



Develop. Supply. Manage.  
Full-service supplier of professional clothing.

# SUSTAINABILITY REPORT

[www.workfashion.com](http://www.workfashion.com)

**workfashion.com®**

workfashion.com sustainability report

Our range	5
Taking responsibility means acting – each and every day	6
Illustration: From the idea to the finished product	7
2016 – Focus on corrective measures	8
Clear rules create commitment	10
Sustainability begins with selecting production partners	12
Where workfashion.com produced in 2016	16
Systematic monitoring – because sustainability doesn't happen by chance	18
Overview of our production partners	20
Classification of production countries in 2016	22
Transparency in detail – Our partners	24
The direct line for production employees	29
Knowledge creates sustainability	30
We care very strongly about the environment	32
Behind the scenes	34

Setting a good example



Dear Reader,

This year, workfashion.com celebrates its 50th birthday. This means 50 years of creative and innovative clothing solutions for a diverse array of professional groups. Much has changed since PLUS-TEX AG, as it was then known, was founded on 27 September 1967: the employees, the product range, the customers and the general environment. But the most important thing of all remains the same: work clothing that satisfies the highest quality standards.

The issue of sustainability has also acquired far greater significance over the years. More and more customers are interested in the origin of their clothing and want to be sure that it was manufactured under fair conditions. At workfashion.com, corporate responsibility has been rooted in our corporate culture for a number of years. We want to continue playing a pioneering role in this area.

This year, we added ecological aspects to our sustainability report, as the environment is also one of our primary concerns. Through sustainable development, sparing use of resources and environmentally sound disposal, we want to play our part in creating a sustainable environment.



At workfashion.com, corporate responsibility has been rooted in our corporate culture for a number of years.

Employee training courses held at our production partners to make employees more aware of their rights were another focal point. We also once again significantly increased the proportion of production volume subject to audit.

We intend to hold more employee training sessions in 2017 to constantly broaden the knowledge of production workers. We are also planning to introduce employee representatives and safety officers at our main suppliers. By participating in the FWF "Living Wage Incubator" project, we are doing our bit to create more transparency as regards pricing.

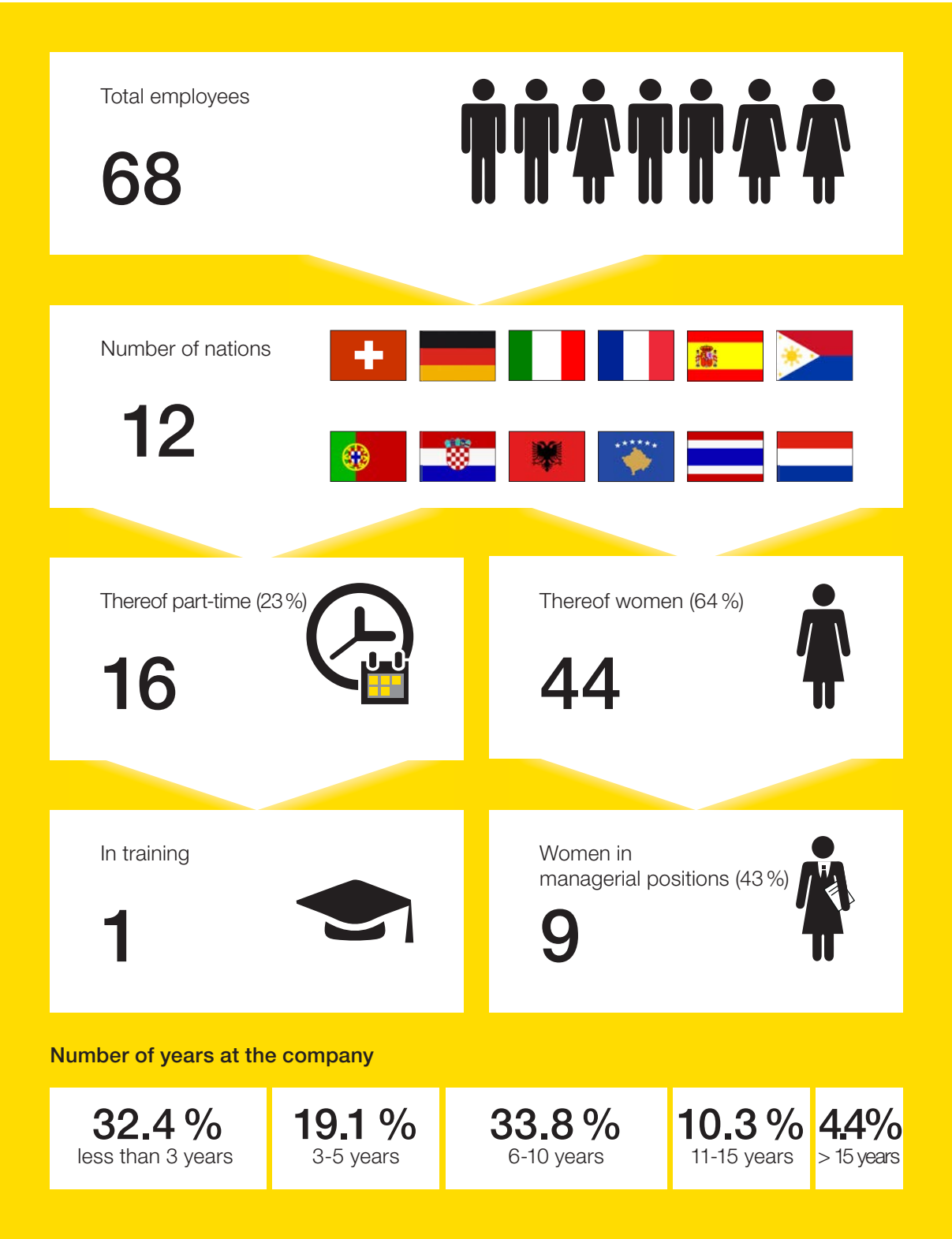
There will be no let-up in the challenges we face this year, but we have every confidence that our daily actions will yield positive outcomes.

Alfred J. Beerli, CEO



workfashion.com ag

In alignment with the motto «Develop. Supply. Manage», workfashion.com offers a full-service solution for professional clothing and clothing management. The company employs more than 60 people at its location in Cham-Hagendorf.



