



MEMBERSHIP COSTS 2020

This document details the expenses related to Fair Wear membership. These include the Fair Wear annual membership fee as well as several additional costs, such as Fair Wear audits, trainings, and services.

Please be aware that your company may have supplementary expenditures, such as additional travel costs, human resources or the development of a CSR department, that are necessary to implement the Fair Wear membership.

FAIR WEAR ANNUAL MEMBERSHIP FEE

Fair Wear membership is open to European garment companies with a minimum annual turnover of ten million euro, more than 50% production¹ in countries where Fair Wear is active and at least 50% own production.

Brands which submit an application form to become a member will pay an application fee of €500.

The membership fee is calculated based on their yearly turnover in products as defined in the scope of Fair Wear membership section of the [Brand Performance Check Guide](#)

The turnover is determined by the consolidated annual financial report that is provided to FWF, which should be accompanied by an accountant statement. The report should concern the last closed fiscal year. If the turnover has changed drastically with respect to the previous year, the difference is only taken into account if the membership fee would deviate more than 20% from the already invoiced fee, in which case you will receive a final invoice (debit or credit).

If the accountant statement differentiates turnover between sewn and other products, only the turnover in sewn products will be used to calculate the membership fee.

The amounts are subject to yearly adjustment based on inflation rates.

The Fair Wear Board reserves the right to adjust the membership fees for the following year.

¹ Production that takes place in countries where Fair Wear does not require full audits can also count towards the required 50%

FAIR WEAR MEMBERSHIP COSTS



Turnover (min) in €	Turnover (max) in €	Membership fee 2020	Fees 2020 for current members
€ 2,500,000	€ 5,000,000	n.a.	€ 4,422
€ 5,000,001	€ 10,000,000		€ 5,137
€ 10,000,001	€ 15,000,000	€ 7,180.00	€ 5,874
€ 15,000,001	€ 20,000,000		€ 6,622
€ 20,000,001	€ 25,000,000		€ 7,180
€ 25,000,001	€ 30,000,000	€ 7,570.00	
€ 30,000,001	€ 35,000,000	€ 8,260.00	
€ 35,000,001	€ 40,000,000	€ 8,940.00	
€ 40,000,001	€ 45,000,000	€ 9,630.00	
€ 45,000,001	€ 50,000,000	€ 10,320.00	
€ 50,000,001	€ 60,000,000	€ 11,700.00	
€ 60,000,001	€ 70,000,000	€ 13,070.00	
€ 70,000,001	€ 80,000,000	€ 14,460.00	
€ 80,000,001	€ 90,000,000	€ 15,820.00	
€ 90,000,001	€ 100,000,000	€ 17,210.00	
€ 100,000,001	€ 125,000,000	€ 20,640.00	
€ 125,000,001	€ 150,000,000	€ 24,080.00	
€ 150,000,001	€ 175,000,000	€ 27,520.00	
€ 175,000,001	€ 200,000,000	€ 30,970.00	
€ 200,000,001	€ 250,000,000	€ 37,850.00	
€ 250,000,001	€ 300,000,000	€ 44,730.00	
€ 300,000,001	€ 350,000,000	€ 51,610.00	
€ 350,000,001	€ 400,000,000	€ 58,490.00	
€ 400,000,001	€ 450,000,000	€ 66,720.00	
€ 450,000,001	€ 500,000,000	€ 72,260.00	
€ 500,000,001	€ 750,000,000	€ 86,030.00	
€ 750,000,001	€ 1,000,000,000	€ 107,360.00	
€ 1 000 000 001	€ 1 500 000 000	€ 134,890.00	
€ 1 500 000 001	€ 2 000 000 000	€ 162,390.00	
€ 2 000 000 001	€ 2 500 000 000	€ 189,920.00	
€ 2 500 000 001	€ 3 000 000 000	€ 217,440.00	
€ 3 000 000 001	€ 3 500 000 000	€ 244,950.00	
€ 3 500 000 001	€ 4 000 000 000	€ 272,490.00	

The fees mentioned above are excluding VAT.

What services are included in FWF's annual membership fee?

