is sufficiently informed about FWF membership and the implementation of the Code of Labour Practices. Information is generally distributed among all staff through intranet. After Jack Wolfskin joined FWF its CEO gave an in house presentation on FWF membership. The heads of departments are generally informed about ongoing developments. Sales staff is informed through the store newsletter.
2. Agents and suppliers of Jack Wolfskin are sufficiently informed about FWF membership and the implementation of the Code of Labour Practices. The company has developed a general presentation for suppliers which specifies its requirements regarding social standards. Jack Wolfskin puts much emphasis on awareness raising at management level during audits. This is done on a case by case basis depending on how its auditors assess the level of knowledge factory management regarding required procedures and relevant laws. In a minority of cases the company chooses to carry out management training before an audit is done. Jack Wolfskin has developed a general presentation to explain the standards of its code of conduct to factory management.
3. Jack Wolfskin developed a train-the-trainers program for HRM staff of suppliers. The objective of this program is to support suppliers in developing training skills and training methods. In May 2010 a seminar week was held in China for Chinese suppliers. The seminar was financed by Jack Wolfskin. After having participated in such training Jack Wolfskin expects HRM staff to pass insights on implementing labour standards on within their companies.
4. Jack Wolfskin does not structurally commission local service providers for carrying out worker trainings. A workers training was done at one supplier in Thailand in 2010.



Recommendations

3. It could be useful to hire a local service provider on a case by case basis to support factories in implementing corrective action plans. It is beneficial to share the cost of hiring the expert with the factory. FWF can make further suggestions and provide references of credible service providers on request.

FWF recommends encouraging suppliers to participate in seminars that are organised in countries such as India and China. In 2011 FWF hosts supplier seminars in China to explain the FWF approach, to tackle any misunderstandings and to provide a platform for exchange of perspectives and ideas on recent and anticipated developments in the sector between agents, factories and other local stakeholders.

To ensure that factories take ownership in the process of improving working conditions, FWF has made it possible for factories to join as a member. If factories demonstrated transparency on working conditions and a proactive approach in realising improvements Jack Wolfskin could encourage them to join FWF as a factory member.

4. Jack Wolfskin could consider facilitate factory trainings to strengthen social dialogue on factory level. FWF could recommend local NGOs or service providers in various countries / regions where suppliers of Jack Wolfskin are based. As part of the training workers would learn how to organise a free ballot to elect representatives, and how to communicate effectively with management.

7. Information management

Conclusions

1. The supplier register of Jack Wolfskin for 2010 meets the requirements of FWF. It lists all factories that manufacture clothing, shoes and equipment for Jack Wolfskin, including subcontractor. For each supplier it specifies production location data, FOB value, audit and follow up visit dates and important other customers of suppliers.

2. Jack Wolfskin has a functioning workflow to keep its supplier register up to date. The company maintains its supplier register on the basis of its order administration and information from audit reports.



8. Transparency

Conclusions

1. Jack Wolfskin sufficiently informs the public about its FWF membership. The company currently informs consumers and other external parties about its approach to improve working conditions through its corporate website. In addition the company actively responds to questions resulting from public campaigns to raise awareness among consumers. Sales staff in shops is informed about the basics of FWF membership and are expected to refer to the CSR department at the head office if consumers ask for further information. The company does not use hangtags or on product communication regarding its FWF membership.
2. As Jack Wolfskin joined FWF on 1 July 2010 it is not required to submit an annual social report on 2010, which the company will do nonetheless. The publication of the annual report is planned for July 2011 and will be published on the corporate website.
3. FWF membership is explained on Jack Wolfskin's corporate website in correct wording. In addition its website generally describes its approach to work towards good working conditions in factories, which includes a general description of its auditing methods.

Recommendations

1. FWF could provide input for a Q&A document for sales staff to further strengthen awareness of FWF membership.
2. As Jack Wolfskin meets the requirements (factories representing 60% of its purchasing volume are audited or based in low risk countries) it is possible to make use of product hangtags or other on product communication to state that the company is a FWF member.

9. Management system evaluation and improvement

Conclusions

1. Jack Wolfskin evaluates in a systematic manner to what extent goals related to its FWF membership are achieved. Performance on improving labour standards in the supply chain is measured and evaluated during progress report meetings with top management. Top management is briefed on a monthly basis on audit results. The persons in the company that are involved in activities in this regard discuss these when relevant.
2. Jack Wolfskin does not collect feedback from agents and factories to evaluate the implementation of the Code of Labour practices.



Recommendations

2. It could be of added value to evaluate once a year to what extent the approach to improve working conditions is effective. The evaluation would need to assess which improvements were and were not successfully implemented in factories, if communication with factories on this issue goes smooth, and whether the chosen approach is cost efficient.

10. Basic requirements of FWF membership

Conclusions

1. Jack Wolfskin handed in a work plan for 2010-2011 that was approved by FWF
2. Jack Wolfskin paid its membership fee for 2010-2011.

11. Recommendations to FWF

Recommendations

1. The country studies are found useful by Sumations staff that carries out audits on behalf of Jack Wolfskin.
2. The website from FWF could benefit from a clearer structure.
3. It would be good if audit reports would contain less repetitions. It is of added value to have an executive summary and more graphs and charts in the reports.