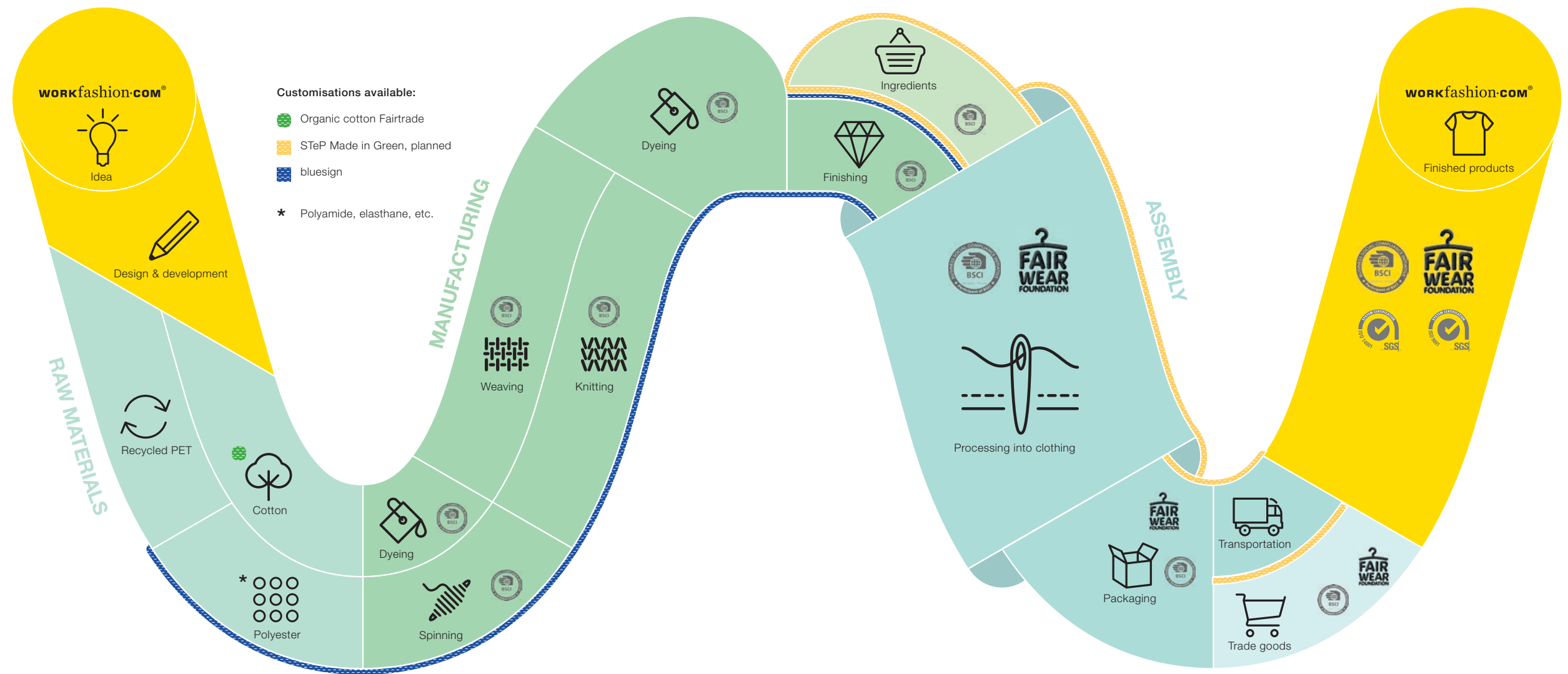
Our range

workfashion.com develops innovative professional clothing for small and large companies. Drawing on our fashion expertise and logistics know-how, we develop cost-efficient, high-quality and sustainable clothing concepts, individually tailored to our customers' needs.



Taking responsibility means acting – each and every day

Illustration: From the idea to the finished product



**Fair Wear Foundation (since 2015)**

Fair Wear Foundation is an independent, non-profit organisation committed to improving the working conditions in clothing factories.



**BSCI (since 2009)**

The BSCI is a business initiative for companies who seek to improve social standards, such as working conditions, in the global supply chain.

**ISO 14001 (since 2005)**

The ISO 14001 standard defines globally applicable criteria for efficient environmental management systems. ISO 14001 creates the basis for a continuous, verifiable improvement process in environmental performance.



**ISO 9001 (since 2005)**

ISO 9001 is an international quality management standard. Quality management is the term used to describe all organisational measures that serve a continuous improvement of process quality, performance and therefore products and services of all kinds.



2016 – Focus on corrective measures

workfashion.com can look back on an eventful year, which saw lots of developments in the area of social and ecological sustainability. In 2016, we concentrated our activities on undertaking corrective measures and staging employee trainings at our production partners.

Objectives in 2016	Measures/action taken in 2016
At least 65 % of production volume has undergone social audits in 2016.	<ul style="list-style-type: none"><li>97.9 % of our production volume either underwent social audits or originated from low-risk countries in 2016. (84.2 % by FWF; 7.1 % by BSCI; 6.6 % from low-risk countries)</li></ul>
Implementation of the corrective measures from the 2015 and 2016 social audits.	<ul style="list-style-type: none"><li>Regular visits including use of checklists for checking corrective measures.</li><li>Regular dialogue and follow-ups of the corrective measures, with the production facilities and within workfashion.com.</li><li>Roughly 50 % of the corrective measures were completed.</li></ul>
Further knowledge development and social audits among our production partners.	<ul style="list-style-type: none"><li>Three social audits were conducted at our main partners in Macedonia in 2016.</li><li>Constant awareness-raising and discussions during visits, by e-mail and video conferences.</li></ul>
Start of employee training sessions (Work Place Education Programmes) at our partners, conducted by FWF.	<ul style="list-style-type: none"><li>Three employee training sessions were held, one of them in Turkey. This equates to covering 29 % of our production volume in 2016.</li></ul>
Reviewing further steps in the field of ecological sustainability.	<ul style="list-style-type: none"><li>OEKO-TEX® Standard 100 was expanded as the minimum requirement for our materials and more stringent guidelines apply specifically to new suppliers (EU country of origin where possible).</li></ul>
Integrating sustainability into the workfashion.com management system.	<ul style="list-style-type: none"><li>This was set as an additional objective and has already been successfully implemented.</li></ul>

Objectives in 2017

By the end of 2017, we aim for 90 % of our production volume to have undergone social audits, monitoring and reviews or originate from low-risk countries.

Successful introduction of employee representative committees and safety officers at our main suppliers.

Continuation of employee training sessions (FWF Work Place Education Programme), to ensure that production workers are informed of their rights.

Ongoing implementation of corrective and development measures from the social audits in the form of monitoring activities, reviews and workfashion.com visit to the product companies.

Knowledge development through FWF participation in the «Living Wage Incubator» project.

Minimising procurement from China due to insufficient transparency.

Challenges in 2017

Introducing the monthly monitoring report for the main partners in Macedonia, which is intended as a support tool for continuous improvement of working conditions.

Providing support in implementing the right to collective bargaining at our partners in Macedonia.

In Turkey, there are widespread issues with overtime, double-entry accounting, subcontracting, youth work and the exploitation of refugees. In the current unstable political and terrorist situation, we need to pay more attention to such issues.

Our product range of trade goods will be covered by partners audited by the BSCI and FWF if possible. However, products that are both suitable and sustainable are still rare.

Where purchasing volumes are low, our influence on sustainable production is limited. We seek to continually address and increase this influence by working in partnership with other customers.



# Clear rules create commitment

The Code of Conduct is the basis for the collaboration between Fair Wear Foundation and workfashion.com. This is based on the guidelines of the ILO (International Labour Organisation) as well as the Universal Declaration of Human Rights. The eight working guidelines are at the core of all of our activities, which are aimed at improving the working conditions in our production facilities.



# Sustainability begins with selecting production partners

**workfashion.com offers a full-service solution for professional clothing and clothing management. With a well-coordinated international network made up of specialised production partners with state-of-the-art facilities, we cover the entire spectrum of production technologies. Fair working conditions for the employees in our production facilities are our number one priority.**

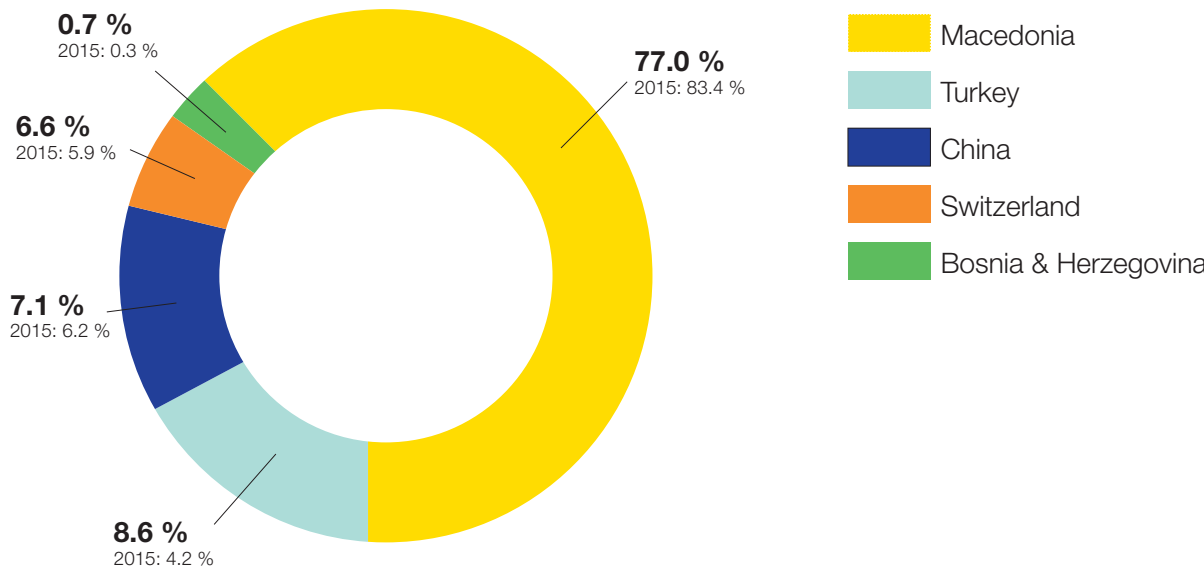
## Our procurement strategy

Long-standing relationships are crucial to workfashion.com. Firstly, they enable us to ensure that our high quality standards are met. And, secondly, a partnership based on mutual trust allows us to continuously improve working conditions. Sustainability is built into our procurement strategy and is implemented at our production partners through our monitoring measures (p. 18-19). Moreover, the basic principle of 4 pillars has been introduced in our Purchasing, meaning that, in addition to quality, availability and price, sustainability must also be assured in our products and at our suppliers. If a production partner fails to fulfil our minimum requirements, we scale back the collaboration, or even terminate it entirely. Normally, this only happens if our requirements are not followed and implemented despite multiple requests, i.e. the joint development path is unsuccessful.