- Fair Wear **verifies and supports** your activities as you work towards making improvement in the labour conditions in factories you source from. Through external, independent verification, Fair Wear membership adds credibility to your efforts.
- Fair Wear **provides feedback** on your annual work plan and the annual social report, in order to enhance the quality of the documents, both of which are intended to provide insight into your (planned) activities concerning the improvement of labour conditions, and enhance transparency of your efforts and results.
- Once your Work Plan has been approved and monitoring activities have taken place, Fair Wear **performs a number of verification audits**. The results will help you to further improve labour conditions in the factories you source from. The cost of these audits is included in the membership fee.
- Fair Wear **gives advice** on your internal management system, including the annual Brand Performance Check. This allows you to perfect your management system by making step-by-step progress.
- Fair Wear **has a complaints handling procedure** designed to protect workers and provide access to remedy. If a complaint is filed by a factory worker or a local organisation where Fair Wear is active—and there is no existing effective grievance mechanism—Fair Wear and the member who sources from that factory will jointly follow up on the complaint. This allows for concrete contributions to the implementation of good labour conditions in the factories.
- Fair Wear **produces a range of informational material**. This includes, for example, country studies and risk assessments that can be used to establish what is required in order to implement the Code of Labour Practices in a factory in a specific country. They also provide a source of information to perform due diligence throughout your supply chain.
- Fair Wear **collaborates with other organisations** in order to harmonise the efforts being made towards the improvement of labour conditions. This allows us to compile and expand knowledge on local labour conditions.
- Fair Wear **organises several annual events** for all its members. During these event, participants can share experiences and find inspiration for new ideas.
- Fair Wear organises **thematic (training) activities** throughout the year at the request of member companies. These can range from a CSR awareness training to a training for purchasers.
- Fair Wear **informs consumers** on sustainable purchasing and on the progress made by members by posting relevant material on our website and social media channels—including your Brand Performance Check and social report, as well as regular highlights on members who have done exceptional work on specific topics, such as living wages.

AUDITS

It is the responsibility of brands to establish a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights

To identify risks, brands can use several methods, including country studies, stakeholder interviews and other related research projects that investigate human rights violations in garment supply chains. To identify specific issues at your supplier, audits are one of the key tools.

Fair Wear's factory auditing serves two main purpose: for factories, it is one step in a process leading to workplace improvements. The purpose is to identify issues, so that brands and suppliers have a base where they can collaboratively work together to improve working conditions

For companies, factory verification visits also serve as an indication of a member's company's performance in upholding its Fair Wear commitments.

Fair Wear selects and trains audit teams in each of the eleven active countries.

There are two types of Fair Wear audits:

1. **Verification audit.** Verification audits are selected by Fair Wear. Your brand liaison will contact you in the beginning of the year to book it. Costs are covered by Fair Wear. Fair Wear audits at least 10% of your FOB every three years.
2. **Monitoring audit.** The Fair Wear audit teams can be hired (for a supplementary fee) to perform your social audits, saving you the cost and trouble of training your own team or finding external audit teams. You can book this audit yourself through the Fair Wear information system.

Country-specific fee structure

The flat fee depends on the country and several other factors:

- The standard daily fees of the audit team members, which is based on the income categories of the production countries.
- Travel and accommodation costs which are based on historical data of invoices submitted by Fair Wear auditors.

Further, several other factors were taken into consideration when developing the flat fee structure. These include:

- The number of workers in the audited factory, which determines the time spent by the audit team on an audit.
- Handling costs of Fair Wear headquarter staff for time spent on the audit and for the costs of bank transfers.

Please refer also to the [Fair Wear financial terms for service providers](#), which sets out the classification of countries, daily working fees for members of the audit team, and the necessary time investment of the audit team based on factory size.

Every year, the audit fees are assessed according to inflation and local costs. The following flat fees are based on the factors mentioned above. Fair Wear has assigned the eleven active countries to three categories: low, middle and high income.

FAIR WEAR MONITORING AUDIT FEES					
Country income level	Size of factory (# of workers)				
	5-25	26-50	51-500	501-1000	>1001
Low income Bangladesh, India, Myanmar and Vietnam	1770	2200	2530	2690	3170
Middle income Bulgaria, Macedonia, Romania, Thailand, Indonesia and Tunisia	1950	2380	2830	2910	3450
High income Turkey and China	2100	2590	3020	3170	3770

Non-active countries fee structure

Sometimes Fair Wear is asked to conduct an audit in a country other than those mentioned above, mostly in countries which are in close proximity to Fair Wear active countries. Currently, it is possible to do audits in Thailand, Morocco, and Moldova. If it is possible that Fair Wear conducts the audit, the costs would need to be determined on a case-by-case basis.

Cancellation or rescheduling fees

The factory cannot cancel or postpone a Fair Wear audit or training, after the date has been planned. The factory must ask the member to contact Fair Wear in order to cancel or postpone the audit or training.

