

Clean Clothes Campaign Living Wage survey responses 2019 including UK brands

Please note, this PDF is ordered alphabetically in two sections, with 12 UK brands listed in the UK report first, followed by 20 brands listed in the international report. This was for ease of data handling. It is advisable to use the search function to find the brand you are looking for.

Arcadia

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

Arcadia Group

Brands owned by company: *

Burton, Dorothy Perkins, Evans, Miss Selfridge, Topman, Topshop, Wallis

Main contact person: *

Gillian Lipton

Contact email: *

gillian.lipton@arcadiagroup.co.uk

Contact phone number: *

0207 339 2846

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Arcadia supports the position that all workers in our supply chain, including piece rate, subcontracted, informal, home and migrant workers should always receive enough wages to meet their needs for nutritious food, clean water and other needs (shelter, transport etc.) as well as a discretionary income, which is now a generally well accepted definition of a living wage.

The challenge is how to measure and then implement it. Until there is a universally agreed alternative, we rely on a solid benchmark specified by an ILO Convention and that is the minimum wage set by law in the appropriate country or local industry benchmark standards.

This is a complex topic, as many other companies and organisations are finding. There are also a number of practical difficulties to agreeing and implementing a living wage. We don't own the factories that produce our merchandise so we do not employ the factory workers directly.

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network? *

*

We monitor wages through our independent third party auditing programme. Factories used by our suppliers must submit a valid independent audit before an order can be placed. These audits are carried out by some of the worlds largest international auditing companies in the local language, against Arcadia's Code of Conduct and local law.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

We monitor wages through our independent third party auditing programme. These audits are unannounced or semi-announced. If non-compliances are identified during the audit, a corrective action plan is agreed with the factory. We also review all audits internally and follow-ups may take place with the supplier in order to ensure compliance. We require all the factories we use to have a valid third party ethical audit and it is reviewed and approved before any order is placed.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

Wages are monitored through our auditing programme and all our suppliers will meet, at a minimum, national legal standards.

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

We have worked with 60% of our suppliers for over 3 years.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

In 2017 Arcadia Group worked with 688 suppliers and in 2018 this figure had reduced to 663.

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<https://s3-eu-west-1.amazonaws.com/craft-web-s3-2617/Arcadias-Suppliers-Factory-List.pdf>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

<http://arcadiafashionfootprint.co.uk/> - page 11

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

.Members of ACT recognise that many garment workers, most of whom are women, need better living and working conditions right now. But new, systematic and sustainable solutions take time. So does the building of cooperation among competing companies and with a global union federation. Trust has to be built and credible monitoring mechanisms have to be developed. At the national level in the producing countries, agreement on negotiated solutions has to be reached between employers and unions who often stem from an authoritarian, confrontational culture. Therefore at this time we are unable to specify a date by when a living wage will be paid to all workers in our supply chains.

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

ACT - Action Collaboration Transformation

Project description

ACT is a joint initiative of global brands and the Global Union Federation IndustriALL. Its goal is the payment of living wages in the garment, textile and footwear sector. This is to be achieved through national collective bargaining agreements at industry level supported by improved purchasing practices on the part of international brands.

<https://actonlivingwages.com/>

Partnerships involved

See above

Countries covered by the project

ACT is currently working in Cambodia, Myanmar and Turkey. Further envisaged countries for the ACT process are Bangladesh and Vietnam. ACT has selected these five initial countries on the basis of sizable garment production with considerable presence of ACT member brands and the potential for trade unions to engage in collective bargaining at industry level. In the coming years, ACT will engage with further garment-producing countries

Number of suppliers impacted

Timescale

Please see answer to Q.5.2

By what date will this project achieve a living wage across your supplier network?

Please see answer to Q.5.2

6.1 Continued. Opportunity to add additional project.

Project name

N/A

Project description

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

Through ACT we have supported meetings with Government representatives in Cambodia, Myanmar and Turkey. In Cambodia, the ACT brands have made a commitment that, once a national collective agreement is in place they will ensure increased sourcing until the end of 2022.

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

Through ACT we have supported meetings with Government representatives in Cambodia, Myanmar and Turkey. In Cambodia, the ACT brands have made a commitment that, once a national collective agreement is in place they will ensure increased sourcing until the end of 2022.

8.1 Our Right to Organise Guarantee enables factory management to ensure workers' Freedom of Association rights are clearly communicated and understood by all workers. This demonstrates the factory's commitment to adopting an open and positive attitude to worker organising, which forms part of our Code of Conduct.

This Guarantee has been translated into Arabic, Bangla, Hindi, Romanian, Turkish, Urdu and Vietnamese.

<https://www.arcadiagroup.co.uk/fashion-footprint/codeofconduct>

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

At the moment we do not have exact figures.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

At the moment we do not exact figures.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

We do terminate relationships with suppliers when they fail to comply with our Code of Conduct. This is done on a case by case basis.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

Turkey, China, Romania, Vietnam, India

10.2 What kind of trade partners are part of the sourcing structure?

Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

We do not own any factories.

Orders placed directly to supplier factories

This is confidential information.

Orders placed through agencies or intermediates

This is confidential information

Other (please specify)

This is confidential information

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

663

Sub contracted suppliers

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

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Google Forms

Asda

RE: Invitation to Clean Clothes Campaign wage survey 2018/19



Lisa.domoney@asda.co.uk

Thu, 17 Jan 2019 5:28:19 PM +0000

"anna@labourbehindthelabel.org" <anna@labourbehindthelabel.org>

"Indira Chauhan" <Indira.Chauhan@asda.co.uk>



TLS [Learn more](#)

Dear Anna,

Many thanks for reaching out to Asda/George to participate in your survey. Unfortunately at this time we have to decline the offer. We receive numerous survey requests on an annual basis. Whilst this remains an important topic, in order to maximise our resources, decisions to participate are based on those that align with our Responsible Sourcing strategic priorities areas of forced labour, underage labour and safety in the workplace. We wish you all the best with your report,

Regards,
Lisa

LISA DOMONEY

WALMART | Director Responsible Sourcing International Markets

+ 44 (0)1138264300 | Mobile 07969268346

Asda Stores LTD | Great Wilson Street | Leeds | LS11 5AD

From: Anna Bryher [mailto:anna@labourbehindthelabel.org]

Sent: 20 December 2018 15:24

To: Indira Chauhan

Subject: EXT: Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Indira,

I'm writing to invite Asda George to make a submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey will provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

The outcomes will be published and promoted to consumers and feature in the media across Europe. Do bear in mind that if you do not fill in the survey, a profile will be published about your company using data that is publicly available nonetheless.

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. **Please also reply to confirm that you have received this information.** I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,
Anna

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

Asos

Clean Clothes Campaign 2018/19 Wage Survey: ASOS Submission

About your company:

Company name: ASOS Plc

Brands owned by company: ASOS Brands: Design, Edition, White, 4505, Supply, Made In, and Design X. IP and Venture Brands: Reclaimed Vintage, Crooked Tongues, Noak, Heart and Dagger, and Collusion.

Main contact person: ASOS Ethical Trade Senior Manager

Name: Adil Rehman

Email: adil.rehman@asos.com

Contact phone number: +447885292919

1. Living wage commitment

1.1 Has your company published a clear commitment to ensure a LW is paid across your supplier network?

Yes

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available

Our membership with Action, Collaboration, Transformation (ACT) is a clear, public commitment to achieving living wage in our supply chain.

<https://actonlivingwages.com/>

As an ACT member we endorse that:

- A joint approach is needed where all participants in global supply chains assume their respective responsibilities in achieving freedom of association, collective bargaining and living wages.
- Agreement on a living wage should be reached through collective bargaining between employers and workers and their representatives, at industry level.
- Workers must be free and able to exercise their right to organise and bargain collectively in accordance with ILO Conventions.
- The role of purchasing practices has been recognized as essential to achieving living wages. ACT members will ensure that their respective purchasing practices facilitate the payment of a living wage.

ASOS uses the [ACT definition](#) for Living Wage:

“...the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her family, including some discretionary income. This should be earned during legal working hour limits (i.e. without overtime).”

Specifically, a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level

- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or over-time
- Includes an additional 10% of the costs for basic needs as discretionary income.

Collective bargaining at industry level means that workers within a country can negotiate their wages under the same conditions, regardless of the factory they work in, and the retailers and brands they produce for. Linking it to purchasing practices means that payment of the negotiated wage is supported and enabled by the terms of contracts with global brands and retailers.

Employers' organisations and trade unions in garment-producing countries know the conditions best and can find joint solutions to common concerns in the industry. That's why we believe wages and working conditions should be set through collective bargaining between employers and workers' organisations at country level. At the same time, manufacturers need to be sure that higher wages and better working conditions will be supported by their buyers. By working with employers, trade unions and governments in key garment producing countries, ACT brings together all relevant actors that can together enable wages to be freely negotiated and accurately meet peoples' needs.

We have also detailed our ACT membership on our PLC website:

<https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-partnerships>

We view our purchasing practices and freedom of association (FOA) workstreams as essential enablers to helping us achieve a living wage for our supply chain workers. We recognise the challenges and inefficiencies that exist for collective bargaining (CB) at factory level and transparency of payment to workers.

<https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-programme>

The [ASOS Supplier Ethical Code](#) is aligned to the 9 principles of the ETI Base Code and the International Labour Organisation (ILO) Conventions. Our code specifies, "Employee wages for a standard working week should meet or exceed national legal standards or the industry benchmark standards, whichever is higher and be at least sufficient to meet basic needs and provide some discretionary income."

1.2 How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?

As mentioned in 1.1, our work towards paying a living wage is focused through ACT. We have a commitment to follow the strategy in collaboration with other brands and work with governments, employers and trade unions, and build monitoring mechanisms which collect data in a universally consistent way. We are following the steps and guidance developed as part of the initiative to engage our suppliers and advance progress towards payment of a living wage.

Whilst this work is underway, we continue to monitor the legal compliance of payment of a minimum wage to all workers in our supply chain through risk assessment and ethical audits. We are under no illusion that there are still challenges in ensuring payment of a minimum wage at a factory level, but it is only through industry collaboration we feel sustainable change can happen.

Our work on ensuring minimum wage also includes requirements within the [ASOS Supplier Ethical Code](#). There are stipulations that employee pay should meet or exceed national legal or industry benchmark standards and should be at least sufficient to meet basic needs and provide discretionary income.

The code also covers overtime and all statutory entitlements and benefits (e.g. sick pay, pension) and ensures that this is offered fairly, paid and managed in accordance with the employment contract and complies with legislation. It also requires suppliers to ensure that all subcontractors (tier 2 and 3 factories) employed by the supplier follow the same code.

We carry out desk-based country risk assessment for all our top source regions (by volume %) and conduct regular audits to ensure our suppliers are upholding our standards:

- Gather and analyse publicly available information from IndustriALL Global Union, local union partners, NGO reports, government data and legal information
- Build in-country resource capacity (currently covering Turkey, North Africa, China, and South East Asia) to use their local knowledge to build a targeted approach and effect more progress through direct relationships with our suppliers.
- Tailor our audits and project work to the key risks identified in the relevant country. Our audit programme assesses risks at the factory level against our Supplier Ethical Code and national legislation.
- Between the Ethical Trade team, The Reassurance Network, Better Work, Elevate, and other third-party auditors, ensure all tier 1 factories are audited once a year. We also require tier 1 to 3 factories in Turkey and the UK to have an annual audit.
- All of our UK factories are audited under the Fast Forward programme, which involves other major UK retailers and aims to address UK-specific supply chain issues. <https://www.asosplc.com/site-services/case-studies/fast-forward>
- We will be increasing the number of countries where we can cover tier 2&3 audit as we grow our own local teams.
- Anti-Slavery International act as our 'critical friend' in helping to ensure that our human rights due diligence process is robust and that we are continuously reviewing and mitigating new risks in our supply chain.

We have developed a supplier scorecard where Ethical Trade and audit performance are assessed alongside commercial criteria, giving suppliers an overall 'score'. This supports the work of our Sourcing and Retail teams to select suppliers with good overall performance and enables our teams to pull together focused development criteria for suppliers.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

ASOS has made a commitment to protecting the human rights of those who work in its supply chain.

To ensure that suppliers are meeting ASOS standards and improving conditions within our supply chain we will continue to develop our own ethical trade audit methodology to support and encourage transparency as well as compliance with ASOS's [Supplier Ethical Code](#), [Child Labour Remediation and Young Worker Policy](#), and [Migrant and Contract Worker Policy](#).

We are committed to establishing and expanding our own internal audit and supplier management programme. We maintain the belief that having local staff allows us to develop an understanding of issues in our supply chain at a deeper level and effect more progress through direct relationships with our suppliers. Through our internal audit team, we are able to provide guidance and support to factories beyond producing a corrective action plan. Currently our own team members cover Turkey & North Africa, China & SE Asia. We will be building these teams to cover all our source regions.

In addition to our local teams providing an informed understanding of the local context and issues workers face, their role in the implementation of our Global Framework Agreement with IndustriALL (GFA) is vital. Our local team work closely with local trade unions and women's' rights organisations on a daily basis and it is through this building of trust and relationship we have been able to implement the GFA objectives of worker empowerment, access to remedy and enabling environment.

In addition to our local team we:

- Have a long-standing partnership with The Reassurance Network to undertake ASOS factory assessments in key sourcing regions.
- In 2018, we joined Better Work covering Cambodia and Vietnam
- Agreed work with Elevate to carry out ASOS factory assessments in South East Asia for factories not covered by Better Work.

Almost all audits are unannounced, giving us a more realistic picture of actual working conditions. We conduct semi-announced pre-assessments for potential new factories in the UK, Turkey and India.

Where issues with suppliers or factories are identified, our aim is to support factories to make improvements, rather than simply exiting the relationship. We work with the suppliers to close off the non-compliance(s) within a timeline detailed in their corrective action report. If following visits show a lack of improvement on corrective actions, we will discuss immediate steps with the suppliers.

Classification of a factory as "high risk" will result in the immediate suspension of orders until sustainable improvements have been verified by our teams on the ground.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region?

No

Please find answer to section 2 below:

If yes, please provide details.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.

We are aware that there is not an internationally accepted definition of a living wage, or methodology for calculating one. Whilst the Asia Floor Wage Campaign offers strong discussion and benchmark figures, we continue to believe that less emphasis should be placed on finding a universal formula and instead on how to ensure wages are increased sustainably through workers and employers engaging in dialogue, enabling mature systems of industrial relations to develop.

Wage bargaining at factory level is almost non-existent and places an enormous burden on unions to conduct negotiations one factory at a time. Even if a brand decides to increase the prices it pays, without collective bargaining in place there is no guarantee that the increase will reach workers. Most suppliers have multiple buyers, all of whom negotiate prices with the factory individually. Collective bargaining at industry level is the missing mechanism which will enable significant progress to be made towards living wages for garment workers.

We have signed a Memorandum of Understanding (MoU) with IndustriALL Global Union as part of the ACT initiative. The MoU is explicit in identifying the development of industry bargaining in garment producing countries as essential to achieving living wages, and the need for effective recognition of workers' rights to freedom of association and collective bargaining in order for this to be realised.

ACT aims to establish systems of industry agreements supported by brand purchasing practices as the primary means of wage-fixing in the global garment industry. By linking national industry-level collective bargaining between unions and employers to the purchasing practices of brands, this creates a framework for genuine supply chain industrial relations.

In addition to our ACT membership, our GFA with IndustriALL is a clear message of our intent to strengthen the implementation of international labour standards across ASOS' global supply chain.

The GFA between ASOS and IndustriALL recognises the role freedom of association and collective bargaining plays in developing well-functioning industrial relations which are fundamental to a living wage being paid to workers. Both parties commit to:

- the agreement of common strategies on a country-by-country basis,
- the joint development of methodologies to assess the impact of purchasing practices at the worker level of the supply chain,
- the implementation of confidential worker hotlines managed by Trade Union or industrial relations expert,
- and the linking of ASOS' gender empowerment programme with IndustriALL's worker rights training.

<https://www.asosplc.com/~media/Files/A/Asos-V2/documents/corporate-responsibility/asos-industriALL-gfa.pdf>

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?

Not currently, however as part of our membership of ACT we have developed a "tool" which we can use to enable our Retail teams to "ring fence" the labour element of our cost price. This tool will apply when any sectoral collective bargaining agreement is signed and will allow us to react to sectoral increases in Living Wage.

Please also see response below for further explanation.

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

A sustainable system would see the brand being responsible for the payment of a living wage and the buyer being responsible for making the payment of a living wage a contractual obligation, paying prices that enable the supplier to fulfil that obligation, and supporting suppliers in bearing the risk of paying higher wages for instance by providing greater stability in orders. This should not be an issue given the fact that wages make up such a small fraction of retail prices.

In order to support the goals of ACT, and to ensure that we uphold our own code, we recognise that we need to understand and isolate the wage element of the garment cost price. In doing so we will be able to protect the wage element within our negotiations. This is a key step in working towards living wage as it allows our systems to support this goal. We have commissioned an extensive and in-depth review of this in conjunction with an external consultant with over 40 years' experience in academic and practical industrial relations and cost price calculation. This is a significant step towards a living wage methodology, which can be practically implemented within our business.

We recognise as a business that to enable the payment of a living wage in our supply chain we need to also focus on improving our purchasing practices and ways of working (such as reducing sampling; introducing a system to measure and monitor cost price reductions, resulting in a significant reduction and enabling us to proactively manage to keep this

down; providing accurate forecasts) so that we are not putting any undue financial pressure on our suppliers after cost prices are confirmed.

Our Fashion With Integrity strategy, signed off by our board of directors, contains a purchasing practices workstream which we've detailed here: <https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-programme>

A core objective in this workstream is to assess our purchasing practices and develop internal training. In September 2017 we conducted an independent review of our purchasing practices within the framework of ACT, as well as our own research through surveys and interviews with internal teams and a cross section of suppliers working with specific teams. We used the review findings to inform purchasing practices training which we delivered to our Buying and Merchandising teams throughout 2018 and will continue through 2019. To date:

- 500+ assistant level across buying, merchandising and design have been trained on Brand Ambassador, covering respectful & collaborative supplier relationships and transparency in decision making
- 145+ senior level buyers, merchandisers and designers have been training on Retail Purchasing Practices Evolution, covering ACT commitments and IndustriALL, elevation of working practices, and ethical ways of working
- 500+ assistant and admin buyers and merchandisers have been training on Intro to Responsible Sourcing, covering the responsible sourcing strategy and ways of working with retail.
- 21 assistant buyers and merchandisers trained on retail calculations, covering open costings, currency fluctuations, commodity impacts, branded margin deals (currently being rolled out across all assistants)

We will be conducting a second full assessment in this framework and using the findings to set actions, which will be monitored within our governance process.

In addition to this we have been instrumental in the development of the PPA (Supplier Assessment tool) development in ACT which has been piloted and is ready to launch. It is our aim to send this PPA out to all of our suppliers to get their feedback on our purchasing practices, their feedback will then be used to develop our internal training programmes.

ACT should set the standard for improvement in this area; if a large part of the business community starts operating according to good practice, it will raise the bar, without jeopardizing the competitive edge of those moving forward more quickly than others.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers?

Yes

If so, how long are these commitments, and at what volume?

We work very closely with all our suppliers to ensure we plan volume efficiently in line with available capacity. In many cases, we commit to volume levels that can take us through many seasons and up to 2 years ahead. It is vital for ASOS and our suppliers to work closely together around commitments and volumes to enable efficiencies in production planning.

We can also demonstrate long term relationships as shown below.

Suppliers

- 40% we have worked with for over 5 years
- 61% we have worked with for over 3 years

Factories

- 27% we have worked with for over 5 years
- 48% we have worked with for over 3 years

As an ACT member, sourcing commitments to ACT countries of focus are triggered in the signing of a Collective Bargaining Agreement (CBA) (see more detail on ACT in 1.1). In Cambodia, the ACT brands have made a commitment that, once a national collective bargaining agreement is in place, we will ensure increased sourcing until the end of 2022. ACT's aim here is to build long-term relationships between brands and suppliers and so facilitate the upgrading of the industry. https://actonlivingwages.com/fact-sheet/#col_bar

The data highlights there is an ethos in the business to maintain long term relationships.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list?

Yes

If so, can you provide concrete evidence over time that shows how this is working?

In terms of supplier consolidation as of February 2017 we worked with a total of 189 suppliers. As of January 2019, we have reduced that number to 160 on a like for like basis on the same product categories.

Our total number is now 169 however between 2017 and 2019 we have added in new product categories such as sports, homewares and Face & Body.

All tier 1-3 factories must be declared to ASOS prior to production.

Tier 1: Main production sites

Example: Factory which cuts, sews, finishes ASOS Brands product and ships to ASOS

Tier 2: Process integral to production

Example: Provider of one or more processes e.g. stitching, cutting, packing, quality control, warehouses

Tier 3: Enhancements to Product

Example: Provider of one or more processes e.g. printing, dyeing, laundry, embroidery

We do not prohibit the use of subcontractors, and we recognise that subcontractors are often required in many regions due to the nature of manufacture and supply chains. That said, we do actively encourage and contractually require all our suppliers to declare all units so that we can monitor standards and drive transparency by publishing them on our PLC website.

We believe in educating suppliers and factories on the importance of controlling and monitoring subcontractors. We hold annual supplier conferences in our key sourcing regions and use this as an opportunity to encourage transparency and collaboration and build knowledge on the risks of uncontrolled subcontracting

We are also working to consolidate our supply base and in the last year have reduced the number of suppliers we source from. We continue to work towards increasing the number of shared womenswear and menswear suppliers, which will help us increase leverage when tackling any labour rights violations which may occur. We also recognise that a consolidated supply base allows us to support long-term relationships with suppliers.

3.4 Is your company doing work to limit the use of labour contractors?

Over the past few years we have carried out several in-depth investigations into the role of contractors in our supply chain, and the barrier this may pose to our ability to implement our Supplier Ethical Code.

Contract labour is endemic to the garment industry in a number of our key sourcing countries, in particular India, UK and China. It allows the responsibility for the workers' employment and welfare to be passed from factories to contractors. From their perspective, this is an effective way of avoiding legal benefit payments such as pension funds and Employee State Insurance (ESI). In addition to this, contract labourers do not receive holiday or sickness entitlements and can be hired or fired immediately.

As we have mentioned throughout this submission, we do not believe any sustainable change on the topic of living wage can be achieved without collaboration. Therefore, actions with regards to contract labour by country as follows:

India

- We are engaging with brand members of the Brand Ethics Working Group (BEWG) as well as with ETI member brands sourcing in the region to address the issues surrounding contract labour and work towards systemic change in this employment method
- We are working to develop and implement an improved assessment methodology to better understand the areas of concern in the employment of contract labour.
- We will also roll out capacity building for HR and contractors in meeting the standards required. Planned piloting of these initiatives is to take place in 2019.

UK

- In the UK, we are working towards 100% of factories using agencies to have Association of Labour Providers (ALP) audits which will provide insight into the terms of employment for workers
- ALP audits assess labour providers' compliance against the Gangmasters Licensing Standards, Agency Workers Regulations and Modern Slavery Act transparency in supply chains good practice. They provide an action plan to work with our suppliers (labour users) and their labour contractors to improve ethical standards in contract work in the UK

China

- We are undertaking a research project in China to assess whether the use of labour contractors is negatively impacting workers, including:
- A review of ASOS audit findings, with the aim of developing indices to support future monitoring and agree how auditors, ASOS and suppliers will respond to the discovery of labour contractors that are not meeting ethical standards;
- Visits to suppliers to interview employers, labour contractors and employees hired through labour contractors to explore the context and drivers of the use of labour contracting.

If so, can you provide concrete evidence over time that shows how this is working?

Please see above

4. Transparency

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network?

ASOS currently publishes a complete factory list of production units that fall within tiers 1-3 of our tier definitions (please see 3.3). This list is available on our plc site and is updated every 2 months, detailing factory name, address, division (Beauty, Apparel, Accessories, Home Textiles, Footwear) and worker demographic detail.

Mapping and scrutinising our supply chain are essential to understand where our product is produced, uphold our values and human rights, and prevent undeclared subcontracting. We are actively engaged in developing means to ensure transparency of our supply chain and traceability of products. We will continue to update this as our supply chain mapping progresses. Please also see our [Modern Slavery Statement](#) for commitments in this area.

If yes, please supply a link

<https://www.asosplc.com/corporate-responsibility/our-products/our-supply-chain>

4.2 Does your company publish information on wages currently paid to workers at your suppliers?

In our opinion, publishing individual factory audits has limited use and we believe it would be more constructive for the brands to publish by supply base and/or by country (for example, *Eastern Europe: 90% of supply base does not pay living wage*). This would allow a simple comparison between brands and highlight which brands have purchasing practices that have enabled the payment of living wage by region.

Many of the issues we identify at an initial audit are found to be unresolved in subsequent audits. Audit fatigue and audit fraud are hindering progress in many parts of the world. The traditional relationships between factory management and workers have been broken, and the responsibility for upholding labour standards has shifted from the factory to 'simply policing' by auditors.

