



# IRIEDAILY SOCIAL REPORT 2018

Start date membership: January 2016

Reporting period (financial year): January-December 2018

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# Foreword

We did it!

Our efforts to swiftly examine and obtain detailed insights into our entire supply chain and to ensure fair working conditions throughout it were rewarded in July 2018 with the attainment of “Leader” status. I would like to thank all those who worked hard over the past few years to achieve this goal, for their untiring commitment, dedication and passion.

Yet this step is just one single step. Many more will follow and challenge us anew. And it is clear that there is no turning back now. For us, fair working conditions are not a trend or marketing tool, they are a matter of course.

We will therefore continue to invest substantial effort in fulfilling our aspiration to continuously improve working conditions.

Daniel Luger, CEO

## Goals & Achievements 2018

Our most important goal, attaining the Fairwear Foundation (FWF) “Leader” status, was achieved in July 2018. As part of the previous “Brand Performance Check” (BFC), the FWF reviewed our commitment to the implementation of the “Code of Labour Practises” (CoLP). For this purpose, our supply chain was closely examined on the basis of about 45 different indicators. The results have confirmed that we are on the right track. For us, however, this does not mean that we should rest on our laurels now. On the contrary, we will work even more intensively on difficult issues such as the payment of living wages and employee participation.

By monitoring the supply chain at the level of individual items, we were able to identify additional suppliers in our supply chain. We visited the majority of these factories in order to discuss working conditions and improvements on site, both with the management and, where possible, with the workers.

Encouragingly, no concerns were raised in 2018.

Last year, we conducted an audit and two “Workplace Education Programs” (WEP) in China. Within the scope of the audit, our most important Chinese supplier was inspected for the third time in succession. We are fundamentally satisfied with the result, and will therefore work on specific points in 2019 to improve working conditions. As part of the WEPs, an experienced Chinese training team provides employees and management with information on workers’ legal rights, the FWF “Code of Labour Practises” (CoLP) as well as details on healthy and effective working practices.

We have noted that, in the third year of our membership, we have entered a consolidation phase in which we, unfortunately, also needed to part with existing suppliers.

At this point it is important to emphasize that as part of our Fairwear membership we focus on the part of the production chain over which we have any influence given our size. This applies primarily to all companies that manufacture our products, such as sewing shops as well as printing and dyeing workshops.

Manufacturers like fabric suppliers, providers of raw materials (such as cotton) or vendors of items such as labels or zippers are not included. As we have no direct business relationship with them, we are not in a position to bring about change there directly.

An unpleasant development for us was the behavior of a supplier that was audited at the end of 2017. After having reached an agreement with the management at the beginning of 2018 to implement the CoLP there within one year, the owner refused access to a WEP team in spring. This resulted in us parting company with the producer in autumn.

Another supplier discontinued cooperation with us in 2018. Due to the small order volume involved, the supplier was not prepared to admit an audit team to the factory. We were far from happy about this development as we see our task in improving working conditions. The remaining orders were therefore transferred to a supplier who works with us to improve working conditions.

As in previous years, we visited several producers and suppliers in 2018. In addition to checking safety standards with the help of the “Basic Health & Safety Check”, “Worker Information Cards” were also distributed to workers. On each visit we met with the owners and management to discuss the implementation and progress of the CoLP.

In internal training sessions, employees were informed about the steps we are taking and the consequences these will have on their jobs. It proved more difficult than initially assumed to make our companies more sustainable and fair. Many processes require rethinking and reworking in order to meet the requirements for an improvement in working hours, also from our side. This necessitates all colleagues to reflect on their working methods and to change them if necessary. It is rewarding to see that all colleagues approached these tasks with a great amount of enthusiasm.



FWF display in our Vienna Brand Store



FWF info wall in our Berlin Brand Store

Our sales team was informed twice regarding the progress being made. Within the scope of a retreat, the exact conditions for achieving “Leader” status were reiterated. Our FWF membership is communicated to our customers via our homepage, in our brand stores Vienna and Berlin, at trade fairs, in catalogs and, since autumn 2018, also by means of hangtags on our products.



## 1. Sourcing criteria

### 1.1. Sourcing criteria and pricing strategy

Our philosophy on purchasing products has remained unchanged for more than 20 years.

We believe in a partner-like relationship between the supplier and the brand. Just as we must be able to rely on continuous quality and stable delivery times from our suppliers, they too must be able to reasonably rely on the orders that we make. Only when this level of mutual trust has been achieved is it possible to manufacture a high-quality product in a fair manner. For a producer, having their business verified involves significant time and effort. Understandably, they will only be willing to invest this if they feel that they can depend on us. Paying for deliveries punctually is a matter of course for us.

Depending on the product group, we produce in Portugal or China.

Items such as jackets, trousers, shirts, shorts, accessories and knitwear are developed by existing producers in China. We work together with two agencies and one specialist there. Over the past few years, all have been extensively informed about the criteria of our FWF membership and the FWF “Code of Labour Practices”.

Our production facilities are located in the provinces of Jiangsu and Guangdong. The price level there has risen continuously over the last seasons. This is partly due to higher environmental regulations and the associated rise in material costs. Another reason is the higher cost of labor.

On the one hand, these arise due to increasing minimum wages and social security contributions and, on the other hand, due to the growing shortage of experienced workers.

Products such as T-shirts, tops, dresses, sweatshirts and hoodys are manufactured in Portugal, which is classified by the FWF as a “low-risk country” as it has clear legal requirements on workers’ rights and has functioning trade unions.

During the course of the first year, new suppliers are visited by our product managers and the CSR manager.

## 1.2. Pricing

Our long-term cooperation with suppliers also leads to stable pricing levels. The producers know of our quality demands, our order volumes and the anticipated denominations of sizes. This assists them in making their calculations. Similarly, we too can make very good estimates of what a product will probably cost based on our past experience with the same supplier for comparable products.

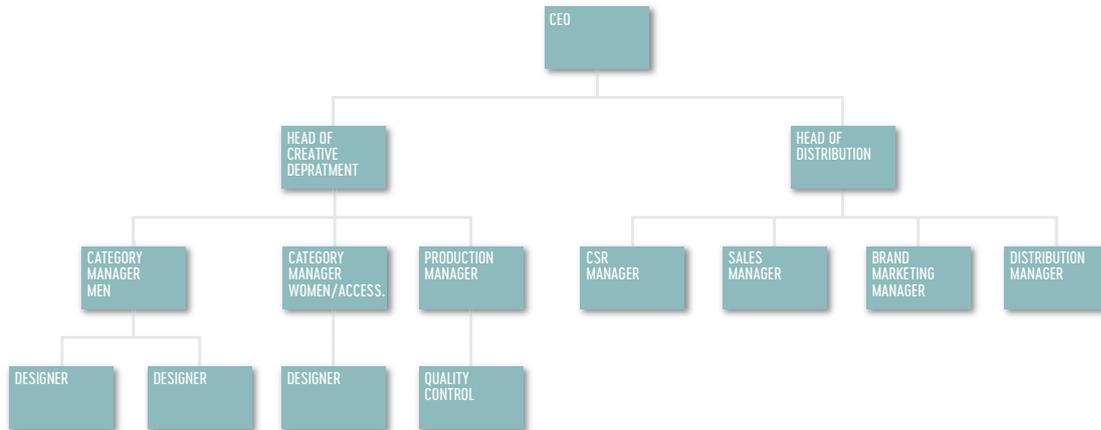
With the first worksheet we inform our supplier of the targeted production price. The latest that we receive our first price quotation from the supplier is at the point in time when the first prototypes are developed. Should the discrepancy to our targeted price be too large, we will jointly search for a solution. It sometimes occurs that small details of a garment make it more complicated and time-consuming to produce than was anticipated by our designers. In such cases, either the retail price is adjusted or the style of the garment in question is modified until the target price can be achieved.