We have been working with around 68 %\* of our production partners for at least six years. The foundation for this is mutual trust. Regular communication and visits are equally important, as is involving our closest partners in our future plans. Our suppliers come from Europe and Asia, with more than 75 %\* of our clothing assembled in Macedonia (see diagram). You can find an overview of our production partners on pages 20-21.

\*Analysis based on 2016 production volume

Produktionsvolumen 2016



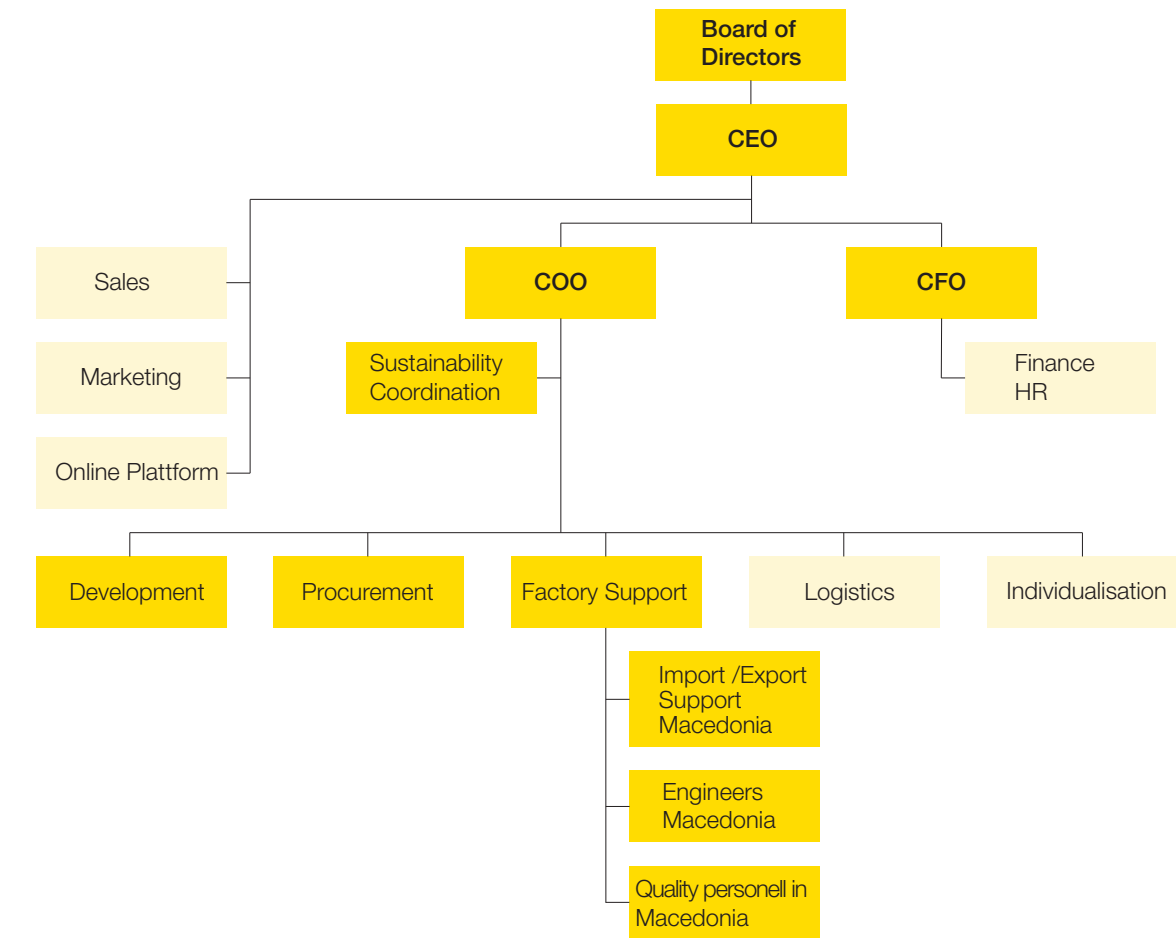
## Subcontractors and agents

workfashion.com does not place any orders via agents – it works with the manufacturers directly. Some of our suppliers do commission subcontractors for production orders. We are aware of these and they are also listed in the overview of production partners (p. 20-21).

## Who is responsible for sustainability at workfashion.com

The workfashion.com sustainability strategy is of the utmost importance to our Board of Directors, our executive management and our employees. Through close collaboration between the individual departments and the management, we ensure an efficient, flexible and solution-focused dialogue. At the heart of this are Development, Purchasing and Works Support, which are responsible for operations as well as compliance with the sustainability standards. They are supported in this by Sustainability Coordination. Since mid-2016, we have also been supported by our Quality Manager in Macedonia who, as well as quality issues, also continuously monitors the situation with regard to sustainability.

## Organisation



### Choosing new production partners

New production partners are evaluated by company management, in consultation with Procurement and Sales. The most important criterion for the long-term collaboration we strive towards is smooth communication. At the very beginning, we review the status of new production partners with regard to social sustainability. If they don't comply with our minimum requirements based on FWF, we don't work with them.

The following criteria also play a central role in our selection:

- ✓ Location of production facilities
- ✓ First impression during visit
- ✓ Quality of products
- ✓ Capability and knowledge of the management
- ✓ Infrastructure
- ✓ Creditworthiness
- ✓ Wage level of employees
- ✓ Cost level
- ✓ Willingness to comply with, and continuously improve, the working conditions
- ✓ Acceptance of our Code of Conduct (Code of Labour Practices) and fulfilment of further requirements resulting from our FWF and BSCI memberships

Essentially, no new partners were added in 2016. In Turkey, one partner began producing for us at a second production facility and in China, two of our partner's production facilities were relocated due to staff shortages. The criteria above were taken into account as far as possible in this process.

### Existing production partners

Checklists are used when visiting new and existing production partners. This ensures that quality issues as well as issues relating to working conditions are constantly discussed. Prior dialogue with Sustainability Coordination is a very important aspect of this. workfashion.com has now been a member of FWF for around two years and some of our production partners are struggling to fulfil the more stringent requirements. For some of our partners, handling any corrective measures also means making changes that make greater demands on their time and attention. All of this is putting our relationship with a few production partners to the test.

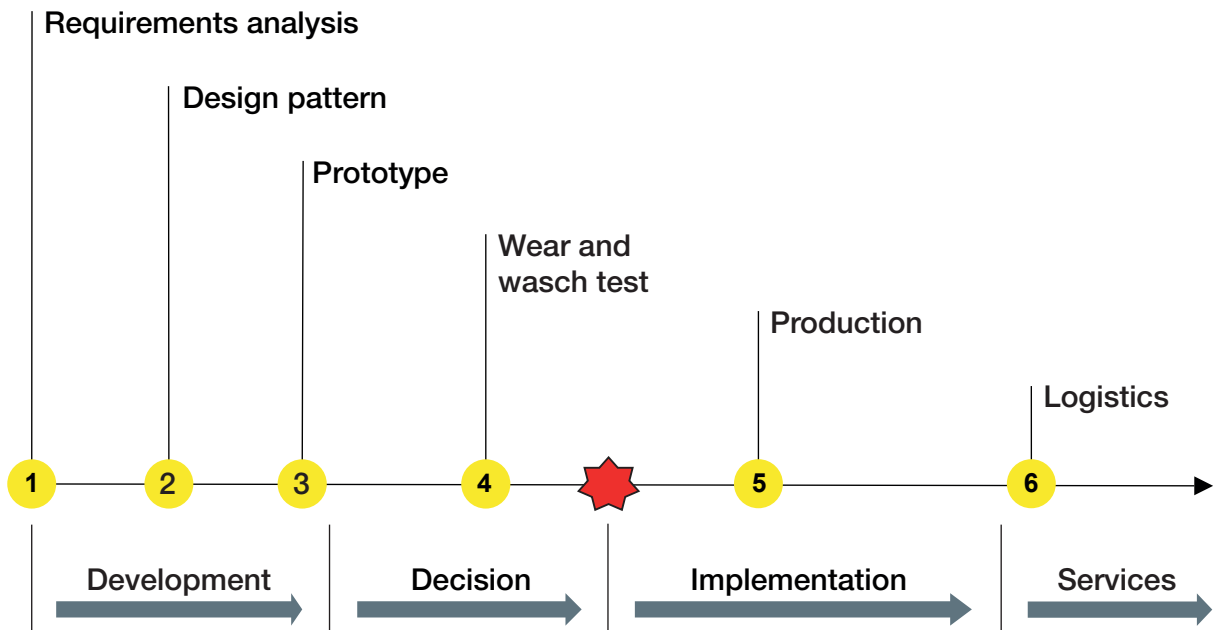
### From the initial idea to the final product

Many of our customers attach great importance to our products being available over many years. As a provider of professional clothing, workfashion.com is not influenced by seasonal fluctuations. Demand too is spread evenly throughout the year.