Over the last two years we have invested an increasing amount of our resource into local capacity building activities and industry-wide initiatives such as ACT and a GFA to begin enabling sustainable change in the supply chain.

If yes, please supply a link or further information.

As a member of ACT, we believe that industry wide collective bargaining is the foundation to achieving a living wage for workers: <https://actonlivingwages.com/>

We also recognise that a living wage is dependent on many other factors aside from FOA, such as the presence of modern slavery, and our internal purchasing practices.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network?

Yes

If yes, please supply a link to where this is published.

Auditing has been central to the CSR industry for many years, however there are great shortfalls in this approach. Companies essentially required audits to manage risk, to screen new suppliers and make sure minimum labour standards were seen to be met. Importantly audits were the basis for information on working conditions in supply chains to all those involved in labour rights. However, the world of auditing is dominated by poor quality auditing, poor value for money, unnecessary duplication of audits, inconsistent corrective action plans and the worrying rapid growth in audit fraud and corruption. Whilst auditing has brought concrete benefits to workers, widespread improvements in health and safety and a reduction in working hours, this has not applied to all types of workers and certainly not in all the areas of the ETI Base Code. In reality, auditing has and continues to deliver minor surface level improvements. Ethical trade/CSR has faced some criticism as it is largely a self-regulatory process and uses ethical labels and accreditations to gain customer trust. As a result, it appears to be more of a public relations exercise rather than genuinely seeking to ensure workers' pay and conditions meet ethical standards.

We firmly believe that the most effective approach to implementing living wage in the supply chain is through long-term, collaborative efforts addressing working conditions, purchasing practices, and freedom of association and gender equality.

We remain invested in our living wage strategy, view our purchasing practices and freedom of association and gender equality strategies as enablers towards a living wage, and continue to be an active participant of ACT. We will continue to communicate our efforts to address the issues in our supply chain and the barriers to achieving our standards, but we will do so in a way that we believe fits with our customers' expectations of the ASOS brand.

ASOS living wage strategy: <https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-programme>

ACT - <https://actonlivingwages.com/>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

Through ACT we have agreed on commitments to support collective bargaining on industry level in target countries. ASOS and ACT members are in continuous dialogue with national actors in Cambodia, Myanmar, and Turkey. As part of ACT we established a global collaborative structure in conjunction with IndustriALL to improve purchasing practices and started to develop an accountability and monitoring mechanism to strengthen trust in the ACT approach.

ACT also creates country groups consisting of local brand representatives, employers' and workers' organisations and suppliers of brand members.

ACT will build on this initial groundwork and continue consultations and facilitate a negotiation process with national stakeholders in target countries through technical expertise and capacity building for national negotiation teams. Together with the national constituencies ACT will develop a capacity building programme to enable the national actors to monitor the collective bargaining agreement. Through our active participation in ACT we have undertaken a number of major steps towards implementing this approach and we hope to see the first collective bargaining agreement at industry level signed this year, resulting in better wages for workers.

6. Living Wage Projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

We take a top-down, bottom-up approach to addressing living wage in our supply chain.

- We have signed a Global Framework Agreement with IndustriALL. As part of this, we have committed to developing a methodology to periodically assess the impact of our purchasing practices at the worker level of our supply chain.
- We recognise that workers' right to organise and bargain collectively is the foundation for the realisation of other labour rights, such as living wage.

- We are members of the ACT initiative, along with other key global brands. Through our participation in ACT, we have signed an MoU with IndustriALL, committing us to work with other key stakeholders in the garment industry to improve wages in key sourcing regions through collective bargaining.
- To review our purchasing practices internally, we conducted surveys with our buying and merchandising teams and benchmarked that against feedback from our suppliers. We used the findings of these surveys to inform purchasing practices training which we delivered to our senior Buying and Merchandising teams throughout 2018
- Through ACT we have also committed to sourcing and buying commitments in Cambodia, to December 2022. ACT seeks to expand this approach to other sourcing regions in the future, such as Turkey.

We recognise living wage as a salient issue and have put in place formal processes to address it. This has been recognised through our achievement of ‘maturing’ status under the assessment process with Platform for Living Wage Financials. PLWF is an alliance of eight Dutch financial institutions that assess investee companies against a robust living wage assessment methodology. In achieving ‘maturing’ status, we’ve been acknowledged for recognising the payment of a living wage as a salient issue, putting in place formal processes to address it, and displaying evidence of improvement in high-risk areas. <https://www.livingwage.nl/platform-living-wage-financials/>

Through our Global Framework Agreement with IndustriALL, we have relationships with local IndustriALL affiliates in specific regions, this enables us to work with trade unions at both the global and local levels to overcome key barriers workers face to negotiate and obtain a living wage. Our GFA describes this and our implementation plan in further detail: <https://www.asosplc.com/~media/Files/A/Asos-V2/documents/corporate-responsibility/asos-industriALL-gfa.pdf>

Detail on our GFA also here: <https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-partnerships>

Detail on our Ethical Trade Programme under Freedom of Association and Gender Equality: <https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-programme>

By what date will this project achieve a living wage across your supplier network?

Option to add an additional project

As 6.1 above

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

None

Please also see 4.2.

We believe that the delivery of a living wage is only achievable through collective approaches such as ACT, in conjunction with international and national trade unions. A key pillar of the ACT initiative is the reform of brands' purchasing practices and this is crucial to move from individual factory approaches to sustainable, scalable sector-wide change.

We see collaboration as key to making progress here and remain invested in ACT and our GFA implementation. We engage with local organisations who have been fighting for human rights for many years as they are best placed to ensure our interventions are appropriate. Most of the development sector is ruled by annual reports and three-year project cycles, which is very different from the time needed to see transformative change. Actions can be detrimental when organisations intervene from the outside (albeit with the best intentions) if not discussed and led by local activists. Stakeholder credibility is extremely important to our work and the stakeholders we try to work with are led by local people who live in the same communities they serve. This ensures long term sustainable capacity building is supported; stakeholders will likely remain in the community, working on these issues, long after international actors have come and gone. We're aiming to create long-term, sustainable change, but as this takes significant time it is currently too early to tangibly measure impact.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases?

Yes

If yes, please supply link to where this / these can be found.

- As signatories of ACT we have publicly committed to sourcing from Cambodia at least until December 2022. The Cambodian government are active participants of ACT and are present at all council meetings.
- Through our work in Mauritius, we lobbied the Mauritian government to include language on migrant worker protection in their MoU with Bangladesh, which is currently under negotiation. This is part of our efforts to address the root causes of migrant worker exploitation.
- We also hosted an event with the British High Commission in Mauritius to bring together local and international stakeholders to discuss the challenges in managing labour migration and agree a common framework for improving worker protection in Mauritius and beyond.
- The letter to the Mauritian Labour Minister can be found here: <https://www.asosplc.com/~media/Files/A/Asos-V2/documents/corporate-responsibility/letter-to-the-mauritian-labour-minister.pdf>
- OECD: We're speaking in a panel discussion at OECD in Feb 2019 (400-500 participants from government, business, trade unions and civil society will be in the room from 40+ countries). Our key messages to the 40+ nations represented in the room are:

- Governments should avoid using the absence of unions to attract investment and create advantageous environments for retailers using low wages. Internationally, they should avoid competing to win favour from retailers' sourcing teams through a lack of human rights enforcement.
- Governments can harness the collective purchasing power of businesses to help pursue real and meaningful change in the most challenging and persistent issues in the apparel sector – poverty wages, poor purchasing practices, monitoring, impact assessment and most importantly, meaningful worker engagement.
- If we alter the narrative and work collaboratively, governments can implement change safe in the knowledge that industry will support them through investment and a commitment to respect human rights, respect labour, and respect the environment.

8. Freedom of Association

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?

In October 2017, ASOS signed a Global Framework Agreement (GFA) with IndustriALL Global Union. The GFA covers all workers employed in the manufacture of ASOS own label products globally. The agreement does not cover 3rd party brands or workers employed in the supply chain in China.

Our GFA has three core objectives with supporting activity:

- Provide workers with access to remedy
- Empower workers
- Create an enabling environment

Since signing the GFA in 2017 ASOS has designed and implemented the following:

- Implemented Turkey Workers' Hotline in partnership with IndustriALL Global Union. The hotline operates in Turkish and Arabic via an app and a direct phone line, providing information to workers about their rights and giving them access to remedy. This has been communicated to ALL workers in ASOS's Turkish supply chain Tier 1-3, Turkish suppliers and our Buying, Merchandising and Design teams.
- Worker rights handbook published in Turkish and Arabic (available printed and digitally via app)
- Worker rights training piloted in two Turkish factories and impact assessment report produced for both.
- GFA translated into Turkish and Bulgarian. This has been given to all trade unions and suppliers.
- GFA introduced to suppliers at Turkish and Eastern European supplier conference - We discuss our GFA and commitment to freedom of association at every supplier and factory conference too - we held 6 of these in our key sourcing regions in 2017-2018.
- Established a National Monitoring Committee in Turkey in November 2018 composed of IndustriALL local affiliates and ASOS, has been established to monitor the implementation of our Global Framework Agreement and workers' access to remedy through the aforementioned hotline.

ASOS's GFA agreement has been communicated to suppliers through the following:

- Every supplier conference - We discuss our GFA and commitment to freedom of association at every supplier and factory conference too - we held 6 of these in our key sourcing regions in 2017-2018. We did this in conjunction with IndustriALL.
- FOA Guidance document sent to all suppliers

Whilst it is imperative that the GFA agreement is communicated to our suppliers, it is also vitally important to build knowledge and understanding from within the business. We have therefore provided training on our GFA, freedom of association and gender equality to the ASOS Responsible Sourcing team, Legal team, CSR team, Buyers, Retail Heads of and Retail Directors in January 2019.

The improvement of pay and working conditions has occurred historically through collective bargaining between workers and employers. To this end, in addition to our work in ACT, we are building further relationships with trade unions such as IndustriALL at a global level and in country through our local teams. Regardless of whether the country's laws prohibit or inhibit the right to freedom of association and collective bargaining, ASOS as a company works to ensure that our own systems and practices do not interfere with the workers' rights to join independent unions.

ASOS is committed to respecting, protecting and championing the human rights of all those workers engaged in the worldwide production of textiles, footwear and apparel.

All suppliers are required by [ASOS's Supplier Ethical Code](#) to guarantee the right to Freedom of Association. This includes the provision that all workers should be free to join a trade union or other organisations that represent them.

8.2 Do you require suppliers to sign union access agreements?

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Whilst we do not require suppliers to sign union access agreements ASOS has clearly communicated its commitments to FOA as it is a fundamental human right.

It is also part of ASOS's Supplier Ethical Code which suppliers must sign and a provision in the ETI Base Code, of which we are a member.

8.3 Do your suppliers provide workers with paid time off for union activities?

If yes, please state how many suppliers this impacts.

Two factories with Collective Bargaining Agreements do provide - please see 9.1

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

If yes, please state how many suppliers this impacts.

Yes - two factories with CBAs do provide - please see 9.1

8.5 Do you require your suppliers to meet and bargain with duly constituted unions?

Yes

If yes, how do you verify that they are doing so?

Through the GFA ASOS has committed to ensure that suppliers adopt a positive, open and collaborative approach towards the activities of trade unions.

This is monitored, currently, through a National Monitoring Committee in Turkey however there are plans to set up an NMC in Bulgaria 2019/2020 and we will continue to expand to other key sourcing regions in the future.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions?

Yes

If yes, please explain how these suppliers are determined and how preference is given.

We have developed a supplier scorecard where Ethical Trade and audit performance are included in the overall 'score'.

This supports the work of our Sourcing and Retail teams to select suppliers with good overall performance and enables our teams to pull together focused development criteria for suppliers.

This includes an assessment across several categories based on both commercial and ethical criteria of each supplier, giving them an overall 'score'.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?

Yes

As part of our commitment to the Global Framework Agreement, we have rolled out a separate hotline in Turkey in partnership with IndustriALL Global Union. The hotline operates in Turkish and Arabic via an app and a direct phone line, providing information to workers about their rights and giving them access to remedy. A monitoring committee, composed of IndustriALL local affiliates and ASOS, has been established to monitor the implementation of our Global Framework Agreement and workers' access to remedy through the hotline.

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

We have an independently operated, anonymous whistle-blowing hotline in the UK, China, India, Mauritius, Romania, Bulgaria, Vietnam, Cambodia and Italy.

All workers are given contact details of our team during audits, so they can contact us if they need to. Posters are displayed in all factories in a range of languages and our auditors hand out cards to workers during audits.

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

Please clarify your answer

Any factory found to have the following violations relating to Freedom of Association will be graded highest risk in the audit programme:

- Management interference in union access or prevents workers from signing up to unions.
- Management fires union members.
- Discrimination against union members.
- CBA not implemented in part or whole.
- No worker representative as legally required for 50+workers.

If the management does not take immediate corrective actions, in consultation with ASOS on any Red freedom of association issues then it will be regarded Red Critical.

If no action is taken any future business will be on hold or the factory will be exited.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?

Yes

At ASOS, for a number of years, we have been working to develop programmes which aim to establish an effective alternative to auditing and improve the understanding and impact of effective Supply Chain CSR, by placing responsibility for code compliance back in the workplace.

Mature industrial relations are dependent on workers being able to associate freely and join together through a trade union if it is their wish, and elect representatives to engage in

negotiation and bargaining with their employer. We are well aware of our role but also that some responsibilities to make this happen lie elsewhere – for example the requirement of stronger labour legislation better enforced by governments, a commitment from employers to share the benefits of production and a newly energized and engaged trade union movement which is willing and capable to engage fully on behalf of their members and build membership, hone their representation skills and actively involve all their members in the democratic life of the union.

However, we understand all too well that this move away from compliance auditing poses substantial challenges for assurance, and as we have experienced will require significant work and trust to be developed. The programmes / collaborations we have undertaken through ACT and our GFA we hope will allow us to make meaningful impact but also the collective requirements and commitments required from brands that will bring us a step closer to delivering real change for workers.

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

2 in Turkey
1 is apparel: Santuk
1 is homeware: Zorlu

None of these are available online.

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?

No

But we expect that the ACT initiative of which we are a member will deliver a country wide CBA in Cambodia in 2019.

If yes, please give details and provide a link to the public text.

10. Further questions about your supplier base

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

ASOS sources product through a managed portfolio of factories in regions that are monitored against our ASOS Codes of Conduct. Any new sourcing regions are carefully examined before ASOS sourcing from a trusted supplier partner within those regions, rather than bringing new and unknown suppliers to the business. The below are the 9 ASOS core sourcing regions, % production share and number of factories within them:

Total ASOS Tier 1 Factories: 479

Sourcing Region	Percentage of total ASOS Production	Number of tier 1 factories
China	29.7%	147
India	17.9%	72
Romania	12.0%	63
Turkey	11.8%	39
Mauritius	10.0%	8
Bulgaria	7.1%	35
Vietnam	2.8%	16
Cambodia	1.9%	3
UK	1.8%	23

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

ASOS Suppliers are classified into 5 different categories: Vertical Direct, Direct, Full Service Vendors, Agent and Commission Agent. The ASOS Sourcing Strategy is to increase our mix of vertical and direct suppliers. Although we expect to continue to require services of Full-Service Vendors and Agents, we are actively aiming to reduce our reliance on this type of trade partner. ASOS aims to significantly reduce commission agents from its portfolio over the next few years. ASOS actively monitors the mix of these supplier types, ensuring they are appropriate to the type of product we are sourcing.

10.3 How many sites did you use to produce your goods in 2018?

In 2018, ASOS sourced from 169 suppliers, working with 479 Tier 1 factories and 575 Tier 2 & 3 factories (sub-contracted factories). ASOS suppliers can be direct, partner factories or agents. ASOS have an active programme of supplier consolidation, targeting moving to more direct business, working with a shared supply base across our departments and targeting consolidation to ensure we have greater influence in fewer factories – allowing greater impact of our strategic work.

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

ASOS’s aim (where possible) is to be < 30% of any supplier production on an annual basis (due to fluctuations in seasonal production/orders). We currently capture this information at supplier level and are working on this visibility at factory level to understand exact % production of factory’s capacity that ASOS fill. ASOS currently works with 59 (out of 169) suppliers where it makes up 25% or more of their supplier turnover, there are exceptions where we are greater than this.

Factory capacity is recorded during our ASOS ethical audits and all POs are placed at factory level. This fluctuates during the year due to the seasonal nature of our product. Matching and verifying this data at factory level is challenging and is currently a work in progress. ASOS is

working closely with our Truly Global Retail Systems team and Production Planning teams to review our capacity vs. forecast.

11. Your Feedback

11.1 Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Our Fashion with Integrity strategy contains 6 core workstreams: transparency, living wage, purchasing practices, modern slavery, freedom of association and gender equality, and audit. All of which we believe are fundamental to helping achieve living wage. In recognition that we can't do it alone, we have also collaborated with several stakeholders. Full detail on all workstreams and collaboration can be found via these links:

<https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-programme>

<https://www.asosplc.com/corporate-responsibility/our-products/ethical-trade-partnerships>

<https://www.asosplc.com/corporate-responsibility/fashion-with-integrity/stakeholder-engagement>

Boohoo

RE: boohoo - Invitation to Clean Clothes Campaign wage survey 2018/19

Tom.Kershaw@boohoo.com

Fri, 18 Jan 2019 4:05:34 PM +0000

"Anna Bryher" <anna@labourbehindthelabel.org>

"Keri Devine" <Keri.Devine@boohoo.com>, "Katie Curran" <katie.curran@boohoo.com>

 TLS [Learn more](#)

Hi Anna,

Further to your recent invitation to participate in the Clean Clothes Campaign Wage Survey, please see our substantive response below.

boohoo group is committed to operating in a manner that benefits all of its stakeholders. We recognise our duty of care to the people involved in the creation of our products. We have a zero tolerance approach to modern slavery. We are committed to acting ethically and with integrity and transparency and we accept that we have a responsibility to implement sufficient systems and controls to safeguard against any form of modern slavery and to protect the rights of workers.

boohoo group plc employees

At boohoo group plc, we are guided by our values of passion, agility, creativity and teamwork. We pride ourselves on our inclusive culture and team spirit and we believe in operating in a fair and sustainable manner. It is important for us to run our business in a way that benefits all of our stakeholders and we seek to engage with them on a regular basis.

- Our starting salaries at the Burnley distribution centre are above the National Living Wage with further increments paid after the successful completion of a probationary period. All full time employees are paid at least the National Minimum Wage regardless of their age.
- Within the business, we encourage an open and supportive culture and we value the opinions and contributions of our employees. Whilst we do not recognise an official union, our employees are entitled to join any union of their choice. In addition, employees of our suppliers are also legally entitled to join a union of their choice. We have numerous schemes and platforms to allow employees to voice concerns internally. At our warehouse, we have a 'Your Voice' scheme, which provides our employees with a platform to raise any concerns through an interchange of information and consultation process and have our own internal whistle blowing policy and is made available to all employees.

Modern slavery

boohoo group recognises that the fashion industry continues to face challenges in maintaining compliance standards and that there is a risk of modern slavery and human trafficking occurring in fashion supply chains. We have a zero tolerance approach to Modern Slavery, our statement on which is available at:

www.boohooplc.com/~media/Files/B/Boohoo/documents/statements/modern-slavery-statement-2018.pdf

Overall responsibility for implementing sufficient systems and controls to safeguard against any form of modern slavery sits with our group Joint CEOs. In relation to the stock supply chain, the Joint CEOs are supported by our Merchandising Director and in-house Sourcing and Compliance team who are responsible for ensuring suppliers are compliant with law and regulations. boohoo group's Sourcing and Compliance team work closely with other in-house compliance functions, including the internal audit, legal and company secretariat teams.

Boohoo has worked with an external auditor with a view to improve the processes and procedures of the relevant in-house compliance functions. In the last year, we have appointed a Head of Internal Audit who has a direct

reporting line into the board's Audit Committee and provides a sourcing and compliance update at each Audit Committee meeting which occurs three times annually.

Our HR teams are responsible for employee welfare across boohoo group. We continue to look at ways to improve our employment offering and the benefits we provide our colleagues. We also work closely with the agencies that supply temporary workers to understand their policies and procedures for identifying and eradicating modern slavery within their own labour supply chains. The agencies ensure that all temporary workers are recruited and supplied to the standards required by the Gangmasters and Labour Abuse Authority. The agencies that we work with are within the scope of our internal audit function who will audit to ensure their procedures to prevent modern slavery are robust.

Supply chain

We focus a significant proportion of our sourcing activity on countries where we have a physical presence to enable us to have visibility of the supply chain. Our top 4 sourcing countries (UK, China, India and Turkey) account for approximately 71% of the goods that we sell. Further, we have worked with 50% of our suppliers for 4 years or more.

We acknowledge our responsibility and duty to the people involved in the creation of our products. Key points we would make are:

- The supplier acknowledgment process requires that suppliers accept their obligations relating to all compliance issues, including paying their workers at least the country minimum wage for a standard working week and meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. This acknowledgement also asks for suppliers to ensure sub-contractors meet these requirements.
- We do not allow our buyers to order garments from suppliers at any price and give training to them on the costing of a garment.
- We have an in-house compliance team whose remit is to ensure our products are made in factories who comply with all laws and regulations relating to minimum wage and working conditions.
- Our compliance team undertakes unannounced visits to every UK supplier at least once a month to check on compliance.
- Our suppliers also undergo a third party audit conducted as a result of our membership of SEDEX, the global Supplier Ethical Data Exchange.
- We have set up an office in Leicester where members of our sourcing and compliance team are permanently located. The sourcing and compliance team are recognised and trained as qualified lead inspectors (Compliance Practitioners Initiative) and are responsible for ensuring suppliers are compliant with law and regulation and measure ongoing progress.
- We have worked with our suppliers to introduce electronic payroll systems within their operations – 90% of our suppliers based in the UK now have an electronic payroll system and a programme is in place to ensure that all suppliers operate with an electronic payroll system. This improves the transparency of payment practices giving us visibility of contracted hours, time sheets and pay slips.

- We have an external whistleblowing policy which provides a platform for suppliers and their employees to raise concerns directly to us about non-compliance. This is distributed to suppliers and is available on www.boohooplc.com/boohoo-social-responsibility/external-whistleblowing-policy.aspx so it is available to view for all and can be accessed by anyone independently.

We recognise that our supply chain is complex and goes beyond the 'first tier'. The supply chain additionally includes sub-contractors, fabric and components suppliers and raw material suppliers. We have improved traceability beyond the first tier of the supply chain and devoted significant internal resource to strengthen our work in this area. We have now developed a second tier subcontractor database as part of our drive to increasing transparency within our supply chain.

We acknowledge that there is always room for improvement, which is why last year we worked with a third party supplier who conducted an independent assessment on our supply chain policies and procedures. Using the recommendations from the process, we will continue to work towards our goal to implement best-practice in supply chain transparency, improving and refining our own policies as well as working with suppliers to support them to make their own improvements.

Union activities

We are not aware of the existence of unions within our supply chain but we ensure through our policies that our suppliers:

- Employees have the right to join or form trade unions of their own choosing and to bargain collectively;
- Adopt an open attitude towards the activities of trade unions and their organisational activities;
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace; and
- Freedom of association and the right to collective bargaining are respected

Our focus as a business has always been to build strong and transparent relationships with our suppliers and provide alternative ways to voice ideas or concerns. We do recognise that the fashion landscape is constantly evolving and as a forward thinking business, we recognise the important role of our supply base and the value that our suppliers can add through sharing knowledge and suggestions with us. We have an external and internal whistleblowing policy which is effective across the group and is also accessible by suppliers. This policy provides a platform for suppliers and employees to raise concerns with the appropriate individuals within the business.

Regards, Tom

Tom Kershaw
Head of Group Legal
07717355844

From: Anna Bryher <anna@labourbehindthelabel.org>
Sent: 15 January 2019 10:27
To: Tom Kershaw <Tom.Kershaw@boohoo.com>
Cc: Keri Devine <Keri.Devine@boohoo.com>
Subject: Re: boohoo - Invitation to Clean Clothes Campaign wage survey 2018/19

Thanks for getting back to us. We look forward to receiving your response.
Best regards,
Anna

----- On Fri, 11 Jan 2019 15:17:10 +0000 **Tom Kershaw** <Tom.Kershaw@boohoo.com> wrote -----

Hi Anna,

By way of introduction, I am Head of Legal at boohoo group plc. I have also copied Keri Devine into this email. Keri is General Counsel and Company Secretary for boohoo group plc.

I am writing to acknowledge receipt of your invitation to participate in the Clean Clothes Campaign wage survey. I confirm that the contents of the survey have been noted and that boohoo will prepare a response and give you an overview of its activities in this important area by close of play on 18 January 2019.

Regards, Tom

Tom Kershaw
Head of Group Legal
07717355844

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E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org

Join the Labour Behind the Label [Facebook](#) group | Follow us on Twitter: @labourlabel

Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK member of the Clean Clothes Campaign, a coalition of over 250 organizations worldwide.

All Labour Behind the Label staff work part-time. If you need an urgent response, you can reach me on the mobile number above.