Prices are fixed with the supplier for one season and remain as such irrespective of the actual number of garments that are finally produced.

Last year we sought to obtain a detailed breakdown of the price structure from our main suppliers. In the process, we encountered more difficulties than initially expected. Our suppliers are not yet ready to disclose their calculations for pricing. This is initially understandable, as they regard it as their “trade secret”. Yet after many discussions we are now able to roughly define the unit labour costs, but we are still far from having a real “open costing” system. However, in order to guarantee living wages, intensive work on „open costing“ is critical.

We will therefore continue to communicate this issue tirelessly and strive to convince our suppliers of the advantages of price transparency.

### 1.3. Sourcing Department Structure



The “Head of Design” has responsibility for the planning of the collection volume. During the development phase of the collection, he decides roughly the styles that will be manufactured and by which suppliers. His development proposal is coordinated with the CEO, who is responsible for the procurement of goods.

The CSR Manager is also involved in the final planning of the collection development. Progress made in implementing fair work conditions is thereby taken into account.



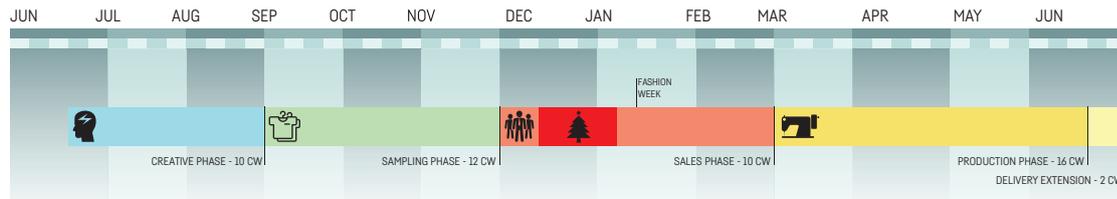
## 1.4. Production Cycle

IRIEDAILY published three collections in 2018.

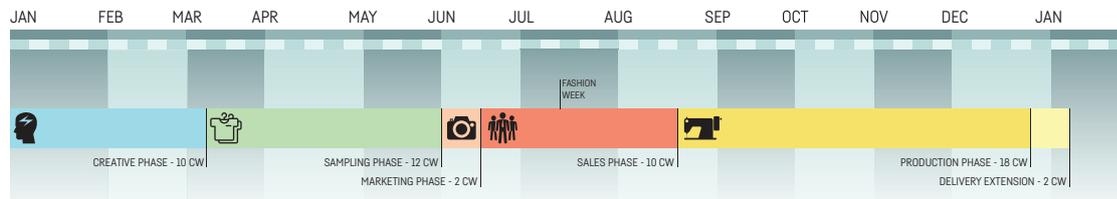
The two main seasons are Spring/Summer [46,5%] and Fall/Winter [52%]. In addition, we released a small 25th Anniversary collection [1,5%] in November.

From 2019 on, we deliberately decided to publish only two collections per year. This move towards „slow-fashion“ relieves both our employees and all workers in our supply chain.

### Fall/Winter Collection



### Spring/Summer Collection



An intense creative process accompanies the commencement of every collection. Our creative team invests substantial time and an incredible level of passion to interpret our “spirit” each half year in a contemporary manner. Also incorporated in the collection is our wealth of sales experience as well as the CSR Manager guidelines.

Work commences with the supplier as soon as a framework for a collection is in place. Already during the creative process are fabrics developed together with the supplier and new production and finishing techniques tested.

At present, the main Spring/Summer and Fall/Winter collections encompass approx. 250 styles. The handover of the final worksheets to the producers and the ordering of the salesman samples occurs at the conclusion of this phase. A worksheet contains all details concerning a style, such as cut, size table, color, material, other additions and finishing. Armed with this information, the supplier is in a position to produce a prototype. Generally, when handing over the worksheets, our designers visit the producers personally in order to clarify any final particulars as well as being in a position draw upon their experience, if needed.

In the subsequent “sampling phase”, the supplier must procure all the necessary components and produce the first prototypes. These are used to check whether the product has been produced in a technically sound manner and that our vision was correctly interpreted. The prototypes are then presented to our sales team and are subsequently assessed for their marketability. Only small changes can be made to the collection at this stage, however, as our producers are already busy manufacturing the salesman samples at this point.

The “sales phase” commences with the delivery of these samples. Our representatives and distributors strive to obtain customer pre-orders as quickly as possible. In this phase, however, the market dictates some very clear timeframes as exact milestones exist for the retail trade [trade fairs, etc.] for when collections are ordered.

At the end of this phase, our purchasing manager analyzes the pre-order figures and places the corresponding orders with our suppliers. In order to make production planning easier for our suppliers, it is not uncommon to provide details on the anticipated production volume so that they can already reserve production slots at the fabric suppliers.

The ensuing “production phase” is the most critical when it comes to fair working conditions. Many factors must be included in the planning process. The lead times for the procurement of the fabric and other materials play an important role, besides shipping times and the capacities of the producers. For this reason, the Purchasing Manager and CSR Manager jointly analyze the pre-orders and then define a delivery schedule with the supplier. If the pre-order volume exceeds the capacity of the earmarked producer, orders are passed on to other manufacturers who still have free capacities. With this measure, we hope to prevent both the unauthorized transfer of contracts to subcontractors as well as the risk of staff incurring too many hours of overtime.

Many suppliers are faced with the problem that the production cycles in the fashion industry are the same for most fashion brands. For the suppliers this means that a large portion of their work must be completed within a relatively short timeframe. We are well aware of this problem, yet we must also comply with the demands of the market. We have led many discussions in regard to this subject with the management of our most important suppliers in an attempt to come up with individual solutions.

One measure resulting from these discussions was the handover of our pre-orders two weeks earlier than scheduled. Especially in the case of smaller producers, it has been seen that there are difficulties in delivering larger orders in one to three dates. As a result, we have made the concession to accept weekly deliveries. Besides stretching the production phase, this also helps suppliers in terms of financing.

Another aspect causing major problems for textile industry suppliers are late change requests within a style during the production phase. In order to avoid precisely this situation, we provide our partners with a “Recapitulation Sheet” for each ordered style. All relevant information and any changes are summarized on it. Should the need arise for a pre-production sample, this will be produced in order to guarantee the smooth operation throughout the main part of the production process. After that, no more changes are permitted, thereby ensuring the producer can now start with series production.

The production phase ends with the so-called Shipment Sample. This must be approved by our Quality Control Manager. If it complies with our quality standards, the supplier may initiate the dispatch to our warehouse.

Spring/Summer Collection				
	Start		End	
Creative Phase	Early January		Mid March	
Sample Phase	Mid March		Early June	
Sales Phase	Early June		Middle of August	
	Start China	End China	Start Portugal	End Portugal
Production Phase	Mid August	Late December	Late August	Early January
Shipment Phase	Mid December	Mid January	Early January	End January
	Start		End	
Delivery Phase (to Shops)	Mid January		Late February	
Fall/Winter Collection				
	Start		End	
Creative Phase	Early May		Late August	
Sample Phase	Early September		Late November	
Sales Phase	Early December		Late February	
	Start China	End China	Start Portugal	End Portugal
Production Phase	Late February	Mid June	Early March	Early July
Shipment Phase	Mid June	Mid July	Early July	Mid July
	Start		End	
Delivery Phase (to Shops)	Mid July		Late August	
Cruise Collection				
	Start		End	
Creative Phase	Mid October		Mid December	
Sample Phase	Mid December		Late March	
Sales Phase	Mid April		Late May	
	Start China	End China	Start Portugal	End Portugal
Production Phase	Late May	Late September	Late May	Mid October
Shipment Phase	Late September	Late October	Mid October	Late October
	Start		End	
Delivery Phase (to Shops)	Early November		Mid November	

## 1.5. Supplier Relations

The long-standing relationships that we enjoy with our suppliers are the cornerstone of our success. We have continuous business relationships spanning more than 10 years with our most important suppliers and more than 5 years with almost all others. We consider ourselves as partners to our suppliers and also have a common sense of responsibility for them and their workers. It is important for us that our suppliers also feel that they can rely on us as their business partner.

