



# Annual report 2023

*Leveraging our impact*

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## Introduction

As we reflect on the close of 2023, we can take stock of milestones we have achieved not only since the start of our 5-year strategy in 2021 but throughout our 25-year journey since our establishment in 1999.

Since the very beginning, we have championed the concept of shared supply chain responsibility. Being a true multistakeholder initiative, all the work that we do is grounded in our core belief that the right to dignified work can only be realised with the active participation of all involved in the supply chain. This includes brands, manufacturers, workers, their representatives (business associations and trade unions), as well as government. These principles now serve as the bedrock for the evolving landscape of human rights due diligence (HRDD). And, with the European Union Corporate Sustainability Due Diligence Directive (CSDDD) now on the horizon, these principles are poised to become mandatory standards across the industry.

These developments are undeniably a cause for hope. Yet, the success of the EU CSDDD hinges on its tangible impact and practical implementation. As such, we are taking an active role in guiding the garment industry how it can and should be realised. With our frontrunner brands, we are showing that even small and medium sized businesses can cease harm and prevent and mitigate risks, leading to responsible business conduct with improved labour conditions in the workplace. Our new HRDD Academy will enable brands from beyond our member base, too, to navigate the expectations of impactful HRDD. Moreover, our collaboration with manufacturers and business associations empowers them to **become** active proponents of HRDD implementation, ensuring the balance of power can finally shift in favour of production country stakeholders – a condition for realising worker rights.

The foundations are strong, and with our partners and stakeholders we are now set to bring the sector to a tipping point. Together, we can make the industry fair for all involved!

**Alexander Kohnstamm**

*Executive Director*

**Mark Held**

*Chairperson of the Board*

## Pioneering what works

*Since our inception in 1999, we have connected and convened brands, factories, workers, trade unions, NGOs and other industry influencers, and built strong multistakeholder networks across the whole value chain. Being able to utilise each of their unique leverage and perspective, we are rightly positioned to demonstrate what impactful human rights due diligence (HRDD) implementation actually looks like and how it can drive systemic change. For example, with our member brands, we showcase good examples of responsible purchasing practices and how to pay towards a living wage. We also work with our network of stakeholders in production countries to build industry-wide grievance mechanisms and multistakeholder structures that drive industry action.*

## Providing tools to implement impactful HRDD

### The HRDD Facilitation Hub

With our guidance, our member brands go above and beyond the industry norm to improve working conditions at their suppliers' factories. While we have spent the past years aligning our work more closely with the OECD Due Diligence Guidance for Responsible Business Conduct – using HRDD as our framework for continuing and advancing our work on protecting human rights in supply chains – we understand that this shift poses challenges for our member brands as they get to grips with the new approach.

That's why one of our major successes in 2023 was the launch of the HRDD facilitation hub. The tool was designed through extensive piloting with our member brands and stakeholders across the supply chain. The result is an online workspace with tools and functionalities for different user groups. It helps brands to conduct their HRDD steps with a risk-based approach, allowing them to assess risks and courses of action with clear oversight. It also means that our tools and resources, carefully crafted over the course of the past 25 years, are now streamlined into one comprehensive, logical platform, using the OECD cycle as our guide. The result is an online policy suite where brands can quickly access our policies related to the 6 steps of the HRDD cycle.

Of course, a new tool like this needs sufficient and continuous onboarding. In March, each member brand was ready and able to use the hub<sup>1</sup> when we launched. The onboarding programme continued throughout the year, offering member brands further guidance whenever they needed additional support. Any updates to the system were presented during our "summer bootcamp", numerous Q&A sessions, several interactive webinars, as well as during our Member Day in September. Member brands have reported having a better grip on their supply chain risks because of the platform, which has also been cited as the reason for many improved results on brand performance checks.

### Improved systems

Having invested heavily in improving the functionalities on our member hub, another huge accomplishment in 2023 was the launch of several new tools for both our brands and production country teams. The information used

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<sup>1</sup> The Member Hub is for our member brands, whereas the HRDD Facilitation Hub is for a wider group of users.

within all these tools has been validated so that decisions can be made based on the risks and needs identified by different stakeholders.

For example, our new modular factory assessments enable us to better target specific risks and be more responsive to individual factory needs. We have also transferred our country study reports to the system and created dynamic, easy-to-use profiles per country. Our member brands can now readily understand the (lack of) legal requirements and normative contexts of the countries from which they source, supporting them with their risk scoping. This means that they can target resources where they are most effective, taking, first and foremost, suppliers and workers' needs into consideration. The new system also allows for input of different data sources. Our partnership with the SCLP, for example, means that our member brands can use their assessments on our system to work on suggested action plans.

As such, these improved systems support our strategy of pushing the industry towards a risk-based approach, where an assessment of the production country risks become the driving force behind brand action.

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## **Brand performance checks**

While 2022 saw us prepare our member brands for our new brand performance check guide, 2023 marked the first year that we evaluated their progress against the new system.

The checks evaluate and publicly report on the HRDD efforts of our member brands. They help our member brands to prioritise and focus on specific topics depending on risks and the required remediation in their individual supply chains. Revised and improved indicators, like ones on responsible contracting, steer brands towards ensuring that their HRDD implementation is truly impactful, taking purchasing practices, gender, meaningful stakeholder engagement and access to remedy into account.

The new system means that member brands assess the risks in their supply chains as well as their own purchasing practices and business models so that they can prioritise actions based on the severity of the risks. This approach has the benefit of rewarding specific, innovative supply chain behaviour and results. Another benefit of the new system is that performance checks are being integrated into the HRDD Facilitation Hub, enabling brands to track their progress, and more easily create their work plans for the coming year.

Having raised the bar of our performance check methodology, we saw lower scores for our member brands in this first year, with fewer reaching 'Leader' status. During the 2023 assessment process, therefore, we identified areas for improvement and learning needs, which we are translating into brand learning modules in 2024. As always, member brands can and are expected to embed their performance check reports on their own websites, to share their HRDD activities with their consumers and vested stakeholders and show their commitment to improving workers' rights in their supply chains.

## **Amplifying production country voices**

Much of our work to improve workers' rights is guided by the credible information that we receive directly from the production countries in which we work. In the same vein, all the work that we do in-country is guided by the input from our country teams who are in direct contact with workers, their representatives, and labour rights organisations. Given the majority of our member brands' production takes place in these priority countries, and because we have always invested efforts in our supplier-facing work, we also have long-standing relationships with many individual manufacturers. Moreover, in facilitating both micro- and macro-level industry setting, we

focus our efforts on national and local/regional governments, business association communities, worker representative groups, and civil society organisations as well.

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## **Business associations**

Suppliers and business associations sit at the nodal point between brands and workers, making them a crucial stakeholder group in the supply chain. Moreover, critical to the success of HRDD is brands prioritising meaningful stakeholder engagement, building long-term equitable relationships, and leveraging findings from risk assessments to inform decision-making. Taking these considerations into account, suppliers and business associations should be considered active participants, rather than input providers, of HRDD processes.

We have encouraged suppliers to move towards more constructive engagements among themselves. For example, during the year, we continued to deliver several supplier seminars in each of our production countries. By working with individual factories that our member brands source from, these events have long been part of Fair Wear's mission to champion the voice of the supplier and enable them to negotiate fairer terms of trade. In 2023, however, we delivered these seminars through direct collaboration with business associations, expanding our reach and influence in a considerable way.

This shift in approach directly fed into our strategy of strengthening the position of the supplier, empowering them to play a stronger role in improving the balance of power between them and their buying partners. It also enabled us to raise awareness of the opportunities that HRDD offers to suppliers, by sensitising them to the business benefits of HRDD.

Memorandums of Understanding (MoUs) that promote our role as a thought leader on HRDD add value to our work. In 2023, we signed an important MoU with the Sustainable Terms of Trade Initiative (STTI), a network with 13 associations from 10 countries, founded by the International Apparel Federation and supported by GIZ. We will take part in pilots involving suppliers and business associations to gather and disseminate HRDD expertise and help strengthen their voices in sourcing dialogue. In India, we signed an MoU with the Confederation of Indian Textile Industries (CITI) to raise awareness on HRDD.

Another milestone was a hybrid session we organised at the OECD Forum, a live connection between a panel of suppliers in Hanoi and brands in Paris. Convening various actors from across the supply chain in this way helps us to find harmony and greater understanding of how to make the sector fairer for all.

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## **The Common Framework for Responsible Purchasing Practices**

The Common Framework for Responsible Purchasing Practices (CFRPP) is a reference point for companies working to improve their purchasing practices to increase the scope for improved working conditions in supply chains.

To ensure elements of the framework are workable in practice, we formed the Learning and Implementation Community (LIC), which is financed by the Initiative for Global Solidarity (IGS) implemented by GIZ and by STITCH. This two-year project involves 36 members brands of Fair Wear, Better Work, Solidaridad, ETI UK and Norway, and the Partnership for Sustainable Textiles (PST). In 2023, the LIC consistently delivered high-quality learning experiences, as evidenced by positive feedback from brands who have expressed satisfaction with the content and interaction during sessions. Each meeting platforms both the voices of manufactures and brands, representatives of which speak each time. The sub-meetings, attended by both brands and suppliers, foster two-way dialogue aimed at finding mutually beneficial, practical solutions.