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M&S

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

Marks & Spencer plc

Brands owned by company: *

M&S own label

Main contact person: *

Fiona Sadler

Contact email: *

fiona.sadler@marks-and-spencer.com

Contact phone number: *

07824605178

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Plan A commitments

Having achieved our original public commitment “To implement a process to ensure our clothing suppliers

are able to pay workers a fair living wage by ensuring that the cost prices we pay to our suppliers are adequate to pay a fair living wage” but realising this didn’t automatically result in factories paying a fair living wage, we publish 2 new commitments related to wages in our Plan A 2025 report:

- 1) Living Wage: “By 2025, we’ll aim for a living wage for all our direct employees as set by us and reviewed by credible stakeholders in a way that is sustainable for M&S and demonstrate how we’ve encouraged our key franchises and direct supply chains to do the same”
- 2) In work Poverty: “By 2019, we’ll carry out and publish a detailed review of our potential impact on in-work poverty and develop a programme of transformative interventions to improve livelihoods in our business and supply chains, enabling progress on our living wage commitments and demonstrating sector leadership. We’ll report annually on progress”

https://corporate.marksandspencer.com/annual-report-2018/mands_plan_a_2018.pdf

Human Rights & Modern Slavery

In addition in our Human Rights reports 2017 & 2018 and our Modern Slavery statements, we identified Living Wages as one of our 7 salient issues; and one of the 3 key focus areas of Tackling In-work poverty. In addition to the Plan A commitment above to carry out and publish a detailed review of our potential impact on in-work poverty and aiming for a living wage, for all our direct employees and encouraging our direct supply chains to do the same, we have committed that by 2020, all workers in our first-tier Clothing and Home and Food sites will have the opportunity to be paid digitally, increasing financial inclusion and reducing informal saving.

The details can be found in our Human Rights report.

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-human-rights-report-june2017.pdf>

UNGP

In May 2016, we became a signatory to the United Nations Global Compact. This corporate sustainability initiative that has defined ten principles covering human rights, the environment and ethical behaviour includes the labour provisions below:

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- The elimination of all forms of forced and compulsory labour
- The effective abolition of child labour; and
- The elimination of discrimination in respect of employment and occupation

<https://www.unglobalcompact.org/library/2>

We calculate the living wage based on food basket research. SAI's 'Extrapolated Market Basket' methodology defines a living wage as:

'A wage that is sufficient to provide food and the remaining basic needs for the worker and the average number of dependents per wage earner in an average household, with an additional 10% added on for discretionary income'.

Therefore the cost of basic needs is extrapolated from the price of a basket of essential food items based on

average household expenditure ratios.

The following formula is used to determine this wage:

Living Wage = (Basic Food Basket per Person) x (1/Fraction of Average Household Income Spent on Food) x (Household Size/Number of Wage Earners) x 1.10

We applied the Calorie Counter methodology to calculate the 'Basic Food Basket' component of the above

formula. We identified the contents of the local food basket (through interviews) and priced the contents in

the local market. To complement, add nuance and offer insights into the true lives of workers in M&S' supply chain, we also interview workers about wage levels and living conditions to gain on the ground insights.

This Calorie Counter methodology is taken from The Asia Floor Wage Alliance; a large coalition of workers' labour organisations spread across Asia, supported by trade unions, labour NGOs, anti-sweatshop movements and academics. It allows calculating a food basket that provides sufficient nutrition to every household member.

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

Our Plan A and Human Rights commitments, as public statements, are audited annually by external international auditors. Evidence and progress against each commitment is presented and verified.

In addition, every factory producing our products is audited annually by 3rd party independent audit companies against the SEDEX methodology and the ETI Base Code where one section focuses on Living Wages. These audits are done on a unannounced or semi announced basis but never announced.

Our in country local Regional Compliance Managers also visit our factories to verify wages on a regular basis. If non compliances are found during either of these visits, we work with our suppliers to examine the issues around payment of wages. This may include assessment of production planning, overtime procedures and our cost prices.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

Our Plan A and Human Rights commitments, as public statements, are audited annually by external international auditors. Evidence and progress against each commitment is presented and verified.

In addition, every factory producing our products is audited annually by 3rd party independent audit companies against the SEDEX methodology and the ETI Base Code where one section focusses on Living Wages. These audits are done on a unannounced or semi announced basis but never announced.

Our in country local Regional Compliance Managers also visit our factories to verify wages on a regular basis. If non compliances are found during either of these visits, we work with our suppliers to examine the issues around payment of wages. This may include assessment of production planning, overtime procedures and our cost prices.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

We commission an independent organisation (Impactt Ltd) to conduct living wage research on an annual basis to develop a 'wage ladder' and identify a 'living wage figure' in all of our key sourcing countries.

By having a benchmark, the labour cost can be calculated and embedded into our cost prices.

The wage ladders include figures for:

Asia Floor Wage, Income Tax Threshold, Average take home pay, Aspirational workers wages, Average salary comparators (other industries), NGO living wage calculation, TU estimate of Living Wage and Legal Minimum Wages.

The research also includes household expenditure and financial literacy levels.

The latest research was done in September 2018 covering 14 of our key sourcing countries.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

We use these benchmarks internally and as the information is used in our open costings it is commercially sensitive and cannot be made public.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

This information is not publically available

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

We continue to implement our mature open costings model and have detailed costing sheets splitting out manufacturing costs for all product categories for all suppliers, which are used in our price negotiations. This must be done in conjunction with the efficiencies of the factory to ensure fair living wages can be paid. And factories must be able to demonstrate open costings, standard minute values for products and labour costs.

One of the main tools within our buying teams and the central sourcing team is production planning. Given that we share many factories with other retailers it is vital to work with our suppliers and plan capacity. Therefore we work on 3 year internal supplier production plans and have individual 1 year production order capacity plans agreed with suppliers for the forward production.

In conjunction with our annual wage ladders produced we can verify that our cost prices are sufficient to pay fair living wages.

Due to the commercial sensitivity of this information we are not able to supply an open costing sheet. But costing sheets have been discussed with external consultants eg GSD (General Sewing data) who partnered us in our original ethical model factory programme where we devised the standard minute value element of the open costings. And Doug Miller (now at Fair Wear Foundation) who utilised our data and costings in hoe research.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

We work on 3 year internal supplier production plans and have individual 1 year production order capacity plans agreed with suppliers for the forward production.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

We do not use subcontractors. All suppliers where our purchases orders are placed and products produced are considered 1st tier. If a factory needs more capacity in additional sites these are approved and listed on our published supplier map as 1st tier suppliers. All suppliers are listed on our interactive supplier map.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

In the UK we are members of the Fast Forward initiative and Stronger together which audits and assesses factories against criteria to eradicate modern slavery. As part of this assessment all types of labour providers are identified in sites. We have set policies, done risk assessment and due diligence to understand the prevalence of recruitment fees, increasing demand for responsible recruitment and identified responsible recruiters. We are now extending this work to India.

<http://alliancehr.co.uk/>

<https://www.stronger2gether.org/>

In Turkey we are part of the ETI Turkey Platform working on responsible recruitment of Syrian refugees. The platform aims to strengthen the Turkish clothing and textile sector's ability to implement the UNGPs through the establishment of a local platform, bringing together business, trade unions and civil society that will raise business and human rights awareness, promote workplace social dialogue and address the root causes of human rights issues in the sector.

<https://www.ethicaltrade.org/resources/eti-turkey-platform-report-march-2018>

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<https://interactivemap.marksandspencer.com/>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

YES

As part of the Plan A commitments:

- 1) Living Wage: "By 2025, we'll aim for a living wage for all our direct employees as set by us and reviewed by credible stakeholders in a way that is sustainable for M&S and demonstrate how we've encouraged our key franchises and direct supply chains to do the same"
- 2) In work Poverty: "By 2019, we'll carry out and publish a detailed review of our potential impact on in-work poverty and develop a programme of transformative interventions to improve livelihoods in our business and supply chains, enabling progress on our living wage commitments and demonstrating sector leadership. We'll report annually on progress"

https://corporate.marksandspencer.com/annual-report-2018/mands_plan_a_2018.pdf

https://corporate.marksandspencer.com/annual-report-2018/mands_plan_a_2018.pdf

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-human-rights-report-june2017.pdf>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

"By 2025, we aim for a living wage for all our direct employees as set by us and reviewed by credible stakeholders in a way that is sustainable for M&S and demonstrate how we've encouraged our key franchises and direct supply chains to do the same"

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

Fair Wage Network

In 2016, we partnered with the Fair Wage Network on a six-month pilot project to assess wage practices in 10 Indian product suppliers against the 12 Fair Wage dimensions, and to identify the root causes of wage issues. The pilot programme was completed at the end of March 2017. The results have shown consistent areas for improvement in pay systems and wage structures, workers' ability to save for unexpected costs (primarily health issues) and the gap between minimum wages relative to the actual cost of living. As a result of these findings, we will now focus on how to tackle the root causes of wage issues. This will include work to improve human resources management and improving social dialogue, so as to develop more mature negotiation systems

Project description

six-month pilot project to assess wage practices in 10 Indian product suppliers against the 12 Fair Wage dimensions, and to identify the root causes of wage issues

Partnerships involved

Fair Wage Network

Countries covered by the project

India

Number of suppliers impacted

10

Timescale

6 months

By what date will this project achieve a living wage across your supplier network?

6.1 Continued. Opportunity to add additional project.

Project name

Emerging Leaders

We are implementing the Emerging Leaders programme, empowering people to break the cycle of poverty through leadership. The programme results have shown that workers are able to identify alternative sources of livelihood, increase their savings and investment and reduce unnecessary expenditure.

Lead your finances module incorporates:

- Good financial management
- Mindset around money
- Saving for Life
- Personal Budgeting

<http://www.emerging-leaders.net/>

Project description

Emerging Leaders programme

Partnerships involved

Emerging Leaders

Countries covered by the project

Sri Lanka, India, Turkey, Bangladesh

Number of suppliers impacted

Timescale

Ongoing

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

As a result of our projects factories involved have seen wage increase of between 15 - 40% and in particular in Bangladesh all of our suppliers have been able to accommodate the minimum wage increases with very little impact as a result.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

We have joined with many other Brands through the ETI in endorsing letters to various governments including Cambodia, Bangladesh and Myanmar.

As a responsible retailer we have never and will never relocate as a result of increased wages. For example when duty preferences change as in Sri Lanka we were one of the only brands to remain and in fact increase our production. Our production country locations have been static for many years.

We believe there needs to be an inclusive solution to the systemic issue of living wages involving Governments, NGO's, Unions, organisations such as the ILO in order to allow local players to being control and have effective in country wage review processes to pay fair living wages.

Since 2016 we have been engaging with our investors, specifically ASN Bank, which in 2017 published a Living Wage Manual based on the information gathered from Brands. And in 2018 they benchmarked 14 Brands with regard to the implementation of a living wage in conjunction with Fair Wear Foundation. We were ranked in the second highest category (Maturing). More information can be found in their Living Wage Report 2018: <https://www.asnbank.nl/over-asn-bank/duurzaamheid/mensenrechten/asn-bank-working-towards-a-living-wage-in-the-garment-industry.html>

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

All suppliers receive our Global Sourcing Principles as part of our Terms & Conditions of Trade. Within these there is a specific section on Freedom of Association and Collective Bargaining (see below). All suppliers must sign these principles. They are also displayed on noticeboards in factories.

“Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively, without prior authorisation from suppliers’ management, according to national law. Suppliers must not interfere with, obstruct or prevent such legitimate activities.

Where the right to freedom of association and collective bargaining is restricted or prohibited under law, suppliers must not hinder workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment.

Suppliers must not seek to influence or control these mechanisms.

Suppliers must adopt an open attitude towards worker representation and the activities of trade unions.

Suppliers must not discriminate against or otherwise penalise worker representatives or trade union members because of their membership of, or affiliation with, a trade union, or their legitimate trade union activity, in accordance with international labour standards.

Suppliers must give worker representatives access to the workplace in order to carry out their representative functions, in accordance with national law and international labour standards.”

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/global-sourcing-principles.pdf>

Since 2016 we have been part of the ETI Social Dialogue programme aimed to develop better industrial relations at the workplace in Bangladesh Readymade Garments (RMG) and Textiles sector through the promotion of workplace social dialogue. The key aims are:

- Develop scalable models for improved social dialogue for the textiles and ready-made garment sector in Bangladesh
- Improve industrial relations and respect for workers’ rights at project factories and beyond
- Improve networking and relations between participating suppliers and civil society
- Establish the basis for a Bangladeshi multi-stakeholder initiative for long term improvement of social dialogue and sustainable business environment

We have rolled out a workplace communication training programme with toolkits for managers, workers and train the trainers to over 74000 workers in several countries. This programme offers best practice guidelines for all types of communication and effective dialogue between management and workers both internally and externally with union representatives.

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

Union worker representatives attend worker committee meetings within working hours which is paid time.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

All suppliers are required to provide worker representatives access to the workplace in order to carry out their representative functions as part of our agreed and signed Global Sourcing Principles

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

Where a CBA is present and a union has achieved the legally required level of membership to be recognised, a factory should meet with such unions.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

We have a public grievance policy and procedure on our website:

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-grievance-procedure-for-clothing-home-and-food.pdf>

Where we use audit, the 3rd party audit companies leave confidential phone number cards with worker and union representatives to allow grievances to be raised after the audit has taken place if the environment does not allow this in situ. In addition, our regional compliance managers based in our local sourcing offices leave their contact details for workers to use if they have a grievance.

In the UK, we use Safecall, where concerns may be reported via an independent and external facility.

We also promote the OECD's National Contact Points mechanism to be used in instances where individuals or organisations feel they cannot raise a concern with us directly.

In addition to our use of the Laborlink mobile technology to gather worker feedback included in the 2014 Tailored Wages report, we have installed iPads in factories in Turkey for workers views.

In 2016, we issued a revised Supply Chain Grievance Policy, explaining the channels through which individuals and communities who may be adversely impacted by the Company can raise complaints or concerns. We included a clause to ensure no retaliation. During 2016/2017, we conducted a critical review of grievance mechanisms available both for individuals and communities, including our employees and supply chain, and the extent to which issues are effectively raised within our business. This involved developing a better understanding of our existing processes, identifying what reporting data is available and using a cross-business survey to assess understanding and adoption. We update our internal Code of Ethics & Behaviours and associated policies, developing a cross-business Communications Plan for the Confidential Hotline and existing grievance processes, and improving data gathering to enable us to track and report progress.

As a result of the internal review, we redefined our external commitment. "In 2019, we'll put in place mechanisms to make human rights complaints or raise concerns, which are accessible to all individuals and communities connected with our business. From 2020, we'll report annually on the use and performance of these mechanisms.

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-grievance-procedure-for-clothing-home-and-food.pdf>

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/mns-human-rights-report-june2017.pdf>

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Within our Global Sourcing Principles we have a “Termination” clause which states that “Should suppliers consistently fail to live up to these standards and be unwilling to institute improvements or prepared to make appropriate changes, we will take action, which may involve cancelling contracts and ceasing to trade.”

<https://corporate.marksandspencer.com/documents/plan-a-our-approach/global-sourcing-principles.pdf>

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

108 of our factories currently have CBA's across Bangladesh, Far East, India, Turkey & Sri Lanka

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

All of our producing factories are shown on our interactive map but for ease are summarised below.

SE Asia (India, Bangladesh, Sri Lanka) 264 factories

Far East (including China, Vietnam, Cambodia, Myanmar...) 523 factories

EMEA (Turkey, Europe) 227 factories

Within these numbers 501 are Clothing, with the remaining 587 being accessories, footwear and home suppliers.

<https://interactivemap.marksandspencer.com/>

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

Orders placed directly to supplier factories

100% of our orders are placed directly to 1st tier supplier factories

Orders placed through agencies or intermediates

Other (please specify)

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

We source from 1014 first tier suppliers in our Clothing and Home division, of which only 501 are Clothing, with the remaining 587 being accessories, footwear and home suppliers. All suppliers and factories that make our products are approved and visited and as such are all categorised as 1st tier suppliers.

If a factory needs more capacity in additional sites these are also approved and listed on our published supplier map as 1st tier suppliers therefore we do not have subcontracted suppliers.

All suppliers where our purchases orders are placed and products produced are listed on our interactive supplier map.

<https://interactivemap.marksandspencer.com>

Sub contracted suppliers

0

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Since 2016 we have been engaging with our investors, specifically ASN Bank, which in 2017 published a Living Wage Manual based on the information gathered from Brands. And in 2018 they benchmarked 14 Brands with regard to the implementation of a living wage in conjunction with Fair Wear Foundation. We were ranked in the second highest category (Maturing). More information can be found in their Living Wage Report 2018: <https://www.asnbank.nl/over-asn-bank/duurzaamheid/mensenrechten/asn-bank-working-towards-a-living-wage-in-the-garment-industry.html>

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Google Forms

Missguided

No reply received in response to our survey request. This brand was profiled based on publicly available information from its website only.

Monsoon

No reply received in response to our survey request. This brand was profiled based on publicly available information from its website only.

New Look

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

New Look Retailers Ltd.

Brands owned by company: *

New Look

Main contact person: *

Sue Fairley

Contact email: *

sue.fairley@newlook.com

Contact phone number: *

02032197351

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

We are part of the ACT initiative (Action, Collaboration Transformation)- <https://actonlivingwages.com> and share its vision to achieve living wages for workers through collective bargaining at industry level.

We joined ACT as we strongly believe the issue of living wages can only be resolved through collaboration. All our efforts towards living wages would be put in the ACT approach to achieve it through collective bargaining aligned to improved purchasing practices.

We will have different ongoing projects in countries to look at different aspect of wages such as transparency of transactions (i.e. payment through bank transfer) or financial inclusion programmes to support workers to understand and be financially literate to better achieve their life goals.

We follow ACT's definition of a living wage, which is defined as 'the new minimum income necessary for a worker to meet the basic needs of himself/ herself and his/her family, including some discretionary income. This should be earned during legal working hour limits (i.e. without overtime).'

Payment of a living wage forms part of our Ethical Aims, which set out our standards for fair and safe working conditions in accordance to ILO Standards.

All suppliers, factories and agents manufacturing New Look products must commit to these aims before we start working with them. Our Ethical Aims are available to view on our website here:

<https://www.newlookgroup.com/sites/default/files/attachments/pdf/new-look-our-ethical-aims-v1.pdf>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

We have a third party audit programme whereby all Tier 1 factories making New Look products must submit third party audits. The audit methodology checks if the factory pays in accordance to minimum wage regulations in the country where the audit is taking place. Our due diligence takes into consideration any collective bargaining agreements that the factory may be part of but does not monitor payment of wages on living wage benchmarks. We're in the process of rolling this out beyond Tier 1 sites.

We have on-the-ground presence in three sourcing countries – China, Myanmar and the UK – who regularly visit factories to monitor compliance and check they are meeting our Ethical Aims.

Additionally, the relationship we have with our suppliers is always an equal partnership – we work together closely, using their feedback to shape and influence our strategy.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

As mentioned in our answer to 1.2, we have a third party audit programme which assesses whether workers in factories are paid the legal minimum wage (or higher) and highlight any non compliances on this area.

We are currently engaging with a company to support us on the ground in our beyond audit and remediation activity through our global supply chain

As of December 2018, 56% of factories had semi-announced audits, 7% had unannounced and 37% had announced audits. Our team members on the ground also visit factories regularly, often unannounced or semi-announced.

When it comes to remediation of non-compliances, all our suppliers are required to submit a remediation plan with timescales to remediate all non-compliances found in factories. When necessary, we require follow-up audits to be conducted and we are also members of Sedex to track audit history and monitor when non-compliances have been independently verified. Team members may also visit factories to check progress and we partner with our suppliers in key sourcing countries to tackle issues together. We have longstanding relationship with our suppliers and a key aspect of us being able to remediate any issues happening in the supply chain is with their help and support. We consider them our key partners to take the factories towards the journey of improved working conditions.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

Our approach to living wage is that of ACT (<https://actonlivingwages.com>)

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

Please refer to the ACT website - <https://actonlivingwages.com/>

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

At the moment, our internal systems are not developed to undertake this analysis. Currently we only input factory information in relation to wages, which only refers to the national minimum wage paid in factories and whether or not it has a CBA in place.

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

As part of the ACT process, the link between purchasing practices to deliver a living wage is key. Alongside all ACT members, we've undertaken a self-assessment questionnaire to identify areas of improvements when it comes to purchasing practices or how we call in internally our ways of working.

Our aim as an ACT member is to be able to ring-fence labour costs into the costing of garments and adjust it as wage levels go up. However, this is a work in progress

Currently we take the minimum wage paid in the country into consideration when it comes to negotiating prices with our suppliers and also forecast any increase in national minimum wages so that we can adapt our commercial forecasts.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Yes, we do forecast our sourcing volumes with strategic suppliers.

We plan an annual forecast with our strategic suppliers and review it on monthly basis, for both our long and short lead times.

Our long-lasting relationships with our suppliers have helped us build strong, transparent links based on mutual trust and openness. We aim to enable suppliers to put the systems and processes in place that will allow them to provide the best support to workers.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

Yes. We have a strict policy against unauthorised subcontracting. Our systems and processes are built in to encourage all of our suppliers to always register factories before production starts.

As part of our commitment to transparency we make our Tier 1 factory list public, updating it twice a year. See the following link:

<https://www.newlookgroup.com/sustainability/factory-list>

We allow authorised subcontracting where the supplier has done a risk assessment (an audit) to assist the main production unit. These units need to be declared to and authorised by New Look before any production starts.

However, we have a zero tolerance policy to unauthorised subcontracting. We have a subcontracting policy whereby suppliers are fined if production is detected in an unauthorised factory.

We also use an online onboarding process for new suppliers to ensure that new goods for resale suppliers go through a staged process of approvals, which includes ethical considerations at the same level as other commercial aspects.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

Our supply chain is global and complex. We see our role as one of increasing awareness and capacity building so that factories are aware and abide by best practice.

We recognise the importance that labour providers play when it comes to fulfilling positions in a short term basis that otherwise would not be possible and encourage the right use of these services by our suppliers' factories. Our role would not be to limit the use of labour contractors but to ensure that factories who use them are doing it in a legal and ethical way without putting workers at risk, especially regarding modern slavery.

Please see our latest modern slavery statement in the following link to know more about our approach to labour providers:

<https://www.newlookgroup.com/sites/default/files/attachments/pdf/modern-slavery-statement-2018.pdf>

As part of our Modern Slavery due diligence, we consider the use of labour contractors a risk area for presence of modern slavery. For that reason we are focusing our efforts in ensuring that if any labour contractor is used in our supply chain, factories and suppliers are aware of the conditions in which workers need to be legally and ethically employed.

In the UK, as part of our Fast Forward programme we promote a management system approach throughout our supply chain, and when auditing, factories are assessed against their capacity to prevent fraudulent providers to enter in partnership with them. Aspects of management systems checked include right to work documentation, passport and ID possession, background questions to understand whether workers have paid or owe money to the agency, living address and bank account checks, etc.

As stated above, our position is not one of don't use labour providers, but if you use them do it in a way that workers' rights are not compromised in any way .

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

We publish our Tier 1 factory list online and update this on a biannual basis. Our next update will be in March 2019. This is available to view on our website here:

<https://www.newlookgroup.com/sustainability/factory-list>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

Currently we don't include this data in our publicly available information.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

At the moment our commitment towards workers earning a living wage is through our engagement with ACT as we strongly believe in its approach to achieve industry-wide change. Our current due diligence approach for compliance is to measure against the national minimum wage in countries where we source from.

<https://actonlivingwages.com/members/>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

This is hard to determine at this point in time as we're trying to take a step by step approach, targeting Cambodia as the first country to implement the ACT approach.

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

ACT

Project description

In 2015, we joined forces with other international brands, retailers, manufacturers and trade unions to become part of Action Collaboration Transformation (ACT). ACT aims to improve wages in the industry by establishing industry collective bargaining in key garment and textile sourcing countries, supported by world class manufacturing standards and responsible purchasing practices. We want all workers across our supply chain to earn enough to support themselves and their families. But we know that we cannot do this alone, since supply chains are complex and our factories will often provide garments to a number of brands and retailers. Industry collective bargaining aims to improve wages for all workers, regardless of which brand, retailer or factory they work for. It enables all workers in the sector to negotiate wages under the same conditions, by bringing together national representatives from employer associations and trade unions to advocate legally binding, enforceable agreements. ACT will develop mechanisms to link purchasing practices to the outcome of industry bargaining, supporting manufacturers to provide their workers with the wages and conditions that meet retailers' requirements. At the same time, ACT will work with suppliers to develop and carry out best practices on manufacturing standards and systems.

Partnerships involved

Countries covered by the project

Bangladesh, Cambodia, Myanmar, Turkey, Vietnam

Number of suppliers impacted

Timescale

ongoing

By what date will this project achieve a living wage across your supplier network?

As stated above, this is hard to determine at this point, being an ongoing effort.