In the event that a member cancels or reschedules the audit/training up to one month prior to the planned audit date, the member will be invoiced 33% of the audit fee. In the event that a member cancels or reschedules the audit/training 10 or less workdays before the audit, the member will be invoiced 66% of the audit fee. Where a Force Majeure event is the cause for cancellation or rescheduling, the member will only be invoiced for the cost incurred in planning the audit/training at the time of cancellation or reschedule. Force Majeure event means an event, or a series of related events, that is outside the reasonable control of the party affected (including power failures, industrial disputes affecting any third party, changes to the law, disasters, explosions, fires, floods, riots, terrorist attacks and wars). The Brand Liaison and the Country Representative will enter into discussions with the member to determine if the cancellation or rescheduling was caused by a Force Majeure event.

MEMBER LEARNING

A brand has the responsibility to stay updated and informed about human rights risks in the sourcing countries, about approaches how to improve the due diligence process to identify, prevent, mitigate the risks and to stay up to date about human rights developments.

Fair Wear offers learning opportunities addressing these issues using different channels such as webinars, seminars, general and in-company trainings.

Fair Wear Member seminar

Fair Wear organises a two-day Member Seminar once a year. This seminar is designed to offer practical guidance on implementing the FWF Code of Labour Practices in your supply chain. It is aimed at new member brands and new staff within existing member brands but can also accommodate prospective members. During the seminar, Fair Wear showcases its wide range of implementation tools, and shows how to best apply the Fair Wear Code of Labour Practices. The cost for the seminar is € 510 for members and € 820 for prospective members. When a prospect member becomes member, the previous paid application fee of € 500 covers the cost of one person to attend the Fair Wear Member seminar.

Member seminar	Fee
Fair Wear Members	€ 510
Prospective members	€ 820

Training or workshop

Fair Wear provides workshops and trainings when requested by members. Workshops and trainings are invoiced per half or full day. The cost for a full-day training is € 820 excluding travel and accommodation costs.

Training or workshop	Fee
Half-day training session	€ 410
Full-day training session	€ 820

WORKPLACE EDUCATION PROGRAMME (WEP)

The Fair Wear Workplace Education Programme (WEP) aims to move companies beyond auditing and corrective action, and towards workplaces where issues are raised and resolved through open communication.

The WEP aims to provide factory managers and workers with the tools they need to start an open dialogue about issues and opportunities in the workplace and about how to improve working conditions in the factory. Increased awareness about labour standards, together with functioning grievance systems, can contribute to improve working conditions.

Fair Wear selects and trains local training teams. These training teams can be hired (for a supplementary fee) to perform your WEP trainings, saving you the cost and trouble of training your own team or finding external training organisations.

Fair Wear provides both general and country-specific modules. Fair Wear uses a flat fee system for the general and country-specific modules. The use of a flat fee system ensures predictability of the costs for Fair Wear WEPs as well as a more effective and timely invoicing system.

At the end of this document, the relevant brand performance indicators are listed briefly. For more information, you can find the brand performance check guide on the member hub, or follow this link: <https://www.fairwear.org/resource/fwf-brand-performance-check-guide-2018/>

In 2020, Fair Wear has made significant changes to the WEP Communications module and the WEP Violence and Harassment module. Please read these sections carefully!

GENERAL MODULES

WEP Basic: Introduction to workplace awareness and grievance mechanisms

To support brands and factories in fulfilling their basic responsibility to inform workers about their rights and access to grievance systems, Fair Wear has designed the *WEP Basic: Introduction to workplace awareness and grievance mechanisms*. This module provides a basic introduction to the Fair Wear Code of Labour Practices as well as the Fair Wear complaints hotline and other grievance mechanisms. Management, supervisors and workers are trained separately in two-hour sessions. At least 10% of production workers must receive training in order to meet performance check requirements (indicator 3.3). This means that several worker training sessions might be needed, depending on the size of the factory.

The module is available in Bulgaria, China, Macedonia, Myanmar, Romania, Tunisia, Turkey and Vietnam. In India, in regions *other than* Delhi/NCR, Bengaluru and Tirupur, Fair Wear provides an enhanced WEP Basic module, which includes an extra focus on gender issues.

The following fees apply:

WEP Basic training module			
Introduction to workplace awareness and grievance mechanisms			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0 – 50	1	1	€ 1.080
51 – 500	1	2	€ 1.220
501 – 1000	1	4	€ 1.440
1001 - 1800	1	6	€ 1.680
> 1801	Please contact your Brand Liaison for the required number of sessions and price details		

Factory Guide: online tool

All factories supplying Fair Wear members can make use of the Fair Wear Factory Guide. This online training tool, designed for factory managers, explains Fair Wear's approach and gives them the information they need to enhance their collaboration with members on improving labour conditions in their factories.