Last year, the MSI Working Group<sup>2</sup> and LIC also hosted a public meeting to share progress and learnings which attracted 125 participants. Publicly available tools developed by the LIC were shared, including learnings on working with supply chain partners on improvements and exercises designed to establish a shared understanding of current purchasing practices and their impacts and to prioritise actions.

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## **Multistakeholder structures**

While we promote HRDD as the industry's framework for ensuring brands respect the rights of workers and communities from harm, we also advocate that all due diligence efforts are supported by validated information. Multistakeholder structures are essential components of this validation process.

In 2023, our teams in Bangladesh, India, Indonesia, and Vietnam helped promote sustained local multistakeholder structures, either fostering new opportunities or building on pre-existing models. In Bangladesh and Indonesia, we focused on handing over training programmes and lobby and advocacy work to local organisations, such as our Violence and Harassment Programme. We also promoted our Fair Price Methodology amongst business associations and trade unions in India, Indonesia, and Tunisia. This methodology enables suppliers and buyers to engage in fact-based costing and negotiation of a product style. As such, it can help strengthen suppliers' bargaining power and their subsequent financial sustainability and ability to (discuss with workers and trade unions the need and way to) raise wages.

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## **Grievance mechanisms**

Access to remedy means that, when workers' rights are violated, workers or their representatives can access a grievance mechanism that works towards a solution. In 2023, we continued to handle grievances through our helplines in production countries. We received 139 new grievances (with 118 that were ongoing), and we closed/resolved 110.

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## **Building capacity in production countries**

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### **Bangladesh**

In Bangladesh, we initiated a handover programme (sponsored by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)) to transfer our training module and expertise to local stakeholders. This first phase focused on capacity building for six local organisations, enabling them to conduct violence and harassment training in factories. This transition allows us to extend our impact beyond individual factories to the sector level.

In September, the STITCH consortium, in collaboration with the Dutch Embassy, organised the second Roundtable Discussion on Social Dialogue and the Function of the RMG Tripartite Consultative Council. Diverse stakeholders participated, including the Government of Bangladesh, business associations like Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and

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<sup>2</sup> The working group consists of representatives of the Ethical Trading Initiative, Ethical Trade Norway, Fair Wear, the German Partnership for Sustainable Textiles (PST), Ethical Trade Denmark, and the Ethical Trading Initiative Sweden.

Exporters Association (BKMEA), trade unions, global brands, and embassies. The discussion yielded valuable insights on strengthening social dialogue institutions and fostering a more sustainable sector.

Moreover, as part of our updated policy on fire, structural and electrical safety (published in 2023), we continued our engagement with the RMG Sustainability Council (RSC), the implementing partner in the International Accord Bangladesh programme. In particular, we collaborated on access to remedy.

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## Eastern Europe

In Bulgaria and North Macedonia, we cooperated with local stakeholders, such as labour rights organisations, helping them better access information on the German Supply Chain Act, which has an augmented effect on this region due to strong ties to the German market. Through panel discussions and events, we worked to align the narrative around the law and suppliers' practical responsibilities, engaging local stakeholders to facilitate this. In Romania, we engaged with the business association Fepaius to demonstrate how our tools and guidelines could help suppliers exercise their own rights. In Eastern Europe, we are increasingly recognised as a knowledgeable partner in helping suppliers enter sourcing dialogue with brands.

One grievance case that stands out for the year was an incident in North Macedonia involving workers who were not receiving the legal minimum wage. Through our grievance mechanism, the brand was informed that employees at a production facility in North Macedonia were subject to unauthorised deductions in wages, leading to the legal minimum wage requirement not being met. Here, we guided our member brand to use our Fair Price methodology, which helped them to work with the supplier in order to determine how to accommodate cost increases without reducing wages. The brand also applied other Fair Wear tools to understand the root causes of living wage violations as part of the risk-based approach. Through our resulting remediation, all 128 workers (90% of whom were women) were guaranteed their legally entitled wages and benefits.

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## India

In September, we organised a Supplier Caucus meeting with 15 senior representatives from various organisations, marking progress towards structural collaboration among suppliers. The proposal that emerged from these discussions highlighted the need for clear supplier-brand dialogue on the new (and forthcoming) HRDD legislation in Europe. Better communication on brands' expectations will help suppliers prepare for these changes and exercise their own rights without fearing business repercussions. At other supplier seminars, we presented the Fair Price Methodology and information on the EU CSDDD. The business community has come to see us as an industry expert. We received speaking engagement invitations (on access to remedy, gender-based violence, etc.) from the German Embassy, Cascale and local organisations. Additionally, to improve cooperation between local stakeholders, we organised a Stakeholder Consultation Programme in the Delhi/National Capital Region.

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## Indonesia

In Indonesia, we have worked to promote our tools and resources for industry alignment. The business association of Indonesia (APINDO) asked us to give training on our Fair Price methodology, which we also gave on request by CNV Internationaal to its local Indonesian union partner. We piloted our Fair Price Methodology among a group of homeworkers in Central Java, and the lessons learned will be incorporated to improve the adoption of the tool. By spreading our tools across the business community, we are paving the way for better collaboration between local industry stakeholders.

For the past year, we were part of a case settlement for PT Jaba Garmino in Tangerang (a former supplier of a member brand). Now, all Fair Wear member brands involved have financially compensated the 2,000 impacted former workers. This is significant as other (non-Fair Wear member) brands did not pay, meaning the case is not completely resolved.

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## Myanmar

As the military occupation continued into its third year, our activities in Myanmar remain at a halt, although we did continue to field numerous grievances through our complaint helpline. In the meantime, we held informal stakeholder meetings and continued to monitor the situation, in line with reports from the International Labour Organization (ILO). To ensure that the sector is kept well informed on the situation in the country, together with our STITCH partners, we organised several webinars with industry stakeholders in Europe. Because our stance has consistently been that HRDD implementation is nearly impossible in the country, we have guided most of our member brands to responsibly disengage.

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## Tunisia

In Tunisia, 2023 revolved around networking, with a closer focus on business associations. We met with the president of the Tunisian Textile and Clothing Federation to discuss industry-level challenges and the upcoming HRDD legislation. The Federation expressed an interest in future collaboration on our Fair Price Methodology. We also built on a 2022 social dialogue pilot to introduce the Fair Price Methodology. We updated the tool to reflect an HRDD approach and generated interest in it at a suppliers' seminar we organised in November. Through our ongoing engagement, suppliers in Tunisia have become more aware of social dialogue, and worker representatives are searching for proactive solutions, which opens the doorway to introduce new tools.

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## Türkiye

Much of our 2023 work in Türkiye fell under funding from the Netherlands Enterprise Agency (RVO) that commenced in 2022. Together with three of our member brands (King Louie<sup>3</sup>, Schijvens, and Kuyichi) and their Turkish suppliers, we researched the impact of brands' purchasing practices on living wages and gender equity through brand, supplier and garment worker interviews and surveys. [The findings](#) provide detailed evidence of long working hours, low wages, deep poverty, gender inequity and the existence of violence and harassment in the workplace. With these results, we have developed an implementation plan for working on these issues, with the aim of showcasing good practice examples for the wider industry.

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## Vietnam

We partnered with GIZ and ILO to support the Vietnamese Ministry of Labour, Invalids, and Social Affairs in training and publishing a guidance document on effectively implementing the regulations on preventing and addressing sexual harassment in the workplace.

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<sup>3</sup> At the time of writing, King Louie is no longer a Fair Wear member brand. They were, however, members of our HRDD Academy pilot in 2023 and were partners in this RVO funded project on gender equity and living wages in the Turkish garment industry.

We conducted the Workplace Education Programme on Communication (WEPC) at 12 suppliers of our member brands, with almost 500 participants in attendance. This led to increased trust among management and workers about the effectiveness of communication and to more opportunities for negotiation about working conditions. In numerous cases, this had an immediate impact; for example, following the training, productivity increased at one supplier due to improved communication between workers and management on machinery breakdowns and more mutual respect. At another supplier, occupational health and safety regulations improved when workers cited the need for a roofing area over a dangerous area prone to slippery conditions. This arose from better mutual understanding of the parties' needs and safety precautions.

## Shaping the policy agenda

*The garment industry's 'modus operandi' has long been compliance-focused with an over-reliance on audits and outsourcing assessments. Now, a new generation of sector norms and public regulation is turning the tide and we're seeing HRDD being increasingly adopted as the industry's new model framework. We welcome this shift. However, industry-wide change requires not only a common understanding of what impactful HRDD looks like, but also policies that can uphold it. This is why we build and engage with coalitions of key (like-minded) organisations to influence policymakers shaping hard and soft norms and accompanying measures. At the same time, we collaborate with important industry actors to ensure they adopt these frameworks.*

## Influencing policy

### The German Supply Chain Act

The 2023 introduction of the German Supply Chain Act signalled a vital shift in the legislative landscape, towards normative shared supply chain responsibility. Our policy engagement team monitored, engaged with, and influenced the implementation process of this Act. We had an important meeting with representatives of the German regulator, BAFA, during which we presented the CFRPP. The meeting positioned the CFRPP as a common reference point for BAFA to assess what can be expected of garment companies regarding responsible purchasing, breaking down the legal requirements into tangible guidelines. This was received with great interest.