6.1 Continued. Opportunity to add additional project.

Project name

Other partnerships and activities relating to wages - Geosansar and Dutch Bangla Bank and Fast Forward

Project description

India: In India we worked with Geosansar and have , we have trained 3920 workers in our key factories . More than 80% of the workers who received financial inclusion training subsequently opened a bank account, 60% of workers said that they have cut down some of their expenses and are now able to manage their spending within their earnings and they have started to save some amount every month. - 40% workers have shown interest to saving their earnings through bank. In 2018 we rolled the programme to two mills Geosansar. The programme has reached 834 workers in 22 training sessions.

Bangladesh: In 2016 in Bangladesh, we worked with BRAC Bank to pilot a similar project in one factory, reaching 300 workers. After that, the factory rolled out the programme to its entire workforce and now 100% of workers - nearly 2,300 – have bank accounts. In 2018 we revisited the financial inclusion programme in Bangladesh with Geosansar and rolled out the programme to promote worker education and wage transparency. The programme in Bangladesh reached 438 workers in 6 training sessions.

We have done an analysis in our BD supply chain and seen that currently 34% of our supply chain uses BACS system to pay workers. Our aim is to have 100% BD supply chain payment done through BACS system to promote transparency and workers' education by 2021.

Fast Forward (UK audit programme): As part of our commitment to protect workers and enhance labour standards, in 2013, we established the Fast Forward initiative to improve compliance within the UK garment industry. This is an issue that no brand can tackle alone, with collective actions delivering much more positive results and collaboration being the way forward to achieve sustainable change in the industry. For this reason we opened our project model to other brands and has so far been joined by four other UK retailers. In order to promote transparency and ensure wages are verifiable, all factories part of the Fast Forward programme need to implement bank transfer as their payment method.

Partnerships involved

Countries covered by the project

Bangladesh, India and UK

Number of suppliers impacted

Timescale

ongoing

By what date will this project achieve a living wage across your supplier network?

As stated above, this is hard to determine at this point, being an ongoing effort.

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Back in 2013 we did some analysis in China factories using the Asia Floor Wage Benchmark. However our approach has changed to be more strategic, and as stated above, through ACT, achieve living wages through collective bargaining supported by purchasing practices.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

Not as an individual companies, but all efforts to engage with government on the issue of living wages would be done through ACT, a joint approach between brands and IndustriALL.

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

Both Freedom of Association and Collective Bargaining are part of our Ethical Aims, which form part of the contractual agreements with our suppliers.

We rely on our suppliers for the communication of our ethical aims, however we know that effective worker representation mechanisms are difficult to achieve. We know this is not something that can be solved overnight, that's why we're part of various initiatives to promote more effective social dialogue, mainly through the ETI in countries such as Turkey, Bangladesh or UK

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

27 Tier 1 factories in our supply chain have a trade unions, and yes these do provide workers with paid time off for union activities.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

As mentioned above, 27 factories have trade unions and dedicated space is provided. This analysis is taken from the third party audits we review.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

Although we hope to see some progress with the ACT approach.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

This is an area we're still working on and hope to see some progress with ACT.

As part of ACT we have made commitments to look at our purchasing practices to enable the payment of a living wage in the targeted countries.

Please see the following link referring to commitments on purchasing practices by ACT members - <https://actonlivingwages.com/news-on-global-purchasing-practices-commitments/>

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

We operate a helpline service in 3 of our countries, UK, China and Bangladesh, the latter on health and safety through Accord. We encourage workers to speak up and let us know if they feel they've been treated unfairly.

We are exploring the wider rollout of a global helpline, however we recognise that to implement effectively, this will take some time as this must go hand in hand with having an appropriate infrastructure in place to offer help if a person is in danger. At present, we are reviewing how to best implement a more appropriate solution. For this reason, our contract in China is currently being reviewed and while active, the hotline was promoted by NGO Inno Community Development at 30 factories. A further 270 factories have conducted the hotline training themselves or by suppliers.

In the UK, all of our sites must be enrolled in the hotline programme. Each factory manufacturing or processing New Look goods must have posters around the premises in order for workers to call if they need to. Additionally, when we visit factories we hand out cards with both the Speak Up details and New Look's CSR team details in order for workers to call if they need to.

All the calls received are dealt with discretion and confidentiality and the worker's identity is always protected.

As with any complaint we receive, our first priority is not to put the worker at risk while we investigate the situation. Where necessary, we may send someone to visit the factory.

In the past year, through our China project with Inno, a total of 318 cases were received from April 1st, 2017 to April 31st, 2018. The breakdown of these cases would cover issues like life skills, social insurance, emotions, law information, labour contracts, holiday or wages.

In the UK, in the same period through the hotline services we received 6 reports in relation to alleged issues with factories. The nature of issues encountered this year included unauthorised subcontracting, holiday pay, workers concerns about working conditions and working hours, alleged discrimination. We addressed each report on a case-by-case basis and tailored remediation plans that don't put workers at risk.

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Please refer to the commitments that we've made as an ACT member.

New Look recognises the fundamental importance of independent, democratic organisations of workers' own choosing – commonly known as trade unions – to negotiate and achieve sustainable improvements for workers. Workers should be free to associate with trade unions and benefit from the resulting collective bargaining, because these are two essential elements of ethical, well-functioning industrial relations between workers and their employers. We encourage our suppliers to be as transparent as possible, with an open and positive attitude towards trade unions and collective bargaining .

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

As a member of ACT, we are working with our manufacturers and IndustriALL in target countries (Bangladesh, Cambodia, Myanmar, Turkey and Vietnam) to support the negotiation of a living wage through collective bargaining. To reach living wages, ACT aims to deliver a mechanism that is achievable, functional, scalable, as well as legally recognised and enforceable.

In our current supply base, through the analysis of 3rd party audits, there are 20 factories with presence of CBAs in 9 countries (Italy, Moldova, Myanmar, Portugal, Romania, Spain, Tunisia, Turkey & Ukraine)

However, as mentioned above we are working through ACT to put a mechanism in place where Collective Bargaining plays a key role.

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

We currently source from 25 countries and our top three production countries are China, Bangladesh and Turkey.

% of total production per country:

- China = 39%
- Bangladesh = 20%
- Turkey = 13%

No. of factories per country:

- China: 296
 - Bangladesh: 37
 - Turkey: 140
-

10.2 What kind of trade partners are part of the sourcing structure?

Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

Orders placed directly to supplier factories

Orders placed through agencies or intermediates

100%

Other (please specify)

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

694

Sub contracted suppliers

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Our analysis shows an average relationship of 11 years with our top 20 suppliers, who are responsible for 81% of production.

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

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NEXT

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

NEXT Retail

Brands owned by company: *

Lipsy

Main contact person: *

Chris Grayer

Contact email: *

christopher_grayer@next.co.uk

Contact phone number: *

07861611658

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

<https://www.nextplc.co.uk/~ /media/Files/N/Next-PLC-V2/documents/corporate-responsibility/focus-2018/focus-4-partnership-engagement-collaboration-and-community.pdf>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

Our auditing is undertaken by our own employed team of skilled auditors based in allof our major global markets. The approach includes the scrutiny of wage records to ensure that they align to the legal or agreed payment schedules are being implemented at all times

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

We do not use 3rd party audits for due diligence of our suppliers. The majority of our audits are un-announced and this has been the practice for over 2 years. Our specialist global team of 47 works directly with both our new and existing suppliers and their factories to ensure they understand the requirements of our Auditing Standards. These standards have been developed to support our overarching Principle Standards and provide detailed information to help a supplier fulfill its obligations to its workers and to NEXT. The strength of our team lies in having this resource located in our sourcing countries, enabling us to react quickly if issues occur and also build strong relationships with our suppliers by being able to offer one to one meetings, training and support even before orders are placed by the product teams. By focusing on prevention and the development of trust, we aim to encourage long term change.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

Please see below - this work is within the ACT project

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

Please see below - this work is within the ACT project

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

This is work in progress. NEXT is one of the 5 founding members of the ACT Project and Chris Grayer maintains a Director role for the functioning Foundation Executive.

<https://actonlivingwages.com/>

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

Within ACT we are engaged in creating a collaborative fact based costing process that will identify and ring fence wages to support the collective bargaining of the agreed fair living wage for workers

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Over 50 % of our products comes from Suppliers that have been supplying NEXT for over 5 years

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

In the last 5 years the value of sourced product has been maintained but the number of factories has reduced by 17%

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

We do not limit the use of Labour contractors. We recognise the risk of exploitation and require any employment of contracted labour to meet the NEXT principle standards and are always included in site audits

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<https://www.nextplc.co.uk/~ /media/Files/N/Next-PLC-V2/documents/corporate-responsibility/factory-list-june18.pdf>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

NEXT approach is its commitment to ACT that will provide the global roadmap to achieving a fair living wage across the global supply chains

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

There has not yet been an agree date for this within ACT

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

"Action, Collaboration and Transformation" ACT Action on Living Wages

Project description

ACT (Action, Collaboration, Transformation) is a ground-breaking agreement between global brands and retailers and trade unions to transform garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices.

Partnerships involved

WQe are also supporting the ETI approach on Living Wages

Countries covered by the project

ACT: Cambodia, Vietnam, Bangladesh, Turkey & Myanmar

Number of suppliers impacted

Approximately 300

Timescale

Within ACT there has not been a timescale finalised. Work in Cambodia, Turkey and Vietnam has commenced and is ongoing in all these Countries

By what date will this project achieve a living wage across your supplier network?

6.1 Continued. Opportunity to add additional project.

Project name

Our commitment and resource is to ACT which is considered to be the ground-breaking agreement between global brands and retailers and trade unions to transform garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices. The ACT project requires both financial and personnel resource to actively support the work - our total expenditure this year to support ACT will exceed £50k

Project description

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Wages have increased in all of our sourcing markets. These have taken place from agreements we are not aware of any pilot projects that have increased wages in any RMG

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

We have supported the responsible settlement of wage demands in Bangladesh and Cambodia

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

Yes, FOA is a fundamental requirement within our Principle Standards. This is regularly communicated to Suppliers and their factories through presentations in the Country markets (2017) and through our COP teams in the markets. Our auditing standards and process include the checking of compliance to the FOA standard. The implementation of Collective bargaining is within the work we are actively supporting and undertaking in the ACT project

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

This is part of our code of practice standards and is audited. All Suppliers

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

This is part of our code of practice standards and is audited. All Suppliers

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

Sorry - we dont understand this question. If this is a question that should state "Do you require your suppliers TO meet and bargain with duly constituted unions? * Thent he anwer is yes - if the Union is recognised officicially

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

We recognise the requirement of FOA in whatever form the workers chose- it does not require this to be a Trade Union. All suppliers and factories are treated equally by our buying teams. One of the critical selection criteria is the COP rating and currently over 95% of our product is supplied by factories that are graded to be satisfactory or better

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

All complaints are followed up by COP. We are now a supporter of the Modern Slavery Help Line

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

We are currently supporting thje remediation of FOA non compliance with Suppliers to our standards in Turkey & India. We take a pro-active and collaboarative approach to seek a remedy. If remediation is not satisfacrily achieved then the factories will be disengaged as a last resort.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

This is within the ACT approach to establish CBA's in the identified Countries

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

We do not publish this information but will be prepared to separately & confidentially share this with you

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:
Production at factories owned by your company

We do not publish this information but will be prepared to confidentially & separately share this with you

Orders placed directly to supplier factories

We maintain this data seasonally We do not publish this information but will be prepared to separately share this with you

Orders placed through agencies or intermediates

We maintain this data seasonally We do not publish this information but will be prepared to separately share this with you

Other (please specify)

We maintain this data seasonally We do not publish this information but will be prepared to separately share this with you

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

1,764

Sub contracted suppliers

We are in the process of mapping all of the of sub contractors involved in manufacturing NEXT products and materials

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

We maintain this data seasonally We do not publish this information but will be prepared to separately share this with you

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

The ACT project of which NEXT, is one of the five founding members is recognised as the most relevant and comprehensive to tackle and achieve tangible results within the implementation of Fair Living Wages in RMG supply chains. To quote Jenny Holdcroft of IndusriAll “By addressing the structural barriers to living wages, ACT has the best chance of increasing garment workers’ wages in a way that is scalable, sustainable and enforceable.”

Performance Data

During the year we audited 93% of the factories manufacturing NEXT branded products, with some sites requiring follow up visits to review progress against agreed action plans or support with training. We have also continued to audit Tier 2 factories and have started to undertake audits on some of our largest Tier 3 fabric and yarn suppliers as we further develop the transparency of our supply chain.

2018 2017

NEXT global COP team resource 47

Countries where products are manufactured 41

Suppliers worked with 570

Factory sites used 1,764

Factory sites audited 1,635

Total audits completed 1,973

Factories disengaged for non-compliance with our Code 45

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Pentland

Clean Clothes Campaign

2018/19 Edition
Clean Clothes Campaign
Brand Wage Survey



This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as [Tailored Wages](#) in 2014). The outcomes of the study will be published in at least 8 countries and promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly. The data provided will also be shared with academic partners at the University of Sheffield's Political Economy Research Institute ([SPERI](#)) as part of an academic collaboration and published as a data set.

The deadline for submitting responses is 11th January. We may come back to you to clarify some of your answers and fact check what we plan to publish in the assessment of your brand. The study is likely to be published in late spring and you will be notified before the publication date.

Defining terms

For the purposes of this study, a living wage is defined by the following statement: 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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(See [here](#) for more details)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found [here](#). The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found [here](#) on page 25.

For this survey, Freedom of Association is defined as per [ILO convention 87](#) and collective bargaining by [ILO convention 98](#). In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

About your company

Company name: Pentland Brands

Brands owned by company: Speedo, Berghaus, Canterbury of New Zealand, Endura, Mitre, Ellesse, Boxfresh, SeaVees, KangaROOS and Red or Dead.

Main contact person: Head of CSR

Name: Sara Brennan

Email: sara.brennan@pentland.com

Contact phone number: 02089702863

1. Living wage commitment

1.1	1.1 Has your company published a clear commitment to ensure a LW is paid across your supplier network	Y/N Yes
	If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.	<p>Since 2015, Living Wages has been identified as a focus area for Pentland Brands. As per Our Standards, Pentland defines as “The wages and benefits paid for a standard working week are at or above national minimum legal levels or industry benchmark levels, whichever are higher. In any event, wages are always sufficient to meet basic needs and to provide some discretionary income.”</p> <p>In 2017, we committed to pay everyone at Pentland Brands in the UK the Living Wage, as defined by the Living Wage Foundation.</p> <p>This goes beyond the statutory National Living Wage and minimum wage to pay an hourly amount that better reflects the cost of living. We brought this in for all Pentland Brands employees in the UK from August 2017 and we will reflect any increases in the living wage in our pay rises in April each year.</p> <p>We have made this statement publicly in our annual Corporate Responsibility Report which is available on our external website.</p> <p>Specifically, for ensuring a LW is paid across our supplier network, we recognise it is extremely difficult to ensure living wages for workers as an individual company, which is why we are a founding (and former board) member of the ACT (Action Collaboration Transformation) Foundation. ACT was founded because the issue of ensuring a living wage under conditions of global competition cannot be tackled on a company-by-company basis. It requires cooperation among companies as well as between employers and trade unions, to arrive at workable, achievable solutions.</p>

		<p>ACT is a joint initiative of global brands and the Global Union Federation IndustriALL. Its goal is the payment of living wages in the garment, textile and footwear sector. This is to be achieved through national collective bargaining agreements at industry level supported by improved purchasing practices on the ACT member brands</p> <p>https://pentlandbrands.com/our-responsibility/ https://pentlandbrands.com/wp-content/uploads/2018/12/Pentland-Brands-Business-Standards-policy-English.pdf https://actonlivingwages.com/living-wages/</p>
1.2	<p>How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?</p>	<p>Globally, for tier 1 suppliers, we monitor supplier compliance to payments of minimum wage through the audit process, using independent third-party auditors.</p> <p>If any payments were to fall below national minimum legal levels in a country, we would consider this a zero-tolerance issue.</p> <p>Also, as an ACT member, we are proactively and collaboratively working towards ringfencing labour costs as part of best practice purchasing practices.</p>
	<p>Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?</p>	<p>We verify compliance to all of our standards through:</p> <ul style="list-style-type: none"> - 3rd party independent semi-announced audits - Criticality applied to non-compliances - we work alongside factories to seek resolutions. Where they are non-collaborative, we may suspend or end our relationship with the supplier.

2. Benchmarks for a minimum living wage

2.1	<p>Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region?</p>	Y/N
	<p>If yes, please provide details.</p>	<p>We subscribe to ACT's guidance that employers and trade unions should reach agreement on a living wage through collective bargaining at industry level.</p>

		<p><i>Agreement on a 'living wage' should be reached through good-faith negotiations between the employer, employees and their legitimate representatives, preferably through collective bargaining at both industry and national levels. It is not the role of brands to decide the specific amount that should constitute a 'living wage'. ACT</i></p> <p>Pentland do not believe in endorsing a specific living wage figure. We feel that making such a commitment would not be aligned with our commitment and work on promoting freedom of association and collective bargaining. If we were to have public figures for a specific living wage it may interfere with any ongoing negotiations.</p>
2.2	Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.	N/A
2.3	Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.	N/A

3 Purchasing practices that make living wages possible

3.1	Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?	Y/N
	<p>If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?</p>	<p>As an ACT member brand, we have adopted commitments on purchasing practices that will guide relationships with suppliers. These fall under 5 areas.</p> <ol style="list-style-type: none"> 1. Brands commit that purchasing prices include wages as itemised costs. 2. Brands commit to fair terms of payments. 3. Brands commit to better planning and forecasting. 4. Brands commit to undertake training on responsible sourcing and buying. <p>Implementation measures:</p> <ol style="list-style-type: none"> 5. Brands commit to practice responsible exit strategies.

		As part of our ACT global purchasing practices commitments we have agreed to ringfence labour costs
3.2	Does your company make long-term sourcing commitments at a specific volume to suppliers?	Y/N
	If so, how long are these commitments, and at what volume?	<p>We do have long term commitments to suppliers and have MOQs and cut off period for tweaks to order volumes.</p> <p>These vary by supplier performance, raw material costs and so we cannot share generic time frames regarding commitments. Some of our commitments for example are 24 months, some 12 months, others shorter, but it varies.</p> <p>We are also in constant dialogue with the factory to ensure that there is an awareness from both parties of expected volume and work.</p>
3.3	Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list?	Y/N?
	If so, can you provide concrete evidence over time that shows how this is working?	<p>We are reviewing whether we can consolidate subcontracted processes, an example could be; nominating embroidery subcontractors, for instance.</p> <p>In 2018, we moved to a divisional structure which allowed us to review our suppliers across our brands. Over the course of 2018, we have reduced our supply base compared to previous years. A 5% reduction in 6 months.</p>
3.4	Is your company doing work to limit the use of labour contractors?	Y/N
	If so, can you provide concrete evidence over time that shows how this is working?	Our audit process includes gathering information on labour contractors and understanding the number of employees that are on temporary/agency contracts. We are also working with NGO partner ISSARA on this.

4. Transparency

4.1	Does your company publish a public list of suppliers, including address, parent company, products and numbers of	Y/N
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	workers, for tier 1 and your wider supplier network?	
	If yes, please supply a link.	We publish and update our list twice a year and this is available on our external website. See Our Factories. https://pentlandbrands.com/our-responsibility/
4.2	Does your company publish information on wages currently paid to workers at your suppliers?	Y/N
	If yes, please supply a link or further information.	We do not publish wage information, but we do publish as part of our corporate responsibility report a commitment to the living wage.

5. A clear roadmap for implementing a living wage for all workers

5.1	Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network?	Y/N
	If yes, please supply a link to where this is published.	At present time, we do not yet currently have a public roadmap, however we do have a public commitment to living wage. We have successfully already rolled out living wage in the UK.
5.2	By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?	This is a very complex and ever evolving project and as such we do yet have a date that we can share publicly at the moment.

6 Living wage projects

6.1	What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?	Partnerships: ACT- Collective bargaining project ETI UK Living wage project – completed 2017.
	By what date will this project achieve a living wage across your supplier network?	See 5.2
	Option to add an additional project	As 6.1 above.
6.2	In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.	N/A

7. Advocacy for an increase in the minimum wage

7.1	Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases?	Y/N
	If yes, please supply link to where this/these can be found.	We have focused our advocacy efforts collaboratively working with ACT. With ACT we have met with Turkish, Myanmar and Cambodian governments to develop their understanding of the programme.

8. Freedom of Association

8.1	How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?	<p>The right to Freedom of Association and Collective Bargaining is part of our standards that are cascaded to suppliers and any subcontractors throughout our entire supply chain.</p> <ul style="list-style-type: none"> • We require them to: <ul style="list-style-type: none"> ○ Allow workers to join a trade union and bargain collectively if they wish ○ Adopt an open attitude to the activities of trade unions ○ Not discriminate against workers' representatives ○ Where rights to FOA and collective bargaining are restricted by law, support the development of parallel means for independent association and bargaining. <p>We also discuss freedom of association in the worker interviews that form part of our factory ethical trade assessment process. This is reviewed through our 3rd party audit process.</p> <p>We are a Better Work 'Buyer Partner' and freedom of association is included as part of the Better Work assessments in participating factories in Indonesia, Vietnam and Cambodia.</p>
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		<p>In Indonesia, we have worked with others in our industry to agree a Freedom of Association Protocol, which we signed in July 2011.</p> <p>The Protocol aims to strengthen the application of freedom of association in the workplace in Indonesia and calls on brands to support and promote the adoption of good practice by suppliers.</p> <p>Additionally, we became signatories of the UN Global Compact in 2001 which has four principles around labour including freedom or association and Collective bargaining.</p>
8.2	Do you require suppliers to sign union access agreements?	Y/N
	If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.	
8.3	Do your suppliers provide workers with paid time off for union activities?	Y/N/Some
	If yes, please state how many suppliers this impacts.	
8.4	Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss issues?	Y/N/Some
	If yes, please state how many suppliers this impacts.	
8.5	Do you require your suppliers meet and bargain with duly constituted unions?	Y/N (in part)
	If yes, how do you verify that they are doing so?	Our audit process reviews the schedule of union meetings and records of when unions meet with management, as well as if there is a CBA (collective bargaining agreement) in place
8.6	Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions?	Y/N
	If yes, please explain how these suppliers are determined and how preference is given.	Part of ACT country commitments being worked on Write compliance with collective bargaining agreements into purchasing agreements between brands and suppliers' terms and conditions of purchase.

8.7	Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?	Y/N
	<p>If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?</p>	<p>We have SpeakUp hotline for whistleblowing for our UK operations.</p> <p>For our supplier network, we have Golden Dreams hotline for Thailand. ISSARA an NGO we partner with is involved in independently following up and working with any complaints in Thailand. Through the above mechanisms we have identified and resolved many issues.</p> <p>The review of the efficiency of the factory's grievance mechanism is a mandatory requirement in the audit process.</p> <p>Auditors checks and reports on all processes to manage labour standards and this includes "no harsh or inhumane treatment". The auditor checks whether the site knows and is up to date with the relevant local law and the ETI base code. This includes any policies, disciplinary procedures, is it written down and understood by workforce, who disciplines workers and by what method. How is it recorded and transparency. There are several other factors that are looked at by the auditor in relation to grievance mechanism including monitoring, training etc.</p> <p>Any issues raised via of those mechanisms would be dealt with accordingly.</p>
8.8	Do you have a policy of terminating relationships with suppliers that dial to pro-actively support Freedom of Association through measures such as the above?	Y/N
	Please clarify your answer.	If there are Zero Tolerances around Freedom of Association, then that would lead us to consider terminating contracts with suppliers.

9. Dialogue and negotiation with labour rights organisations

9.1	Can your company demonstrate the existence of CBAs negotiated with	Y/N
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	independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?	
	If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.	FOA Indonesia protocol which was mentioned in detail for 8.1.
9.2	Has your company signed any legally binding agreements with workers in garment exporting countries, concerning process paid to suppliers, wages above the legal minimum and other condition?	Y/N N/A
	If yes, please give details and provide a link to the public text.	

10. Further questions about your supplier base

10.1	What are your main production countries? Please state percentage of total production per country and the number of supplier factories.	Please see our publicly available factory list which includes this information. https://pentlandbrands.com/our-responsibility/ Top five sourcing countries not in any order are Vietnam, Thailand, China, India, Cambodia:
10.2	What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:	<ul style="list-style-type: none"> • Production at factories owned by your company • Orders placed directly to supplier factories • Orders placed through agencies or intermediates • Other (please specify) All of the above – varies.
10.3	How many sites did you use to produce your goods in 2018?	<ul style="list-style-type: none"> • First tier suppliers – As per our factory list (Sep 18) we have 138 active factories • Sub contracted suppliers
10.4	How many supplier factories do you trade with where you have a regular production share of more than 25%?	As of 2019 we will be collecting this data from T1 factories

11. Your feedback

11.1	Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?	The survey we completed back in 2014 we did take on board the feedback from CCC. We would like to raise with CCC that due to the complexity of both our business and the issue being discussed it is not always possible to answer sufficiently or in enough detail to show the work that Pentland has done.
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		<p>We would encourage CCC to collaborate and engage with other organisations such as ACT and ETI who are looking into similar areas, to gain an overview of what companies are working towards in the sector. A multi NGO harmonised approach may be helpful in driving further transparency and effective in creating change.</p>
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We would like to thank CCC for producing the survey and for seeking better transparency from all. We look forward to receiving your feedback and will use it to drive our ongoing strategy in this area. We also remain available to provide any further clarification on any points raised.