The tool is currently available in Bahasa Indonesian, English, Burmese, Turkish and Vietnamese. The Factory Guide is available on the Fair Wear website.

COUNTRY-SPECIFIC MODULES

Fair Wear has designed several modules aimed at supporting brands and factories in tackling country-specific challenges.

WEP Violence and harassment prevention module
Bangladesh and India

Brands with suppliers in Bangladesh and India (Delhi/NCR, Bengaluru, Tirupur) can make use of the *WEP Violence and harassment prevention module*.

The training focuses on establishing and supporting workplace anti-harassment committees. Management, supervisors and workers are trained in separate five-hour sessions. If needed, Fair Wear facilitates an election for an anti-harassment committee. Following this, the members are then trained in a half-day session. During the next eighteen months, the Fair Wear trainers will assist in six follow-up meetings with the committee members to support them in the development and running of the anti-harassment committee.

Like the WEP Basic module, this training module also includes information on the Fair Wear Code of Labour Practices and complaint hotline, and therefore counts toward performance check indicators 3.3 and 4.4.

Thanks to funding by the Dutch Ministry of Foreign Affairs, the module is offered, subject to availability, at a reduced rate of € 1.850. Any additional costs will be covered by Fair Wear.

	Fee
WEP Violence and harassment prevention module	€ 1.850

WEP Communication
Indonesia, Myanmar and Vietnam

This four and half day module—which is spread out over the course of 12 months—focuses on improving worker-management interaction by developing their communication skills, with an emphasis on collaborative problem-solving.

In this training, management, the general worker population and a small group of up to 30 worker volunteers or representatives (where applicable) will be trained, first in separate sessions, and then together. Then they will engage in dialogue exercises.

The first session (1.5 days) of training will focus on priorities for improvement and constructive engagement, as well as introducing dialogue exercises. The second session (1 day) of training will take place after several weeks, and will include more exercises on dialogue, interview skills, and other tools which could guide factory improvements. After this, there are three half-day follow-up sessions.

Fair Wear offer the course to suppliers in Indonesia, Myanmar and Vietnam. This module counts toward indicator 4.4 of the performance check.

Thanks to funding by the Dutch Ministry of Foreign Affairs the module will be offered, subject to availability, at a reduced rate in 2020.

Before signing up for this module, please download and read the [WEPC brand handbook](#), which will guide you through this programme.

The following fees apply:

	Fee
WEP Communication module	€ 1.750

WEP Migrant Refugee training
Turkey

Fair Wear member brands sourcing from Turkey are currently facing additional risks related to large numbers of Syrian refugees that are being employed in the garment industry, often in conditions that would violate elements of the Fair Wear Code of Labour Practices.

Fair Wear members encountering Syrian refugee workers in their supply chain, or who would like to know more about the legal issues surrounding Syrian refugees, can now enrol their supplier in a WEP Basic module tailored to this specific situation. This module is available both for factories that have already participated in the WEP Basic or factories that have not yet received training.

Fair Wear will offer the training module in Arabic (for Syrian refugee workers) and Turkish. Where possible, trainers will facilitate an exchange of the two worker groups during the training.

At least 10% of the production workers must receive training in order to meet performance check requirements (indicator 3.3). This means that several worker training sessions might be needed, depending on the size of the factory.

This module counts toward indicators 3.3 and 2.7 of the performance check.

The following fees apply:

WEP Migrant refugee training module - Turkey			
Introduction to workplace awareness and grievance mechanisms and additional guidance			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0 – 50	1	1	€ 1.060
51 – 500	1	2	€ 1.170
501 – 1000	1	4	€ 1.390
More than 1000	1	6	€ 1.610

WEP Factory Dialogue
Turkey

As verification activities in Turkish factories often highlight a need for improved worker-management dialogue, Fair Wear has designed a specific module: WEP Factory Dialogue– Turkey. This one-day module provides a basic introduction to effective communication as a tool for problem-solving. Management, supervisors and workers are trained in separate, two-hour sessions.

This module counts toward indicators 4.4 and 2.7 of the performance check.

The following fees apply:

WEP Factory Dialogue - Turkey			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0 – 50	1	1	€ 1.060
51 – 500	1	2	€ 1.170
501 – 1000	1	4	€ 1.390
More than 1000	1	6	€ 1.610



Your Fair Wear Brand Liaison can give you more information about the trainings. To schedule a training, please order through the Fair Wear information system. It is important to first to discuss and agree upon a possible training with factory management.