In 2023, we solidified our position as a trusted expert through working with the German Federal Ministry for Economic Cooperation and Development (BMZ) and by setting up connections with the European Parliament. Through an in-depth pilot with our member brands, we also assessed how our brand performance check corresponds to the reporting requirements of the Act in both wording and approach. By strengthening our partnership with the BMZ, we can create clarity for German-market brands about the new legal expectations.

### The European Corporate Sustainability Due Diligence Directive (EU CSDDD)

With the EU CSDDD on the horizon<sup>4</sup>, the industry has reached a critical juncture. A top priority for us in 2023, therefore, was our ongoing lobby and advocacy efforts on the legislation. We advocated that it should focus more strongly on buying companies' purchasing practices to redress power imbalances; should also apply to small and medium-sized companies; and should align with OECD guidelines in specifying a risk-based approach.

We did this in close collaboration with our STITCH partners and other industry allies, so that we can unify our approaches when promoting industry interests. This, coupled with our multistakeholder structure that connects us closely to brands, allowed us to reach different networks and influence members of parliament that are more business-oriented. In May, many of our member brands jointly published an opinion piece in the European Parliament Magazine, demonstrating the business case for the legislation; some of these member brands even approached politicians on the topic. Linked to this, we have also been influencing GIZ with a two-fold agenda: to make sure that funding is going directly to production countries rather than subsidising businesses to conduct their due diligence, and to position ourselves as an industry influencer. Indeed, our efforts

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<sup>4</sup> At the time of writing, the Directive has now passed the European parliament. While the compromise is weaker than what we had hoped for, we still consider this to be watershed legislation.

yielded an important outcome. We have now been included in the EU helpdesk, set up by GIZ, enabling us to influence the accompanying measures of the legislation, and set industry norms.

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### **The Dutch Social Economic Council**

Our voice has also reached the Dutch government through our participation on the advisory board for the Dutch Social Economic Council (SER), for which we contributed our positioning on what good social dialogue/stakeholder engagement looks like in international supply chains. This project will continue until April 2024. Meanwhile, we are ensuring that we work closely with SER to align the framework on multistakeholder engagement that we are building with STITCH in 2024.

## Delivering to the industry

*To ensure that HRDD actually redresses the power imbalances that have so far prevented real systemic change from taking place, there must be industry alignment on what impactful HRDD implementation looks like. It is pertinent, therefore, that we share our thought leadership beyond our member base – by collaborating with key stakeholders to promote our approach to impactful HRDD implementation and accompanying tools and resources, as well as the good practice examples of our member brands. Only then we will see the systemic change we are pushing for and reach a tipping point towards an industry that is fair for all.*

## Building industry alignment

### Cascale partnership

In 2023, we focused on developing a strategy on how to optimise our efforts in delivering our expertise to key industry players. Some of our ad hoc collaboration transformed into more concrete partnerships. In 2023, we strengthened our existing relations with the Sustainable Apparel Coalition, now Cascale, which culminated in the signing of an MoU to build a common understanding of what due diligence looks like and to seek ways that we can provide our knowledge to support their members with their due diligence requirements.

Our collaboration, also with Worldly, was spotlighted during Cascale's annual meeting Boston in September, where Fair Wear was invited to host a panel on decent work. Andrew Martin, Cascale's executive vice president, has said that by partnering with Fair Wear, "we can jointly expand and scale the systemic change needed to address the human rights challenges we face."

### The Industry We Want (TIWW)

One of the ways we have strived for industry alignment is through the initiative 'The Industry We Want' (TIWW), of which Fair Wear is the lead partner organisation. For the second year, TIWW published an updated 'Industry Dashboard', which provides a snapshot of the state of three metrics: on purchasing practices, wages, and greenhouse gas emissions. The results indicate stagnating progress in industry transformation.

The metric on purchasing practices is developed through results of the [Better Buying Partnership Index™](#) – an industry-wide survey for manufacturers to anonymously rate their buying partners' behaviour. To delve into the results, TIWW hosted a deep-dive webinar with around 170 attendees, during which experts from across the industry shared perspectives on how to develop better social dialogue between buyers and manufacturers.

The German BMZ invited the TIWW team to join its event 'Towards decent work for all: Asia's textile industry 10 years after Rana Plaza', where they hosted an information booth for policymakers and other participants to find out more about the Industry Dashboard. The following day, TIWW hosted a workshop at the annual working meeting of the German Partnership for Sustainable Textiles, presenting the industry dashboard results to the Partnership's member brands and discussing and the urgent need to improve purchasing practices in a risk-sharing approach to HRDD.

Another highlight was the roundtable that TIWW hosted at the OECD Forum for third-party retailers on their responsibilities and ambitions on human rights and environmental due diligence expectations in the context

of the upcoming EU CSDDD. This sparked a highly productive exchange between retailers and stakeholders and in follow-up meetings, participants are setting the stage for working groups that will explore various challenges and best practices.

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## **Our HRDD Academy**

With the potential to shift the industry towards shared supply chain responsibility, the EU CSDDD is set to be a watershed legislation. However, in making HRDD mandatory, there remains the very real challenge of companies merely adhering to the new legal requirements without the will to improve human rights in their supply chains. Due to this precarious landscape, we are reaching beyond our member base in a way not previously done before to showcase what *impactful* HRDD implementation looks like through our newly developed HRDD Academy.

Distinct to our Fair Wear membership, the HRDD Academy is an online hands-on workspace for brands to implement HRDD in line with the six steps of the OECD due diligence cycle. Co-designed with seven external brands and 10 that forwent their regular Fair Wear membership for 2023, the HRDD Academy provides participating brands access to Fair Wear guidance, learning modules, resources, and tools. In sharing our 25 years' worth of accumulated knowledge and best practices, trialled by our member brands and multistakeholder networks, brands from across the whole industry will be able to become industry frontrunners in respecting and supporting human rights across their supply chains. Going live in 2024, the HRDD Academy will contain different access tiers to get to grips with each step of the HRDD cycle at varying levels.

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## **The Learning Management System (LMS)**

Delivering webinars has been a core component of our strategy to guide the industry towards impactful HRDD implementation. To further extend our thought leadership on working conditions in the garment industry, in 2023 we launched the Learning Management System (LMS) for all our member brands as well as all HRDD Academy participants. This online learning platform facilitates self-paced, interactive learning, with modules on HRDD and purchasing practices, as well as a range of topics, such as freedom of association, gender equality and gender risks in the supply chain, and social dialogue. The LMS enables us to deliver our tools and guidance to a much broader reach, since we can grant access to various industry stakeholders, while also allowing us to measure the impact of our training more clearly with metrics on user engagement.

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## **The CARE Platform**

With many organisations owning their own grievance mechanisms at the operational level, workers risk being overwhelmed by the various options and procedures. In search of a solution, we are exchanging knowledge and resources with the Collaboration on Access to Remedy (CARE) Platform. Together with other industry initiatives, we are finding more coherent and complementary approaches on access to remedy. Since April 2023, the CARE Platform has worked with an external facilitator, supported by IGS, driving conversations on the participants' visions on 'effective' access to remedy.

We continued to open our Fair Wear grievance mechanisms to some PST member brands, a testing ground that allows us to explore the feasibility of a more coordinated approach. The year 2023 marked the second phase of this project – we broadened the geographical scope from two to five countries, onboarding five PST brands and 27 of its suppliers. This collaboration is yielding positive results. For example, a grievance was received about a middle-management worker at a supplier in Bangladesh where our member brands did not have high leverage, so we escalated it to the CARE collaboration protocol. This man was sexually harassing workers in

his department. Despite internal remediation efforts, his familial ties with upper management allowed him to continue his abuse of power. An external investigation was conducted, including offsite interviews, and, with the backing of brands, the perpetrator's employment was terminated. Collaboration compelled the supplier's management to take the matter more seriously. This shows how brands can optimise their impact when they cooperate.

## Management and support

### Governance

Fair Wear is a non-profit foundation registered in the Netherlands under the name ‘Stichting Fair Wear Foundation’. As stated in our Articles of Association, *‘the aim of the foundation, with aid of capital provided for that purpose, is: to secure legal and human rights, working conditions and terms of employment in the worldwide production chain of manufactured products, worn, carried or used by persons in work and leisure activities and in the private sphere, in particular clothing, textile, footwear and interior textiles, and ensure that such products that are brought to the market are manufactured under legal and socially responsible conditions, at least at the level of the minimum standards of the ILO, as well as to undertake all that is connected to the foregoing or in furtherance thereof, all in the widest sense of the words.’*

The Articles of Association delegate executive powers to our Executive Director, Alexander Kohnstamm, who is responsible for representing Fair Wear and for the functioning of the organisation.

### The Fair Wear Board

Our highest decision-making body is the Fair Wear Board, which comprises an independent chairperson plus up to eight board members. These members represent three constituent groups: the industry, trade unions, and civil society. Each constituency has equal voting rights. In 2024, the Board met four times to discuss strategic, organisational, and political developments and approve annual plans, budgets, and reports as well as Fair Wear policies.