Therefore, workfashion.com stocks an instantly available, NOS (never out of stock) program – in addition to customised, combinable elements and individual new developments. To produce our NOS program, we use free capacities purposefully, so that we utilise our production partners' capacities evenly, and avoid overtime and output gaps as far as possible.

We plan our production based on material availability. We plan delivery deadlines together with our production partners. Depending on material availability, this means a delivery time for new developments of 10 to 20 weeks for productions from Europe, and 14 to 26 weeks for productions from Asia.

### Approach to projects (new development)

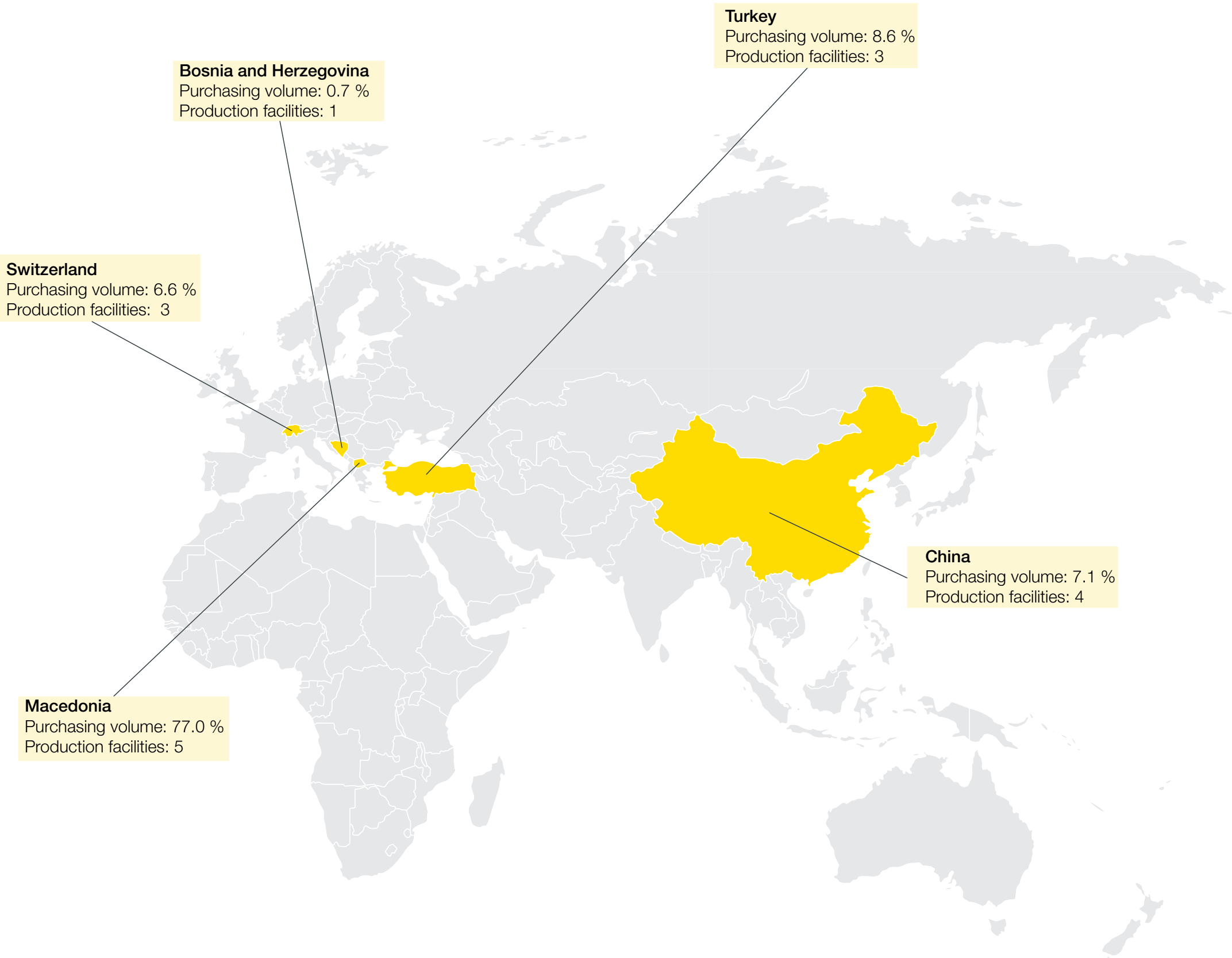


### Pricing

In general, for every product manufactured in-house, workfashion.com calculates the processing steps required and determines the target time. These serve as the basis for price negotiations, in which we clarify any discrepancies with our suppliers. Similarly to China, Macedonia has seen steady wage increases for several years. This inevitably impacts on price negotiations, in which workfashion.com seeks, with its main partners, to find a solution that is acceptable to all parties. Through our involvement in the FWF «Living Wage Incubator» project, we are also seeking to increase transparency in pricing.



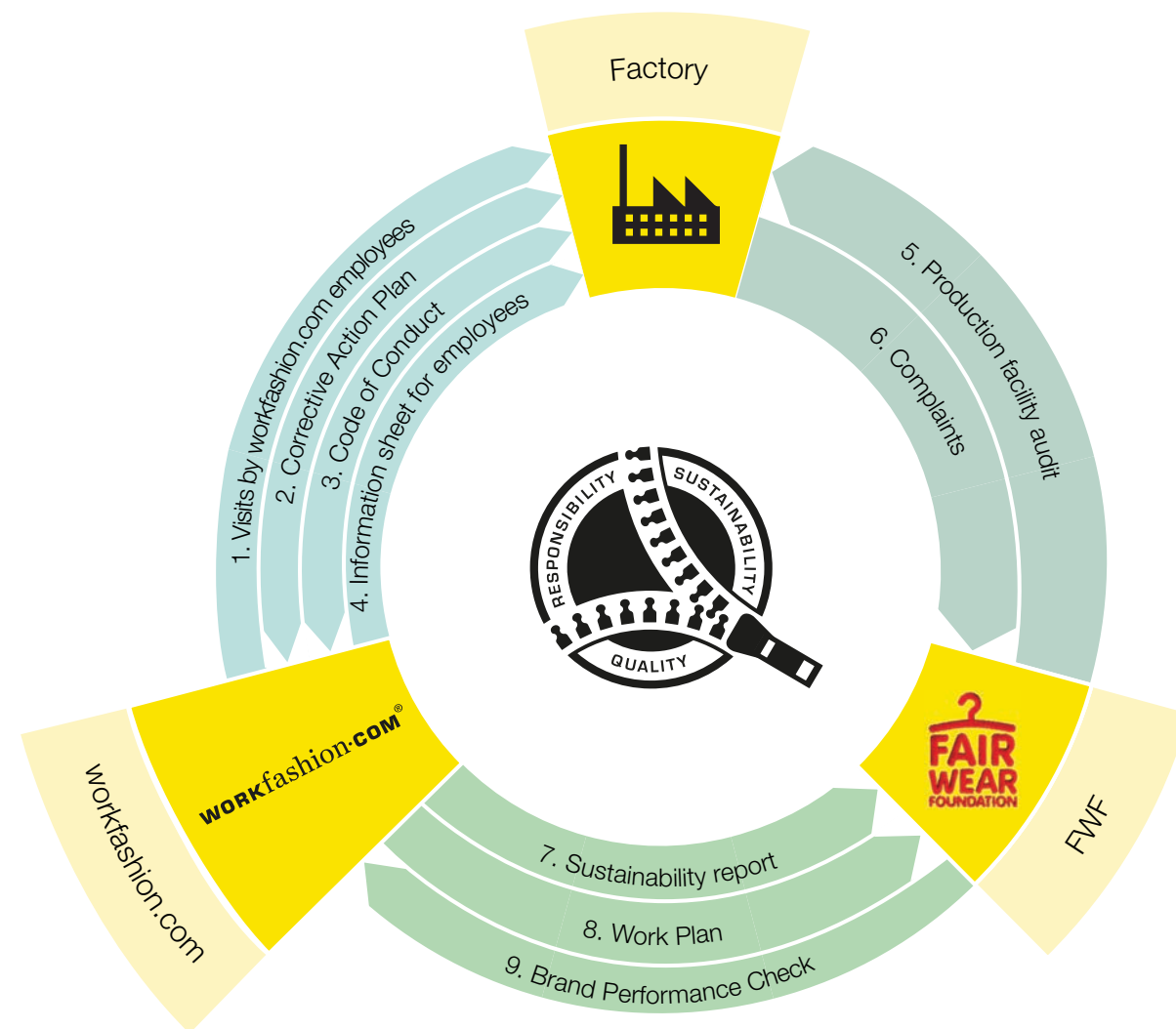
Where workfashion.com produced in 2016



## Systematic monitoring – because sustainability doesn't happen by chance

The principle of sustainability must extend beyond the boundaries of the company. Therefore, workfashion.com uses a monitoring system that consists of a variety of components, as a sustainable way of working among our suppliers and partners. Our company too is reviewed, to see where improvements can be made, in the Brand Performance Check.