Sainsbury's

No reply received in response to our survey request. This brand was profiled based on publicly available information from its website only.

Tesco

Clean Clothes Campaign



2018/19 Edition Clean Clothes Campaign Brand Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as [Tailored Wages](#) in 2014). The outcomes of the study will be published in at least 8 countries and promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly. The data provided will also be shared with academic partners at the University of Sheffield's Political Economy Research Institute ([SPERI](#)) as part of an academic collaboration and published as a data set.

The deadline for submitting responses is 11th January. We may come back to you to clarify some of your answers and fact check what we plan to publish in the assessment of your brand. The study is likely to be published in late spring and you will be notified before the publication date.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:
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.

Specifically a living wage:

- É Applies to all workers, which means that there is no salary below the living-wage level
- É Must be earned in a standard work week of no more than 48 hours
- É Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- É Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- É Includes an additional 10% of the costs for basic needs as discretionary income.

(See [here](#) for more details)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found [here](#)
The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found [here](#) on page 25.

For this survey, Freedom of Association is defined as per [ILO convention 87](#) and collective bargaining by [ILO convention 98](#). In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

About your company

Company name: Tesco plc

Brands owned by company: F&F

Main contact person:

Name:

Email:

Contact phone number:

1. Living wage commitment

1.1	Has your company published a clear commitment to ensure a LW is paid across your supplier network?	We are a founding member of the Ethical Trading Initiative (ETI) and committed to the ETI Base Code. One of the principles of the ETI Base Code is to provide living wage to workers. We are also a member of the ACT group on living wages (see below).
	If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.	Tesco is a member of ACT (www.actonlivingwages.com/members/) Our approach is to support and achieve the living wage through collective bargaining at industry level, supported by our purchasing practices and supplier productivity improvements.
1.2	How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?	We are working towards the living wage together with global unions, industry bodies and other brands on the ACT platform. Meanwhile, we have a team of 38 full-time in-house ethical experts across 8 clothing sourcing countries who monitor wage compliance, improvement and decent working conditions very closely, across our supply base (all first tier and selected second tier, based on risk).
	Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?	<p>We use a combination of our own team (as above) plus auditors from selected independent audit companies, who we monitor closely. All independent audits are semi-announced (i.e. agreed to take place within a window of a few weeks, which helps ensure the right records will be present for review). Our own team also conduct audits and due diligence checks, with a mix of unannounced, semi-announced, and announced audits (mostly unannounced, but announced and semi-announced audits are arranged sometimes to ensure the top management is on site with authority to provide full records if there is a concern we have not been able to verify the real situation of working hours and wages).</p> <p>For Tesco it is a critical non-compliance for suppliers not to pay full, legal and contracted legal wages for all hours worked including overtime premiums, and we will cease working with suppliers which do not. (We regularly hear from suppliers that many of their other customers do not require this, particularly not ensuring full payment of overtime premiums). In 2017/18 we exited 13 clothing factories specifically for failure to maintain ethical standards (mostly around working hours and related wages).</p> <p>In case of discrepancies with legal wage standards, we require suppliers are required to pay back avoided wages to workers. In 2018, through our intervention, we ensured backpayment of avoided wages to 4720 workers in China, India, Pakistan and Thailand, returning nearly \$1m in unpaid wages to workers.</p>

2. Benchmarks for a minimum living wage

2.1	Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region?	As above we follow the ACT approach, believing it is most effective to have common targets set through collective bargaining, rather than brands setting individual targets.
	If yes, please provide details.	See above.

2.2	Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.	See above
2.3	Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.	We are working towards this through ACT and have engaged our suppliers in dialogue on this issue to prepare them for open discussions with unions on collective bargaining on living wage. In the past we have surveyed our suppliers in Bangladesh, a key supply country. These have consistently shown pay about market minimums. This is a result of consolidating our supply base around the most reliable and ethical performers (we have reduced the number of clothing suppliers by more than a third in the last 4 years, while continuing to grow our clothing business), who tend to invest most in better conditions and productivity.

3. Purchasing practices that make living wages possible

3.1	Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?	We are committed, through ACT, to paying prices sufficient for living wage benchmarks to be met. These prices will depend in part on the common living wage benchmarks once agreed through collective bargaining.
	If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?	As above (3.1).
3.2	Does your company make long-term sourcing commitments at a specific volume to suppliers?	Our sourcing strategy is based on building long-term relationships with trusted, responsible suppliers. We have reduced the number of our suppliers by 35% since 2014 (from more than 620 to 400). And we have worked with 73% of our current clothing factories for more than 3 years.
	If so, how long are these commitments, and at what volume?	As above.
3.3	Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list?	Yes
	If so, can you provide concrete evidence over time that shows how this is working?	As above, the overall number of 1 st tier clothing suppliers has reduced 35% from over 620 in 2014 to 400 in 2018 We have also implemented a list of preferred mills which suppliers need to use for specific processes (e.g. spinning, dyeing).
3.4	Is your company doing work to limit the use of labour contractors?	The vast majority of the workers in our supply base are directly employed by our suppliers. But we run detailed checks to ensure that all labour contractors used are legally registered and that workers hired through them also are treated same as other workers.
	If so, can you provide concrete evidence over time that shows how this is working?	We ensure this through visits by our own experts, contained in hundreds of internal reports. These are not publically available because of extensive experience that factories are more open when reports are shared in confidence.

4. Transparency

4.1	Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network?	We publish a list of clothing supplier factories with their address
	If yes, please supply a link.	https://www.tescopl.com/media/474607/ff-factories-2018-final.pdf
4.2	Does your company publish information on wages currently paid to workers at your suppliers?	No
	If yes, please supply a link or further information.	

5. A clear roadmap for implementing a living wage for all workers

5.1.	Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network?	Through our membership of ACT we are committed to achieving living wages for workers in the global textile and garment industry supply chains through mature industrial relations, freedom of association and collective bargaining. The timing of this relies on the collective effort . with other leading brands and trade unions . to deliver this. Regular updates are provided on the ACT website.
	If yes, please supply a link to where this is published.	www.actonlivingwages.com
5.2.	By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?	See 5.1. Like other leading brands and unions, we hope for (and work towards) swift progress.

6. Living wage projects

6.1	What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?	ACT Cambodia and Turkey are the current forerunners of collective ACT efforts Wages are calculated through industry collective bargaining with unions and manufacturers. Once wage levels are agreed, all our suppliers in these countries will be involved.
	By what date will this project achieve a living wage across your supplier network?	See 5.2
	Option to add an additional project	Since Jan 2017, we have been working with 47 key factories in Sri Lanka and Bangladesh to put in place in beyond-average wage increases for workers every year. On a day-to-day basis, we have good relationships with global and some local unions, as well as NGOs. Whenever issues of concern are flagged by them to us, we always investigate will require our suppliers (if necessary) to engage in dialogue with them to resolve issues including on wages.

6.2	In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.	<p>We do not maintain comprehensive data on this.</p> <p>In a joint initiative with our key suppliers in Bangladesh and Sri Lanka, since 2017, we have asked factories to plan their budget to enable workers wage increases (beyond statutory increases). In Bangladesh, we engaged 28 factories and as result 72000 workers have got their basic wage increased in the first half of 2018 (before the recent legal minimum wage increase at 2018-end). This is about 45% of the total workforce in our supply base in Bangladesh.</p> <p>Apart from our work with ACT, we engage on a case-by-case basis. We work with many suppliers on productivity improvements which enable improved wage rates, and with others on ensuring strong relationships with local unions which support workers to negotiate for themselves on their wages. In Turkey, for example, we ensured one of our suppliers engage in dialogue with the local union to reach a collective bargaining agreement which also includes agreement on wage increase. In the agreement, it is clearly stated that wages will be increased by 4% every 6 months.</p>
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7. Advocacy for an increase in the minimum wage

7.1	Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases?	Yes
	If yes, please supply link to where this / these can be found.	As a signatory of letters issued by the Ethical Trading Initiative to Bangladesh and Cambodian Governments and a signatory of ACT letters to governments and manufacturing organisations in Cambodia, Myanmar and Turkey.

8. Freedom of Association

8.1	How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?	Yes. This is one of the core principles of the ETI Base Code and is one of the issues our in-house experts and independent auditors look into during ethical audits
8.2	Do you require suppliers to sign union access agreements?	Not universally.
	If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.	
8.3	Do your suppliers provide workers with paid time off for union activities?	Yes. If unions or worker participation committees exist, this is a requirement we stand behind. It also applies, for example, for our suppliers/factories participating in the social dialogue programme we support through the ETI.

	If yes, please state how many suppliers this impacts.	<ul style="list-style-type: none"> • <u>Factories with unions</u> - at least 38 factories in Bangladesh, Cambodia, Vietnam and Turkey • <u>Factories with workers councils/committees elected by workers</u> . at least 157 factories in Bangladesh, India, Pakistan and Sri Lanka • <u>Factories participated in the ETI Social Dialogue program</u> . 9 factories in Bangladesh and Turkey
8.4	Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?	Some
	If yes, please state how many suppliers this impacts.	We do not keep count of this

8.5	Do you require your suppliers meet and bargain with duly constituted unions?	Yes
	If yes, how do you verify that they are doing so?	<p>If any issue comes up in the audit we follow up. Or if we receive any complaints from unions or whistleblowers, we also follow up to meet with our suppliers to ensure they have dialogue with unions to address the issues.</p> <p>For example, in the last two years, we worked on 7 union-management disputes in Turkey. Some of these cases we work with the ETI together to issue letters to suppliers. https://www.ethicaltrade.org/blog/industrial-relations-turkey-solving-workplace-disputes-social-dialogue</p> <p>We have good results in some of these cases where factory owners have agreed to start discussion on collective bargaining agreements with workers, and where some factory management dropped appeals to challenge the legal status of unions. Some factories have also rehired union members they have previously dismissed.</p> <p>We are now currently working on some cases in Turkey including one factory for which we have stopped making any new orders, because they have refused to rehire union members who had been dismissed. Should the factory not address this situation, we will de-list them permanently and we have clearly informed the supplier and the factory of our position.</p> <p>Recently in a dispute in Sri Lanka, we also just collaborated with global unions and encouraged one of our suppliers to meet with them to discuss and reach an agreement. There is encouraging progress on this case, with a joint statement between the supplier and unions now issued.</p>
8.6	Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions?	<p>We favour suppliers that show strong commitment and performance on working conditions, including freedom of association (ethical performance is one of our key criteria in choosing which suppliers to work with). We have also committed not to require audits of sites with collective bargaining agreements in place, as a further encouragement to suppliers to move in this direction (because we believe workers in such workplaces will safely be able to raise their own concerns with management direct and, if unsuccessful, unions will flag their concerns to us).</p> <p>Once the ACT initiative starts implementation, that will also specifically encourage and enable free and functioning trade union activity, and we will limit ourselves to only working with committed factories in ACT countries.</p>
	If yes, please explain how these suppliers are determined and how preference is given.	As above
8.7	Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?	Yes
	If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?	<p>We have a Protector Line run by an independent organization, we require and audit to ensure that all supplier factories put up posters of our Protector Line in conspicuous places in the factory. Last year we received 5 complaints from anonymous workers, about wage underpayment, verbal abuse by supervisors. Our team investigate and depending on the issue, our group security colleagues may also be involved. All of these complaints are followed up and resolved by ensuring backpayment to workers, and developing disciplinary procedures for supervisors who do not respect workers.</p> <p>However, as is clear from the numbers, we identify many more issues of concern from factory visits by our own experts, including confidential workers interviews, and the visits and interviews conducted by trained independent auditors.</p> <p>We are also a member of Accord on Fire and Building Safety in Bangladesh. Workers also can put in complaints to Accord. We have also worked with the Accord to resolve these complaints.</p>

8.8	Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?	We de-list factories and suppliers that do not meet our standards, across all areas of ethical performance, including Freedom of Association.
	Please clarify your answer.	The ETI Base Code, to which we are committed and we require all suppliers to commit to, states that freedom of association should be respected. We stop working with factories which are found to discriminate against unions and refuse to rectify the issue. As mentioned in the above, we have stopped placing orders in a factory in Turkey for refusing to rehire union members whom they have dismissed, currently giving them an ultimatum to improve. We have made it clear to them that we will de-list them permanently if they continue not to correct the issue.

9. Dialogue and negotiation with labour rights organisations

9.1	Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?	Yes
	If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.	We do not maintain data on this. We are aware of the cases which we have supported and are still supporting.
9.2	Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?	We are a member of of the A ACT initiative, a groundbreaking agreement between global brands, retailers and trade unions to transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to purchasing practices.
	If yes, please give details and provide a link to the public text.	www.actonlivingwages.com

10. Further questions about your supplier base

10.1.	What are your main production countries? Please state percentage of total production per country and the number of supplier factories.	Key countries include China, Bangladesh, India, Sri Lanka, Turkey, Pakistan
10.2.	What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:	<p>Please note that this is NOT for public disclosure, as we are vigorously reviewing our supply base and the situation is changing</p> <ul style="list-style-type: none"> É Orders placed directly to supplier factories . approx.. 34% É Orders placed through agencies or intermediates - approx. 66% (please note however that we always have direct knowledge of, visits by our own team to, and relationships with, every factory we work with, even when contracted via a trusted supplier partner.
10.3	How many sites did you use to produce your goods in 2018?	400 factories
10.4	How many supplier factories do you trade with where you have a regular production share of more than 25%?	This data is not easily available in our systems. However our work over the last 4 years to consolidate our supply base (see details above) has been to ensure greater ability to engage and influence on these issues, and has meant we are on average a significantly larger % of factoriesqproduction on average.

11. Your feedback

11.1 Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Our experience of recent years has clearly shown us that suppliers are unwilling or unable to make unilateral increases in wages when requested to do so by individual retailer or brand customers. This is because of obvious concern that their other customers will not welcome this progress and potential impact on prices, they may be undercut by less committed competitors, and because they want assurance of long-term commitment on trading relationships before considering making such a move.

We therefore believe that the ACT approach to move collectively with other leading brands is the right option and that the ACT focus on ensuring workers through their unions are able to negotiate the living wage with supplier factories is more sustainable and appropriate than outside bodies (from brands to other civil society groups) proposing what these levels should be.

We also note with regret that our day-to-day experience working with factories is that, notwithstanding living wages, very few brands and retailers actually work hard to ensure full legal and contracted wages are paid to workers for all hours worked, including overtime premiums. This is a prerequisite to living wages, and it would help if more focus was placed by brands on ensuring this takes place regularly . along with a preparedness to de-list factories that refuse and transparency on their success in doing so, as Tesco has done for example in our public reporting on our work to combat risks of Modern Slavery - as well as stating bolder ambitions.

Please note: deadline for responses to this survey is 11th January 2019.

Clean Clothes
Campaign Living
Wage survey
responses 2019

Adidas

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

adidas

Brands owned by company: *

adidas, Reebok

Main contact person: *

Frank Henke

Contact email: *

Frank.Henke@adidas-group.com

Contact phone number: *

+49-9132-842032

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

see website: <https://www.adidas-group.com/en/sustainability/people/factory-workers/>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

see website: <https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/>

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

see website: <https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/>

see website: <https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/monitoring/>

see website referring to corporate human rights benchmark:

https://www.adidas-group.com/media/filer_public/fd/5c/fd5ceea4-0008-4b08-a4f8-03114f8fc88f/adidas_chrb_2018_submission.pdf

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

See website: https://www.adidas-group.com/media/filer_public/fd/5c/fd5ceea4-0008-4b08-a4f8-03114f8fc88f/adidas_chrb_2018_submission.pdf

During 2016, we continued to work closely with our partners such as the Fair Labor Association, to strengthen our prevention programmes and to close critical gaps in wage fairness identified in our ongoing collection of supply chain wage data. A 2016 outcome of the FLA Fair Compensation Strategy is to publicly compare and report compensation paid at suppliers to FLA affiliated companies with national wage levels as benchmarked by the Legal Minimum, World Bank Poverty line, Asia Floor Wage, national sectoral range, OECD, and others.

See FLA compensation reports: <http://www.fairlabor.org/global-issues/fair-compensation/reports>

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

As part of our monitoring program and also through our wage gathering exercises, we monitor available wage benchmarks to ensure we consider the most updated information when verifying legal compliance during our monitoring efforts, and existing fair wage/living wage estimates when conducting wage gathering. Please refer to the FLA's 'Toward Fair Compensation in Bangladesh' report (<http://www.fairlabor.org/bangladesh-2018>) to understand the wage benchmarks we are using in our wage gathering exercises. In our Workplace Standards, we commit that the suppliers will meet all the legal requirements relating to wages and benefits. This includes the cases where the minimum wages significantly increase in a country. For example, when there was a hike in minimum wages in 2012 in Indonesia, we refused to accept waivers by regional government, and asked all our suppliers to pay the new minimum wages. 2. As part of our monitoring efforts and also through our wage gathering exercises, we monitor available wage benchmarks to ensure we consider the most updated information when verifying legal compliance during our monitoring efforts, and existing fair wage/living wage estimates when conducting wage gathering.

See also: <http://www.fairlabor.org/global-issues/fair-compensation/reports>

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

See: <https://www.adidas-group.com/en/sustainability/people/factory-workers/#/our-approach-to-fair-wages/>

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

See: https://www.adidas-group.com/en/sustainability/people/factory-workers/#/our-approach-to-fair-wages/https://www.adidas-group.com/media/filer_public/ca/ba/caba936a-7da7-4710-9d88-d437bac87923/adidas_responsible_sourcing___purchasing_policy_en.pdf

Responsible Sourcing Policy:

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

See responsible sourcing policy: https://www.adidas-group.com/media/filer_public/ca/ba/caba936a-7da7-4710-9d88-d437bac87923/adidas_responsible_sourcing___purchasing_policy_en.pdf

Also see annual report 2017 page 76: https://www.adidas-group.com/media/filer_public/6a/69/6a690baa-8430-42c5-841d-d9222a150aff/annual_report_gb-2017_en_secured.pdf

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

See: responsible Sourcing policy: https://www.adidas-group.com/media/filer_public/ca/ba/caba936a-7da7-4710-9d88-d437bac87923/adidas_responsible_sourcing___purchasing_policy_en.pdf

Also see annual report 2017 page 76: https://www.adidas-group.com/media/filer_public/6a/69/6a690baa-8430-42c5-841d-d9222a150aff/annual_report_gb-2017_en_secured.pdf

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

See employment Guidelines page 114 ff
https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

supplier lists: <https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/aufbau-der-beschaffungskette/>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

FLA reports: <http://www.fairlabor.org/global-issues/fair-compensation/reports>

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

See website: <https://www.adidas-group.com/en/sustainability/people/factory-workers/#/our-approach-to-fair-wages/>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

see: <https://www.adidas-group.com/en/sustainability/people/factory-workers/#/our-approach-to-fair-wages/>

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

See: <http://www.fairlabor.org/global-issues/fair-compensation>

Project description

Participation in FLA Fair Compensation approach

Partnerships involved

FLA

Countries covered by the project

Key Sourcing countries

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.1 Continued. Opportunity to add additional project.

Project name

FoA Protocol Indonesia

Project description

See: in Indonesia we were a leading party in a multi-stakeholder process with local trade unions, non-government organizations and suppliers to develop an FOA Protocol – a basic framework for the exercise of trade union rights in the workplace. Elsewhere, we have worked with labor officials, trade unions and suppliers to run FOA awareness training sessions, to strengthen workers' understanding of their associational rights to form and join organizations of their own choosing and their right of access to trade union representation.

Partnerships involved

Multistakeholder

Countries covered by the project

Indonesia

Number of suppliers impacted

40

Timescale

ongoing

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

see website: <https://www.adidas-group.com/en/sustainability/managing-sustainability/partnership-approach/#/2001/2013/government-outreach/>

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

See workplace standards: https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf

See: <https://www.adidas-group.com/en/sustainability/people/factory-workers/#/timeline-for-research-guidance-on-fair-compensation/our-approach-to-effective-workplace-communication-and-ensuring-freedom-of-association/>

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

See position Work place Standards

https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf

See employment Guidelines pages 25 ff and 93 ff:

https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

See position Work place Standards

https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf

See employment Guidelines pages 25 ff and 93 ff:

https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

See position Work place Standards

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

See position Work place Standards

https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf

See employment Guidelines pages 25 ff and 93 ff:

https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

See: <https://www.adidas-group.com/en/sustainability/people/factory-workers/#/timeline-for-research-guidance-on-fair-compensation/our-approach-to-effective-workplace-communication-and-ensuring-freedom-of-association/>

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Grievance/ Complaint systems:

We have in place a number of grievance mechanisms which complement our stakeholder engagement and other due diligence processes. For example, we have very mature grievance channel available for workers – through worker hotlines in each country, manned either by internal staff or independent NGOs, who speak the workers' local language. The hotline services have been the subject of regular reviews and assessments to understand their efficacy and value.

We have been continuously upgrading these reporting channels and have introduced an APPS-based complaint mechanism for adoption by our suppliers. This is being progressively rolled out across our supply chain.

Individuals, worker representatives and worker rights organizations, can also access adidas Third-Party Complaint Process which deals with labour and human rights complaints https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf as well as the independently managed FLA Third Party Complaint Process see: <http://www.fairlabor.org/third-party-complaint-process>

As part of our engagement with Human Rights Watch we have taken steps to strengthen the protection of whistle-blowers and to encourage the reporting of adverse working conditions within our suppliers' factories. See 'Subcontracting and the Role of Brands' at <https://www.hrw.org/report/2015/03/11/work-faster-or-get-out/labor-rights-abuses-cambodias-garment-industry>

See: <https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/monitoring/>

Third party complaint process: https://www.adidas-group.com/media/filer_public/20/df/20df7722-e850-487f-a029-175d7ee5cfc9/summary_third_party_complaint_process_2017_english.pdf

enforcement policy: https://www.adidas-group.com/media/filer_public/2013/11/25/enforcement_guideline_nov_2013_en.pdf

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

See: enforcement guidelines:

<https://www.adidas->

[group.com/media/filer_public/2013/11/25/enforcement_guideline_nov_2013_en.pdf](https://www.adidas-group.com/media/filer_public/2013/11/25/enforcement_guideline_nov_2013_en.pdf)

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

See: <https://www.adidas-group.com/en/sustainability/people/factory-workers/#/timeline-for-research-guidance-on-fair-compensation/our-approach-to-effective-workplace-communication-and-ensuring-freedom-of-association/>

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

See: Responsible Sourcing policy: https://www.adidas-group.com/media/filer_public/ca/ba/caba936a-7da7-4710-9d88-d437bac87923/adidas_responsible_sourcing___purchasing_policy_en.pdf

See also endorsement of FoA Protocol and non waiver policy in Indonesia

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

10.2 What kind of trade partners are part of the sourcing structure?
Please indicate an approximate % of volume share of your production:
Production at factories owned by your company

See 2017 annual Report Pages 75 ff

Orders placed directly to supplier factories

See 2017 annual report pages 75ff

Orders placed through agencies or intermediates

less than 5% of international export market volume

Other (please specify)

More tha 90 % of international export market sourcing comes fro direct supplier relationships

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

750

Sub contracted suppliers

number above contains sewing subcons

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

approx. 80

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

See other external benchmarks:

Corporate Human Rights Benchmark: <https://www.corporatebenchmark.org/>

Know the chain benchmark: https://knowthechain.org/benchmarks/comparison_tool/6/

ASN wage benchmark report: [https://www.asnbank.nl/over-asn-](https://www.asnbank.nl/over-asn-bank/duurzaamheid/mensenrechten/asn-bank-working-towards-a-living-wage-in-the-garment-industry.html)

[bank/duurzaamheid/mensenrechten/asn-bank-working-towards-a-living-wage-in-the-garment-industry.html](https://www.asnbank.nl/over-asn-bank/duurzaamheid/mensenrechten/asn-bank-working-towards-a-living-wage-in-the-garment-industry.html).

This content is neither created nor endorsed by Google.

Google Forms

Amazon

RE: Invitation to Clean Clothes Campaign wage survey 2018/19



mmathieu@amazon.com

Fri, 15 Feb 2019 11:06:07 PM +0000

"anna@labourbehindthelabel.org" <anna@labourbehindthelabel.org>

"Sylwester, Joanna" <sylwej@amazon.com>



TLS [Learn more](#)

Dear Anna,

Thank you for inviting Amazon to participate in the Clean Clothes Campaign 2018/19 survey.

Our publicly available Supplier Code of Conduct incorporates internationally recognized human rights standards, which include that suppliers must pay their workers in a timely manner and provide compensation (including overtime pay and benefits) that, at a minimum, satisfy applicable laws. We partner closely with our suppliers and business partners to drive continuous improvement in working conditions; we have dedicated teams that work directly with suppliers in key sourcing regions, track and report performance, and set goals at a senior executive level to improve working conditions.

