



FWF procedure for terminating membership

Fair Wear Foundation (FWF) members commit to implementing the Code of Labour Practices (CoLP) in their supply chain. Membership is based on supply chain responsibility: both FWF member companies, as well as factory management, actively pursue practices that support good working conditions. FWF believes that improving conditions in apparel factories requires change at multiple levels. The categories in the Brand Performance Check system enhance that principle and provide a clear path for either improving or ending FWF membership. This document provides the procedure for terminating membership for members who structurally underperform and fail to meet FWF's requirements.

Termination procedure for members

FWF membership can end in two different ways: either by FWF members terminating their membership themselves or when the Brand Performance Check assessment requires so.

FWF's performance checks focus primarily on verifying the efforts and results of and examines how management systems support the implementation of FWF's Code of Labour Practices.

The performance check results in 4 categories: *Leader*, *Good*, *Needs Improvement* and *Suspended*. The majority of FWF brands will be in the *good* category. *Leader* is reserved for a relatively small number of brands who are doing exceptionally well.

This termination procedure is for members who are in the two categories: *Needs Improvement* and *Suspended*. The existence of these last two categories is essential to protecting FWF's legitimacy and preventing charges of 'greenwash.' They should provide a clear path for underperforming brands to either improve, or to exit FWF.

Procedure for members in Needs Improvement

Needs Improvement is reserved for a small number of brands who have met the basic requirements,¹ but are seriously underperforming. Members are most likely to find themselves in this category when: 1) major unexpected problems have arisen such as reorganisations, staff changes or 2) if they are unable or unwilling to seriously work towards CoLP implementation. The following procedure applies:

- A. Throughout the year and well before the brand performance check FWF staff will warn members who are underperforming that they are headed for a Needs Improvement rating, in order to provide time and

¹ Please see the brand performance check guide for more information on the basic requirements.



guidance to improve. This is put in writing (email) to the member and is logged in the member's logbook.

- B. Members may be in this category for one year after which they should either move up to *good* in the following performance check, or will be moved to *suspended*.
- C. In cooperation with the member, the FWF case manager agrees on a date for the next performance check. In case this performance check results in a second *needs improvement* rating, membership will be suspended per effect of the public reporting date (date of publishing the report on FWF's website). This is put in writing (email) to the member and is logged in the logbook for the affiliate.

Procedure for members in Suspended

Suspended membership is for members who:

1. Have been in *Needs Improvement* for more than one year.

Or:

2. Have failed to meet one of the basic requirements:
 - Failed to provide a workplan
 - Failed to provide supplier information and related financial data for past financial year via FWF's online information management system, providing sufficient basis for conducting a performance check.
 - Failed to pay the FWF Membership Fee.

Or:

3. Has seriously violated one of FWF's policies and has directly damaged FWF's reputation.

Members may remain in this category for one year maximum, after which termination proceedings will come into force. Payment of membership fee is still required during the year the member is suspended. FWF's case manager will support the member throughout the year to assess if and how it can improve.

3 months before the end of the suspension year, FWF's case manager will review whether the member has been able to meet the basic requirements or has remediated the violation of FWF's policy. If yes, a performance check will be scheduled. The performance check should result in a *good* rating for the member to regain its full member status. If not the termination proceedings will come into force.

The member loses all communications benefits in the suspension category. The company (and its brands) will be taken off of the brands page of the website. On the FWF website, the company will be listed on a dedicated page for suspended members.

An exception to the above is regarding the payment of the membership fee: in case membership fee is paid after being placed in the suspended category,



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a performance check of the previous financial year can be carried out immediately.

Termination of membership

After being suspended for one year, FWF can terminate membership through the following procedure:

- A. FWF's verification staff informs the FWF's Director and the member about termination of membership with a 3 months' notice including the reason for termination.
- B. The FWF board will enforce the decision to terminate membership in the first upcoming board meeting.
- C. The FWF member receives a letter from FWF's Director with the reason and date of termination.
- D. FWF publically reports about the termination of membership including the reason for termination. The company (and its brands) will be taken off of the brands page of the website. On the FWF website, the company will be listed on a dedicated page for former members.
- E. The member loses all communications benefits and must remove any reference to FWF membership from its own communication material (website, catalogues, (online) stores), products and all other communication channels, with the exception of any communications about termination that have been previously agreed upon with the FWF director.

When membership is terminated the member is required to pay the FWF membership fee for the full calender year in which the termination comes into force with a minimum of 3 months. This means in case membership of company X is terminated per 1 November 2017 the full membership fee needs to be paid for 2017 plus January 2018. If membership of company X is terminated per 1 November the full membership fee needs to be paid for 2017 plus January and February 2018.

Termination by FWF member

At any point in membership, FWF member can terminate membership. The member must submit the reason for termination to FWF in writing with a 3 month notice. The same procedure applies as above through steps B to E. Date of board decision determines the date of termination.