In the fashion industry it is particularly easy to obtain better prices for one or two seasons by changing suppliers in rapid succession. We have always rejected this practice as it not only results in fluctuating quality levels, it also leads to a mistrustful relationship with suppliers. Yet trust is the basis of a successful business relationship that has endured over longer periods of time.

Only in these longer relationships does it become possible to establish closer contact and interaction with our suppliers. Irrespective of whether it regards the development of a collection with our designers or negotiating delivery timeframes and capacities with our planning department, it always remains important to be in a position to appreciate the individual situation of the supplier and to understand their problems in order to do business with them, successfully and fairly.

One topic that was discussed in great detail with all suppliers was the issue of tight production times. While our usual production time window of approx. 13-14 weeks in China and 18 weeks in Portugal is common, almost all fashion brands have more or less the same deadlines. As a result, suppliers have very high work volumes at peak times, and in the worst-case idle time in between.

We have therefore spoken with each supplier to ascertain when they need their orders, how many deliveries they prefer, and which delivery dates are realistic for them. Naturally, depending on the country and size of the supplier, the wishes expressed were quite diverse. We could, however, identify a common desire to extend the production time window by two to three weeks. We then met with all the departments in our company in order to identify the best opportunities for implementing such a request.

The easiest way to do this would have simply involved having our goods delivered to us later – by the two or three weeks desired. Unfortunately, this would have dealt us a substantial competitive disadvantage as the timeframe during which the products can be sold at full price is becoming ever shorter. Due to the pace at which reductions in price are made in the retail trade, our delivery dates must categorically be maintained.

We therefore needed to change the order period, which was not an easy task. To begin, this entailed our entire design team needing to finish the complete development of a collection two weeks beforehand so that the salesman samples could be obtained earlier. In the next step, we needed to convince our sales team to commence their order round earlier. This turned out to be a rather tedious process as our industry generally observes specific deadlines in which the purchasers wish to place their orders with all brands. We provided detailed information about the suppliers' situation to our representatives in order to convince them of the importance of this step. In addition, we also used our appearance at the Bright Fashion Show to highlight the interrelationships existing between fair working conditions, our responsibility to our suppliers and the production time windows, to our most important customers.

Naturally, as a pre-order brand with two main collections annually, we are also aware that we cannot keep an entire production factory busy throughout the entire year. But even by taking such small steps can a contribution be made to often improve the work processes in the production facilities by a substantial margin, which ultimately also benefits the workers.

## Portugal:

IRIEDAILY has produced in Portugal since its inception. During our first ten years, our entire collections were made there. Last year, 43% of our production volume was manufactured there.

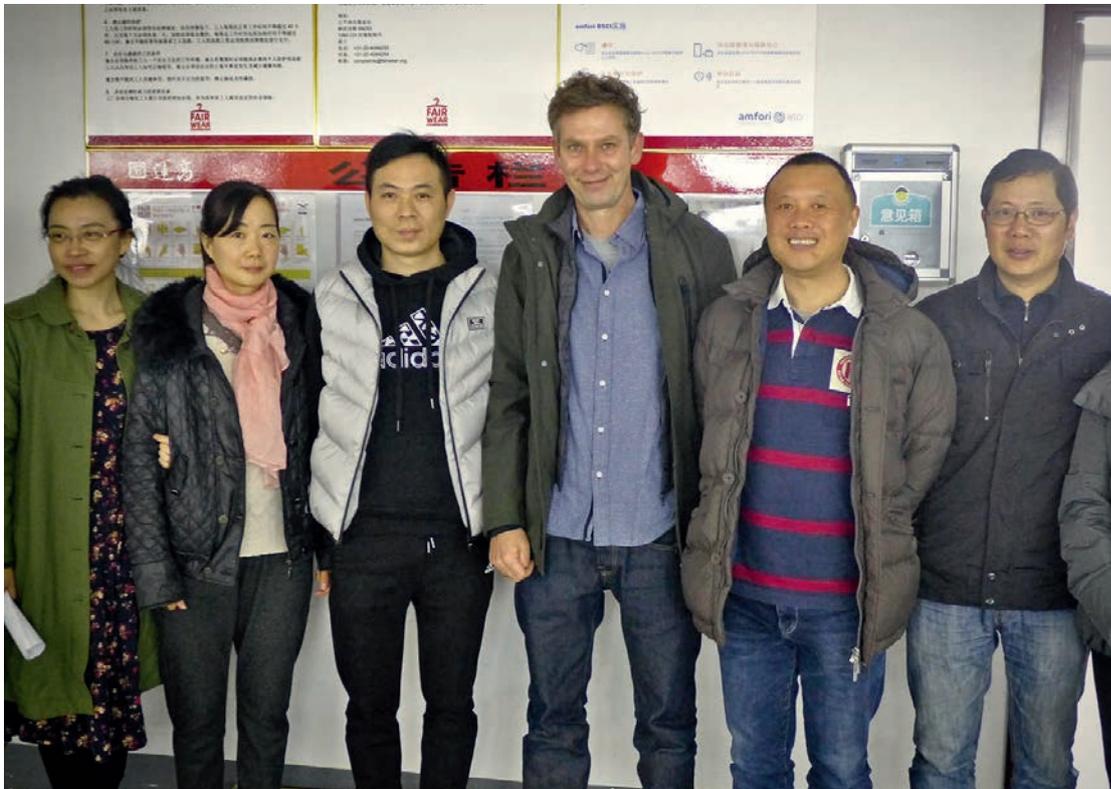
Portugal boasts reasonable workers' rights and effective worker representation, which is why the FWF classifies it as a "low-risk" country. Unfortunately, the country is still suffering from the effects of the financial crisis. For many workers, this crisis has had a very negative impact due to a subsequent drop in minimum wages while the cost of living has continued to increase. However, there have been signs of a steady rise in wages over the past three years. We welcome this development, even if, for this reason, we have to contend with rising unit prices.



## China:

China is currently our top production country. Last year we sourced 57% of our goods from there. The country has developed at an incredible pace over the past ten years and has changed dramatically. As a result, the standard of living has risen in recent years, especially in the urban centers. This has led to an increase in the cost of living. While salaries have also increased, a discrepancy still remains between the statutory minimum wage and a living income. Although our producers often pay more than the minimum wage, improving the level of wages is one of our most important tasks there.

In discussions with our suppliers, we have learned that one of their main problems is the availability of a new generation of motivated workers. Due to China's long-standing "one-child policy", there is now a shortage of young workers. This was noticed repeatedly during our factory visits, as mainly older workers are employed there. In discussions with management and workers, we were told that it was becoming increasingly unattractive for young people to work in the textile industry.