We appreciate you reaching out about your efforts and shared interest in promoting ethical working conditions globally.

Respectfully,

Mike Mathieu
Head of Responsible Sourcing, Sustainability
Amazon

From: Anna Bryher <anna@labourbehindthelabel.org>

Date: Thursday, January 17, 2019 at 2:55 AM

To: Kara Hurst <karahurs@amazon.com>

Subject: Re: Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Kara,

This is a quick email to follow up on this survey request. To be clear, Clean Clothes Campaign will publish a profile on Amazon's ethical stance anyway, evaluating against the criteria used in the survey with publicly available data. If you do want to send us anything across to compliment this data then we would gratefully receive this.

We noted that someone from Amazon's team followed our Twitter so we assume that this has been read, and for now you are choosing not to participate. If however this position changes, please do get in touch.

All the best,
Anna

---- On Thu, 03 Jan 2019 10:56:50 +0000 **Anna Bryher** <anna@labourbehindthelabel.org> wrote ----

Dear Kara,
Happy new year. I hope you had a good break. This is a quick email to check that you received this survey. If you could acknowledge that would be great.
All the best,
Anna

----- On Thu, 20 Dec 2018 14:45:40 +0000 **Anna Bryher** <anna@labourbehindthelabel.org> wrote -----

Dear Kara Hartnett Hurst,

I'm writing to invite Amazon to make a submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey will provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

We hope that taking part will be a useful evaluation process both for your brand and for consumers we will promote the outcomes to. Do bear in mind that if you do not fill in the survey, a profile will be published about your company using data that is publicly available nonetheless.

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. **Please also reply to confirm that you have received this information.** I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,
Anna

On behalf of Clean Clothes Campaign International.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label
A: Easton Business Centre, Felix Road, Bristol BS50HE, UK | Tel: +44 (0) 117 954 8011 | Mob: +44 (0)7786 832 035
E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org

<image003.jpg>

Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns with 250 organizational members worldwide.

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.

--

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Join the Labour Behind the Label [Facebook](#) group | Follow us on Twitter: @labourlabel

Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns in 15 European countries with a network of 250 organizations worldwide.

2/25/2019

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

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C&A

CLEAN CLOTHES CAMPAIGN QUESTIONNAIRE ON LIVING WAGES JANUARY 2019

1. Living wage commitment

1.1 Has your company published a clear commitment to ensure a LW is paid across your supplier network?

Yes

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

For C&A, wages in the supply chain is a priority. We want to do it right and in a sustainable manner.

C&A's Code of Conduct defines a living wage as follows: *'wages and compensation (for standard working hours, i.e. without overtime) must be paid regularly and on time, and be sufficient to meet basic needs and provide some discretionary income for workers and their families'*. Link to Our Code of Conduct: <http://sustainability.c-and-a.com/sustainable-supply/>

This definition is aligned with the one used by many other organizations including Clean Clothes Campaign.

Our Supplier Code of Conduct is guided by the ETI Base Code and the [UN Guiding Principles for Business and Human Rights](#). It provides a set of expectations for suppliers on: a) legal compliance; b) labour practices and; c) environmental performance supported by a comprehensive set of guidelines. The code goes beyond compliance, and supports our aim of building capacity and ownership throughout our supply chain

In addition, C&A is a founding member of the industry-wide initiative Action Collaboration Transformation (ACT). C&A has highlighted its commitment to work towards living wages in our supply chain in the Memorandum of Understanding signed in 2015 with IndustriALL (see it published <http://sustainability.c-and-a.com/sustainable-supply/safe-and-fair-labour/>)

1.2 How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?

C&A has a stringent auditing procedure and audits 100% of its supplier base (Tier 1, Tier 2 and part of Tier 3) minimum once a year. Last year, we carried out 3400 audits (see our Global Sustainability Report 2017: <http://sustainability.c-and-a.com/sustainable-supply/>). Through our auditing procedure, we are monitoring our suppliers on paying wages. A failure by a supplier to pay those can result in seizing our business relationship with them.

We invest substantial efforts and time to on-board new suppliers and factories in the appropriate way so that they can fully understand our requirements, how to live up to them and the consequences of failing to do so. Only in 2018, we have spent more than 200 days in on-boarding training with suppliers and factories. These trainings have a standard content on our Code of Conduct and our expectations on its implementation. The trainings cover three main pillars: a) auditing and Code of Conduct requirements ; b) monitoring and capability

building and; c) engagement with our sourcing and buying teams and how we invest in long-term partnerships.

In addition, we classify our suppliers in different categories depending on their level of knowledge and competencies on several issues and we tailor made their training for a better outcome.

Finally, we also pay attention to trends and tendencies in the different sourcing countries so, if needed, we can better address them. For example, when the labor rights situation was deteriorating in Cambodia in 2017, we significantly increase the time during the on-boarding training dedicated to Freedom of Association to ensure that all the factories had a clear understanding on what C&A expectations are.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

What we expect from suppliers is clearly laid out and communicated through our Supplier Code of Conduct and audited by our Sustainable Supply Chain (SSC) team. It comprises over 100 people worldwide, including 42 auditors and 29 development officers.

During 2018, 99% of the audits performed were carried out by our internal teams. They go through a thorough training process and receive third party shadow and verifications audits that assess their performance. Last year, 37 shadow and verification audits took place in 6 different countries.

Our audit protocol allows unannounced and semi-unannounced audits. For the semi-unannounced one, a 3 weeks window notice period is given. If there is a non-compliance,, the production unit goes through a remediation plan. Our team of development officers support production units throughout the entire remediation process to make sure that suppliers close their gaps on time and understand what needs to be done in the future to avoid non-compliances.

In terms of wages, 98% of our production units were in compliance with the national legislations.

In order to strengthen the control throughout our supply chain, we also take advantage of the local knowledge and expertise. Hence, we develop solid relations with local stakeholders and unions. They support us in the monitoring and have access to our channels of communication to report allegations in case they witness any. In addition, we have developed our fairness channels that <https://secure.ethicspoint.eu/domain/media/en/gui/102463/index.html> allow any factory worker to inform us about working conditions at the factory level d. All those allegations are escalated to management in an anonymous fashion and addressed them individually.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region?

YES

At C&A we does not believe that prescribing living wage benchmark figures will have the expected long-term positive impact. We are convinced that employers and workers (together with trade unions being their legitimate representatives) should be able to negotiate the necessary income required for a worker under a collective bargaining agreement.

Therefore, C&A actively promotes the fundamental labour right of workers to bargain and negotiate collectively through their democratically elected labour unions. We consider that the rights of workers to better wages will be preserved only through mature industrial relations process and collective bargaining. This will enable the sustainable progress of the garment industry in the long run. An industry wide collective bargaining agreement provides a level playing field for wages and conditions that are enforceable in all factories in a country. This is why, C&A follows as a benchmark the living wage (monetary and non-monetary parts) as defined and agreed by workers and employers in the form of a collective bargaining agreement.

For those reasons, we take into consideration the industry wide collective bargaining agreements (CBA) existing in many of the countries we produce as valid figures to benchmark and we work through ACT in order to increase the number of countries with CBA

(ACT on living wages-
https://www.google.com/search?q=act+on+living+wage&rlz=1C1GCEB_enDE808DE808&oq=act+on+living+wage&aqs=chrome..69i57j69i60l3j35i39j0.2465j0j1&sourceid=chrome&ie=UTF-8)

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

As mentioned in the previous question, we believe in mature industrial relations as the way to address many of the challenges that the garment sector faces. Hence, we take into consideration industry wide collective bargaining agreements (CBA) as valid figures to benchmarking, especially because CBA are the result of fair negotiation between entrepreneur associations and democratically elected unions. The best way to realize this objective is continuous and substantial wage growth through minimum wages as a floor complemented by further wage increases negotiated collectively by trade unions and employers at industry level. In the public purchasing practices commitments <https://actonlivingwages.com/news-on-global-purchasing-practices-commitments/>, we have committed to support the implementation of the collective bargaining process through brand purchasing practices that incorporate the negotiated wages in FOB prices.

Currently, the countries where we produce and it exist a active Industry Collective Bargaining Agreement in place is as follows: Bosnia, Croatia, Czech Republic, France, Germany, Hungary, Italy, Lithuania, Macedonia, Netherlands, Portugal, Slovakia, Spain, Tunisia, United Kingdom, Brazil

In our commitment to build stable industrial relations in our sourcing countries, C&A was one of the founding brands of ACT for living wages. As part of ACT, the company has made a commitment to work to establish industry-wide, national collective bargaining agreements in those production countries that they still don't have one. This will allow worker representatives to bargain with the local manufacturers' associations on the wages they need. This commitment has been embedded throughout the organisation based on a Memorandum of Understanding signed with IndustriALL Global Union.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.

Currently 36% of the factories that supply our goods are covered by an industry collective bargaining agreement which is, under our opinion, the correct approach to address living wages.

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?

Y/If yes, please supply evidence.

YES

Free text box and file upload option

C&A has been using ways to calculate whether FOB prices paid as sufficient to allow for wages to be paid since 2013. When it comes to price negotiations with suppliers, we are using an open costing model. This tool helps us to we separate fabric cost, labour cost, logistics etc. in order to create transparency and to make sure that wages are a separate component so that our buyers and suppliers have full visibility on it.

C&A as a company is committed to paying the wages and additional benefits (transportation, lunch, attendance bonus etc.) as set by a country's government as a starting point or an active industry collective bargaining agreement.

Before we go discuss orders with selected suppliers, we collect information on the current situation with wages and social benefits in our production countries. Our sourcing offices in our production locations are regularly monitoring wage developments /increases and social benefits in order to create transparency for and make the buyer aware of changes of wages and social benefits in a certain country.

However, it is important to stress that, the price of a product is only one of the many criterias we have when we to decide to work with a supplier. Other criteria that are as equally important as price are working conditions audit results, supplier reliability, , lead times, quality in production, factory productivity etc. A purchasing decision is never based only on one variable and, definitely not on price. Higher wages can make production locations even more attractive for buyers if they come associated with higher productivity ratio or more social peace.

In addition, we acknowledge that our purchasing practices may have a significant impact on wages and working conditions. That is why, in the Memorandum of Understanding with IndustriALL, we have committed to ensure that our purchasing practices will facilitate the payment of living wages. In order to fulfil this commitment, we have done a thorough assessment of the way we buy in order to identify areas for improvement. These improvement areas have been agreed collectively in the form of ACT purchasing practices commitments applicable to all ACT members. Together with our senior sourcing and buying management, C&A is currently implementing a holistic action plan to implement the ACT purchasing practices commitments (<https://actonlivingwages.com/news-on-global-purchasing-practices-commitments/>). We are committed to fulfil those in the next 3 years.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers?

YES

If so, how long are these commitments, and at what volume? Free text box

As a guiding principle, we provide our suppliers with a regular capacity booking of 6 months ahead which enables them to prepare a proper production planning and human resource management.

C&A buyers insert in our PLM tool a product, a country of origin, and the date of arrival. Our sourcing teams obtain this information from the PLM tool and add it in the capacity booking tool. Based on this, the selected supplier receives a six-month forecast.

Additionally, we provide our strategic suppliers with a three-year business plan which secures a long-term business commitment with them based on good performance and trust. This 3-year plan enables the supplier to plan properly and invest in factory upgrading and training of its workforce which builds up a supplier's competitiveness towards other customers too. Our strategic suppliers cover 40 % of C&A's total yearly production. Our suppliers are our partners and C&A incentivises them when they are striving for excellence. We assess suppliers based on a supplier scorecard and production volumes. The supplier scorecard includes key areas such as quality, on-time delivery, sustainability among others.

We are aware that brands' purchasing practices and capacity planning are key for suppliers in order for them to plan their production cycles, avoid excessive working hours and ensure on-time and accurate payment to workers. As the countries in Asia do not have a long history and experience with collective bargaining, we acknowledge that for a certain period of time, moving towards a living wage agreed through collective bargaining may carry the risk of an

international competitive disadvantage. In order to help a country's journey to assure a living wage for its workers through a collective bargaining agreement, we have publicly committed to support these pioneering countries as a preferred destination of sourcing for a certain period of time.

For example, in Cambodia, the ACT brands, including C&A have made a commitment that, once a national collective agreement is in place, they will ensure increased sourcing until the end of 2022. For more information around the country support commitments, click here: <https://actonlivingwages.com/economics-of-the-act-approach/>

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list?

YES

If so, can you provide concrete evidence over time that shows how this is working?

Free text box

C&A's priority is to invest in long-term relationships with strategic suppliers who live our values. We have been working with 71% of our supplier base for more than 5 years. We acknowledge that reducing our number of factories and suppliers help us in our aim. In the last two years, we have reduced our supply base by 39% and we are continuing to limit the number of suppliers we work with.

3.4 Is your company doing work to limit the use of labour contractors? – YES

If so, can you provide concrete evidence over time that shows how this is working?

Whenever factories are engaging contract workers via labour contractors they shall comply to the national law and should have all necessary documents in place (e g :- contractor license, agreements etc.). During our audits, we check all these documents & records. If a violation is detected, the factory is being asked to remediate win an immediate manner.

For example, India is a country which allows this type of labour practice as per certain requirements set by the Government. Our local team is checking if factories fulfil these requirements, alongside with our Code of Conduct. In 2018, we detected a total of 23 non-compliances related to contract labour, mainly documentation issues of the contract workers. Together with the factories which had these non-compliances, we created a corrective action plan which they had to fulfil within 3 months with the support of our Development Officers. All of those non-compliances were resolved and all workers received full salaries as per the Indian law.

4. Transparency

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network?

YES

If yes, please supply a link

<http://sustainability.c-and-a.com/supplier-list/>

4.2 Does your company publish information on wages currently paid to workers at your suppliers?

No

We consider that making public the wages paid to our suppliers' workers is not a feasible exercise due to the complexity of the wage schemes in each country and factory. In addition, it is unclear whether we, as a third party, are legally allowed to disclose private information about salaries of workers. Finally, we consider that the relevance of this information in the public domain is low.

4. A clear roadmap for implementing a living wage for all workers

5.1. Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network?

YES

If yes, please supply a link to where this is:

There only way on how are we going to address the challenge of wages throughout a supply chain in the garment sector is having a clear strategy and a roadmap. Individual and unaligned actions between the different stakeholders will have no real impact in the sector. We need to have a wide understanding of the challenge and avoid paternalistic and non- sustainable actions.

Therefore, the C&A strategy on living wages is fully aligned with the ACT strategy. C&A abides by the principle that a living wage can best be achieved through collective bargaining at industry level between employers and trade unions. Such agreements are legally binding and enforceable for the signatories. They can be extended to the whole industry within a country, in which case they will cover every worker within the sector. The negotiated wages will differ according to national contexts. A wage floor at industry level also functions as a productivity driver, as it rules out competition based on substandard wages and working conditions and instead rewards quality and efficiency improvements. Substantial and continuous wage increases above inflation and productivity will also ensure that a larger share of the added value stays in the manufacturing country. Standards applicable throughout the industry will create more stable employment and reduce staff turnover. This in turn enables investment in skills training and human resource development, leading to a more skilled and productive workforce.

In addition, C&A together with the ACT member brands will support continuous and substantial wage growth improving its purchasing practices to facilitate the payment of the higher wages as stated in the Memorandum of Understanding signed with IndustriALL.

See the strategy in the public domain here: <https://actonlivingwages.com/new-background-brief-on-collective-bargaining-at-industry-level/>

C&A is currently working in Cambodia, Myanmar and Turkey, alongside with other ACT brands. Further envisaged countries for the ACT process are Bangladesh and Vietnam. These five initial countries have been selected on the basis of sizable garment production with considerable presence of ACT member brands and the potential for trade unions to engage in collective bargaining at industry level. Our sourcing volumes in these countries is as follows: Cambodia- 7.8%, Bangladesh- 31.9 %, Turkey- 5.8%, Myanmar- 1.4%. Successfully working in these five countries and, summing it up with the ones that currently have collective bargaining agreements in place, will make the vast majority of our supply base covered by Collective Agreements.

In the coming years, ACT will engage with further garment-producing countries

By working in a number of countries simultaneously, the ACT approach will reduce wage competition amongst garment manufacturing countries, which has significantly contributed to the downward pressure on labour costs over the last decades. The ACT member brand commitments will provide significant benefits to countries pioneering the ACT approach.

More information on the programme in Cambodia, see here: <https://actonlivingwages.com/country-activities/?lang=km>

More information on the programme in Myanmar, see here: <https://actonlivingwages.com/%E1%80%90%E1%80%AD%E1%80%AF%E1%80%84%E1%80%BA%E1%80%B8%E1%80%95%E1%80%BC%E1%80%8A%E1%80%BA%E1%80%9C%E1%80%BE%E1%80%AF%E1%80%95%E1%80%BA%E1%80%9B%E1%80%BE%E1%80%AC%E1%80%B8%E1%80%99%E1%80%BE%E1%80%AF/?lang=mya>

More information on the programme in Turkey, see here: <https://actonlivingwages.com/country-activities/?lang=tr>

5.2. By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

C&A's living wage strategy which is aligned with the ACT approach aims at transforming the whole industry rather than doing pilot projects in selected factories with little or no real impact.

Achieving a living wage is a continuous improvement journey that will only be sustainable overtime if it is under a process that both worker representatives and entrepreneurs own. Our end goal is making sure that there is a full freedom of association so that suppliers and workers in our supply chain are empowered and knowledgeable to negotiate, sign and implement a collective bargaining agreement in production countries. When there is full respect of labour rights, workers feel empowered to be in the driving seat and negotiate their living wage (monetary or non-monetary elements) year by year. We believe this is the most sustainable solution which can be ensuring a gradual wage increase over time.

Collective agreements at the national level provide a level playing field for all employers within a sector. To address the challenge of international competition, this approach will be pursued in key sourcing countries simultaneously. Meanwhile, special supportive purchasing practices by C&A and other ACT brands for the first countries signing a collective bargaining agreement at industry level will mean that higher wages will not lead to international competitive disadvantages. We have a global supply chain and we believe that it needs a global approach which will transform the industry together with other peers.

6. Living wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage?

At C&A we do not believe that individual projects will have a real and sustainable impact to successfully address the wage challenge. Thus, we have programmes to facilitate the establishment of a collective bargaining agreement supported by improvements in the purchasing practices. A 'project' has a start and end date. In addition, it is difficult to scale up projects and have a long-term impact. We believe that achieving living wages is a continuous process which can be supported through the methods of industry bargaining and full freedom of association.

Free text fields covering: N/A

Project name- N/A

wage and how will they achieve this level? Partnerships

Countries- N/A

Number of suppliers involved

Project detail

Timescale

By what date will this project achieve a living wage across your supplier network? Free text box

Option to add an additional project As 6.1 above.

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Free text box

Unfortunately, the limitations of our current data system does not allow us to track wage increase in the past 5 years in our production locations. We are working hard to be able to provide such level of information soon.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases?

YES

If yes, please supply link to where this / these can be found. Free text box

C&A's has collaborated together with other industry peers in reaching out to governments on the topic of wages. The company has also issued public statement strongly advocating for setting up an efficient social dialogue system in Bangladesh which would enable local stakeholders to have constructive negotiations on the topic.

Link to the letter to the government of Bangladesh-

<https://www.c-and-a.com/uk/en/corporate/company/newsroom/statements/2018/response-to-clean-clothes-campaign-on-wages-in-bangladesh/>

We were key participants in the two ACT country missions in Cambodia and Turkey, where we joined other brands and IndustriALL and met with different different ministries to address the topic of wages and the opportunities of an industry-wide collective bargaining.

In March 2018 and September 2018, C&A hosted the ACT country consultation in our Yangon, Myanmar offices. We also conducted several meetings on wages and collective bargaining with the Ministry of Labour, Ministry of Commerce and Ministry of Industry.

For more information, see here: <http://sustainability.c-and-a.com/sustainable-supply/safe-and-fair-labour/>

8. Freedom of Association

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?

Free text box

Freedom of association and collective bargaining is fundamental to improving labour conditions across the apparel supply chain and in our sourcing countries. Freedom of association remains an important focus of our strategy to amplify workers' voices, encourage a dialogue with management, and advance the overall performance of our suppliers' factories. Our requirements of Freedom of Association and Collective Bargaining are clearly laid out in our Code of Conduct which is signed by our suppliers. We have designed a special onboarding training for new suppliers which includes capacity building and ensuring full understanding of our requirements in C&A's Code of Conduct. In addition to that, we require

from our suppliers to add posters in factories with a simplified version of our code of conduct in the local language so that workers can see and alert us through our Fairness Channel, if there is a non-compliance in place.

Some countries such as China restrict collective bargaining by law. In these cases, we expect our suppliers to help workers establish alternative forms of worker representation and negotiation. We also expect our suppliers to establish, implement and communicate a grievance mechanism that is accessible, predictable, equitable, transparent, rights-compatible, and confidential and based on engagement and dialogue to resolve internal disputes and employee complaints. Freedom of association is tested as part of our auditing process and violations are considered a severe non-compliance with [our Supplier Code of Conduct](#). It is also a key aspect of our [Fairness Channel](#) compliance hotlines, implemented with the support of Ethicspoint incident management software.

Last but not least, we consider our suppliers as a partners with whom we share know-how and learnings on how to improve (mutually). For the past 3 years, we have been operating our Supplier Ownership Programme. The programme contains seven key interactive modules – from an overview on management systems to worker communication and the environment. Freedom of Association is a key component of the programme. Each module includes a one- or two-day workshop, home assignments and joint on-site visits by the C&A Development Officer and the responsible supplier representative:

See our Supplier Ownership Programme

<http://sustainability.c-and-a.com/sustainable-supply/safe-and-fair-labour/supplier-and-worker-engagement/>

8.2 Do you require suppliers to sign union access agreements?

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload. Free text box and file upload option

N/A

8.3 Do your suppliers provide workers with paid time off for union activities?

Yes

If yes, please state how many suppliers this impacts. Free text box

During our audits, we are checking if workers are provided with paid time off for union activities. Our auditors check if the production unit refrain from interfering with, obstructing or preventing legitimate activities of worker association, including providing the workers with paid time off for union activities and space for that. Another way that our auditors use to verify this information is through conducting interviews with randomly selected union members, including the union leaders.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues? .

Yes.

See the response to question 8.3

8.5 Do you require your suppliers meet and bargain with duly constituted unions?

Yes

If yes, how do you verify that they are doing so? Free text box

We verify this through our regular audits and the work of our development officers. If there is a formally recognised union in the factory, our audit includes a designated interview with the union leader and randomly selected union member. We aim to verify if the union is enabled by the factory management to perform its duties.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions? Y/N – Yes

If yes, please explain how these suppliers are determined and how preference is given.

According to our requirements which are laid in our Code of Conduct for which suppliers sign up, C&A does not accept 'yellow unions' or similar kind of fraudulent union representation. If a supplier fails to support the establishment of a genuine trade union as per the National Labour Law and C&A requirements, this may lead to suspension of this supplier from our registry and future orders.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?

Yes

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

We work in a fair and transparent manner, and expect the same of our suppliers. For 10 years, our compliance hotlines, which we call Fairness Channels, have enabled us to deal with any issues that arise about situations in our offices, stores, or supply chain. In 2015, we updated our Fairness Channels to accommodate our more rigorous Supplier Code of Conduct and Employee Code of Ethics.

To ensure that the workers in our supplier's factories understand our requirements, we require our suppliers to train all workers and to prominently post our Code of Conduct and the contact our Fairness Channels in local language.

We deal with any issues rapidly, seeking the best solutions for all parties. Our process of filing the complaints is the following- we have a team of experts who are reviewing the complaints received, assessing their nature and undertaking additional investigation with the factory, if needed. The expert assigned to each complaint is responsible for resolving it as soon as possible, making sure that the whistle-blower does not face retaliation. The whole process is executed in an anonymous manner so that we can guarantee the confidentiality of the information we receive.

When it comes to complaints related to Freedom of Association and collective bargaining, we did not receive any in 2018 in our supply chain.

There was one case related to payment issues for a white-collar staff. This has been resolved and local SSC team is still monitoring the supplier and the relevant factory every month.

Last but not least, we have a good relationship with IndustriALL who are using also bringing workers' complaints, in any, to us in a confidential manner. We have received 3 allegations related to workers' rights in 2018 from them.

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

YES

Please clarify your answer. Free text box

At C&A we do not cut and run. In cases where suppliers and their factories are non-compliant with our Code of Conduct, including Freedom of Association, we seek to work with the supplier, factory management, workers and our internal teams to improve. Unless the non-compliances are serious and of a zero tolerance nature, we maintain our business relationship to avoid unintended consequences to workers.

If a supplier maintains a non-compliant factory and does not solve the issues related to Freedom of Association as per the agreed timeline, the relationship with the supplier and associated factories is suspended. Because every situation is unique, potential exit strategies must be tailored to each situation. In all cases, we ensure that the workers are not adversely impacted by a potential termination of our business relationship – at a minimum, by following the local laws.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?