Improvement of labour conditions: summary of most important findings	Factory in Vietnam audited by local FWF team in December 2010
Workers interviews	5 workers prior to the date of the audit during individual and group meetings outside factory premises after working hours. During the audit short interviews held with 15 randomly selected workers.
Documentation	Minor discrepancies found between time records and other records.
Sourcing practices (price, leadtime, quality requirements)	No findings.
Monitoring system of FWF member company	The company and its subcontractors were previously audited on behalf of Jack Wolfskin.
Management system factory to improve labour standards	Workers are insufficiently informed which improvements were realised as an outcome of implementing corrective action plans after previous audits.
Communication, consultation and grievance procedure	Factory has grievance procedures written in the labor regulations, but these are not communicated to workers. Most workers not aware of the collective bargaining agreement.
Employment is freely chosen	No violation found.
No discrimination in employment	No violation found.
No exploitation of child labour	No violation found.
Freedom of Association and the Right to Collective Bargaining	No violation found.
Payment of a Living Wage	Factory pays at least the minimum wage.
No excessive working hours	No violation found.
Occupational health and safety	Some aisles and exits are blocked by products and materials. (sewing workshop and material warehouse).
Legally binding employment relationship	No violation found.

Improvement of labour conditions: summary of most important findings	Factory in Thailand audited by local FWF team in April 2011
Workers interviews	8 workers prior to the date of the audit during individual and group meetings outside factory premises after working hours. During the audit short interviews held with 15 randomly selected workers.
Documentation	There are only 4 months payroll and attendance records (January to April 2011) available since factory does not keep record of wage payment, overtime payment and holiday work pay if these records are over two years old.
Sourcing practices (price, leadtime, quality requirements)	The factory has seen prices of clients reduced. Current pricing levels are insufficient to improve worker benefits as a result the factory is not able to compensate workers with a living wage.
Monitoring system of FWF member company	The company and its subcontractors were previously audited on behalf of Jack Wolfskin.
Management system factory to improve labour standards	Whereas Jack Wolfskin audited all sub-contractors of this supplier, the supplier itself did not take sufficient steps to monitor the social compliance status of its subcontractors.
Communication, consultation and grievance procedure	The Thai version of FWFs Code of Labour Practices is posted at the workplace. The workers are however not well aware of the meaning of the document. No structure and information of Welfare committee posted in the prominent boards to inform the workers. Workers do not know the procedure for handling complaints. The complaints and their handling are not documented.
Employment is freely chosen	No violation found.
No discrimination in employment	A number of male workers in packing section are entitled to receive the wage at THB 220 /day while female workers are compensated at minimum wage (THB 215/day) even though they work in the same job; Thus, male and female worker in packing section are not treated equally.
No exploitation of child labour	No violation found.
Freedom of Association and the Right to Collective Bargaining	There is no trade union in the factory. Workers are not aware of their rights to collective bargaining and unionisation.
Payment of a Living Wage	Sick leave would not be compensated if no medical certificate presented although sick leave was only for one day.
No excessive working hours	The reviewing attendance and payroll records was disclosed that 52 out of 122 worked on Sunday; January 30th, 2011; thus, those workers were not given at least one day off for every seven-day period.
Occupational health and safety	Some sewing machines not equipped with needle guards, lower-pulley guards and protection glasses. The employer did not provide first aid training in the facility on regular basis. No chemical training provided for employees who work with chemicals.
Legally binding employment relationship	The employees who were under probation period (120 days), they did not receive social security insurance. Employees do not receive a copy of their employment contract.

Improvement of labour conditions: summary of most important findings	Factory in Bangladesh audited by local FWF team in June 2011
Workers interviews	15 workers prior to the date of the audit during individual and group meetings outside factory premises after working hours. During the audit short interviews held with 45 randomly selected workers.
Documentation	No violation found.
Sourcing practices (price, leadtime, quality requirements)	Sometimes orders are exceeding production capacity. Although extension of lead time is allowed by buyer, some air shipment was needed for meet the deadline.
Monitoring system of FWF member company	The company and its subcontractors were previously audited on behalf of Jack Wolfskin.
Management system factory to improve labour standards	The company has its own policy to improve labour stanards and has an existing strong team combination between Admin, HR, Compliance and consellours to follow up on these policies.
Communication, consultation and grievance procedure	Workers are not involved in the grievance handling procedure. Code of Labour Practices and complaint mechanism of FWF received by management from buyer and it is posted (not in local language) on notice board, but not communicated to workers. Workers do not know about FWF compliant handling procedure.
Employment is freely chosen	No violation found.
No discrimination in employment	No violation found.
No exploitation of child labour	No violation found.
Freedom of Association and the Right to Collective Bargaining	The factory does not have a trade union or collective bargaining agreement.
Payment of a Living Wage	Wage levels for all workers meet legal minimum requirements and are above the amount requested by local trade unions and some NGOs. Wages are generally higher compared to other garment factories in the area. A minority of the workers earns a wage above the amount requested by Asian Floor Wage campaign.
No excessive working hours	General working hours for security guards is 12 hours instead of 8 hours.
Occupational health and safety	Workers in areas with high noise levels do not wear ear protection. In places where the workers perform their duty in the standing position anti fatigue mats & high rest tools are not available. Flammable material (Keroshin oil) found using in work floor without maintaining safety procedures.
Legally binding employment relationship	No violation found.