Patric Hanselman resigned from the Board in December 2023. The second trade union position, which was vacated in 2022, remained unfilled for the duration of 2023.

Sector expertise	Name	Organisation
Independent Chair	Mark Held	
Industry (retail, production, wholesale)	Patric Hanselman (Treasurer)	MODINT
	Femke den Hartog	INretail
	Stefan Rosenkranz	BSI: German Sporting Goods Industry Federation
Trade unions	Catelene Passchier (Vice Chair)	ILO, FNV
	-	<i>Unfilled</i>

## Civil Society

Dominique Muller

CCC

Gopinath Parakuni

Cividep India

## The Committee of Experts

Since 2001, another component of our governance structure has been the Fair Wear Committee of Experts, which advises the Board upon request or at the committee's own initiative. Furthermore, the Management Team and other teams can ask the Committee of Experts for advice. Once annually, the Board and the Committee hold a joint meeting.

Sector expertise	Name	Organisation
Industry (retail, production, wholesale)	Jeroen van Dijken	INretail
	Matthijs Crietee	IAF
Trade unions	Bram Alkemade	FNV Bondgenoten
	Anne Wehkamp	CNV Internationaal
NGOs	Wouter van Dis (as substitute)	CCC
	Eric van den Heede	ACV and Wereldsolidariteit

Wouter van Dis served as substitute for the Clean Clothes Campaign most of the year. Bram Alkemade left the Committee of Experts in October, and Jeroen van Dijken left in November. Their positions were not filled before the end of 2023.

## Human resources

### Our new remuneration policy

Our Human Resources team takes a people-centric approach, prioritising individual contributions and developmental progress over fixed job profiles. Our previous remuneration system did not always fit our flexible approach. To address this, we engaged a consultancy firm to develop a new policy tailored to Fair Wear, which includes principles for staff remuneration on:

- market competitiveness: ensuring competitive salaries through benchmarking;
- transparency: providing clear and understandable remuneration structures for all employees;
- promoting development: empowering colleagues to plan professional growth; and
- compliance and governance: upholding high standards on remuneration practices.

The revised remuneration policy was implemented on 1 November 2023. Initially applicable to EU-based staff, this policy will inform future global contracts.

## Worker representation

The Fair Wear Worker Delegation comprises three staff members and represents all staff on payroll in the Netherlands, apart from the Executive Director. It meets monthly with the Director and relevant members of the Management Team and at least once annually with the Board. In 2023, the Worker Delegation focused on advising on the completion of the remuneration policy, ensuring this policy was transparent and the implementation process clear to staff. The Delegation also weighed in on the internal mentor system, agreeing on the need for a feedback loop to assess the performance of Management Team liaisons, individual supervisors, and mentors. Other priorities were the outcomes of survey on project-oriented working at Fair Wear, the policies and training that followed, and structurally addressing overtime.

## Staff

This applies to all personnel on a Netherlands payroll contract. However, it does not encompass the numerous colleagues stationed outside of the Netherlands who significantly contribute to the organisation's strategy and operations. This table shows the data at the end of December 2023 compared to the end of 2022.

	Gender, FTE and headcount as of December 2023 (December 2022)		
	Male	Female	Total
Headcount	7 (9)	32 (35)	39 (44)
FTE # ppl	6 (6)	28 (29)	34 (35)
PT%*	81.48% (88.89%)	83.33% (80.56%)	82.64% (83.3%)

\*PT% = Part time percentage: the average percentage of a fulltime (36-hr) workweek for which staff is contracted.

The average employee age is 39 (December 2022: 37), while the most common age group is 30-39.

	Age groups as of December 2023 (December 2022)				
Age range	20-29	30-39	40-49	50-59	60-69
Headcount	10 (10)	13 (17)	9 (9)	6 (7)	1 (1)

Ten staff members left Fair Wear in 2023, leaving for various reasons, career change, career progression, relocation, or by not renewing a temporary employment contract. As of 31 December 2023, 51% of staff members had permanent contracts. Fair Wear's illness rate in 2023 was 3.61%, up from 2022's 2.66%, but still within the national average of 3-5%. In 2023, there were a total of 67 absence notifications, down from 78 in 2022.

Regarding a gender pay gap, our analysis indicates that there is no statistically significant gender bias in Fair Wear Foundation's representation. The Fair Wear Remuneration Policy ensures consistent application of salary steps across all roles and levels. Therefore, based on the statistical output for 2023, there is no indication that further action or an investigation would be required regarding a gender pay gap within Fair Wear.

## Social responsibility policies

No safety or security issues arose in 2023. However, the Crisis Management Team notes a need for a better distinction as to when problems should go to the Management Team and when to the Crisis Management Team. No integrity violations were reported in 2023.

## Internal learning

To foster professional development, we developed a new internal mentor programme, with designated mentors helping staff hone their skills and competencies within their roles. We also have virtual staff meetings throughout the month in the form of weekly stand-up meetings and monthly team sessions.

We have two types of training budgets: an educational budget, and a personal budget for each staff member's personal development. In 2023, we brought in an external trainer to conduct project-management training. This was connected to organisation restructuring with different workstreams. We worked on defining roles and responsibilities and the best tools for various processes. Additional training focused on encouraging staff to incorporate both a gender lens and the HRDD approach in their work. Our internal staff also began using the LMS to increase their breadth of knowledge.



# Financial Report 2023

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## Financial information

### Introduction

Fair Wear's financial income, not including funds received on behalf of consortium members, amounted to €6.763 million (2022 €6.202 million). It primarily consists of two streams. The first is grants and subsidies based on committed projects: €4.3 million, vs €4.0 million in 2022. The second is membership fees and fees-for-services from participating garment and footwear brands: €2.36 million vs €2.14 million in 2022.

Based on the reporting guideline, RJ 640, we are obliged to show the income and the expenses of the consortium partners who receive their funds through us. This means that the financials of the projects of each consortium member are also accounted for in both the income and the expenses of Fair Wear as the lead organisation. In 2022 and 2021, Fair Wear was the lead organisation in the Ministry of Foreign Affairs projects and the RVO project with Goodweave. That means, in 2023, € 4.3 million (2022: 3,5 million) was accounted for both the subsidies we received and forwarded to consortium members.

The total expenses for our objectives, organisation costs and costs of services amounted to €11 million, which led to a profit of €100.000. The complete annual report can be found in the next chapter of this report.

Overall, our expectations for 2023 regarding the expenditure for our objectives proved to be as planned. Only relatively insignificant deviations occurred.

	Budget 2023	Actual 2023	Actual 2022
Total income	11.700	11.100	9.752
Total income excluding consortium income	6.763	6.763	6.202
Total costs	11.700	11.009	9.881
Total costs excluding consortium income	6.976	6.683	6.331
Net result	-	100	-129

## Income from grants and subsidies

As of 1 January 2021, the Dutch Ministry of Foreign Affairs has supported the Strategic Partnership for garment supply chain transformation 2021-2025. This five-year effort is led by Fair Wear, in cooperation with other consortium partners, Mondiaal FNV, CNV Internationaal, CDI, ETI, Cividep and the Dutch Ministry of Foreign Affairs. It also includes a varied network of organisations in Europe and eight garment-producing countries in Asia and Africa: Bangladesh, Cambodia, Ethiopia, India, Indonesia, Myanmar, Pakistan and Vietnam.

The project runs from 1 January 2021 to 31 December 2025, contributing € 37.962.063. In 2023, a total of € 3.7 million was spent by Fair Wear and € 4.3 million was spent by the other consortium members. As mentioned in the introduction, these expenses are also accounted for in the income statement and expenses of Fair Wear itself. The overall expenditures compared to the budget show that the consortium was able to catch up with most of the underspending. The total utilisation percentage of the total grant amount 2021-2025 amounted to 58% at the end of 2023.

Since 2018, we have received direct funding from the ASN Bank for our living wage projects. In 2023, we received to € 95.236. Of the received advances from ASN we have spent € 105.757 in 2023. The collaboration in the European Citizens' Initiative (ECI) on Living Wages, with ASN and the Laudes Foundation as funding organisations and with Fair Wear and Fashion Revolution as implementing partners, ended halfway through 2023 as planned.

In 2022 and 2023, we received funding for the project to develop and renew our “onboarding training” for factories from HEKS (previously known as Brot für Alle). The total grant amounted to CHF 65.000. and the expenditure amounted to €38.918 in 2023. In total, we spent € 68.333, based on actual amounts in euros that were received. Currently, we have also three running project agreements with GIZ in Germany in 2023, two of which started in 2022. The total budget amounts to € 869.00 from 2021 until July 2024. In total, €539.861 was spent in 2022 and 2023, and the remaining budget for 2023 and 2024 is €330.000.

For more information, we refer to the annex “projects and grants” and the information disclosed in the financial statements in the report which explains all projects.

## Organisational expenses

The current staff capacity can be summarised as follows: 13 FTE are colleagues in production countries; 41 FTE are employed in the Netherlands and 2.5 FTE in Germany. We spent less than budgeted although the number of staff members remained about the same.