YES

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

36% of our production units are covered by an industry collective bargaining agreement. It is important to mention that we support our suppliers in promoting Freedom of Association and working towards factory bargaining agreements. However, we believe that the establishment of an industry-wide collective bargaining agreement will level the playing field and be the real enabler for a gradual wage increase at national level.

Free text box and file upload option

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?

No

If yes, please give details and provide a link to the public text. Free text box

C&A does not own any factory. We believe that the social dialogue should take place between workers and manufacturers and not including the retailers. Our task is to facilitate the process as well as provide incentives for the social dialogue to occur.

10. Further questions about your supplier base

10.1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories. Free text box

Garment sourcing countries by % share of volume of product made- 2017

Bangladesh- 31.9 %
China- 16.2%
Brazil-14.2%
India- 7.2%
Cambodia- 7.8%
Turkey- 5.8%
Indonesia- 3.1%
Pakistan – 3%
Mexico-2.5%
Myanmar- 1.4%
Europe- 3.5%
Others- 2.8%

10.2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Free text fields showing:

- Production at factories owned by your company- 0
- Orders placed directly to supplier factories- 71%
- Orders placed through agencies or intermediates- 29%
- Other (please specify)

10.3

How many sites did you use to produce your goods in 2018?

Free text fields showing:

- First tier suppliers
- Sub contracted suppliers

Please, find our recently updated supplier list here: <http://sustainability.c-and-a.com/supplier-list/>

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%? Free text box'.

We do not have this information

11. Your feedback

11.1 Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Firstly, we would like to underline that for C&A, wages in the supply chain is a priority. We want to do it right and in a sustainable manner. We are glad to see that CCC shares this priority and wants to ask the brands and retailers about it. A benchmark and comparison among brands is always an interesting exercise because it helps all stakeholders to learn from the others and show what actions or activities have worked and what's the way forward.

What would help us the most would be fair comparison among all of us brands based on quantitative elements which can enable a proper benchmark. We do not see many quantitative elements in que survey acknowledging that sometimes this is not easy specially in those topics. In addition, we have not received a detailed overview of the methodology and the approach you will use to assess brands' progress.

In order to build up the credibility of the survey and the subsequent report, it will be good if you can have a better transparency on the methodology, how you assess brands and how the final scoring is made. The methodology should include a wide range of approaches in tackling living wages, rather than granting more points to one approach and less to another. If the assessment is done in this way, brands should be informed about it in advance.

Re: Invitation to Clean Clothes Campaign wage survey 2018/19



Aleix Gonzalez Busquets

Thu, 07 Mar 2019 2:12:22 PM +0000

"Anna Bryher" <anna@labourbehindthelabel.org>

"Sara Ceustermans" <sara.ceustermans@wsm.be>



TLS [Learn more](#)

Hi Anna,

thanks for the mail,

Here it goes the answers, let me know if you need further info:

1- Basic needs: It is very different to isolate basic needs concept, as the rest of the concepts included in the wage structure. If that would be the case, we could end up by having different wage structures depending on where the factory is located in the same region since price of good fluctuates quite importantly from one place to another even in the same region. This approach would create a pretty difficult situation in order to be able to compare results from factory to factory. That's why, when we are speaking about living wages we advocate for industry wide collective bargaining cause it is the only one who levels the playing field.

2- No, we have not included this information yet. Honestly, this information practically only applies for Bangladesh where you have the "sister concern" type of structure. The problem we are facing is from the legal perspective, Since some of these groups are very extensive, we would be publishing information from suppliers that do not work with us and that could not be legal. However, we are studying possibilities to be able to share this information soon.

3- The Fairness channel is been promoted by several ways. Training to our suppliers, information publicly posted in the factory, auditors and developer offices informing about it in their visits to the factory and when they speak with workers and TU leaders, our website...

I don't really understand why you're stating that they have had no use, the Channel is not only for factory workers' use, it is also a tool for C&A employees or supplier to report any type of misconduct that occurs in the activities where C&A is involved.

4- Yes, the CBA are always above minimum wage figures. On top of that, the CBA can also include other type of benefits that have positive repercution both in wages and workers' lives such as free meal, free transportation, other monetary benefits, limitation of working hours etc. The CBA's at country level are usually publicly available.

Best,

Aleix Busquets Gonzalez

Head of External Stakeholder Engagement - Global Sustainability



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Please consider the environmental impact of needlessly printing this e-mail.

From: Anna Bryher <anna@labourbehindthelabel.org>

To: "Aleix Gonzalez Busquets" <aleixgb@canda.com>

Cc: "Sara Ceustermans" <sara.ceustermans@wsm.be>

Date: 28/02/2019 15:23

Subject: Re: Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Aleix,

Thanks for your submission to the CCC wage survey. I just have a few quick clarification questions if you have a minute to answer these.

1. We see that you include basic needs of a family in your supplier code, which is great. Through your standard auditing process, do you monitor if these basic needs are being met? Are basic needs assessments carried out each time? Are CAPs issued if audits find that basic needs are not being met? How does the follow up on this happen with suppliers?
2. Is information about the ownership structure and parent companies of your supplier published anywhere publicly? I couldn't see it, although the CCC have you complying with the pledge. I'm probably just being short sighted - let me know.
3. Could you clarify a bit more about how your 'Fairness Channels' are promoted, given that they have had no use?
4. Do all of the CBAs cited covering 36% of production units include above minimum wage negotiated figures? Is there any more information about this we could highlight?

Many thanks,
Anna

--- On Fri, 18 Jan 2019 20:32:12 +0000 **Aleix Gonzalez Busquets** <aleixgb@canda.com> wrote ----

Dear Anna,

Hope you are doing well. Due to latest personal problems I had to travel during the last two days and I haven't been able to finish the Wage Survey that I promised to send you today. I will send it by next Monday the 21st January EOB. Hope that's ok with you. There's some latest data that I want to double check before send it over.

Best,

Aleix Busquets Gonzalez

Head of External Stakeholder Engagement - Global Sustainability



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From: Anna Bryher <anna@labourbehindthelabel.org>
To: "Aleix Gonzalez Busquets" <aleixgb@canda.com>
Date: 03/01/2019 18:05
Subject: {SUSPICIOUS MESSAGE} Re: Invitation to Clean Clothes Campaign wage survey 2018/19

Hi Aleix,
We've put it back to the 16th for other brands. Could you get it to us by then?
Many thanks,
Anna

----- On Thu, 03 Jan 2019 15:51:36 +0000 **Aleix Gonzalez Busquets** <aleixgb@canda.com> wrote -----

Dear Anna,

Happy new year and thanks for the message.

Yes we have received the previous mail but I've been out of the office until today. We will definitely participate although the time provided is not ideal specially taken into account the dates we are in. Not sure if there's any option to delay the response few days. Let me know your thoughts.

Best,

Aleix

El 3 gen 2019, a les 12:11, Anna Bryher <anna@labourbehindthelabel.org> va escriure:

This message is confidential. It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake please let us know by reply and then delete it from your system; you should not copy the message or disclose its contents to anyone. All messages sent to and from this company may be monitored to ensure compliance with internal policies and to protect our business. Information referring to the processing of your personal data can be found under: www.c-a.com/GDPR.

Dit bericht is vertrouwelijk. Het kan ook bevoorrecht zijn of op een andere wijze worden beschermd door immuniteit of andere wettelijke bepalingen. Indien u dit bericht per ongeluk hebt ontvangen, gelieve ons hiervan op de hoogte te brengen en het vervolgens uit uw systeem te verwijderen.

Gelieve dit bericht niet te verspreiden dan wel de inhoud ervan met derden te delen. Alle berichten verzonden van en naar dit bedrijf kunnen worden gemonitord om de naleving van het interne beleid te waarborgen evenals de bedrijfsactiviteiten te beschermen.

Informatie omtrent de verwerking van uw persoonsgegevens vindt u op: www.c-a.com/GDPR.

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Vous trouverez des informations relatives au traitement de vos données personnelles sur: www.c-a.com/GDPR.

Dear Aleix,

Happy New Year. I hope you had a good break. This is a quick email to check that you received this survey. If you could acknowledge receipt that would be great.

All the best,

Anna

----- On Thu, 20 Dec 2018 12:00:59 +0000 **Anna Bryher** <anna@labourbehindthelabel.org> wrote -----

Dear Aleix,

I'm writing to invite C&A's submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey aims to provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. Please also reply to confirm that you have received this information. I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,

Anna

On behalf of Clean Clothes Campaign International.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

A: Easton Business Centre, Felix Road, Bristol BS50HE | Tel: +44 (0) 117 954 8011 | Mob: +44 (0)7786 832 035

3/7/2019

E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org

<1.png>

Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns with 250 organizational members worldwide.

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.

--

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--

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Decathlon

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

Decathlon SA

Brands owned by company: *

Quechua, Kalenji, Tribord, Kipsta, Artengo, Wedze, Btwin, Domyos, Nabaiji, Inesis, Solignac, Caperlan, Fouganza, Oxelo, Aptonia, Rockrider, Newfeel.

Main contact person: *

Ronan Le Moguen (Sustainability in Supply Chain Manager) & Rahel Damamme (Stakeholder Engagement & Sustainability Prospective Manager)

Contact email: *

ronan.lemoguen@decathlon.com

Contact phone number: *

0669301077

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Living Wage: Decathlon Suppliers must pay workers a fair wage and benefits that meets basic needs, and that is no lower than the minimum national level, industry level or collective bargaining one.

The wage payment must be done directly to the workers, regularly and on time. Any deduction from salary as a disciplinary practice is forbidden.

It must also take into account benefits such as paid leave, insurance, bonus etc.

(cf. Decathlon Code of Conduct for suppliers: <http://sustainability.decathlon.com/media-reports/documents/>).

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

In Decathlon we categorized our suppliers as per the below:

- A Rank 1 supplier is one that has a contractual agreement with a Decathlon group company to produce or assemble finished/semi-finished products (manufacturing contract), or to supply raw materials/components (purchasing contract) who receives purchase orders from and submits invoices directly to that Company.

- A Rank 2 supplier is one that contributes to the Decathlon product value chain through a direct commercial relationship with a rank 1 supplier, with whom they manage all purchase orders and invoices. The Decathlon group reserves the right to participate in the selection or approval of a rank 2 supplier, while not intervening in the commercial and legal relationship between the rank 1 and rank 2 suppliers.

To monitor the compliance of our suppliers with all requirements mentioned in our Code of Conduct, we regularly assess all our Rank 1 suppliers (1,090 end of 2017) and some identified Rank 2 (314 end of 2017) using our internal grid.

Our assessment grid for Human Responsibility in Production, has been regularly updated since 2003. This continuous improvement approach takes into consideration all internal and external stakes.

As a matter of fact, in 2017 (the last update of our grid) we used a collaborative approach based on external benchmarking, while consulting our internal stakeholders (Sustainability team and production teams).

This assessment grid allows to monitor the level of our suppliers on social risks management.

Assessment results and action plans, with other information on our Rank 1 & 2 suppliers, are capitalized in our "Supplier DataBase". This tool allows us to monitor and manage the global performance of our supply chain on the workers compensation topic.

For Wages the level can go from A to E:

A Exemplary: The production site implemented profit sharing based on the net margin with employees.

B Target is met and risks are managed: The compensation system is efficient, and ensures the payment of a Living Wage (as per our definition 1.1). It also ensures a good understanding and monitoring by the workers of their compensation including basic salary, bonus and benefits, and based on their skills and participation in the company project.

C Consolidation :The compensation system is being constructed.

D Elementary: Risks on social benefits (social insurance/bonus) for the workers have been identified and must be must solved with a durable solution at the latest of 1 year after the assessment.

E Unacceptable: Situation where paid wages are lower than the minimum national level, industry level or collective bargaining one. Decathlon suspends production and requests an immediate action plan. Production would resume only after a complete new assessment.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

In 2017 we conducted 1,018 assessments around the world, with 67% of them completed by our internal team of assessors.

Since 2010 we have recruited locally 25 collaborators that speak the supplier's language, and that understand the cultural codes from the countries they operate. Thanks to their background, they understand the industrial sector and convey strong convictions about the Human Rights topics.

Those persons are continuously trained and their assessing skills are validated through a process based on SA 8000 (cf. Social Accountability International). Supported by 37 other collaborators from our production teams that followed the same training and validation process, and are missioned 10% of their time on this subject.

We continue to collaborate with SGS, an SA 8000 certified organisation who conducted up to 33% of our assessments in 2017. This collaboration allows us to calibrate and improve our methodologies.

In case of non compliance following an assessment, action plans are implemented by our suppliers to durably solve the situation. Our local production teams (43 offices & 1,943 persons responsible to manage suppliers) check the coherence of those plans to guarantee that the root causes are well treated, and ensure a sustainable risk management system.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

At the end of 2017, 69% of our rank 1 suppliers complied with our Living Wages requirements stated in our Code of Conduct (respect the minimum national level, industry level or collective bargaining one (take into account benefits such as paid leave, insurance, bonus). In December 2018, this result increased up to 86% of our rank 1 suppliers.

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

For every partnership project with a supplier, we implement workers upskilling approach and a bonus system (planned leaves, productivity, attendance).

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Decathlon entrusts a supplier panel for the production of its sport goods, it is organized by industrial process and managed locally by our production teams.

Due to the diversity of articles in our range, thus, the diversity of industrial processes, we have decided to strengthen our partnership strategy with our suppliers. As a matter of facts, we have been working for more than 9 years with the top 100 suppliers by purchasing volume.

At the end of 2017, we totalled 35 partners where we purchased 28% of our total volume. Our target is to reach 80% of our total purchasing volume with 150 partners suppliers by 2026.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

Since 2012, Decathlon launched a massification strategy to limit the use of suppliers. After 6 years, in 2018 we have reduced up to 15% of the total number of rank 1 suppliers, while our purchasing volume has increased to 48%.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

Together for Sustainable Business

Project description

Increasing salary by workers upskilling.

Partnerships involved

Countries covered by the project

Bangladesh

Number of suppliers impacted

4

Timescale

On-going since 2015

By what date will this project achieve a living wage across your supplier network?

6.1 Continued. Opportunity to add additional project.

Project name

Project description

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

In AJ.Super supplier, in 2017, salaries for up-skilled workers have been increased up to 10%.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

The right to Freedom of Association and Collective Bargaining is mentioned in our Code of Conduct, which all our rank 1 suppliers signed and must communicate to their workers:

Decathlon Suppliers must respect the right of the workers for freedom of association and collective bargaining. They should not prevent or discriminate any worker to involve in any association. Workers representatives or unionized workers are not discriminated and can carry out their functions in the workplace.

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

All suppliers located in countries where it is requested by local law.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

All suppliers located in countries where local requests a dedicated space in the workplace for workers to meet and discuss union issues.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

Our buyers supports suppliers that respects freedom of association as stated in our Code of Conduct. Any form of association is compliant as far as it respects the law and gives opportunity to workers to raise grievance and negotiate the remediation.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

We are already receiving alerts and grievances through our corporate website, social media and direct emails. In January 2019, we are launching a whistleblowing system that is neutral, confidential, on a digital format, plus physical poster in 10 partners suppliers.

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Our goal is not to terminate our relationship with suppliers but to make them progress.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

End of 2017, and 314 rank 2 production sites.

North Asia: 49,8%

South East Asia: 16.9%

Europe: 16.2%

South West Asia: 14.3%

Africa: 2.5%

Independent states (CIS): 0.3%

America: 0.1%

10.2 What kind of trade partners are part of the sourcing structure?

Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

<1%

Orders placed directly to supplier factories

>99%

Orders placed through agencies or intermediates

0%

Other (please specify)

Decathlon purchasing policy does not use traders, agencies and intermediates.

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

We are still consolidating data for 2018, find below data end of 2017:

1,090 rank 1

Sub contracted suppliers

We are still consolidating data for 2018, find below data end of 2017:

314 rank 2

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

We do not calculate this information.

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

This content is neither created nor endorsed by Google.

Google Forms

Fruit of the Loom

RE: [EXTERNAL] Invitation to Clean Clothes Campaign wage survey 2018/19



Mercedes Lopez

Mon, 11 Mar 2019 1:34:03 PM +0000

"Anna Bryher" <anna@labourbehindthelabel.org>



TLS [Learn more](#)

Dear Anna:

Thank you for the follow-up. As part of the FLA's Fair Compensation Workplan, the audits now include the Wage Data Collection Tool which provides a clearer picture of how much workers are making, and then compares the data to available living wage benchmarks for the particular country where audits take place. We have adopted this tool and methodology into our own monitoring, and have started mapping wages in our supply chain, work that will continue throughout 2019.

Let me know you if you have additional questions.

Best regards,
Mercedes Lopez
VP Corporate Social Responsibility
Fruit of the Loom, Inc.
Mercedes.Lopez@fotlinc.com
<http://www.fotlinc.com>

From: Anna Bryher <anna@labourbehindthelabel.org>
Sent: Thursday, February 28, 2019 8:35 AM
To: Mercedes Lopez <Mercedes.Lopez@fotlinc.com>
Subject: RE: [EXTERNAL] Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Mercedes,

Thanks for this information. I've now had a chance to read everything and I have just one clarification question if you have time.

Do audits conducted under the FLA fair compensation programme include monitoring of basic needs as standard? Then where basic needs are found not to be met, are CAPs issued? How are these followed through?

If you could let me know a little more about how basic needs monitoring is built into your audits that would be great.

All the best,
Anna

--- On Fri, 25 Jan 2019 14:54:48 +0000 **Mercedes Lopez** <Mercedes.Lopez@fotlinc.com> wrote

Hi Anna:

Thank you for your response and the opportunity to provide links to the information that is public which I hope is helpful for you and your work. Below is the link that will take you to information related to Social Sustainability:

[Social Sustainability](#)

Within this link you will find information related to:

1. Code of Conduct
2. Our Supply Chain – definitions of different components of our supply chain and factory disclosure information per country
3. Responsible Sourcing – overview of our Supply Chain Compliance and Sustainability processes, Pledge against Forced Labor and Commitment to Responsible Recruitment. CTSCA and UKMSA disclosure.
4. Sustainability partners we work with to advance our CSR efforts
5. Resources for Suppliers that include:
 - a. Code of Conduct in different languages
 - b. Factory Safety Policy
 - c. Code of Conduct Benchmarks
 - d. Suppliers Guidelines

I am also providing the link to our Environmental Sustainability in the event that is something you would like to see:

[Environmental Sustainability](#)

Please let me know if you have any questions after looking at the information. I am always available to jump on a call if needed.

Best regards,

Mercedes Lopez
VP Corporate Social Responsibility
Fruit of the Loom, Inc.
Mercedes.Lopez@fotlinc.com
<http://www.fotlinc.com>

From: Anna Bryher <anna@labourbehindthelabel.org>
Sent: Tuesday, January 22, 2019 9:36 AM
To: Mercedes Lopez <Mercedes.Lopez@fotlinc.com>
Subject: RE: [EXTERNAL] Invitation to Clean Clothes Campaign wage survey 2018/19

Hi Mercedes,

Okay, thanks for letting us know. We will profile Fruit of the Loom anyway, based on public information. If you want to send us any quick links to information you would like to highlight, do go ahead.

All the best,
Anna

----- On Tue, 15 Jan 2019 20:23:31 +0000 **Mercedes Lopez** <Mercedes.Lopez@fotlinc.com> wrote -----

Dear Anna:

I apologize for the late reply but as I mentioned in my previous response we had many activities and travel plans already scheduled right after the beginning of the year. Thank you for offering an

extension for the timeline, however it would be probably April before we could pull resources for this process.

I would definitely like to connect further with you so please let me know if you would be available for a call. I am in the Central Standard Time zone in the US.

Looking forward to hearing back from you.

Best regards,

Mercedes Lopez
VP Corporate Social Responsibility
Fruit of the Loom, Inc.
Mercedes.Lopez@fotlinc.com
<http://www.fotlinc.com>

From: Anna Bryher <anna@labourbehindthelabel.org>
Sent: Thursday, January 3, 2019 5:27 AM
To: Mercedes Lopez <Mercedes.Lopez@fotlinc.com>
Cc: Penny Woronoff <Penny.Woronoff@fotlinc.com>; Veronica Timlin <veronica.timlin@fotlinc.com>; Carl Smith <Carl.Smith@fotlinc.com>
Subject: RE: [EXTERNAL] Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Mercedes,
Thanks for getting back to us. If we were to extend the timeline of the process, would that mean that FOTL would be able to participate? Do let us know how much extra time you would need to accommodate your travel plans and time to prepare answers. Some other brands have also responded saying they need some additional time.

Very best,
Anna

---- On Wed, 02 Jan 2019 14:27:17 +0000 **Mercedes Lopez** <Mercedes.Lopez@fotlinc.com> wrote ----

Dear Anna:

Thank you for inviting Fruit of the Loom's submission to the Clean Clothes Campaign 2018/19 Wage Survey and recognizing our presence across retail. Regrettably, due to several days being out of the office due to the Holiday season we are just coming out of and the new year's early travel plans already in place, we will not be able to participate this time, since we won't be able to prepare the information required to adequately answer the survey.

We hope to have another opportunity in the future, and stay connected meanwhile.

Best regards,

Mercedes Lopez
VP Corporate Social Responsibility
Fruit of the Loom, Inc.
Mercedes.Lopez@fotlinc.com
<http://www.fotlinc.com>

From: Anna Bryher <anna@labourbehindthelabel.org>
Sent: Thursday, December 20, 2018 6:08 AM
To: Mercedes Lopez <Mercedes.Lopez@fotlinc.com>; mlopez <mlopez@fruit.com>
Cc: Penny Woronoff <Penny.Woronoff@fotlinc.com>; Veronica Timlin <veronica.timlin@fotlinc.com>; Carl Smith <Carl.Smith@fotlinc.com>
Subject: [EXTERNAL] Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Mercedes,

I'm writing to invite Fruit of the Loom's submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey aims to provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

We hope that taking part will be a useful evaluation process both for your brand and for consumers we will promote the outcomes to. Do bear in mind that if you do not fill in the survey, a profile will be published about your company using data that is publicly available nonetheless.

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. Please also reply to confirm that you have received this information. I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,
Anna

On behalf of Clean Clothes Campaign International.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

A: Easton Business Centre, Felix Road, Bristol BS50HE | Tel: +44 (0) 117 954 8011 | Mob: +44 (0)7786 832 035

E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org



Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns with 250 organizational members worldwide.

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.

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3/11/2019

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GAP

RE: Invitation to Clean Clothes Campaign wage survey 2018/19

Daniel_Fibiger@gap.com

Thu, 24 Jan 2019 8:02:14 PM +0000

"Anna Bryher" <anna@labourbehindthelabel.org>

🔒 TLS [Learn more](#)

Hi Anna,

We have updated our public disclosure on wages and benefits, available here - <https://www.gapinc sustainability.com/wages-benefits>.

Please consider this our response to the survey, as it covers Gap Inc.'s public disclosure on the issues you are inquiring about.

Once you have had a chance to review, I would be happy to get on the phone to discuss.

Dan

From: Anna Bryher [mailto:anna@labourbehindthelabel.org]**Sent:** Thursday, January 03, 2019 2:21 AM**To:** Daniel Fibiger <Daniel_Fibiger@gap.com>**Subject:** RE: Invitation to Clean Clothes Campaign wage survey 2018/19

Hi Dan,

Thanks for getting back to me. Could you get us your response by the 16th?
I hope your trip is good and a happy new year.

Best,
Anna

---- On Wed, 02 Jan 2019 20:01:27 +0000 **Daniel Fibiger** <Daniel_Fibiger@gap.com> wrote ----

Hi Anna,

I am not back in the office until the week of January 14, as we were closed over the holiday break and I am now embarking on an international work trip.

Given the short notice, we would greatly appreciate an extension to the deadline, as we are only seeing this email now.

Please advise and Happy New Year,

Dan

From: Anna Bryher [mailto:anna@labourbehindthelabel.org]**Sent:** Thursday, December 20, 2018 4:09 AM**To:** Daniel Fibiger <Daniel_Fibiger@gap.com>**Subject:** Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Daniel,

I'm writing to invite GAP's submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey aims to provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories

supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

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G-Star RAW

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

G-Star RAW C.V.

Brands owned by company: *

G-Star RAW

Main contact person: *

Sofie Schop

Contact email: *

Sofie-Schop@g-star.com

Contact phone number: *

+31 205677715

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

In G- Star's Code of Conduct we outline the following definition:

" 5.1 Suppliers must pay employees at least the minimum wage required by local law or the prevailing local industry wage (whichever is higher) based on the work performed. Wages should always be enough to meet basic needs and to provide some discretionary income."

In G-Star's Social & Labour Guideline, in which each article of G-Star's Code of Conduct is explained, we give suppliers further explanation on how a fair wage is set:

"The first step towards a fair wage is calculating what wage level can cover a worker's basic needs. Fair wage calculations must take into account some common factors including the number of family members to be supported, the basic nutritional needs of a worker and other basic needs including housing, healthcare, education and some basic savings.

G-Star defines this as follows: a fair wage should be earned during a standard working week (maximum of 48 hours per week) and should provide for the basic needs of the family and for some discretionary income."