### Our monitoring system



#### 1. Visits by workfashion.com employees

During the visits, working conditions are discussed, checklists are used and the findings are recorded and corrective actions defined.

#### 2. Corrective Action Plan

Corrective actions - identified by audits or visits - are discussed with the production partners, resolved and inspected by means of photographs, documentation and visits.

#### 3. Code of Conduct & FWF questionnaire

All production facilities are required to accurately and fully complete the FWF questionnaire and to subscribe to the Code of Conduct.

#### 4. Information sheet for employees

We require all production facilities to display an information sheet on the staff bulletin board, detailing the FWF standards and the contact information for the complaints hotline.

#### 5. Production facility audits

All production facilities are regularly audited by external, independent organisations.

#### 6. Complaints

The employees of our production partners can air their grievances to the local FWF Complaints Manager about their working conditions, if these are inadequate.

#### 7. Sustainability report

workfashion.com will compile an annual sustainability report, which demonstrates its activities in the field of sustainability over the previous business year.

#### 8. Work Plan

Every October, FWF receives a Work Plan from workfashion.com, which outlines the planned activities for the following year.

#### 9. workfashion.com Brand Performance Check

FWF does an annual Brand Performance Check to assess our development at workfashion.com and publish the results on the FWF website.

Overview of our production partners

Continent	Production country	Name	Production-volume 16 <sup>2</sup>	Low risk acc. to FWF	Collaboration since	FWF questionnaire	Factory visit 2016	Status FWF CAP <sup>4</sup>	Audits		FWF WEP <sup>8</sup>	
									actual	planned	actual	planned
Europe	Switzerland <sup>1</sup>	Tiziana Moda	0.7 %	yes	2000	yes	yes	n.v	n.v	n.v	n.v	n.v
	Switzerland <sup>1</sup>	dodo's Nähatelier	0.4 %	yes	2011	yes	yes	n.v	n.v	n.v	n.v	n.v
	Switzerland <sup>1</sup>	workfashion.com	5.5 %	yes	2002	yes	yes	n.v	n.v	n.v	n.v	n.v
	Bosnia & Herzegovina	Miltex	0.7 %	no	2015	yes	yes	–	no	no	no	no
	Macedonia	Nov Trend	0.2 %	no	2009	yes	yes	–	no	no	no	no
	Macedonia	JU-KA Veles	5.1 %	no	2007	yes	yes	partially outstanding	2015 <sup>5</sup>	no	2016	no
	Macedonia	JU-KA Sveti Nikole	11.1 %	no	2015	yes	yes	partially outstanding	2016 <sup>5</sup>	no	no	yes
	Macedonia	Viemi	44.4 %	no	2008	yes	yes	almost completed	2016 <sup>5</sup>	no	no	yes
	Macedonia	Igmatomiteks	16.2 %	no	2014	yes	yes	almost completed	2016 <sup>5</sup>	no	2016	no
	Turkey	R.I.G.A Tekstil	0.5 %	no	2015	yes	yes	–	no	yes	no	no
	Turkey	Emek Tekstil	0.7 %	no	2016	yes	no	–	no	no	no	no
	Turkey	Teks Team	7.4 %	no	2011	yes	yes	almost completed	2015 <sup>5</sup>	yes	2016	no
Total Europe			92.9 %		ø 6.8 Years	92.9 % <sup>3</sup>	92.2 % <sup>3</sup>		90.8 % <sup>3</sup>	2 Audits <sup>7</sup>	3 Trainings	2 Trainings
Asia	China	Hangzhou Tonglu Tiancheng	0.1 %	no	2015	yes	no	–	2016 <sup>6</sup>	no	no	no
	China	Warrantex Ningbo Yingzhou	2.7 %	no	2016	yes	yes	–	2016 <sup>6</sup>	no	no	no
	China	Warrantex Ningbo Wanjing	1.8 %	no	2016	yes	yes	–	2016 <sup>6</sup>	no	no	no
	China	Megafair	2.5 %	no	2000	yes	no	–	2016 <sup>6</sup>	no	no	no
Total Asia			7.1 %		ø 4.2 Years	7.1 % <sup>3</sup>	4.5 % <sup>3</sup>		7.1 % <sup>3</sup>	0 Audits	0 Trainings	0 Trainings
Total			100 %		ø 6 Years	100 % <sup>3</sup>	96.8 % <sup>3</sup>		97.9 % <sup>3</sup>	2 Audits	3 Trainings	2 Trainings

Time period: January 2016 to December 2016

1. Low risk country  
2. Exclusively trade goods  
3. Based on the 2016 production volume  
4. Corrective Action Plan  
5. FWF Audit  
6. BSCI Audit  
7. New production facility will be audited in 2016  
8. Workplace Education Programme



# Classification of production countries in 2016

	Switzerland	Bosnia & Herzegowina	Macedonia	Turkey	China
No problems Some problems Major problems					
Employment is freely chosen	●	●	●	●	●
No discrimination in employment	●	●	●	●	●
No exploitation of child labour	●	●	●	●	●
Freedom of association and the right to collective bargaining	●	●	●	●	●
Payment of a living wage	●	●	●	●	●
Reasonable hours of work	●	●	●	●	●
Safe and healthy working conditions	●	●	●	●	●
Legally bindings employment relationship	●	●	●	●	●

FWF and BSCI analyse high risk issues in their country reports. Based on these country reports, workfashion.com has classified the risks.

The specific analyses of our production partners can be found on page 24-27.





## Transparency in detail – Our partners

The following list provides a detailed insight into the monitoring activities, broken down by country.

### 1. Switzerland

#### Tiziana Moda, dodo's Nähatelier

Both production partners have been producing mostly smaller volumes for workfashion.com for several years. The companies were visited in 2016 and have been informed of our membership of FWF. As employment law in Switzerland is already very extensive, no further measures have to be taken here.

### 2. Bosnia

#### Miltex

We have been working with this company, which is used mostly for chef's uniforms, for around 2 years. Our COO visited this production facility in 2016. Corrections were made to occupational safety during this visit. Miltex has been made aware of our membership of FWF and BSCI. The company was certified to the new ISO 9001:2015 standard in 2016. Due to our very small production volume, we are unlikely to carry out any audits here in 2017.

### 3. Macedonia

Our three main partners, whom we regularly visit and constantly encourage to make improvements in working conditions, are based in Macedonia. All partners also hold certificates ISO 14001, ISO 9001 and OHSAS 18001, in recognition of their continuous improvement efforts.

«Macedonia is home to our three main partners, who hold certificates ISO 14001, ISO 9001 and OHSAS 18001».

#### Igmatomiteks

This company has been mainly producing trousers for around two years. This production facility is one of our three main partners and, over the years, a strong relationship of trust has formed as a result of regular visits. Igmatomiteks also employs workers with minor disabilities. workfashion.com guarantees this partner 100% capacity utilisation all year round. This means that, even if there are periods of under-utilisation, workfashion.com bears 100% of the costs, offering employees wage security. Despite some teething problems, the project - which was launched in 2015 - has led to increased productivity. The factory building was extended in 2016, due in part to the rise in employee numbers. Thanks to new machines, pre-financed by workfashion.com, work steps have also been simplified and productivity increased. An FWF audit was carried out at this partner in 2013 and in September 2016. We were very pleased with the outcome and working conditions are of a high standard. Our partner completed the majority of the corrective measures within just three months of the audit. The only outstanding matters are the preparation of a risk analysis and an investigation of the micro-climate within the production facility. These will be dealt with in 2017, due to the work to extend the building. Employees were made aware of their rights at the employee training session run by FWF.