The office and administration costs increased to around 378 €k (in 2022: 366 €k), the increase is mainly the result of the increased costs of online tools and the costs for IT licenses for all staff members added to the ICT environment. Overall, the high inflation caused increased costs on all levels.

## Appropriation of the result

To appropriate the balance of income and expenses for 2023, the director proposed to the Board to add the profit to the existing reserve for Business and Service Development and rename it to the reserve for future-proofing.

## Outlook on the 2024 financial year

The Dutch Ministry of Foreign Affairs subsidy continues until 31 December 2025. While not all of Fair Wear's work is funded by the STITCH programme, it makes up a substantial part of our income and activities. And more importantly, Fair Wear has worked during the application phase of the programme to ensure that the STITCH Theory of Change perfectly aligns with that of Fair Wear, so that all of Fair Wear's work contributes to the goals of STITCH.

Nevertheless, the STITCH funding does not cover the work in some of the countries where Fair Wear has activities (Eastern Europe and Turkiyë) – and for obvious reasons, most or all membership related activities are not financed out of this public funding.

Financial diversification is a mid-term strategic priority for Fair Wear, and 2024 will contribute to that through fundraising, new member acquisition, and the development of a paid services portfolio to reach the whole of the industry, even in case of reduced availability of grants. The summary of the budget for 2024 can be found in the other information attached to the financial report.

Personnel costs include social securities, pension costs, health insurance, training and education, and other personnel costs. The total number of staff is foreseen to be stable at the current levels. The support and overhead costs are budgeted at the same level as in 2023.

## Glossary of abbreviations

**BKMEA** Bangladesh Knitwear Manufacturing Export Association

**BMZ** Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung/ Federal Ministry of Economic Cooperation and Development (Germany)

**C190** The ILO Convention number 190

**CDI** The Center for Development and Integration (CDI)

**CFRPP** Common Framework for Responsible Purchasing Practices

**CNV CNV Internationaal**

**CSDDD** Corporate Sustainability Due Diligence Directive

**IAF** International Apparel Federation

**ECI** European Citizens' Initiative

**ETI** Ethical Trading Initiative

**EU** European Union

**FLA** Fair Labor Association

**FNV** Mondiaal FNV

**FTE** Full-time equivalent

**GIZ** Deutsche Gesellschaft für Internationale Zusammenarbeit/ German Development Agency

**HEKS** Swiss Church Aid

**HR** Human resources

**HRDD** Human Rights Due Diligence

**ILO** International Labour Organization

**IT** Information technology

**ICT** Information and communication technology

**LIC** Learning and Implementation Community

**LMS** Learning Management System

**LRO** Labour rights organisation

**MOLISA** Vietnamese Ministry of Labour, Invalids and Social Affairs

**MoU** Memorandum of understanding

**MSI** Multistakeholder Initiative

**MSS** Multi-stakeholder structure

**NGOs** Non-governmental organisations

**OECD** Organisation for Economic Co-operation and Development

**PST** Bündnis für nachhaltige Textilien/German Partnership for Sustainable Textiles

**SAC** Sustainable Apparel Coalition

**SER** Social and Economic Council

**SLCP** Social Labour Convergence Programme

**STITCH** Sustainable Textile Initiative - Together for Change

**STTI** Sustainable Terms of Trade Initiative

**TIWW** The Industry We Want



## Financial report 2023

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# Balance sheet 31 December 2023

(after appropriation of the result)

	December 31, 2023		December 31, 2022	
	€	€	€	€
<b>FIXED ASSETS</b>				
<b>Tangible fixed assets (B1)</b>				
Inventory	30.799		43.938	
Computers	<u>50.582</u>		<u>40.205</u>	
		81.381		84.143
<b>Financial fixed assets (B2)</b>				
Subsidiary		1		1
<b>CURRENT ASSETS</b>				
<b>Receivables (B3)</b>				
Debtors	190.474		140.363	
Taxes (VAT)	39.756		41.490	
Subsidies and contributions	44.201		15.874	
Other receivables	<u>1.320.412</u>		<u>1.234.194</u>	
		1.594.843		1.431.921
<b>Liquid assets (B4)</b>				
		1.807.976		2.261.101
		<u>3.484.201</u>		<u>3.777.166</u>
<b>EQUITY</b>				
<b>Reserves (B5)</b>				
Continuity	863.169		863.169	
Future-proofing	<u>132.684</u>		<u>33.031</u>	
		995.853		896.200
<b>LIABILITIES</b>				
<b>Current liabilities (B6)</b>				
Creditors	158.713		144.755	
Subsidies received in advance	1.923.870		2.266.542	
Taxes	55.295		96.394	
Accruals and deferred income	<u>350.470</u>		<u>373.275</u>	
		2.488.348		2.880.966
		<u>3.484.201</u>		<u>3.777.166</u>

## Statement of Income and Expenditure 2023

<b>INCOME</b>		Budget	Actual	Actual
		2023	2023	2022
		€	€	€
Contributions member companies	(S1)	1.750.000	1.800.680	1.570.391
Subsidies	(S2)	4.732.000	4.329.592	4.026.851
Subsidies received for consortium partners	(S3)	4.733.953	4.326.775	3.550.257
Services on behalf of member companies	(S4)	460.000	568.808	566.162
Other income		25.000	64.838	39.330
<b>Total income</b>		<b>11.700.953</b>	<b>11.090.693</b>	<b>9.752.991</b>
<i>Total income excluding consortium members</i>		<i>6.967.000</i>	<i>6.763.918</i>	<i>6.202.734</i>
<b>EXPENDITURE</b>				
Personnel costs	(S5)	4.352.000	4.125.379	3.847.929
Office and administration costs	(S6)	364.000	377.934	366.702
Depreciation	(S7)	25.000	24.775	32.316
<b>Total organisational costs</b>		<b>4.741.000</b>	<b>4.528.088</b>	<b>4.246.947</b>
Consortium coordination costs		357.015	271.936	156.736
Multi-stakeholder structures		257.099	202.177	141.001
Brand progress and accountability		40.000	62.235	31.275
Industry Alignment		90.038	172.929	125.662
Research and Innovation		200.492	158.325	138.896
Industry Learning & Outreach		289.483	238.857	237.321
Tools and Guidance for Prevention and remediation		281.369	276.675	239.689
Information as input for HRDD and monitoring		148.875	136.155	234.480
Lobby & Advocacy Market countries & International		75.500	80.327	251.686
Fair Wear and Consortium Learning		66.129	36.203	9.375
<b>Total costs programme implementation</b>	<b>(S8)</b>	<b>1.806.000</b>	<b>1.635.819</b>	<b>1.566.121</b>
<b>Cost of services on behalf of member companies</b>	<b>(S9)</b>	<b>420.000</b>	<b>519.278</b>	<b>518.518</b>
<b>Subsidies transferred to consortium members</b>	<b>(S10)</b>	<b>4.733.953</b>	<b>4.326.775</b>	<b>3.550.257</b>
<b>Total expenditure</b>		<b>11.700.953</b>	<b>11.009.960</b>	<b>9.881.843</b>
<i>Total expenditures excluding consortium members</i>		<i>6.967.000</i>	<i>6.683.185</i>	<i>6.331.586</i>
<b>OPERATING RESULT</b>				
		-	80.733	-128.852
Interest		-	18.920	-463
<b>RESULT</b>		<b>-</b>	<b>99.653</b>	<b>-129.315</b>
<b>Appropriation of the balance of income and expenses</b>				
Allocation to the reserve Future-proofing		-	99.653	-79.890
Allocation to the continuity reserve		-	-	-49.425

## Cash flow statement 2023

	2023		2022	
	€	€	€	€
<b>CASH FLOW FROM OPERATIONS</b>				
Operational result		80.733		-128.852
<i>Adjustments for:</i>				
Depreciation		24.775		32.316
Mutation current receivables	-162.922		30.751	
Mutation current liabilities	-392.618		620.835	
		-555.540		651.586
		-450.032		555.050
Interest		18.920		-463
		-431.112		554.587
<b>CASH FLOW FROM INVESTMENTS</b>				
Investments in tangible fixed assets	-22.013		-84.945	
		-22.013		-84.945
<b>CASH FLOW</b>				
		-453.125		469.642
Cash as of December 31		1.807.976		2.261.101
Cash as of January 1		2.261.101		1.791.459
Mutation liquid assets		-453.125		469.642

# Accounting principles

## GENERAL ACCOUNTING PRINCIPLES

### Introduction

The financial statements have been prepared in accordance with the 'Guideline for Non-Profit Organisations' [DAS 640], as published under the responsibility of the Dutch Accounting Standards Board. The accounting principles proceed from measurement at nominal value, unless a different principle is stated. The reporting period comprises the financial year from 1 January up to and including 31 December 2023, the comparative figures relate to the year 2022.

The income and expense items are attributed to the period to which they relate, based on historical cost. Losses are recognised as soon as they are identified. Income is recognised when it is realised.

### Foreign currencies

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the rate of exchange ruling at the balance sheet date.

### Budget

The budget 2023 is the updated budget approved by the Board.