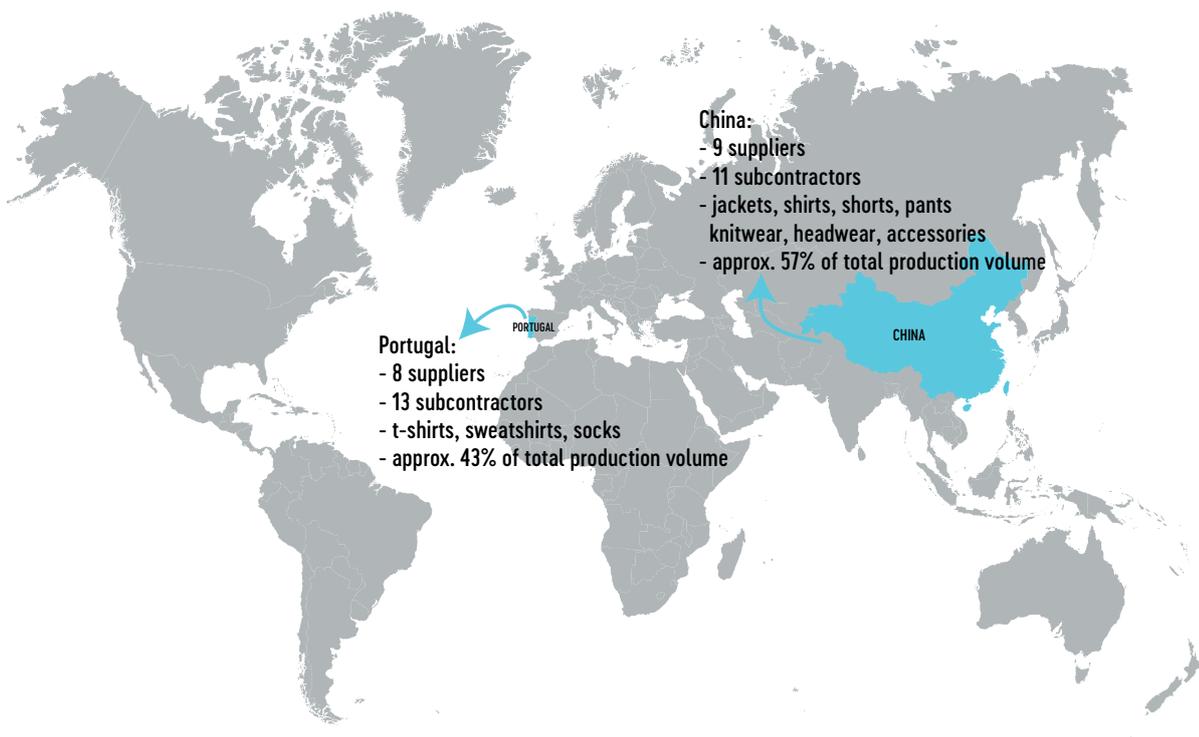
## 1.6. Integration of Social Standards

After investing a substantial amount of energy and time in the first two years identifying all suppliers and their suppliers, we realigned our focus in 2018. The aim was to visit suppliers and to inform the local management and workers about the social standards of the Fairwear Foundation. We are convinced that the workers have access to the “Code of Labour Practises” and are also informed about the complaint hotline.

This year, we have increasingly visited suppliers who are involved in the manufacturing process (cut-make-trim process), but with whom we have no direct business relationship.

The use of subcontractors is common practice in the textile industry as not all production steps can be carried out in the one single factory. Printing and dyeing operations are, for example, usually outsourced. But it is also possible for entire article groups to be outsourced due to special equipment and/or knowhow being required for their production, as in the case of accessories or knitwear, for example. For us, this outsourcing to subcontractors increases the risks within our supplier base, which is why we need to now as precisely as possible where exactly our products are being produced.

## 2. Production facility reports



Factory	Country	Supplier since	CoLP posted	Low risk origin	FOB Volume 2018	Complaints in 2018	Dates of Audit	Factory visit 2018
<b>PORTUGAL</b>								
A	Portugal	1996	yes	yes	13,82%	no	n.a.	yes
B	Portugal	2011	yes	yes	20,30%	no	n.a.	yes
C	Portugal	2008	yes	yes	5,12%	no	n.a.	yes
D	Portugal	2013	yes	yes	1,62%	no	n.a.	yes
E	Portugal	2017	yes	yes	1,44%	no	n.a.	yes
F	Portugal	2000	yes	yes	0,73%	no	n.a.	yes
G	Portugal	2017	yes	yes	0,14%	no	n.a.	yes
H	Portugal	2018	yes	yes	0,13%	no	n.a.	no
<b>CHINA</b>								
A	China	2008	yes	no	30,58%	no	2018	yes
B	China	2018	yes	no	7,94%	no	2017	yes
C	China	2010	yes	no	2,56%	no	2019	no
D	China	2010	yes	no	1,36%	no		no
E	China	2015	yes	no	0,18%	no		no
F	China	2011	yes	no	5,48%	no	2017	yes
G	China	2011	yes	no	2,21%	no		no
H	China	2009	yes	no	3,65%	no	2017	no
I	China	2007	yes	no	2,76%	no	2017	no

## 2.1 Production facilities A-H / Portugal

Portugal is where we first started producing textiles and have been associated with our most important manufacturers for many years.

Our supplier structure in Portugal mainly consists of small, family-run businesses. They have been in existence for 20-30 years and are specialized in smaller orders. The workers are mostly locals from the surrounding area. All the companies comply with Portuguese legislation on workplace safety and always pay at least the minimum wage.

For more than 24 years we have been working there with a textile agency that represents our interests at the local level.

As our requirements have become more and more labor-intensive as part of our FWF membership, we now have a staff member at the agency who is increasingly responsible for monitoring.

### Production facility A / Portugal

This producer has supplied us with T-Shirts (men) and sweatshirts for 20 years. It is a small yet very well-organized operation that is specialized in T-Shirt and sweatshirt products.

After starting to monitor the supply chain at the item level this year, we learned that this supplier has now largely outsourced the sewing process. We already visited the corresponding factory last year. time forward and given the supplier permission to immediately deliver all goods to us that are already finished. As such, the supplier now has a continuous delivery window spanning more than three months. This allows for significantly better planning by the supplier and also ensures a continuous cash flow and not needing to worry about the storage of the finished garments.

The sewing firm, a typical Portuguese subcontractor, performs sewing jobs for this producer from time to time. It is a relatively small family business located in a small building next to the owner's house. Here too, we have made sure that all Portuguese labor laws and the usual occupational safety measures were being complied with and that all workers have access to the telephone number of the FWF's complaint hotline. In 2018 we held intensive talks with the owner about an "Open-Costing" system. Thanks to the informative information we received, it was possible to obtain a clearer overview.

We also changed our delivery system with this supplier. Previously, garments that were already finished goods were stored by the supplier until the first delivery date. We have now moved the delivery window quite some time forward and given the supplier permission to immediately deliver all goods to us that are already finished. As such, the supplier now has a continuous delivery window spanning more than three months. This allows for significantly better planning by the supplier and also ensures a continuous cash flow and not needing to worry about the storage of the finished garments.

### Production facility B / Portugal

We have worked with this supplier since the year 2000. However, following a merger with another supplier in 2011, it has since operated under a new name. It is a small, family-run business, located in a medium-sized two-floor building.

In recent years, this supplier has become our largest partner in Portugal. The main purpose of our visit this year was to record the labor costs. For example, we had management show us the pay slips and talked about paying overtime. A high percentage of employees are female sewers earning a little extra income. Since the deductions for taxes and social deductions increase disproportionately when an overtime payment is made, only a few workers have an interest in being paid overtime and this supplier uses working time accounts instead.

This year we have also taken a closer look at its supply chain. As is common practice in Portugal, this supplier has outsourced part of the sewing process to a subcontractor. We also visited this company.

