



FWF MEMBER
Jack Wolfskin

### BEST PRACTICE

Welfare fund to support workers of a bankrupt factory

### LABOUR STANDARDS

Payment of a living wage a legally binding employment relationship



"How can a brand ensure that workers are properly compensated after a factory bankruptcy, especially without much leverage?"



FAIR BEST PRACTICES 2017

- Research the amounts that workers lost based on unpaid wages and severance payments, and what percentage of that is your share of production.
- 2. Share your plans with other brands.
- 3. Use all the support you can get, reach out to FWF, but also to local unions!
- 4. Ensure that you are talking to the right partners.
- 5. And keep going. Even though your effort may not have the largest impact in terms of the amount of money, it sets a good example for other brands and other factories,





"We believe it is important to create good examples and to share those to inspire others. Together we can make the world a better place, one step at a time"



## INNOVATING PROCESSES

- Coordination not only among brands, but also with trade unions and other stakeholders in a bankruptcy such as the curator,
- Flexibility regarding negotiations, and trust in neutral parties like FWF to provide guidance during the process.
- Constant dialogue with the brand to ensure they understand and adopt social standards as part of their regular operating procedures.

# ENACTING CHANGE

Workers were paid the proportional amount they were owed.



FAIR BEST PRACTICES 2017



"We believe that we have showed, that one CAN take over responsibility even though you are not the reason for the problem and even though you are only a very tiny customer"





### ROCKY ROAD

- Sometimes doing the right thing carries reputational risks with its Jack Wolfskin was the target of campaigns against it even though it was the only brand trying to get the workers the money.
- Expectation management is crucial; building trust takes time and the right people in the right place at the right time.
- The money paid made some difference but still the workers were unemployed,
- And other brands did not join the plan.