#### Viemi

This long-standing partner has been producing tops for workfashion.com for over nine years and is another of our main producers in Macedonia. Our partner stands out for its strong improvement culture; reflecting this, in 2016 it purchased new machines and introduced process changes to greatly increase efficiency. This partner also underwent an FWF audit at the end of 2015 and lots of improvements have already been made. There were no problems in the areas of free choice of work, discrimination, child labour and legally binding employment contracts. However, the audit did raise concerns about the fact that no employees are members of a trade union. This is a very common issue in Macedonia. Either employees lack knowledge about trade unions or they have lost confidence in them and are not interested in

joining. Whilst wages are all above the national minimum wage, the individual wage structures are not entirely clear. We hope that, by participating in the FWF "Living Wage Incubator" project, we can take further steps to support our partner. This partner has also extended its production site to overcome bottlenecks and has already made new improvements in occupational safety suggested by workfashion.com.

«Viemi has been producing tops for workfashion.com for over nine years and stands out for its strong improvement culture».

#### JU-KA Veles

This production facility is a long-standing main partner that has been producing welded parts for workfashion.com for ten years.

The FWF audit at the end of 2015 did not detect any violations in the areas of forced labour, child labour, discrimination and legally binding employment contracts. As with Viemi, the same issue involving trade union membership applies here. Therefore, in 2016 an employee training was held by the FWF team during which employees were informed about their rights and about the FWF complaints system. Deficiencies were also identified in the areas of remuneration, occupational safety and overtime. The audits also raised concerns that one person is not receiving at least the statutory minimum wage. However, this subsequently proved to be a misunderstanding and was clarified. Today, according to our partner all employees receive the statutory minimum wage. workfashion.com continues to raise awareness at JU-KA Veles during visits and by e-mail, to bring about improvements in occupational safety and overtime. We are pleased that, at the end of 2016, our partner successfully obtained STeP certification.

#### JU-KA Sveti Nikole

This production facility is a second production base of our long-standing partner JU-KA Veles. As with all our Macedonian partners, there are no issues with forced labour, child labour, discrimination and legally binding employment contracts.

However, this facility faces the same challenges in terms of a lack of interest in trade union membership. The 2016 audit also identified deficiencies in communication. There was no functioning complaints system and there was no dialogue between management and workers. Consequently, in 2017 we will be holding employee training to explain employees' rights and train them in the Code of Conduct. There are also a few points to be dealt with in regard to occupational safety and remuneration. Due to communication difficulties, the improvements have not been made as quickly as workfashion.com would wish. We intend to work more closely with JU-KA on this and improve our relationship, so that all of the corrective actions can be implemented.

### 4. Turkey

The human rights situation in Turkey is very strained. In light of this, it is all the more important that brands who produce there work together to help progress the situation with regard to observance of employees' rights. However, in view of the current political, terrorist and human rights situation, this presents a very big challenge. Among other things, there is a risk of exploitation of Syrian workers. Work permits are issued with the aim of combating the illegal employment of Syrian workers.

#### Teks Team

This partner from South Turkey has been manufacturing knitted and woven fabric tops for workfashion.com for around six years. The company, which also supplies one other FWF member besides workfashion.com, was audited in November 2015. No deficiencies were identified in regard to forced labour, child labour, discrimination and freedom of association.

«Owing to the human rights situation in Turkey, we are working with other brands to press for observance of human rights».

A number of improvements in occupational safety were suggested during the audit and these have already been successfully implemented. This included placing adequate safety lighting at emergency exits, installing fans in the toilet area, fixing

non-slip trips to stairs and displaying safety data sheets for chemicals. Our partner was found to be lacking in transparency with regard to wage structures and working time. These issues were actively discussed by all FWF members during a number of visits. Afterwards, we were shown proof of improvements. To make employees aware of their rights, an employee training session was held in 2016.

#### **R.I.G.A and Emek Tekstil**

This partner is located in Istanbul and only produces very small volumes for us at two production facilities. Considering the current situation, we must assume that the issue of overtime, transparency and the right to freedom of association and collective bargaining continues to present a challenge. However, as the production volume is very small, we have very limited influence.

### **5. China**

workfashion.com's influence is severely curtailed by the low production volume. All four production facilities have a BSCI audit. During this year's visit, it was apparent that, despite the production facilities' many certificates, there is a regrettable lack of transparency and a corrupt system has developed here between consultancy firms and audit firms. Because of this, workfashion.com has decided to downscale production in China from 2017 onwards.

workfashion.com has decided to downscale production in China from 2017 onwards.

#### **Hangzhou Tonglu Tiancheng**

This Chinese partner has been supplying hats for workfashion.com since 2015. At the start of 2016, it underwent a BSCI audit and another follow-up audit at the end of 2016, to review implementation. There were no anomalies in the areas of free choice of work, discrimination in the workplace, child labour, legally binding employment contracts and appropriate remuneration (slightly above minimum wage). Our partner has already implemented some improvements. For example, the deficien-

cies affecting the complaints system have been rectified and employees have received training in the right to collective bargaining. The necessary adjustments have been made in occupational safety and more adjustments defined. For example, employees who are exposed to a lot of dust or noise have undergone health examinations. Adherence to working hours presents the biggest challenge. This improvement has only partially been made. Whilst employees are paid for overtime, the overtime exceeds the nationally permitted standards. As we only account for a very small percentage of this partner's production volume, our influence is unfortunately limited.

#### **Warrantex, Ningbo Yinzhou**

This partner has been supplying very small quantities of tops since 2016. The long-standing production facility 7733 covered in last year's social report has been almost completely replaced with this production location, yet the partner remains the same. The BSCI Audit identifies challenges in the area of remuneration, overtime and occupational safety. Three measures were successfully implemented in regard to occupational safety in 2016. Training was given in occupational safety, a risk analysis was performed and a second container was bought to separate chemicals. Unfortunately, the overtime at this company is excessive. Efficient production planning and constant awareness-raising should yield improvements in this regard.

#### **Warrantex, Ningbo Wanjiang**

This partner replaces production facility, 7701 King Weaving and Garments Co. Ltd (Foshuan shunde), mentioned in last year's social report, and produces very small quantities of tops for workfashion.com. The BSCI audit in 2016 did not uncover any violations in the areas of free choice of work, discrimination, child labour, freedom of association or legally binding employment contracts. Working hours present the same problems as those encountered at its partner company, Ningbo Yinzhou. As regards remuneration, concerns were raised about the ambiguous situation with regard to insurance premiums. There is an urgent need for change here and this will be checked during the next follow-up audit.

#### **Megafair**

This partner has been producing for us for around 16 years. It too underwent a BSCI audit in 2016,

the outcome of which was good; however, deficiencies were identified in the areas of employee participation and protection. There is, for instance, no functioning complaints system, nor is there any direct dialogue between employees and management. BSCI trainings will be held in 2017 to improve the situation. Again, our influence is limited because of the very low production volume.

#### **Our trade goods suppliers**

As well as its own collections, workfashion.com offers logical additional products from other trade goods suppliers. We send them a questionnaire in which, among other things, workfashion.com requests information about the supply chain and their code of conduct, if they have one. However, monitoring these is proving difficult, firstly because workfashion.com works with a large number of suppliers, and, secondly, because we have even less influence over them than over our own production partners. Therefore, we are striving to primarily offer products from other FWF and BSCI members, so that our supply chain remains monitored as far as possible. This included visiting the production facilities of our key trade goods supplier ID® Identity in Bangladesh. In 2016, 25% of our trade goods suppliers were FWF members (2015: 10%) and 47% were BSCI members (2015: 50%). If a supplier manufactures specific products for workfashion.com, before placing the order we check where and under what conditions they are produced.

In addition, we evaluate our main suppliers annually in accordance with the ISO 9001 process in the fields of raw materials, finished goods and production partners. Sustainability and the improvement of this are also taken into consideration in the process. Afterwards, we define corrective actions and pass these on to our suppliers.

«Monitoring trade goods suppliers is difficult, as our influence is less than it is at our production partners».