Invitations for each module and country as well as additional information on the WEP are available on the member login area of the Fair Wear website.

RELEVANT BRAND PERFORMANCE CHECK INDICATORS

2.7 Compliance with Fair Wear risk policies

Relevance of indicator:

Fair Wear regularly creates and revises policies on situations that pose high risks for workers as research becomes available and as situations develop. Such policies require member companies to take additional steps to address and remediate the specific risks. These can be found in Fair Wear policy documents.

This indicator assesses member implementation of these policy requirements. It captures

- 1) whether a given policy is relevant within a given member's supply chain and;
- 2) Fair Wear's assessment of member implementation of relevant policies as advanced, intermediate or insufficient.

This indicator serves to consolidate the assessment of member implementation of these various Fair Wear policy requirements (some may recognise this as a cluster indicator).

Performance for all applicable policies will lead to one overall scoring for this indicator, with a maximum score of 6 ('advanced' for all applicable policies), and a minimal score of 0 ('insufficient performance' for all applicable policies). Each specific policy is weighed equally and the average score for implementation of all relevant policies is rounded up.

Any new policies including additional requirements for member companies will first be reviewed by the Fair Wear Committee of Experts and approved by the Fair Wear Board. They will be subsequently communicated to members before being included in this indicator.

3.3 Degree to which member company has actively raised awareness of the Fair Wear Code of Labour Practices and complaints hotline

Relevance of indicator:

Whereas indicator 3.2 requires the member brand to ensure Worker Information Sheet is posted at all suppliers (including tail-end production locations, all subcontractors and locations in low-risk countries), indicator 3.3 measures how active the member company is in raising awareness about

the Code of Labour Practices and the complaints hotlines. This applies to CMT suppliers, CMT subcontractors and subcontractors where there is a direct business relationship, excluding production in low-risk countries.

At an advanced level, Fair Wear members have ensured good quality systematic training of workers and management on the Fair Wear Code of Labour Practices and complaint hotline. To this end members can either use the WEP Basic module, or implement training related to the Fair Wear Code of Labour Practices and complaint hotline through service providers, brand staff or factory management, enrol factory management in the Fair Wear Factory Guide or make use of alternative training methods.

The advanced level involves training requirements that exclude low-risk production locations and those locations at the tail-end when the required monitoring threshold is met.

Training must meet Fair Wear quality standards to receive credit for this indicator. The training must be a first step in raising awareness on basic human/labour rights and cover all code elements (whereas indicator 4.4 looks at in-depth training programmes for the purposes of remediation and building capacity on one or more of the code elements). The WEP Violence and harassment module that Fair Wear offers in India and Bangladesh specifically covers the WEP Basic and will therefore count towards this indicator.

The validity of training activities not designed by Fair Wear depends on the design and demonstrated impact. Member companies should contact Fair Wear regarding quality standards before beginning training. Fair Wear will continue to release guidance to support members in systematically training workers and management on the Fair Wear Code of Labour Practices and complaints hotline.

For this indicator, a training session is considered valid for three years, to account for worker turnover. Alternative methods for raising awareness of labour rights through for instance the factory guide or other (online) programmes may need to be continuous – the validity should be discussed with Fair Wear in advance. Documentation related to factory participation in the WEP Basic module includes: training reports, Fair Wear's data on factories enrolled in the WEP Basic module.

Documentation on factory participation in alternative training activities includes: curriculum, other documentation of training content, participation and outcomes.

4.4 Factory participation in training programmes that support transformative processes related to human rights

Relevance of indicator:

Training programmes can play an important role in improving working conditions, especially for more complex issues such as freedom of association or gender-based violence where factory-level transformation is needed.

Within its WEP, Fair Wear offers different modules to support such transformation processes for issues that are more strongly linked to the factories responsibility and where single factories can achieve relevant changes.

Currently the Fair Wear modules 'WEP Violence and harassment prevention' and 'WEP Communication' as well as the ILO Better Work programme are automatically counted towards this indicator.

Fair Wear will continue to develop modules that support factory-level transformative processes related to human rights. A current list of all available modules can be found in the WEP overview on the Fair Wear member hub.

Members may arrange trainings on their own or with other initiatives/ local organisations. Trainings must meet quality standards to receive credit for this indicator; member companies should contact Fair Wear regarding the quality before beginning training.

For this indicator, a training session is considered valid for three years to account for worker turnover. Documentation: Documentation related to factory participation includes: training reports, Fair Wear's data on factories enrolled in training programmes. N/A (not applicable conditions): Only when member produces solely in low-risk countries.