It is a small factory (18 employees) located in a single-storey industrial building. The factory was very clean during our visit and there was a relaxed atmosphere. Short conversations with the workers revealed that they were aware of the FWF and the CoLP, but did not attach much importance to it. As is usually the case, almost all workers are paid the minimum monthly wage 14 times a year.

We also visited the printing and embroidery workshops with which the supplier is associated.



The supplier is very happy with the development of our cooperation. He likes to make use of the early delivery slots, as they enable him to maintain a continuous work process and cash flow.

### **Production facility C / Portugal**

This supplier, with whom we have been working together since 2010, experienced considerable financial difficulties in 2016. For this reason, we temporarily cut back our development here.

In spring 2017, the owner convinced us that she had a solution for her problems. In order to support this step, we have again started to expand our development there. In 2017 and 2018 our production volume was therefore slowly stepped up. Unfortunately, in September 2018 we received the bad news that the owner had not managed to save her company and, as a consequence, had to close her factory at the end of 2018. For this reason, the orders for Spring/Summer 2019 were returned to us. We were able to divide these within the existing supplier base.

### **Production facility D / Portugal**

We commenced working together with this supplier for our mid-season collection five years ago. As such, the total production volume at this producer is thereby correspondingly rather small. We intend to give this producer a larger volume in the future in order to compensate for the loss of supplier C.

Based on the information we received through the supply chain monitoring process, we found that the supplier was performing the sampling, cutting and finishing process. The sewing process is outsourced to another supplier.

This is a small company with about 30 employees. We carried out a check on-site in 2017 and confirmed that the “Worker Information Sheet” is clearly visible.

During our visit we were particularly struck by the warm and friendly atmosphere between the workers and the owners. In 2018 we explained the “Code of Labour Practices” in greater detail to management, and had it signed by them.

### **Production facility E / Portugal**

This is a relatively new supplier for IRIEDAILY. We started in 2017 with a small program and slowly increased our production volume there in 2018.

We came to this supplier after being approached by an employee we knew from another manufacturer that went broke several years ago. She reported to us that some of the customer advisers, cutters and sewers that had been affected by the bankruptcy had established a new company. We consider such an initiative as being worthy of support. We visited the facility in autumn 2017. It is a medium-sized factory building with two floors. 42 members of staff are currently employed there. We conducted the “Basic Health and Safety Check” and could convince ourselves of their compliance with occupational health and safety regulations. The “Worker Information Sheets” were also prominently visible in several locations.

This year, we discussed the supply chain and production process (cut-make-trim) costs with management. Here, too, for larger orders, the sewing process is outsourced to another supplier. We subsequently visited this subcontractor. It is a very small company with eight employees. The “Basic Health and Safety Check” was conducted, and we are convinced that all workers have access to the complaint hotline and the “Worker Information Sheets”.

The “Code of Labour Practices” has been explained to management in more detail and it was also established that the statutory minimum wage is paid. The owner has also signed the “Code of Labour Practices”.

We also visited the print shop with which this supplier works this year, as it relocated last year. The new factory meets high safety and environmental requirements and has strongly convinced us. The local workers were all informed about the “Code of Labour Practices”.

### **Production facility F / Portugal**

We have been working with this supplier for over 15 years. Unfortunately, it is difficult to sell the kind of products this supplier specializes in. However, we nevertheless endeavor to have one or two small programs developed for each collection here.

The company, which is located in a modern building on two floors, makes a very professional impression and is accustomed to completing large orders. Located on the ground floor is the warehouse, a pattern department, the sections for cutting, sewing, ironing and dispatch as well as the cafeteria and social rooms. The offices for management, accounting and the commercial department are found on the first floor along with a very large showroom. In 2015, the factory underwent a “Sedex Members Ethical Trade Audit”. The company fulfils all health and safety standards, and the “Worker Information Sheets” were prominently displayed at several places.

### **Production facility G / Portugal**

This supplier has been supplying us since 2017 and is specialized in the production of socks. In autumn 2018, we visited the company for the first time.

It is a relatively large company with about 50 employees. Since the production of socks has an almost fully automated manufacturing process, this is quite a large number of employees. The company is located in three halls in a commercial building. The legal requirements for occupational safety are clearly complied with, and the “Worker Information Sheets” are prominently displayed at several locations. Due to our small order volume, however, our influence is not particularly high.

### **Production facility H / Portugal**

We started to develop the first products with this producer this year. For this purpose, we conducted a small test order in autumn. We intend to visit this supplier in spring 2019 before placing our first actual order here.

## **2.2. Production facilities A-I / China**

More than ten years ago, we relocated a part of our production to China. For us, this represented a major step which involved growth and also entailed a great deal of responsibility.

While China remains a difficult country in political matters, we are witnessing rapid change and growth – also in areas including social issues, environmental concerns and associated regulations. That is why we believe in our suppliers there and strive to develop long-term, trusting business relationships with them. We are aware that we must play our part and we are constantly working to improve working conditions there.

In 2018, we conducted an audit and two “Workplace Education Programs” (WEP) there together with FWF.

This audit also found violations of the “Code of Labour Practices” (CoLP). However, the overall result was relatively positive.

The violations mostly involved issues regarding the freedom of association, the right to collective bargaining, the payment of living wages, reasonable working hours as well as some minor offences against safe and healthy working conditions.

As the law in China strongly limits the right to freedom of association and collective bargaining, it is difficult to improve the situation in this regard.

Unfortunately, the basic understanding of workers’ rights cannot be compared with that in Europe either. Occupational health and safety rules are routinely perceived as an annoying duty not only by management but also

by the workers themselves. The training of workers and management in this field is therefore so important – and we will step up our efforts here. Furthermore, we anticipate that the topic of living wages is likely to occupy us over the coming years.

### **Production facility A / China**

We have been working very well with this supplier since 2008. Due to the high willingness to cooperate and to work continuously on the improvement of working conditions, production plant A has become our most important supplier.

It has a large office in Shenzhen. Here, the management, customer service, cut development specialists as well as a small sewing station for the production of sample collections, are located over three floors.

The actual factory is located in the province of Jiangsu, west of Shanghai.

In the middle of this year, the factory relocated to a new building within the old grounds. There, cutting, production and finishing for conventional production are performed on two floors. In addition, this factory has set up its own floor for the production of organically grown cotton. During our visit, the factory looked very tidy and the atmosphere was relaxed. We were able to speak directly with some of the workers. However, we were accompanied by the owner and the entire management team, and due to the language hurdle everything had to be translated. As a result, the answers were rather reserved and brief. We also observed that the number of workers has fallen sharply in recent years. Management has informed us that due to the increased cost of wages and materials, some customers have relocated their production to Myanmar. This supplier also operates a joint venture there with a local manufacturer. At this point, we reiterated that a relocation of production to Myanmar is currently out of the question for us.

Besides containing apartments for migrant workers, a second building also houses the canteen, which is shared by many factories on the site.

In November 2018, we conducted an audit at this factory together with another FWF brand.

Based on the documentation and discussions with workers and management, a local audit team revealed the following:

There were no violations contravening the right to a free choice of work, no discrimination in the workplace, no exploitation through child labor and only legally binding employment relationships were found. It was also very encouraging to learn that all workers surveyed knew about the Code of Labour Practices (CoLP).

With respect to the right to freedom of assembly and collective bargaining, it was noted that although there is a works council, it does not assume its responsibilities towards management. Likewise, workers are not fully aware of their rights to freedom of assembly.

We will therefore be conducting a Workplace Education Program (WEP) at this factory in April of this year to inform workers of their rights.