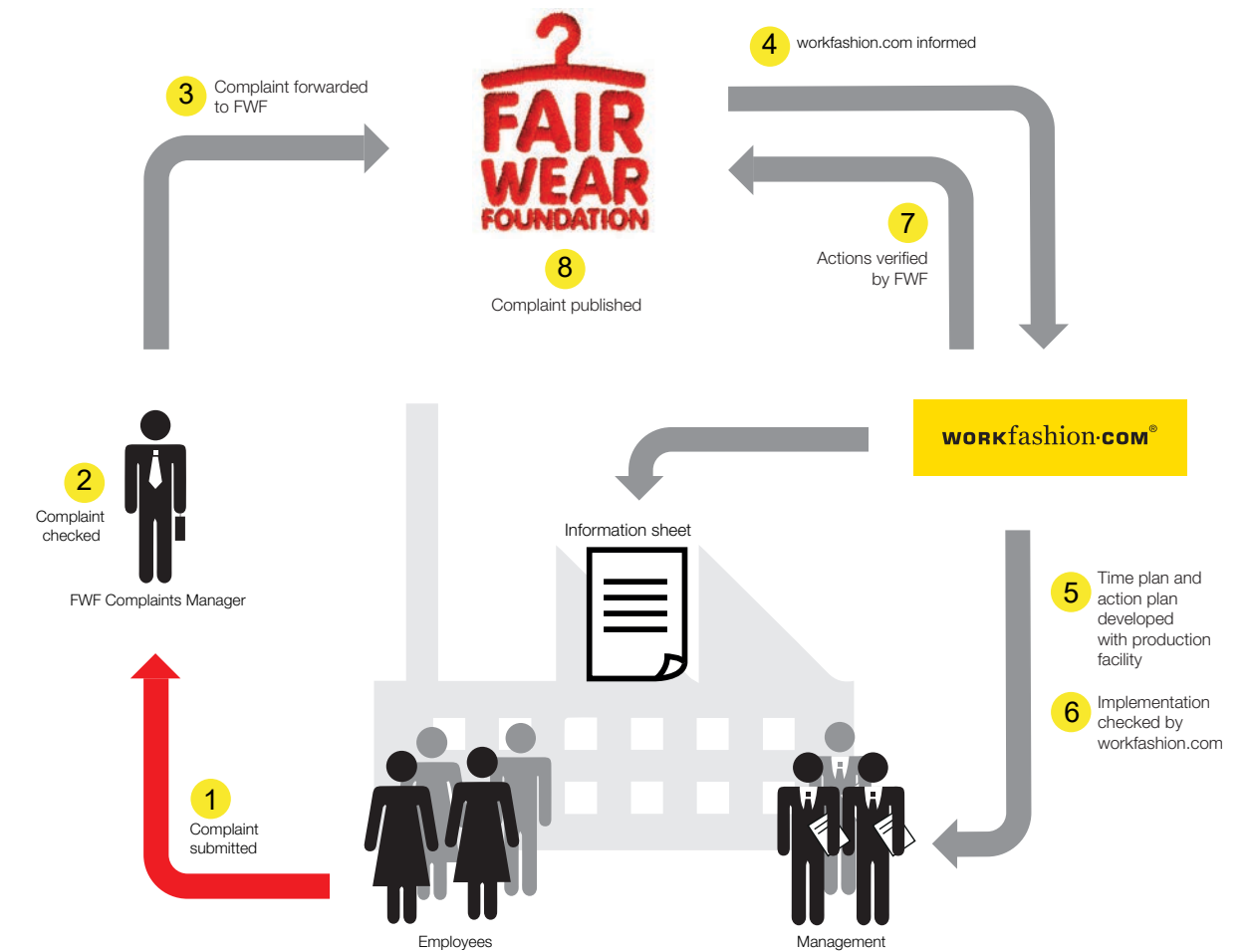




#### Complaints procedure

### The direct line for production employees

workfashion.com has taken steps to implement the FWF complaints system among its production partners. Employee training sessions are held and a notice displayed on the bulletin board to draw employees' attention at the production facilities to the complaints system. This gives them the opportunity to air their grievances to an independent officer. Once the complaint has been reviewed by FWF, workfashion.com is informed. Afterwards, we work with the production partner to find an amicable solution for all parties involved.



# Knowledge creates sustainability

**A constant exchange of information and regular training are among the fundamental principles for ensuring fair working conditions. Therefore workfashion.com consciously fosters a culture of communication with regard to sustainability – both internally and with external stakeholders.**

workfashion.com has used a variety of channels to raise awareness for sustainability among its stakeholders. We develop our knowledge through information and studies, which we receive in part thanks to our membership of FWF and BSCI, as well as regular exchanges of views with other members and stakeholders.

### workfashion.com informs employees

- Internal sustainability training for new employees
- Sending of a monthly newsletter with information about the topic of sustainability, which is sent to both customers and employees
- Sustainability Week before Christmas
- Weekly exchange of views on the subject of sustainability at the procurement meeting

### workfashion.com informs its production partners

All our production partners have been informed of our membership of FWF and BSCI and been made aware of our relevant Code of Conduct. Discussion about working conditions and of corrective measures are mandatory aspects of production facility visits. During these visits, we also make sure that the information sheet is displayed for employees. The employee training sessions that will be held at all our main partners by the end of 2017 are intended partly to make production employees aware of their rights.

### External communications

workfashion.com regularly informs its customers and potential customers about sustainability issues and its activities in relation to FWF and the BSCI. Our customer event, the Fashion and Food Event, was held in the Environment Arena in Spreitenbach in 2016. Its location reinforced the issue of sustainability. Our customers are also informed through the following channels:

- Information on the company website [www.workfashion.com](http://www.workfashion.com)
- Notes in brochures and in the e-mail signature
- Company blog with regular reports on the topic of sustainability
- Monthly customer newsletter with information about sustainability
- Customer presentations on sustainability
- Sustainability Report

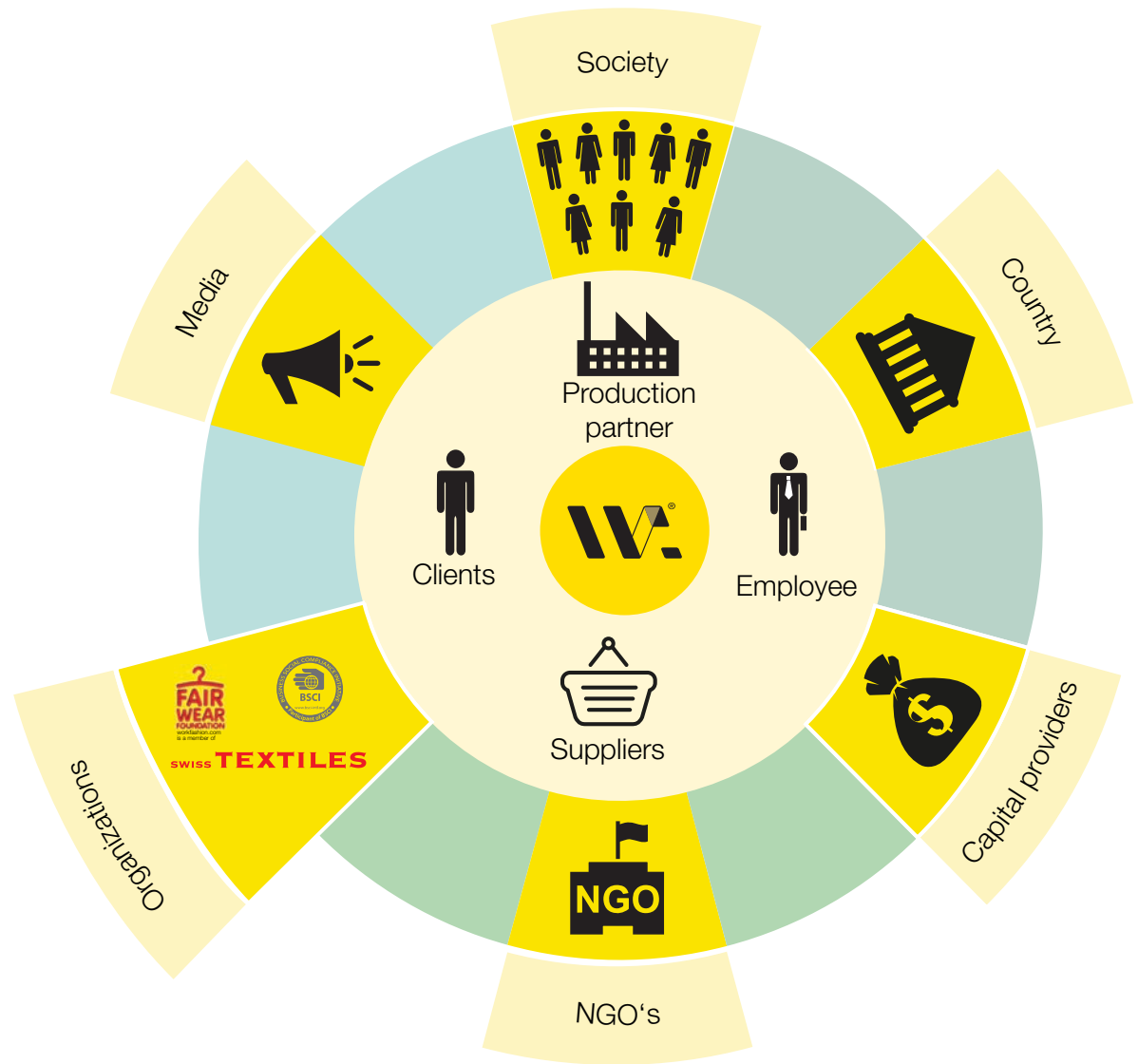
### Reaching more people, together

workfashion.com sets out to promote the issue of sustainability in several committees and in various projects. The aim of these efforts is to raise awareness among the general public about responsible action in the textile industry.

