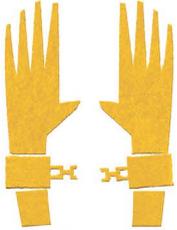


YEARLY ACTIVITIES OF FWF MEMBERSHIP

Fair Wear Foundation (FWF) works with brands that want to use their influence to improve the quality of life for the people who make their clothes. By becoming a member of FWF, a company commits itself to implementing the Code of Labour Practices (CoLP) throughout its supply chain.



1 employment is freely chosen



2 freedom of association and the right to collective bargaining



3 no discrimination in employment



4 no exploitation of child labour

ELEMENTS OF FWF'S CODE OF LABOUR PRACTICES



5 payment of a living wage



6 reasonable hours of work



7 safe and healthy working conditions



8 a legally binding employment relationship

Your yearly activities as a member include:

- Drafting a work plan + completing a supplier register list
- Setting up a coherent system to monitor your supply chain
- Working with factory managers on concrete improvements on the work floor
- An annual Performance Check carried out by FWF and published on www.fair-wear.org
- Reporting on your progress in your annual social report and creating a work plan for the next year

DRAFTING A WORK PLAN + COMPLETE SUPPLIER REGISTER LIST

Each year, FWF members develop a work plan. This work plan provides you with a clear idea of what actions your company will need to take in the upcoming year to further improve labour conditions in the production locations from which you source. The work plan also allows FWF to assess whether your company allocates the necessary time and resources to fulfil its requirements. You must submit it to FWF at least two months before the start of your new financial year. Your work plan is treated confidentially and includes the following topics:

- Purchasing practice
- Monitoring and remediation
- Training and capacity building
- Transparency
- Evaluation
- Budget

A critical first step in being able to monitor your supply chain is to know where products are being made. Therefore, your company should also prepare a supplier register list with all your projected production sites. Members are expected to update their list of production sites by indicating current and new production locations, using FWF's highly-secure web-based information system. FWF encourages members to keep production location information as updated as possible throughout the year. This lowers the risk of unexpected issues and helps FWF offer guidance on possible risks and plan audits.

SETTING UP A COHERENT SYSTEM TO MONITOR YOUR SUPPLY CHAIN

Your company should establish a system to monitor conditions in your supply chain and to remediate problems when they are found. Member companies are required to monitor all their production locations in incremental steps. The purpose of factory audits is to determine the degree to which factories comply with the FWF CoLP. An audit's main goal is not to pinpoint the problems; it is part of a broader process aimed at fixing these problems in a collaborative manner between the factory and your company. The requirements and recommendations of the audit team form the basis for a Corrective Action Plan (CAP).

When factory workers feel their rights are being violated, or when others see this happening, they can report this to the FWF complaints helpline. FWF then immediately launches an investigation and requires the brand to work with the supplier to remedy the problem. FWF publically reports on the progress of resolving complaints.

ANNUAL BRAND PERFORMANCE CHECK BY FWF

An effective monitoring system also means developing internal management systems that support good workplace conditions. Each year, FWF will visit your company headquarters to audit the progress your company has made over the last year in upholding the ambitions you established in your annual work plan. These ambitions align with your obligations to the FWF CoLP.

During the Brand Performance Check, the FWF team interviews your employees, reviews your company documentation and databases and, where possible, tests company systems. FWF's approach evaluates your company's performance against a set of **performance indicators**. The indicators address aspects of brand practices that impact working conditions in your supply chain. The Brand Performance Check is designed to be flexible enough to accommodate the variety of business models and clothing markets represented by FWF's memberships. Based on your final score, your company will be assigned a performance benchmarking category: leader, good, needs improvement, or suspended.

FWF is committed to best practices, reliability and transparency. Therefore, FWF publishes the Brand Performance Checks so stakeholders and the public can keep track of how companies are doing.

REPORTING ON YOUR PROGRESS IN AN ANNUAL SOCIAL REPORT AND MAKING A WORK PLAN FOR THE NEXT YEAR

As a FWF member, your company is required to annually report your progress in implementing the FWF CoLP. Your company must submit a 'social report', in which you describe how the company has implemented the previous year's work plan. Social reports are an important tool in upholding transparency by communicating your company's efforts at improving labour conditions in your supply chain. Because of this, both FWF and your company will publish them annually.