## ACCOUNTING PRINCIPLES FOR THE BALANCE SHEET

### Tangible fixed assets

Tangible fixed assets are stated at historical cost less straight-line depreciation over the expected useful life of the asset concerned. The depreciation for inventory is 20% and for computers is 25% (was 33% before 2023).

### Financial fixed assets

Financial fixed assets are stated at cost.

### Receivables

Receivables are stated at face value. A provision for bad debts is made. This provision is determined by individual assessment of the receivables.

### Cash and cash equivalents

Cash and cash equivalents are stated at face value. Cash and cash equivalents denominated in foreign currency are translated into euros at the rates of exchange ruling at the balance sheet date. Any exchange differences are taken to the statement of income and expenditure.

### Continuity reserve

This reserve is meant to guarantee the organisation's continuity, to cover risks and provide working capital.

### Appropriated reserves

The appropriated reserves are earmarked by the Board.

### Breakdown of current programme- and projects end of year position

Programmes are multi-annual and some are implemented within a consortium. In order to provide insight in the end of year position, the balance positions related the current projects and programmes are presented as 'grants to be received' and 'grants received in advance'. The balances between the advance payments and the reported expenditure of consortium members are presented separately in the balance sheet as well. All positions are presented under B3 Receivables and B6 Current liabilities.

## **PRINCIPLES FOR THE DETERMINATION OF THE RESULT**

### **General**

The balance (result) is defined as the difference between total income and total expenditure. The revenues are accounted for in the year in which they are realised; expenses are accounted for as soon as they are foreseeable. Income that is received in the form of services is valued at fair value.

### **Government subsidies and other grants**

Subsidies from governments and others that are received to carry out projects or programmes, have been accounted for separately in the income statement. Operating grants are accounted for as income in the statement of income and expenditure in the year in which the subsidised costs are incurred or revenues foregone, or when a subsidised operating deficit occurs.

Fair Wear is lead agent in the programme financed by the Ministry of Foreign Affairs and the RVO grant. Because Fair Wear has a responsibility as a lead agent regarding the subsidy provided to the Consortium members, according to DAS 640 Fair Wear is required to include income and expenditures related to consortium members in the Statement of Income and Expenditure. As costs and revenue are equal on balance there is no influence on result or equity in any given year.

The recognition of expenditure incurred by consortium members in our Statement of Income and Expenditure is based on (audited) expenditure reports provided to us as lead of the consortium. The grant income recognition of the grant is based on the expenditure reported as well.

### **Regular remuneration**

Wages, salaries and social security charges are recognised in the statement of income and expenditure according to the conditions of employment as and when payable to employees.

### **Pensions**

Fair Wear has a career-average pension scheme. The contributions related to accumulated pension rights paid to the pension scheme provider are accounted for in the statement of income and expenditure for the year. Fair Wear has no other obligation than to pay the yearly pension premium to the pension insurer and there are no other financial risks besides future increases in premiums.

### **Explanation of cash flow statement**

The cash flow statement was drawn up in accordance with the indirect method. The financial resources in the cash flow statement consist of the liquid assets.

# NOTES TO THE BALANCE SHEET

## FIXED ASSETS

### B1 Tangible fixed assets

	<u>Inventory</u>	<u>Computer</u>	<u>Total</u>
	€	€	€
<b>January 1, 2023</b>			
Purchase value	178.111	75.452	253.563
Accumulated depreciation	<u>-134.173</u>	<u>-35.247</u>	<u>-169.420</u>
	<b>43.938</b>	<b>40.205</b>	<b>84.143</b>
<b>Changes 2023</b>			
Investments	-	22.012	22.012
Fully amortized purchase value	-	-	-
Fully amortized accumulated depreciation	-	-	-
Depreciation	<u>-13.139</u>	<u>-11.636</u>	<u>-24.775</u>
	<b>-13.139</b>	<b>10.376</b>	<b>-2.763</b>
<b>December 31, 2023</b>			
Purchase value	178.111	97.464	275.575
Accumulated depreciation	<u>-147.312</u>	<u>-46.883</u>	<u>-194.195</u>
	<b>30.799</b>	<b>50.581</b>	<b>81.380</b>
Depreciation percentages	20%	20% (was 33% before 2023)	

### B2 Financial fixed assets

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
	€	€
Subsidiary (FWF Global Services B.V. in Amsterdam)	<u>1</u>	<u>1</u>

Fair Wear registered a wholly owned subsidiary in 2018, (private company) to support the implementation of our objectives in certain countries. This entity is governed by the foundation and all expenses and income are transferred to the profit and loss account of the foundation without mark-up. The asset is valued against cost value. The reserves under the equity of the organization amount to € 10,330 as of 31 December 2023 (in 2022: € 10.330) to prove sustainability.

## CURRENT ASSETS

### B3 Receivables

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
	€	€
<i>Debtors</i>		
Nominal value	191.827	150.561
Less: provision doubtful debts	<u>-1.353</u>	<u>-10.198</u>
	<b>190.474</b>	<b>140.363</b>
<i>Taxes</i>		
Value added tax	<u>39.756</u>	<u>41.490</u>

## CURRENT ASSETS

	Dec 31, 2023	Dec 31, 2022
	€	€
<i>Subsidies and contributions</i>		
Laudes	20.000	15.874
RVO	18.930	-
BFA	5.271	-
	<u>44.201</u>	<u>15.874</u>
<i>Other receivables</i>		
Deposits World Fashion Centre	19.876	19.876
Services to be invoiced	74.085	64.840
Prepaid expenses	52.383	40.474
RC FWF Global services BV	8.284	22.168
Pension premiums	23.029	5.558
Advances consortium members	1.124.287	1.070.615
Other receivables	18.467	10.663
	<u>1.320.411</u>	<u>1.234.194</u>

### B4 Liquid assets

ABN AMRO Bank N.V., current account	504.079	1.897.527
ASN, current account	24.029	363.574
ABN AMRO Bank N.V., deposit enddate 29-01-2024, 2,88%	1.000.000	-
ABN AMRO Bank N.V., savings account	279.868	-
	<u>1.807.976</u>	<u>2.261.101</u>

## EQUITY

### B5 Reserves

	2023	2022
<i>Continuity reserve</i>		
Balance as per January 1	863.169	912.594
Result	-	-49.425
Balance as per December 31	<u>863.169</u>	<u>863.169</u>
<i>Future-proofing</i>		
Balance as per January 1	33.031	112.921
Result	99.653	-79.890
Balance as per December 31	<u>132.684</u>	<u>33.031</u>

The total **continuity reserve** at the end of 2023 amounts to € 863.169 which covers 3-4 months of the fixed organisational costs. No profit is realised on earmarked subsidies.

The **reserve for Future-proofing** (renamed from last year reserve for Business and Service development) is formed for the following purpose. Over the years, Fair Wear Foundation has developed a line of services to assist members in the performance of their responsibilities. From the point of view of the organisation's goals, these services play an important role and they are continuously improved for that purpose. And finally, business development including fundraising remains a related challenge that needs dedicated expertise and capacity. During the coming years, this reserve will be used to help the organisation strengthen its financial and

## LIABILITIES

### B6 Current liabilities

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
	€	€
<i>Subsidies received in advance</i>		
Ministry of Foreign Affairs, Strategic Partnership	1.724.563	2.021.845
BFA	-	2.644
ASN	73.605	84.126
RVO	-	22.837
Industry initiatives	91.098	25.000
GIZ	<u>34.604</u>	<u>110.090</u>
	<u><b>1.923.870</b></u>	<u><b>2.266.542</b></u>
 <i>Tax and social security</i>		
Social premiums and wage tax	<u>55.295</u>	<u>96.394</u>
	<u><b>55.295</b></u>	<u><b>96.394</b></u>
 <i>Accruals and deferred income</i>		
Holiday allowance	81.431	114.625
Accumulated days off	182.415	186.458
Payables to consortium members	29.041	30.606
Other payables	<u>57.583</u>	<u>41.586</u>
	<u><b>350.470</b></u>	<u><b>373.275</b></u>

## OTHER FINANCIAL LIABILITIES

In 2021 the foundation extended the rental contract for a period of almost 3 years from 1 October 2022 until 30 September 2025. The remaining obligation until the end of the contract period amounts to € 155.000. For 2024, the yearly costs for rent and service amount to € 87.000. The current amount on other contracted purchase agreements on 31 december 2023 amount to approximately € 232,000.

# NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

<b>INCOME</b>	Budget	Actual	Actual
	2023	2023	2022
	€	€	€
<b>S1 Contribution member companies</b>			
Contributions member companies	<u>1.750.000</u>	<u>1.800.680</u>	<u>1.570.391</u>
<b>S2 Subsidies</b>			
Fastenopfer & Max Havelaar Switzerland	9.000	10.244	10.067
Ministry of Foreign Affairs, STITCH 2021-2025	3.954.000	3.667.583	3.406.106
GIZ	506.000	319.300	220.561
ASN/Laudes	111.000	109.883	256.912
RVO	31.000	89.071	104.059
Industry initiatives	91.000	94.593	-
BFA	30.000	38.918	29.146
	<u>4.732.000</u>	<u>4.329.592</u>	<u>4.026.851</u>
<b>S3 Subsidies received for consortium partners</b>			
Ministry of Foreign Affairs, STITCH 2021-2025	4.733.953	4.326.775	3.313.822
RVO Child Labour	-	-	236.435
	<u>4.733.953</u>	<u>4.326.775</u>	<u>3.550.257</u>
<b>S4 Services on behalf of member companies</b>			
Factory assessments	380.000	424.169	438.352
WEP training services	80.000	144.639	127.810
	<u>460.000</u>	<u>568.808</u>	<u>566.162</u>
<b>EXPENDITURE</b>			
<b>S5 Personnel costs</b>			
Salaries	2.701.045	2.571.537	2.345.862
Social security premiums	476.839	479.427	438.575
Sickness insurance premiums	60.000	75.915	59.123
Pension costs	330.080	254.679	284.377
Hired staff production countries	627.164	628.143	568.496
Hired consultants headquarters	-	-	48.399
Training and education costs	78.000	90.263	48.719
Other personnel costs	78.872	66.994	70.890
Sickness insurance claims	-	-41.579	-16.512
	<u>4.352.000</u>	<u>4.125.379</u>	<u>3.847.929</u>

On a full time basis FWF employed in 2023 an average of 41 FTE in the Netherlands and 2,5 FTE outside the Netherlands (2022: 39 and 3). Members of the board of Fair Wear Foundation do not receive any salary nor allowance. In total around 13 FTE (2022: 11) decentralized staff is hired and accounted for under the costs of Hired staff.

### WNT notification remunerations Executive Director amounts x € 1

Name	A.R. Kohnstamm	A.R. Kohnstamm
Job title(s)	Executive Director	Executive Director
Period:	2023	2022
Scope employment (in fte)	1	1
Remuneration	111.017	108.929
Pension premiums	19.275	18.520
<b>Total</b>	<b>130.292</b>	<b>€ 127.449</b>
Individual maximum	205.000	199.000

\*WNT = Wet Normering Topinkomens; Dutch legislation on the criteria for incomes of management/directors

### Composition Board including functions and terms

<b>Mark Held</b>	Chairperson	Other members:	<b>Femke den Hartog</b>	<b>Frank Zach</b>
<b>Catalene Passchier</b>	Vice chairperson		<b>Gopinath Parakuni</b>	<b>Dominique Muller</b>
<b>Stefan Rosenkranz</b>	Treasurer		<b>Patric Hanselman</b>	

Fair Wear is an independent not-for-profit foundation. Independence is guaranteed by a tripartite (multi-stakeholder) board, in which industry associations, trade unions and (labour) NGOs are equally represented. The board represents three types of stakeholder organisations, with an independent chair. Members of the board of Fair Wear Foundation do not receive any salary nor allowance. Board members are reimbursed for expenses, incurred, including expenses for travel and stay. The total cost in 2023 amounted to EUR 11.812 (2022: EUR 5,015).

	Budget	Actual	Actual
	2023	2023	2022
	€	€	€
<b>S6 Office and administration costs</b>			
ICT and website costs	145.500	162.992	150.462
Office rent and housing costs	99.942	99.680	92.922
Administrative and audit costs	48.450	44.034	40.991
Organisational costs	37.108	33.777	34.710
Communication costs	13.000	16.638	15.522
Provision bad debts	-	-	1.719
Bank charges and exchange rate differences	20.000	20.813	30.376
	<b>364.000</b>	<b>377.934</b>	<b>366.702</b>
<b>S7 Depreciation</b>			
Inventory	10.000	13.139	13.265
Computer	15.000	11.636	19.051
	<b>25.000</b>	<b>24.775</b>	<b>32.316</b>

## S8 Costs implementation objectives

	Budget	Actual	Actual
	2023	2023	2022
	€	€	€
<b>Consortium coordination costs</b>			
Programme management STITCH 2021-2025	107.000	95.094	60.879
Alignment on key topics across the consortium	103.265	65.907	30.812
Planning, monitoring, evaluation and learning	146.750	110.935	65.045
	<b>357.015</b>	<b>271.936</b>	<b>156.736</b>
<b>Multi-stakeholder structures</b>			
Social dialogue and supplier engagement	50.000	37.239	71.547
Production Country Stakeholder Management	35.000	15.075	-
In country meetings in structures	45.833	26.428	17.334
Regional alignment and exchange	17.016	3.000	43.696
Prototype FW's role in multi-stakeholder setting	109.250	120.435	8.425
	<b>257.099</b>	<b>202.177</b>	<b>141.001</b>
<b>Brand progress and accountability</b>			
Performance Benchmarking	20.000	12.314	14.221
Development tools and support	15.000	43.545	7.099
Communication results and progress	5.000	6.376	9.955
	<b>40.000</b>	<b>62.235</b>	<b>31.275</b>
<b>Industry Alignment</b>			
The Industry We Want (TIWW)	74.588	119.352	70.885
Communication	6.450	2.142	6.276
Building partnerships with MSIs and RBCps	9.000	11.435	8.048
OECD alignment assessment	-	40.000	40.453
	<b>90.038</b>	<b>172.929</b>	<b>125.662</b>
<b>Research and Innovation</b>			
Dashboard development HRDD	143.704	102.012	138.896
Improving due diligence in the Turkish garment sector	56.788	56.313	-
	<b>200.492</b>	<b>158.325</b>	<b>138.896</b>
<b>Industry Learning &amp; Outreach</b>			
Member guidance on SD, gender and TU	27.000	22.462	50.885
Member learning	75.100	58.710	29.036
Project CFRPP Learning and implementation Community	87.383	75.309	2.201
Database development	-	-	48.996
Campaigns industry	30.000	27.375	24.052
Member day	50.000	44.001	56.908
Development membership services	20.000	11.000	25.242
	<b>289.483</b>	<b>238.857</b>	<b>237.321</b>
<b>Tools and Guidance for Prevention and remediation</b>			
Grievance mechanism	121.700	78.531	90.609
Implement workplace training	80.088	75.828	39.772
Other costs in production countries	79.581	122.316	109.307
	<b>281.369</b>	<b>276.675</b>	<b>239.689</b>

## S8 Costs implementation objectives

	Budget	Actual	Actual
	2023	2023	2022
	€	€	€
<b>Information as input for HRDD and monitoring</b>			
Factory assessments	80.000	74.180	170.253
Country studies	20.000	1.145	31.899
Improvement assesment process	40.000	41.523	22.370
Other costs	8.875	19.307	9.959
	<b>148.875</b>	<b>136.155</b>	<b>234.480</b>
<b>Lobby &amp; Advocacy Market countries &amp; International</b>			
Communication costs	40.000	48.845	40.715
Sub grants	-	-	99.674
ECl project management	4.000	4.000	57.112
Development L&A Strategy and activities	31.500	27.482	54.185
	<b>75.500</b>	<b>80.327</b>	<b>251.686</b>
<b>Fair Wear and Consortium Learning</b>			
Develop the expertise and ensure alignment on key topics	54.185	29.382	9.375
Regional alignment and exchange	11.944	6.821	-
	<b>66.129</b>	<b>36.203</b>	<b>9.375</b>

## S9 Cost of services on behalf of member companies

Costs factory assessments	340.000	375.979	398.846
Costs workplace training services	80.000	143.299	119.672
	<b>420.000</b>	<b>519.278</b>	<b>518.518</b>

## S10 Subsidies transferred to consortium partners

Ministry of Foreign Affairs, STITCH 2021-2025	4.733.953	4.326.775	3.313.822
RVO Child Labour	-	-	236.435
	<b>4.733.953</b>	<b>4.326.775</b>	<b>3.550.257</b>

## Other information

### Events after the balance sheet date

During the period between the balance sheet date and the approval of the financial statements by the Board no events occurred that would change the situation indicated on the balance sheet date.

### Approval and adoption of the financial statements

The annual report and the accompanying financial statements were adopted by the Board on X July 2024.

### Appropriation of the result

The board approved the proposal to rename the reserve for Business and Service Development to the reserve Future-proofing and to add the result € 99,653 to this reserve.

	Budget
	2024
	€
<b>Budget 2024</b>	
<b>INCOME</b>	
Contributions member companies	1.800.000
Subsidies	4.424.500
Subsidies received for consortium partners	4.514.806
Services on behalf of member companies	500.000
Other income	100.000
<b>Total income</b>	<b>11.339.306</b>
<i>Total income excluding consortium members</i>	<i>6.824.500</i>
<b>EXPENDITURE</b>	
Personnel costs	4.272.000
Office and administration costs	375.000
Depreciation	25.000
<b>Total organisational costs and costs related to objectives</b>	<b>4.672.000</b>
<i>Total costs implementation objectives</i>	<i>1.712.500</i>
<i>Total project expenses consortium members</i>	<i>4.514.806</i>
<i>Total expenditure member services</i>	<i>440.000</i>
<b>Total expenditure</b>	<b>11.339.306</b>
<i>Total expenditures excluding consortium members</i>	
<b>OPERATING RESULT</b>	-

## INDEPENDENT AUDITOR'S REPORT

To: the management of Stichting Fair Wear Foundation.