Another of the crucial pillars of our involvement is cultivating relations with NGOs. We see it as our on-going mission to impart our knowledge in associations and in presentations. It is also important to us to pass on our values to the next generation.

Our commitment continued in 2016, including through various lectures. At the logistics services conference in Basel, for instance, we highlighted the challenges facing the textile supply chain. We want to continue doing everything we can, through workfashion.com employee representatives in associations including the FTA Board, BSCI Swiss National Contact Group and Swiss Textiles).

### Our stakeholder





## We care very strongly about the environment

Respect for nature and the environment is fundamental to workfashion.com. We are committed to sustainable development, sparing use of resources and environmentally sound disposal methods. As well as social sustainability, therefore, ecological sustainability is also important to workfashion.com. One consequence of this is that even the materials used for our clothing are free of harmful substances, making them safe for our customers and the environment. Among other things, we are committed to European Origin and the use of OEKO-TEX® Standard 100 materials. Our ISO 14001 certification also demonstrates our commitment to implementing a continuous and verifiable improvement process for environmental performance.

These are some examples of how workfashion.com influences the environment:

- Optimising the use of resources through maximum utilisation, thereby minimising waste when cutting fabrics for clothing
- Reducing the carbon footprint by optimising procurement and shipping logistics
- Switching lighting at the head office from halogen to LED
- Sparing use of printer/copier, to reduce paper consumption
- Taking account of the energy label in procurement for the workfashion.com vehicle fleet

### Sustainability standards

workfashion.com adheres to various sustainability standards with regard to its materials. However, demand for some is still relatively low.



#### OEKO-TEX® Standard 100 (98.62 % of all materials)

OEKO-TEX® Standard 100 is an independent inspection and certification system for textile products at all processing stages (fibres, yarns, fabric, manufactured end products) along the textile value chain. If a textile product has been assessed as pollution-free, the OEKO-TEX® Standard 100 label may be displayed.



#### bluesign® (26 % of all fabrics)

bluesign® is the benchmark for the ecological assessment of fabrics. The aim of the independent system is to reduce environmental impact along the whole textile supply chain. Therefore, all bluesign® products must contain substances that are safe for humans and the environment.



#### rPET – recycled polyester

rPET is normally produced from recycled PET bottles, which are used to spin new fibres. This creates materials such as fleece, blended fabric and functional fabrics.



#### Organic cotton

Farmers of organic cotton do not use pesticides or artificial fertilisers. The use of genetically modified cottons is also banned.



#### Fairtrade Cotton

Fairtrade standards are the rules that small farmer organisations, plantations and companies along the whole value chain must observe. They encompass minimum social, ecological and economic standards to ensure the sustainable development of the producer organisations in developing and emerging nations. Fairtrade involves small farmers grouping together in cooperatives, to strengthen their position on the market.



#### Implementation based on our VIZon high-visibility clothing

Our new, individually configurable VIZon collection has been manufactured from high-grade European materials. All the fabrics used for our high-visibility clothing are certified to OEKO-TEX® Standard 100 and comply with the EU Ecolabel.

In partnership with our French supplier TDV, a twill weave has been developed for VIZon which is made from 70 % rPET and 30 % organic Fairtrade cotton.

### Environmental challenges in 2017

- Environmentally compatible disposal and reuse of paper and packaging material is now the norm. However, the disposal and, especially, the reuse of (soiled) work clothing present a major technical and logistical challenge. Consequently, workfashion.com is pursuing a different course:
  - we minimise resources and use recycled materials with the aim of reducing the negative impact on the environment. Furthermore, by using high-quality materials, we seek to ensure that our clothing articles are durable, reducing the consumption of resources.
- OEKO-TEX® Standard 100 or other environmental labels are still not widely used by suppliers for trade goods. We try to exert our influence here through our product selection, supplier selection and supplier awareness-raising.
- We want to provide customers with more specific information about ecological aspects and raise their awareness.



# Behind the scenes



**Name:** Fidancho Ilikovski  
**Age:** 42  
**Marital status:** married for 17 years, 6 children aged between 4 and 14 years

**Department:** Springer

**Place of residence:** In Razlovci in a single-storey house with a small garden, in which the family grow vegetables and fruit for their own consumption. They also have pigs, a donkey and three goats.

**Education:** He attended primary school until he was 14 years old.

## What are the biggest everyday challenges you face? How do you combine family and work?

It's tough combining family and work, particularly with my disability. I'm completely blind in one eye and have just 70% vision in the other, which makes everything harder for me. But I take each day as it comes. As we have six children, there are lots of things that have to be done every day, such as preparing meals and helping with homework. Keeping the wood-fired heating going also takes up a lot of time in winter.

## What do you like most about your work?

Basically, I'm just grateful that I have a job. Plus, I enjoy spending time with my work colleagues. Every three months, the company organises a social gathering for the men after work, when we play football, eat, drink and just hang out together. I always really enjoy that.

## Has the company made any special adjustments at the workplace because of your disability?

As most of the people who work at Igmatomiteks have slight physical disabilities, the company has had to make certain adjustments in general. They also had to request a special permit for me to work there. Because of my disability, I'm unable to do precision work like sewing. I also have difficulties reading, which means instructions have to be given verbally, rather than in writing.

## Do you have any goals or hopes for the future?

I just want my children to be healthy, to be able to go to school and one day live independently.

## What do you like most about Macedonia?

Compared with Italy, where I lived for three months, I really appreciate the fact that we have more freedom here and a lower crime rate. Our kids can roam around the village freely, there's less traffic, everybody knows each other and there's less pressure.



**Name:** Bojana Maznovska  
**Age:** 26  
**Marital status:** married for 6 years, two children

**Department:** Sewing

**Place of residence:** In Razlovci in a two-storey house with a small garden, in which the family grow vegetables and fruit for their own consumption.

**Education:** After primary school, she attended a special secondary school for the textile industry. While attending this school, each year she completed a one-month internship in a textile factory.

## What does a normal working day entail?

I get up around 6 a.m. and get ready for work. I work from 7 a.m. to 2 p.m. My mother looks after the children while I'm at work. After work, I prepare the family lunch. Then I spend time with my children; we play or go outdoors. We have dinner at 7 p.m. then watch TV (usually Turkish films).

## What are the biggest everyday challenges you face? How do you combine family and work?

I'm very focused on the baby right now. It's sometimes very hard to combine family life and work. The children are still very young and need a lot of attention, which means I'm very busy all the time. I'm fortunate that my Mum helps me out.

## Have you noticed any changes in your working conditions in recent years?

Since Igmatomiteks has been collaborating with workfashion.com, there have been some changes for us. We have new, state-of-the-art sewing machines and the electrics have been modernised. As employees, we get better wages and the constant supply of guaranteed work means we don't have to worry as much about our jobs. Also, we all get a hot lunch, paid for by the company.

## How much maternity leave do you get?

My maternity leave lasts 9 months in total, until July 2017, and I'm on full pay. The bulk is paid by the state and the company pays around 40%. That's another reason why many companies lay off their female staff if they fall pregnant. So I'm fortunate to be able to carry on working at Igmatomiteks.

## Do you have any goals or hopes for the future?

I'd like to move to Delcevo with my family. Delcevo is a small town around 20 minutes from Razlovci. Everyone our age wants to move to the town as there are just so many more opportunities there.