Another problem is the payment of living wages. We have been striving to make headway on this issue for some time now. Since this requires transparent cost structuring, our progress here is limited. In addition, there was a change in management, which set us back considerably. During our visit in December 2018, we therefore discussed this topic intensively with the new management. Thanks to our efforts, we were able to ensure that in 2019 more information will be passed on to us in this regard.

On the positive side, however, all workers are paid far above the statutory minimum wage. On average, the workers earned about 30% more than elsewhere. Even the worst paid worker still earned on average over 20% more than comparable employees.

On the negative side, however, is the development of overtime hours. While the number of overtime hours fell between 2013 and 2016, it has now risen again. This is a serious development that we, together with the factory, must get to the bottom of. The main causes cited by management were delays in the supply of materials and

a shortage of workers. We will analyze this further in greater detail. But as a first immediate measure, we have extended our delivery window by two weeks.

In addition, minor violations concerning safe and healthy working conditions were detected. A large proportion of these breaches were associated with the move to the new building. Management has assured us that these shortfalls will be remedied quickly.

All other relevant suppliers such as embroidery, printing and laundry of this producer were also visited. Only minor breaches of work safety were detected. The deficiencies were then communicated directly to the management on site. However, due to the small order situation in this company, our influence is limited.

### **Production facility B / China**

During the production monitoring for the Autumn/Winter 2018 collection, we learned from Supplier A that he can no longer completely produce our volume in his factory. For this reason, he resorted to the services of another supplier. As another FWF member produces in this plant and also organized an audit there in 2017 and a “Workplace Education Program” (WEP) in 2018, we have agreed to this outsourcing of production.

It is a small factory with about 60 workers, most of whom come from the neighbourhood. We also noticed during our visit that an above-average number of pensioners are employed in this factory.

The audit from 2017 showed that there are some workers who were paid below the legal minimum wage at that time. According to the management, these are pensioners from the surrounding area who did not earn the minimum wage due to their slow working methods. Management has now guaranteed to discontinue this practice. However, this factory is a long way from paying living wages.

To improve working conditions and wages, we are currently working together with another FWF member there.

### **Production facility C / China**

Similar to the case with production facility B, this factory is a subcontractor for our supplier A.

The factory produces accessories such as wallets, backpacks and belts for us. It is located in the Shenzhen suburbs on the seventh floor of an industrial building. The entire production facility is found on a single floor. Despite the building in which the factory is located being relatively old, the most important safety regulations have been adhered to, including: two separate escape routes, illuminated emergency exit signs, a fire alarm system that is connected to the local fire brigade, as well as a fireproof, sealed container for chemicals. Several “Worker Information Sheets” (WIS) were also prominently displayed on the walls.

A problem that exists involves the fact that there is only one room for production and storage. As such, materials are stored very close to the sewing machines, which comprises a potential fire hazard. It is also suspected that during peak production periods these materials may also block the escape routes. We drew the attention of management to this problem and were assured a sufficient distance would be maintained at all times.

In order to be able to examine the working conditions and wages more closely, we will carry out an audit with FWF in May of this year.

### **Production facility D / China**

This is another subcontractor for our supplier A. It is specialized in the manufacture of knitwear. The factory is situated on the second floor of a building located in an industrial estate in the city of Dongguan in southern China. It features several rooms for the various production steps. The knitting process is particularly noisy and is therefore housed in separate rooms.

We were satisfied that the “Workers Information Sheets” were adequately displayed and with the help of the “Basic Health and Safety Check” ensured that the minimum requirements for occupational safety were met.

## Production facility E / China

This factory is a further subcontractor for supplier A. It is specialized in the production of denim products. Unfortunately, we did not manage to sell this segment particularly well. As such, our volume there is very low. For this reason, we have not visited the factory to date.

## Production facility F / China

In November 2017, we commissioned an audit of this producer, which revealed some violations of the CoLP. The management has worked very cooperatively with us from the very beginning. Especially the violations of safe and healthy working conditions were subsequently improved in a very short timeframe.

The pay slips for the first eight months showed us that more than the statutory minimum wage and all overtime bonuses had been paid. While this is a major step forward, the goal of living wages has not yet been achieved. We conducted a “Workplace Education Program” (WEP) in April 2018. In the process, 40% of workers and 30% of management were informed about the “Code of Labour Practices” (CoLP), the FWF complaints mechanism and ways to improve working conditions.

In order to intensify these training courses, we will conduct another “Workplace Education Program” (WEP) in 2019.

## Production facility G / China

We visited this factory for the first time in October 2017 and were not satisfied with the working conditions on site.

For this reason in August 2018, we linked the placement of our orders with the commitment of the company owner to let an FWF audit team into his factory. The producer did not agree with this condition and rejected the orders. The order was then reallocated to production facility F.

This situation has shown us that it is important to have a certain sales volume in your production facilities. This is the only way we have enough influence on suppliers to bring about real change.

## Production facility H / China

Considering our share of the total production volume, we have only very limited influence on this producer. It is a very large factory with approx. 1,000 workers. It is specialized in the manufacture of headwear.

At the end of 2016, a complaint was received via the FWF hotline. As several FWF members have their headwear made at this producer, we met last year at ISPO Munich to investigate this complaint together. The joint approach has enabled us to act quickly. The supplier was cooperative and immediately set up an internal monitoring system to establish an internal complaint management system. Furthermore, all the company’s production sites were disclosed to us.

In order to educate workers, foremen and management about the “Code of Labour Practices” (CoLP), a “Workplace Education Program” (WEP) was carried out in June 2017, involving over one hundred workers and nine management employees.

To ensure that the rules are being adhered to in the production plant where our goods are produced, FWF had a “verification audit” carried out in October.

Besides some minor occupational safety violations, it was also possible to identify violations regarding information management and living wage salaries.

A “Corrective Action Plan” (CAP) was agreed upon, most of which was completed in the course of this year. As far as the issue of living wages is concerned, we will not be able to make any progress with this producer due to our limited influence. However, since the wage level is far above the statutory minimum wage, there is no great urgency for this.

## Production facility I / China

This is our oldest supplier in China, but it is not the easiest. In mid 2016 the factory relocated to the home province of its owner. We visited the building at the end of 2016 and were convinced of the owner's plan to employ only local workers and not migrant labor.

We had actually believed that the owner had understood what the issue of fair working conditions was about as we had explained the "Code of Labour Practices" in detail to him and he had assured us to abide by it.

At the end of 2017 we had an audit conducted at the factory – the result of which was anything but pleasing. Besides several violations against safe and healthy working conditions, which are relatively easy to remedy, massive violations of information management, legally binding working conditions, payment of living wage salaries and appropriate working hours were revealed.

We intervened immediately and agreed on further steps with the FWF. Our goal as an FWF member is to continuously improve working conditions and not to simply leave the supplier when difficulties arise. We have therefore agreed with the producer on a plan for the gradual improvement of working conditions. The most important steps involved legally binding employment contracts, verifiable payment of minimum wages and the discontinuation of excessive overtime.

In order to inform workers about their rights and the "Code of Labour Practices" (CoLP), a "Workplace Education Program" (WEP) was agreed for April 2018.

Shortly before this WEP was to take place, however, the producer told us that he would deny the FWF team access to his factory. This was a shock, as we thought that we would have more influence due to our long business relationship. After consultation with the FWF, we then decided to terminate our business relationship with this supplier.

## 2.3. External Production

We don't have any external production facility.