### A. Report on the audit of the financial statements 2023 included in the annual report.

#### Our opinion

We have audited the financial statements 2023 of Stichting Fair Wear Foundation based in AMSTERDAM, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Fair Wear Foundation at 31 December 2023 and of its result for 2023 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board) and the 2023 Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenditure for 2023; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Audit Protocol WNT 2023. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Fair Wear Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Compliance with rule against overlapping pursuant to the WNT not audited**

In accordance with the 2023 Audit Protocol under the Standards for Remuneration Act (“WNT”), we have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(n/o) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT, and whether the explanation required in this context is correct and complete.

**B. Report on the other information included in the annual report.**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of the Management Board's report, the Other information and the annex 'Projects and grants in 2023'.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management Board's report in accordance with Guideline for annual reporting 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations').

**C. Description of responsibilities regarding the financial statements**

**Responsibilities of the management for the financial statements.**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations') and the 2023 Policy rules implementation of the Standards for Remuneration Act (WNT). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

**Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing and the Audit Protocol WNT 2023, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 11 July 2024

Dubois & Co. Registeraccountants

A.P. Buteijn RA

A. Koek RA

# Projects and grants in 2023

## DONOR: FASTENAKTION

### Institutional support

In 2007, Fair Wear started a formal cooperation with ISCOM, a Swiss collaboration of NGOs with a similar goal to Fair Wear. This cooperation resulted in several Swiss companies joining Fair Wear Foundation as well as an increase in Fair Wear brand awareness in Switzerland and a Swiss NGO being appointed to the Fair Wear Board. As a result, Fastenaktion chose to financially support the work of Fair Wear on an institutional basis. Since 2017 Fastenaktion subsidised Fair Wear to the amount of CHF 10,000 annually. The final year is 2023.

	Advances received	Total project costs
2021	9.154	9.154
2022	10.067	10.067
2023	10.244	10.244

## DONOR: BROT FÜR ALLE

### Connecting Fair Wear's WEP to the HRDD approach 2022-2023

In November 2021 Fair Wear entered into an agreement with Brot für Alle and received financial contribution to transform the current WEP basic module into an onboarding training that is accompanied by online tools easily available for factory staff and workers.

Brot für Alle supported the project with a total amount of CHF 65,000; which was expected to amount € 60.000. In the 2022 and 2023 the exchange rate gain, amounted to € 8.333. This amount was also spent in the project.

	Advances received	Total project costs
2022	32.061	29.415
2023	31.002	38.918
	63.063	68.333
Disbursements to receive	-5.270	(CHF 5000)

## Dutch Ministry of Foreign Affairs

STITCH 2021-2025

From 1 January 2021, the Dutch Ministry of Foreign Affairs has supported The Strategic Partnership for garment supply chain transformation 2021-2025. This five-year effort is led by Fair Wear, Dutch trade unions Mondiaal FNV and CNV Internationaal, CDI, ETI, CIVIDEP and the Dutch Ministry of Foreign Affairs. It also includes a varied network of organisations in Europe and in eight garment-producing countries in Asia and Africa: Bangladesh, Cambodia, Ethiopia, India, Indonesia, Myanmar, Pakistan and Vietnam.

As the Sustainable Textile Initiative: Together for Change (STITCH) consortium, we envision a global garment industry that contributes to an equal and just society by respecting human rights in the world of work. The global garment industry is fragmented and complex, involving many actors across the globe, with varying levels of power and influence.

The project runs from 1 January 2021 to 31 December 2025 contributing € 37.962.063.

	Consortium members	Consortium Coordination	Fair Wear	Total
<b>Actuals:</b>				
Actual grant expenditure 2021	3.844.842	356.634	2.905.021	7.106.497
Actual grant expenditure 2022	3.313.822	378.035	3.028.071	6.719.928
Actual grant expenditure 2023	4.326.775	761.883	2.905.700	7.994.358
Total actuals 2021 and 2022	<b>11.485.439</b>	<b>1.496.552</b>	<b>8.838.792</b>	<b>21.820.783</b>
Budget 2021-2025	20.848.226	2.951.774	14.162.063	37.962.063
<i>Utilized</i>	55%	51%	62%	57%
<b>Disbursements:</b>				
2021	4.367.390	629.900	2.973.602	7.970.892
2022	3.763.500	444.391	3.669.487	7.877.378
2023	4.351.406	528.000	2.805.025	7.684.431
Accrued interest 2023	-	-	12.645	12.645
<b>Total</b>	<b>12.482.296</b>	<b>1.602.291</b>	<b>9.460.759</b>	<b>23.545.346</b>
Disbursements received in advance	<b>-1.724.563</b>			

## DONOR: ASN/Laudes

### Cooperation on living wage implementation

In 2021 Laudes Foundation, Fair Wear Foundation and ASN Bank started to cooperate on Living Wages in the garment industry.

The overall goal of the ECI for Living Wages in the Garment Sector is to develop a proposition towards EU binding regulation on a living wage for workers in the global garment and footwear supply chain, with additional support and expertise as required.

Project total expected	245.000 (of which 130.000 for Fashion Revolution)			
	Advances received	Total project costs	Fashion revolution	remaining grant
2021	75.000	44.000	50.000	151.000
2022	150.000	47.200	99.674	4.126
2023	-	4.126	-	-
<b>Total</b>	<b>225.000</b>	<b>95.326</b>	<b>149.674</b>	<b>-</b>
Disbursements	<hr/>			
To receive	<hr/> 20.000 <hr/>			

## DONOR: ASN

### Cooperation on living wage implementation 2018-2025

In 2018 Fair Wear Foundation and ASN Bank started to cooperate on Living Wages in the garment industry. The support of ASN varies with the savings on specific ASN accounts (Idealsparen), and also with the quantity and amounts of/on ASN creditcards.

Grant expected 2021-2024	484.000		
	Advances received	Total project costs	Potential remaining grant
remaining balance 31-12-2020	62.674		
2021	161.398	157.156	66.916
2022	127.248	110.038	84.126
2023	95.236	105.757	73.605
<b>Total</b>	<b>446.556</b>	<b>372.951</b>	
Disbursements	<hr/>		
received in advance	<hr/> 73.605 <hr/>		

## DONOR: GIZ

### Promotion of multi-stakeholder projects for sustainable textile supply chains

Operationalization of Access to Remedy and Living Wage Practices with Cross Comparison of Contexts. The subsidy amounts to € 122.096,49 for 1 September 2021 until 31 Maart 2023.

	Advances received	Total project costs
2021	47.629	9.737
2022	62.049	99.316
2023	-	9.413
<b>Total</b>	<b>109.678</b>	<b>118.466</b>
Disbursements		
to receive	<b>-8.788</b>	

### Strengthening local capacity in the RMG sector of Bangladesh to ensure workplaces are safe from gender based-violence and harassment

Fair Wear, with its vast experience of delivering sexual harassment training in the garment industries in Bangladesh and India, is now poised to take the WEP Violence and Harassment training to the next level. Fair Wear proposes to do the following activities with the support of GIZ in Bangladesh. The project amounts to € 199.984 for 2023 until 31 March 2024.

1. Proliferation of the Fair Wear WEP Violence and Harassment Programme by fully transferring it to local organisations.
2. Continued support of anti-harassment committees by offering regular regional trainings for external members.
3. Lobby and advocacy for policies to ensure women-friendly and harassment-free

	Advances received	Total project costs	Potential remaining grant
2022	74.456	13.221	186.763
2023	40.500	83.091	103.672
	114.956	96.312	
Disbursements			
Received in advance	<b>18.644</b>		

### Partnership proposal Fair Wear and initiative for global solidarity:

#### Industry alignment on human rights due diligence, purchasing practices and access to remedy

With this partnership we aim to contribute to a fundamental shift in the industry; from a focus on inequitable and highly ineffective factory compliance, towards a perspective of shared responsibility between brands and suppliers. The focus will be on brands taking their responsibility through human rights due diligence, including revising their purchasing practices, engaging in proper risk analysis, and providing access to remedy. This collaboration will harmonise and create more effective industry-wide alignment on key elements. A key objective is to bring existing and new collaborations together to

	Advances received	Total project costs	Potential remaining grant
2022	156.254	108.024	439.735
2023	203.314	226.796	212.939
	359.568	334.820	226.796
Disbursements			
Received in advance	<b>24.748</b>		

## DONOR: RVO

### For fair fashion: improving due diligence, wages, and equity for women in the Turkish garment sector

This project focuses on transforming the business practices of Fair Wear Foundation member brands, Dutch garment companies and project partners and 25 of their Turkish suppliers. The aim is to identify, analyse, and test specific policies and actions that garment brands and suppliers can implement to improve their due diligence and responsible business conduct around two focal areas: payment of a living wage and gender equality, with a focus on violence and harassment. The subsidy amounts to 475.000 based on total project costs € 684,915 for 1 January 2022 until 31 December 2025.

Project total	475.000		
		Total project costs	Potential remaining grant
	Advances received		
2021	73.470		
2022	73.470	76.799	398.201
2023	-	89.071	309.130
<b>Total</b>	<b>146.940</b>	<b>165.870</b>	
Disbursements to receive	<u>-18.930</u>		