# 3. Complaints Handling

The FWF offers a complaint system, which includes a complaint hotline for all our production countries. Workers can call this hotline anonymously and talk to a local partner in their local language. This complaint hotline number is written on the Worker Information Sheets that inform workers about their rights and every supplier is obliged to post it in a public area of the factory. If a WEP (Worker Education Program) is held at a supplier, special attention is then also drawn to the complaint hotline and the workers are encouraged to use it. As soon as a complaint is received via the hotline, FWF forwards the complaint to the member who then contacts the factory to solve the problem. The most important thing is to check if the complaint could be a result of, for example, poor or too tight production planning from our side, or if it is something that is within the factory's responsibility. Either way, we endeavor to solve the problems together with the factory management and will find out what has led to the complaint.

### Complaints received 2018:

No complaints were received in 2018.

However, the complaint (Factory H/China) from the end of 2016 is still not completely resolved. A further verification audit will be carried out there in 2019 in order to clarify this issue conclusively.

## 4. Training & Support for Self-help

### 4.1. Activities to Inform Staff Members

In 2018 we continued to strengthen our team and train them in the importance of fair working conditions in the textile industry. The main focus was on a deeper understanding of our supply chain. We have created an internal ranking of our suppliers, which gives every employee involved in the process the opportunity to see and compare the quality of our production facilities in relation to workers' rights, at a glance.

Another focus was the training of our design team. The colleagues are often on site and have the opportunity to visit the showrooms and the factories. To this end, we discussed the "Basic Health and Safety Check" with them and explained, using examples, what they need to look out for during their visits.

As part of the six-monthly retreat with our representatives, our CSR manager outlined the current status of our measures, progress and goals to those attending.



### 4.2. Activities to Inform Agents

All agents have been informed about our FWF membership, the processes and practices associated with it and the CoLP (Code of Labour Practices). In several cases, some also help to fill out the questionnaires or gather more information about the factories. FWF matters are discussed with them on a regular basis and especially during visits. In general, the agents also have a mediator position and support us in our communication measures as well as conduction and implementing FWF issues like audits, CAPs and WEPs.

### 4.3. Activities to Inform Workers

We have sent out the CoLP guidelines, the questionnaire and the Worker Information Sheets to all our suppliers by email or have handed them out personally.

We have asked them to post the Worker Information Sheets in a prominent place within the factory (as well as the canteen and the dormitories, if applicable), which has been verified via pictures of the posted Worker Information Sheets and during our on-site visits.



Naturally, all our existing and any possible new suppliers must endorse the FWF Code of Labour Practices for us to do business with them. More detailed and specific information regarding the FWF and CSR policies, social standards and problems they might have, and how this could relate back to us are discussed with our agents and the factory management on our visits, via email and on the phone.

Communication with the workers is mainly via internal training sessions at the factory, grievance systems and WEPs held at the factories. Of course, we also endeavor to talk with the workers during our visits and gain an overall idea of the atmosphere on the production floor. However, we have realized that the workers often feel uncomfortable talking with the “clients”. We therefore try to respect this situation too and provide sufficient other avenues for them to express their needs or problems anonymously, like the complaint hotline.



## 5. Information Management

All our suppliers must complete a questionnaire that provides us with all the information needed, including how many workers they have, what our leverage is and also whether they work with subcontractors – and if so, they need to fill in the names and addresses of these subcontractors. All of this information is also kept in a separate list (Supplier Register) where we also mark whether there have been any complaints or an audit has been planned.

A Corrective Action Plan (plan of remedies) is set up following an audit, where we keep track of the topics needing to be worked on and the step-by-step improvements that have been made.

We also use this document to communicate back and forth with the supplier in question. We have now set up a database for our supply chain.

It enables us to maintain a better overview of the supply chain – especially helping us to understand on a product level from which supplier and subcontractor each product comes from.

## 6. Transparency & Communication

We have integrated a “Responsibility” subpage on our website. Here, we provide information on our brand philosophy, our production countries, the manufacture of our products, CSR measures and, in particular, our FWF membership.

The “Social Report” and the “Brand Performance Check” are also available as pdf downloads.

Our 2017 “Social Report 2017” was also distributed in English and German via social networks and our newsletter.

## 7. Stakeholder Engagement

We are currently focusing on our FWF membership and are delighted to have the opportunity to work with FWF and learn from the resources they provide, such as country studies, health & safety checklists and other advice.

## 8. Corporate Social Responsibility

As a company based in the Kreuzberg district of Berlin, we also assume responsibility to not only support but also actively contribute to local projects.

Among these projects is the Aktionsbündnis Brandenburg for whom we produced „Schöner leben ohne Nazis“ t-shirts that are sold on their events and website, with its proceeds initiatives against racism are funded (<https://www.aktionsbuendnis-brandenburg.de/shop/alle-artikel>).

For the local football club Hansa 07 we reproduced a football jersey against racism (<http://hansa07.de/fans-freunde/fanshop>) and furthermore we support the local BMX location Mellowpark (<https://www.mellowpark.de/>).

Another very interesting project which we supported is the organization Radbahn (<http://radbahn.berlin>). This Berlin initiative that stands up for more safe bicycle lanes in Berlin. We regularly assist these projects with backing comprising either monetary support or clothing donations.

Some donation projects are very small and direct. For example are we sending clothing donations direct to a project which is helping children in Tibet (<https://kenkmannfond.de/>) and we are supporting the private project of Berlin based photographer Daniel Reiter, that brings collected clothes and skate equipment to the skate community in Addis Abada, Ethiopia (<http://danielreiter.de/ethiopiaskate>)

Monetary donations were also given to the following organizations:

- Amnesty International (<https://www.amnesty.de/>)
- Aerzte ohne Grenzen e.V. (<https://www.aerzte-ohne-grenzen.de/>)
- Opferperspektive e.V. (<http://www.opferperspektive.de/>)
- Skateistan (<https://www.skateistan.org/>)



## 9. Glossary

### **Audit:**

The following definition of an audit applies to those audits that are being conducted by the Fair Wear Foundation: While company commitments to ethical practices are important, such claims usually only gain credibility when verified by a third party. This is where FWF comes in. FWF's multi-stakeholder make-up means that it is independent and credible. People have a right to know under what circumstances their clothes are made. FWF verifies whether companies comply with the Code of Labour Practices, through factory audits and a complaints procedure, through management system audits at the affiliates and through extensive stakeholder consultation in production countries. FWF shares its knowledge and (local) contacts with the member companies, providing them with access to information on local legislation, labor standards and culture. In order to gain real insight into company performance, FWF's verification system exists at three levels: FWF verifies at factory level and implements a complaints procedure in all countries where it is active to serve as a safety net. Finally, FWF also verifies at the company level to check whether companies implement the FWF Code of Labour Practices in their management systems effectively.

Verification at factory level: FWF is perhaps best known for its unique and groundbreaking approach to factory-level verification. This is due largely to FWF's multi-specialist approach to auditing. The rigor of FWF's auditing process is evident in the higher quality of its outcomes. FWF finds that managers are generally more open to collaboration and workplace improvements if audits are announced. Pre-planning audits also ensures that appropriate managers and documents are accessible on the days of the audit. What's more, FWF's practice of interviewing workers offsite prior to visiting factories generally addresses the common pitfalls others encounter when they announce visits, namely coached workers and falsified books. "The offsite interview itself is a fantastic procedure. When you join workers in their homes or community, you pick up issues you may not be able to pick up on the day of the factory audit." – Bobby Joseph, Lead Auditor and Health and Safety Inspector, Bangalore, India.

FWF's factory auditing serves two main purposes: For factories, it is a step in a process leading to workplace improvements – rather than a policing exercise. For companies, factory verification visits also serve as an indication of their performance in upholding their FWF commitments. An audit's main goal is not to find the problems. Audits are part of a broader process aimed at fixing the problems, and collaboration is the best way to achieve solutions. It is for this reason that FWF's audit guidelines require auditors to interview trade union (on occasions when there is a factory union) and/or worker representatives. Trade union representatives should also participate in the audit exit meeting, where audit outcomes and improvements to workplace conditions are discussed. Likewise, by seeking to involve member companies in the audit process, company representatives gain a deeper understanding of the problems in the sector and their underlying root causes. "FWF's audits are not about long checklists and fixating on minute details. Local specialists are the key to FWF's approach. They work to find the underlying problems – the root causes... Ultimately, if we want to solve these issues, we need to create an environment of trust and collaboration between buyer and supplier. FWF auditors have the expertise to find and explain problems as the audit unfolds – and to participate in discussions about possible solutions." – Ivo Spauwen, International Verification Coordinator at FWF. [Source: FWF]

### **CAP: Corrective Action Plan**

A Corrective Action Plan is usually received after an audit at a factory. They are used to address issues in the factory and the company's supply chain. The CAP sets the procedure and tracks the progress of the remediation process. In practice it is usually an excel-sheet provided by FWF to the brand with information on the audit's findings, related legal background information about local laws and suggestions on how to solve the issues. This document is then sent back and forth between the brand and the supplier solving the listed findings step-by-step over a certain amount of time.

## CoLP: Code of Labour Practices

The Code of Labour Practices is based on the conventions of the International Labour Organization (ILO) and the Universal Declaration on Human Rights. In the text below, references are made to specific conventions. Where clarifications of ILO Conventions are required, FWF follows ILO Recommendations and existing jurisprudence.

### 1. Employment is freely chosen:

There shall be no use of forced, including bonded or prison, labor. (ILO Conventions 29 and 105)

### 2. There is no discrimination in employment:

Recruitment, wage policy, admittance to training programs, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, color, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

### 3. No exploitation of child labor:

There shall be no use of child labor. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years.“ (ILO Convention 138) „There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals.“ (ILO Convention 182)

### 4. Freedom of association and the right to collective bargaining:

The right of all workers to form and join trade unions and bargain collectively shall be recognized. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

### 5. Payment of a living wage:

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

### 6. No excessive working hours:

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

### 7. Safe and healthy working conditions:

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimize health risks as much as possible (following ILO Convention 155). Physical abuse, threats

of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

#### **8. Legally-binding employment relationship:**

Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programs. (Source: FWF)

#### **CSR: Corporate Social Responsibility**

Corporate Social Responsibility means that a corporation is committing itself to sustainable economic development – on one's own authority, by choice and beyond any legal regulations. For that matter a specific focus is set on the responsibilities towards the actual environment as well as on the key markets, towards commercial partners (such as manufacturers) and employees. ([www.riedaily.de/blog/en/responsibility](http://www.riedaily.de/blog/en/responsibility))

#### **FWF: Fair Wear Foundation**

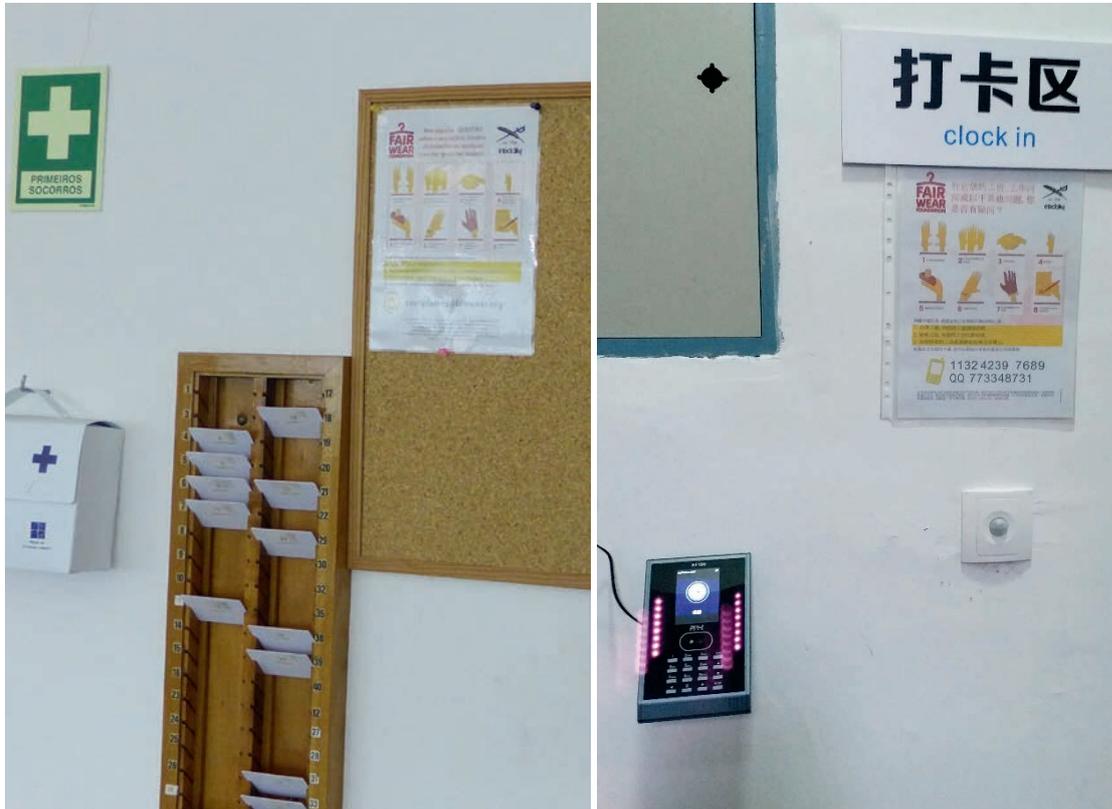
Fair Wear Foundation works with brands, factories, trade unions, NGOs and sometimes governments to verify and improve workplace conditions in 11 production countries in Asia, Europe and Africa. FWF keeps track of the improvements made by the companies it works with. And through sharing expertise, social dialog and strengthening industrial relations, FWF increases the effectiveness of the efforts made by companies. The FWF's more than 80 member companies represent over 120 brands, and are based in Europe. Member products are sold in over 20,000 retail outlets in more than 80 countries around the world. ([www.Fairwear.org](http://www.Fairwear.org))

#### **WEP: Worker Education Program**

The FWF Workplace Education Program (WEP) is a training session held at the factory, which 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 dialog about issues and opportunities in the workplace and about how to improve working conditions in the factory. Increased awareness about labor standards, together with functioning grievance systems, can contribute to improving working conditions. Fair Wear Foundation provides both general and country specific modules. (Source: FWF)

**WIS: Worker Information Sheet**

The Worker Information Sheet contains the 8 Code of Labour standards and the contact to either the local complaint hotline or the FWF complaint email address and is to be hung in the production locations in a place that is visible to the workers. Furthermore, FWF recommends that a WIS is hung in a place where the reader will have some privacy, particularly from management. [Source: FWF]



**Questionnaire: The questionnaire is part of the monitoring by the FWF affiliate.**

The questionnaire is part of the monitoring by the FWF affiliate. The questionnaire is a form that must be sent to all supplier production factories after the company has become affiliated to FWF (Fair Wear Foundation) and then returned filled out by the supplier. It contains information about the business relationship of the supplier and the brand, the set up of the factory, subcontractors and more. The questionnaire also basically ascertains that the supplier knows what the labor standards are, that the supplier endorses these in principle and also agrees to working towards improvement, where necessary. The questionnaire will also yield information about the manager’s view on compliance with the labor standards. However, this can never replace the audit, which takes other sources of information into account, besides the management. [Source: FWF]