Link G-Star code of Conduct: https://img2.g-star.com/image/upload/v1483974907/CSR/PDF/140402_Code_of_conduct_March_2014_Final_EN.pdf

Link G-Star Social & Labour Guideline:
https://img2.g-star.com/image/upload/v01/CSR/PDF/G-Star_Social_and_Labour_Guideline_version_2.0_January_2019_-_online.pdf

G-Star's public commitment on a Fair Wage:

Wage development is primarily a role for the government, however, we also believe that we have the ability to contribute to a positive change. That is why our G-Star Supplier Code includes this aspect. Since 2014 we have worked to understand and implement Fair Wages in our supply chain for the long term. Between 2015 and 2017 G-Star engaged in a Living Wage pilot in collaboration with Solidaridad. The short-term objective of this pilot was to carry out a baseline assessment of the wage levels in the G-Star supply chain with a focus on supplier compliance with local law and the G-Star Code of Conduct. The long-term objective is to determine our approach and roadmap to work towards payment of Fair Wages for factory workers in our supply chain. Core activities we carried out focus on assessment of the wage systems in our supply chain and assessment of our purchasing practices. The key learnings of the pilot are shared publically on our website: https://www.g-star.com/nl_nl/about-us/responsibility/responsible-supply-chain

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network? *

To verify whether our suppliers comply with our Code of Conduct including Fair Wages, we have set up a compliance process using a combination of tools. As part of this process all our suppliers are assessed on a regular basis by recognized, independent organizations and our internal teams on their social and environmental performance. We also partner with our suppliers on worker well-being via coaching & training and tailored development projects. We refer to 2018 as our 'year of transition', since we changed our monitoring and management system to focus on impact instead of compliance. Adoption of the Higg Index also provides an additional step to our assessment process, since suppliers fill in self-assessment. By adopting the Higg Index modules, the Social and Labor Convergence Project and verification approach as our standardized assessment tools, we shift our capacity from auditing to issue/solution based collaboration with our suppliers. Setting up a long-term approach for implementation of a Living Wage – and finding a suitable partner to roll this out at scale - is one of our core priorities in 2019.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

We have published G-Star supplier and monitoring development process on our website, in which we describe our audit methodology, monitoring and improvement process, frequency and scope in more detail. We kindly refer you to this document via this link:
https://img2.g-star.com/image/upload/v02/CSR/PDF/GStar_Supplier_Monitoring_Development_process_explained.pdf

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

We benchmark different wage levels in our production countries (see manufacturer map for an overview of our production countries: https://www.g-star.com/nl_nl/about-us/responsibility/manufacturing-map). We carry out an annual country analysis for all our production countries in collaboration with an external partner. Each country analysis includes specified wage information. At the moment we do not benchmark these figures against your Asian Floor Wage data.

In 2014 we updated our Code of Conduct to endorse a Fair Wage standard under the article of Wages & Benefits. In this same year we also started using internal overviews of wages of suppliers in comparison to the different wage levels.

In 2015, we decided to take a next step in addition to monitoring wage data. We started to explore how we can make an actual impact at supplier level.

From 2015 till 2017 we worked with Solidaridad and the Fair Wage Network in the Fair Wage pilot at one of our Chinese suppliers. Wage assessment was part of the pilot.

Please find the Fair Wage evaluation report here:

https://img2.gstar.com/image/upload/v1508923816/CSR/Fair_Wage_pilot_evaluation_report_-_sept_2017.pdf

Based on the pilot we decided not to continue or expand the collaboration with the Fair Wage Network for three key reasons. First, the implementation of Fair Wage took us three years instead of one year, which is not scalable. Second, the pilot did not lead to significant improvement after one year. In addition the Fair Wage methodology was not yet final and ready for full implementation at the time of the pilot.

In order to move forward we should focus on collaboration and knowledge sharing with

other brands, manufacturers and stakeholders. This would enable us to learn from each other and to collectively develop and implement a scalable approach. Such a collaboration at scale is needed to expand our focus towards social dialogue and involve workers better in the wage negotiations.

At a local level we participate in the Living Wage working group of the Dutch Textile Agreement since 2016. The Agreement: “combines activities at three levels: within the businesses that have signed the Agreement, at their suppliers (factories), and at the national level in the production countries. The Signatories to the Agreement are integrating support for a living wage into their Due Diligence process, procurement practices and dialogues with their suppliers/factories. The project is also working to raise awareness among and build the knowledge and capacity of suppliers in production countries. In addition, it also aims to help create a level playing field in production countries, with an increase in the minimum wage and collective bargaining at sector level leading to a vast improvement in workers’ wages throughout the entire garment and textile sector. Sustainable procurement practices in the sector must support these wage increases”(Source: https://www.imvoconvenanten.nl/garments-textile/news/2018/11/leefbaar-loon-start?sc_lang=en).

Finding a suitable partner to roll out our own approach and collaborate on a global scale is one of our core priorities in 2019, preferably by Q2 2019. We are therefore currently assessing and benchmarking various Fair Wage initiatives – such as ACT, Fair Wear Foundation and Solidaridad. At the same time, we are expanding our own work on social dialogue that will include the topic of wage negotiations for workers as part of our supplier development program.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

N/A – see explanation question 2.1.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

N/A – see explanation question 2.1.

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

We moved to working with open costing sheets with our suppliers that enables transparent communication on price build-up. These open costing sheets include material and non-material costs and specific reference to CMT cost. This gives both parties insights and is a necessary step to be able to implement Fair Wages into our supply chain.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

We have built a trust-based and long-term relationship with our suppliers. Even though volumes differ per season, we start to provide long-term buying commitments linked – amongst other things - to supplier volume. For example: we allocate our big programs on a three year basis to strategic suppliers to secure business for both sides. In addition we provide capacity planning to suppliers, as pointed out in our Better Buying Report) 2017, which we are currently discussing internally. To date, over 50% of our production volume is produced by suppliers whom we have worked with for over 10 years.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

Our supplier base has proven to be very stable and we work with our long-term partners. (Link to Manufacturing Map: https://www.g-star.com/nl_nl/about-us/responsibility/manufacturing-map)

G-Star has a strict policy on subcontractors which is communicated to our suppliers as well as checked by our local teams. We work with different tools, such as allocation lists, processes/output checks of production, and visits by our local technical teams as well as our local CR team.

We strive towards direct relationships with our factories.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

As part of our supplier compliance and monitoring process we check if our suppliers work with labour contractors. We therefore know that in general labour contractors are not frequently hired by our suppliers. The suppliers that do work with labour contractors, do this for security worker positions or for positions in countries where there are migrant workers. These workers are in scope of our supplier compliance and monitoring process. We regularly check if the conditions outlined in our Code of Conduct are applied to these workers. The long-term relationships provide a solid bases for transparency, which is key in the process, as we need full transparency on the details of our suppliers' business partners.

For countries/areas where we know labour contractors are hired occasionally (e.g. migrant workers in India and Mauritius), we increase the compliance and monitoring checks. During our visits we explain why we prefer our suppliers not to work with labour contractors. We also ensure we have full transparency on the agreements that are made with these contractors and the conditions that apply for these workers.

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

Please find the link to our Manufacturing List version 3.0: https://img2.g-star.com/image/upload/v01/CSR/PDF/G-Star_Manufacturing_List_online_version_3.0_-_Dec_18.pdf This Manufacturing List is in line with the Transparency Pledge which we signed in March 2017: https://img2.g-star.com/image/upload/v1508930348/CSR/transparency_pledge_1_pager.pdf

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

This an interesting question however. It would be helpful to better understand how and to whom we can add value by sharing such data. Great if you can provide more insights and impacts of such efforts. If we have more clarity on this we can consider/explore if and how such information can be included in our future sustainability reporting efforts.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

We have a Fair Wage strategy in place, however this is not public yet. Based on the learnings from our Fair Wage pilot project we are currently looking for a partner to support us in this further roll-out with the aim to make it scalable and collective. Preferably we find such a partner by Q2 2019. When we have found a suitable partner we plan to finalize and publish our Roadmap. The aim is to share our Roadmap by the end of this year (2019).

We believe that we can contribute to a positive change of the wage development in our supply chain. Therefore this is an important focus of the G-Star social strategy and our aim is to roll-out a Fair Wage methodology.

In this methodology we focus on some key elements that includes:

- Improving G-Star Purchasing Practices
- Contributing to systematic changes in the wage-setting mechanism at our suppliers
- Enabling social dialogues that can contribute to wage negotiations.

Other relevant activities:

- Participated in the Better Buying initiative. With these results of the individual report we are planning internal trainings to engage the relevant teams on improving their purchasing practices.
 - Active involvement in the Living Wage working group of the Dutch Textile Agreement. https://www.imvoconvenanten.nl/garments-textile/news/2018/11/leefbaar-loon-start?sc_lang=en
-

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

N/A. see answer and explanation under 5.1

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

Collective Project Living Wage

Project description

Activities focus on three levels: Business, Suppliers (factories), National level in the production countries.

We are participating in the working group of the collective Living Wage project of the Dutch Textile Agreement. See also answer 2.1 for more information. Our participation in this working group enables us to collaborate with Dutch SME's on key topics such as due diligence, capacity building and awareness raising. Participation in the Living Wage working group is a step in shaping our fair wage strategy and policy. In order to scale our efforts we also want to engage at the global industry level, through participation in a collective approach towards living wages. Finding a suitable partner to roll out our own approach and collaborate at global scale, is one of our core priorities in 2019.

Partnerships involved

Dutch Textile Agreement

Countries covered by the project

TBD

Number of suppliers impacted

TBD

Timescale

ongoing

By what date will this project achieve a living wage across your supplier network?

ongoing

6.1 Continued. Opportunity to add additional project.

Project name

Project description

Partnerships involved

.....

Countries covered by the project

.....

Number of suppliers impacted

.....

Timescale

.....

By what date will this project achieve a living wage across your supplier network?

.....

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

From 2015 till 2017 we worked with Solidaridad and the Fair Wage Network in the Fair Wage pilot at one of our Chinese suppliers. See question 2.1 for more information on this pilot. Please find the Fair Wage evaluation report here: https://img2.g-star.com/image/upload/v1508923816/CSR/Fair_Wage_pilot_evaluation_report_-_sept_2017.pdf

.....

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

Along with 10 other Dutch fashion brands and 3 Dutch Associations, G-Star sent a letter to Prime Minister Sheikh Hasina, asking to support an increase of the minimum wage for Bangladeshi garment workers. The Dutch Textile agreement (which G-Star signed) send a similar letter:

https://www.imvoconvenanten.nl/garments-textile/news/2018/7/bangladesh-minimumloon?sc_lang=en

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act

and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

The right to Freedom of Association and collective bargaining has been incorporated in the G-Star Code of Conduct:

2.1 In order for employees to be able to voice their comments/concerns, suppliers should encourage open communication between workers and management, while respecting the right of employees to associate, organise and bargain collectively.

2.2 Suppliers must not threaten, penalize, restrict or interfere with employees' lawful efforts to join associations.

2.3 Workers representatives should not be discriminated against and should be able to carry out their representative functions in the workplace.

2.4 Where the right of freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

The Code of Conduct is shared with the suppliers and explained during factory visits and supplier trainings. During supplier trainings the importance of Freedom of Association and Collective Bargaining, f.e. the importance of worker committees (set up by election), are discussed and best practices at other suppliers are shared.

In addition, G-Star is a buying partner of Better Work program Vietnam. In conferences, supplier trainings and supplier assessments key topics such as Freedom of Association and Collective Bargaining are actively addressed, discussed and acted upon. For more information, see: www.betterwork.org

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

Unknown

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

We are not aware of such practices at our suppliers, that there are dedicated rooms to discuss issues. Though an interesting suggestion to include it in our policies.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

As part of our Code of Conduct.

Please see our answer under 8.1

In practice our enforcing activities are more focused on functional workers committees and effectivity & impact of those.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

We don't see these kind of requirements as a standalone topic. We consider this one of the important elements alongside all the other requirements that are included in our Code of conduct.

We have a vendor rating in place of which Corporate Responsibility requirements are part of and that is considered as an important element.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

G-Star suppliers have accessible and confidential means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining. Examples are established worker committees and worker trade unions at suppliers G-Star works with, suggestion and complaint boxes, floor helpdesks at work floors where confidant(e)s of a committee are working and are available for discussion and help, as well as easy outreach to our local CR supply chain managers in Bangladesh and China.

This is being monitored by onsite visits at the factories by our G-Star CR team and/or 3rd party audits of independent audit companies. In addition, a functional workers committee and grievance systems is one of the key focus points of our supplier development trainings programs.

In addition to the monitoring and training of our suppliers we are focusing on the next step to improve this further. We are looking for a partner/system that can offer one functional, accessible, independent and confidential grievance system in all our production countries. This system should be an addition to existing mechanisms, and provide easy-to-use solutions to all workers.

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Our main focus is first to work with the supplier on the necessary improvements that are needed and to remediate the issues that are found against the G-Star Code of Conduct.

However, if this has proven to be very difficult or impossible we have to reconsider the business relationship and if necessary exit the factory with an exit strategy. Before we consider starting an exit procedure we will engage the supplier in an extensive dialogue with all relevant departments and senior management. More details on our Supplier Monitoring Development process can be found in the below public document:

https://img2.g-star.com/image/upload/v02/CSR/PDF/G-Star_Supplier_Monitoring_Development_process_explained.pdf

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

Please see the details on our Manufacturing Map, which includes 9 countries, 24 suppliers and 32 factories operating from Bangladesh, China, India, Indonesia, Italy, Morocco, Turkey, Vietnam and United Arab Emirates (UAE). For more information, visit: https://www.g-star.com/nl_nl/about-us/responsibility/manufacturing-map

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

Production volume based on average in 2018 collections:

0

Orders placed directly to supplier factories

100%

Orders placed through agencies or intermediates

0

Other (please specify)

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

Please see the details in our published Manufacturing List version 3.0 Dec 2018:

https://img2.g-star.com/image/upload/v01/CSR/PDF/G-Star_Manufacturing_List_online_version_3.0_-_Dec_18.pdf

This Manufacturing List is in line with the Transparency Pledge which we signed in March 2017:

https://img2.g-star.com/image/upload/v1508930348/CSR/transparency_pledge_1_pager.pdf

Sub contracted suppliers

Please see the details in our published Manufacturing List version 3.0 Dec 2018:

https://img2.g-star.com/image/upload/v01/CSR/PDF/G-Star_Manufacturing_List_online_version_3.0_-_Dec_18.pdf

This Manufacturing List is in line with the Transparency Pledge which we signed in March 2017:

https://img2.g-star.com/image/upload/v1508930348/CSR/transparency_pledge_1_pager.pdf

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

We don't have a supplier at which we place a regular production volume of more than 25%

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

We have Fair Wage strategy in place however this is not public yet. Following our Fair Wage pilot project, we are currently looking for a partner to support us, with the aim to make our effort scalable and collective. When we have found a suitable partner (preferably by Q2 2019) we plan to finalize and publish our Roadmap. The aim is to share this Roadmap by the end of this year (2019).

We believe that we can contribute to a positive change of the wage development in our supply chain. Therefore this is an important focus of the G-Star social strategy. Our approach focuses on:

- Improving G-Star Purchasing Practices.
- Contributing to systematic changes in the wage-setting mechanisms at our suppliers.
- Enabling social dialogue that can contribute to wage negotiations.

Other relevant activities:

- Ongoing participation in the Better Buying initiative. We are sharing and discussing the results of our first Better Buying Report internally. The main goal of these trainings is to engage the relevant teams and collaborate on improving our purchasing practices.
 - Active involvement in the Living Wage working group of the Dutch Textile Agreement. https://www.imvoconvenanten.nl/garments-textile/news/2018/11/leefbaar-loon-start?sc_lang=en.
-

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Gucci

ABOUT YOUR COMPANY

Company name: Gucci

Brands owned by company: Gucci

Main contact person: Rossella Ravagli

Name: Rossella Ravagli

Email: rossella.ravagli@gucci.com

Contact phone number: +393355966347

1. *Living wage commitment*

1.1	Has your company published a clear commitment to ensure a LW is paid across your supplier network?	Yes
	If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.	<p>Our public declaration is included in our Gucci Sustainability Principles</p> <p>FAIR WAGE</p> <p>The manufacturer and its sub-contractors must respect employees' rights to a living wage that guarantees that the salary paid for a standard working week meets or exceeds legal standards or minimum wage standards relevant to the sector and that is sufficient to satisfy the employee's basic needs as well as providing a discretionary Income.</p> <p>"Salary withholdings due to disciplinary purposes are not allowed. Any exceptions to this rule will only be applicable upon the occurrence of both of the following conditions:</p> <p>a) Salary withheld for disciplinary reasons permitted by national laws.</p>

		<p>b) Existence of an effective collective bargaining agreement: the company must ensure that employees' salaries and wage structures are clearly and duly specified in writing for each wage period. Moreover, the company must make sure that payment of salaries and wages conform to applicable laws.”</p> <p>The Principles can be accessed through a hyperlink on Gucci Equilibrium: http://equilibrium.gucci.com/people/developing-our-supply-chain/sustainability-guidelines-and-principles/</p> <p>or directly here: http://equilibrium.gucci.com/wp-content/uploads/2018/11/Sustainability-Principals_ENG.pdf</p> <p>Gucci are also certified to the Social Accountability International Standard SA8000 which integrates the concept of living wage. http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1852</p> <p>Under SA8000 Gucci are certified (through independent third party audit) against the clause 9.10.1 which states: The organization shall conduct due diligence on its suppliers/sub-contractors, private employment agencies and sub-contractors’ compliance with the SA8000 Standard. The same due diligence approach shall be applied when selecting new suppliers/sub-contractors, private employment agencies and sub-contractors.</p>
1.2	How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?	<p>Given the shortage in the next generation of local artisans, the brand welcomes skilled craftsmen and women of different nationalities. The origin of these professionals does not represent a barrier per se at Gucci, given the brand’s stance on inclusivity and cultural diversity, provided that they comply with the law and the stringent requirements of the Gucci Sustainability Principles, which are a set of guidelines that include oversight of sustainable sourcing, legal compliance, collective agreements, supplementary agreements, International Conventions and Declarations in relation to human and worker rights.</p> <p>All of these manufacturers are required to pass a series of checks and controls.</p>

Firstly, their financial solvency is verified. Secondly, Gucci ensures that they are compliant with the relevant laws and regulations and with the Company's Sustainability Principles and Code of Ethics.

As part of the contractual agreement with each manufacturer, Gucci ensures the sign off by the manufacturer of 2 key documents: the Code of Ethics (which includes a Suppliers' Charter) and the Sustainability Principles, which include policy commitments on wages, relating to the supply chain.

As described in Kering's Reference Document 2017, p. 121-122:

http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf

In addition, manufacturers undergo activation audits and follow-up audits, which are controlled and verified based on a single and comprehensive audit methodology, including not only the key chapters relating to social compliance, but also the essential components relating to health and safety, and environmental management.

The comprehensive audit questionnaire contains 88 questions and is divided into 13 categories (child labour, forced labour, health and safety, freedom of association and right to collective bargaining, discrimination, environment, etc.) and aligned with the best standards in the field, in particular the SA8000 and SMETA standards. The results are naturally pooled between the brands in order to avoid any overlap in the audits. Follow-up audits with a smaller scope focus on the area(s) in which breaches of compliance were identified or observations were made during the first comprehensive audit.

As described in Kering Standards, p.104:

http://www.kering.com/sites/default/files/kering_standards.pdf

Fair wages are one of the 13 categories checked by the social audit.

[REDACTED]
company's Sustainability Principles are always respected. On top of the regular and planned
[REDACTED]
[REDACTED]

In the last four years, around 70 suppliers have been black-listed from Gucci's industrial network.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

With 88% of the industrial network, the company will terminate the relationship with such suppliers.
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

As discussed in Kering's Reference Document 2027, p. 121-122:
http://www.kering.com/sites/default/files/document/kering_ddr_vs_vdef_20217_missionnaire.pdf
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

breaches of compliance and observations has been prepared

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



2. Benchmarks for a minimum living wage

2.1	Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region?	Yes
	If yes, please provide details.	<p>Working with Gucci, Kering has created an internal Living Wage Working Group which has developed an internal multi-country methodology for Fair Wage in line with the definition in our Sustainability Principles. This methodology has been validated by BSR. https://www.bsr.org/en/</p> <p>As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), Italian Law (Article 36 of Constitution) states that:</p> <p>“Employee has the right to receive a sufficient and proportionate salary taking into account the quantity and quality of his work and in every case to assure a free and dignified existence to himself and his family.”</p> <p>CCNL (National Collective Contract Agreement) bargained every 3 years by the Main Trade Unions (CGIL, CISL and UIL etc) for any main sector of activities, assuring better working conditions higher than the ones stated by law and salary levels that are <u>as a minimum in compliance</u> with the fair wage principle stated by art. 36 of Constitution, also in relation with the sector of the activity and the employees’ duties, tasks and skills as well as company seniority.</p> <p>Please note that in Italy applying a CCNL is not a legal requirement.</p> <p>So that, we reference and ensure through audits that manufacturer and sub-contractors applied the relevant National Collective Agreements (CCNL) bargained by the Main Trade Unions in order to grant employees to be paid based on living wage and working conditions better that the ones stated by law.</p> <p>Therefore, demonstrated through the Gucci official commitment bargained in July 2017 with the Main Fashion Trade Unions to formally require the manufacturer (through the Hercules Agreement) and they in turn to require to their sub-contractors, to apply the CCNL to their workers (related to the business</p>

		<p>sector in which they are working for) bargained by the Main employees and employers Trade Unions' and, additionally, any other better unions agreement bargained at local or company level. This represents the methodology to assure and verify that fair wage (as per Art. 36 of C.) and fair working conditions are mandated for the whole Gucci supply chain in Italy.</p> <p>To ensure effective monitoring, Hercules Agreement (please see section 3.2 for the meaning of Hercules Agreement/Hercules Project) states also the right for Gucci (respecting the commitment bargained with the Main Fashion Trade Unions in July 2017) to carry out at any time and without prior notice routine checks on manufacturers and sub-contractors to audit compliance with the salary levels and working conditions stated by the relevant CCNL bargained by the main Trade Unions (CGIL, CISL and UIL).</p> <p>This is stated in the Gucci company collective agreement signed in July 2017 (available in Italian on request).</p>
2.2	<p>Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.</p>	<p>Kering and Gucci calculate Fair wage per country according to an internal methodology which is constructed with input from and validated by the BSR https://www.bsr.org/en/ and with input from the Fair Wage Network: http://www.fair-wage.com/ incorporating the findings of benchmarking tools including the Anker methodology: https://www.globallivingwage.org/about/anker-methodology/</p> <p>As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), Italian Law (Article 36 of Constitution) states that:</p> <p>“Employee has the right to receive a sufficient and proportionate salary taking into account the quantity and quality of his work and in every case to assure a free and dignified existence to himself and his family.”</p> <p>CCNL (National Collective Contract Agreement) bargained every 3 years by the Main Trade Unions (CGIL, CISL and UIL etc) for any main sector of activities, assuring better working conditions higher than the ones stated by law and salary levels that are <u>as a minimum in compliance</u> with the fair wage principle</p>

		<p>stated by art. 36 of Constitution, also in relation with the sector of the activity and the employees' duties, tasks and skills as well as company seniority.</p> <p>Please note that in Italy applying a CCNL is not a legal requirement.</p> <p>So that, we reference and ensure through audits that manufacturer and sub-contractors applied the relevant National Collective Agreements (CCNL) bargained by the Main Trade Unions in order to grant employees to be paid based on living wage and working conditions better than the ones stated by law.</p> <p>Therefore, demonstrated through the Gucci official commitment bargained in July 2017 with the Main Fashion Trade Unions to formally require the manufacturer (through the Hercules Agreement) and they in turn require their sub-contractors, to apply the CCNL to their workers (related to the business sector in which they are working for) bargained by the Main employees and employers Trade Unions' and, additionally, any other better unions agreement bargained at local or company level. This represents the methodology to assure and verify that fair wage (as per Art. 36 of C.) and fair working conditions are mandated for the whole Gucci supply chain in Italy.</p> <p>To ensure effective monitoring, Hercules Agreement states also the right for Gucci (respecting the commitment bargained with the Main Fashion Trade Unions in July 2017) to carry out at any time and without prior notice routine checks on manufacturers and sub-contractors to audit compliance with the salary levels and working conditions stated by the relevant CCNL bargained by the main Trade Unions (CGIL, CISL and UIL).</p> <p>This is stated in the Gucci company collective agreement signed in July 2017 (available in Italian on request).</p>
2.3	<p>Please give details of the number of your suppliers (both tier 1 and across your suppliers network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.</p>	<p>As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), Italian Law (Article 36 of Constitution) states that:</p> <p>"Employee has the right to receive a sufficient and proportionate salary taking into account the quantity and quality of his work and in every case to assure a free and dignified existence to himself and his family."</p>

CCNL (National Collective Contract Agreement) bargained every 3 years by the Main Trade Unions (CGIL, CISL and UIL etc) for any main sector of activities, assuring better working conditions higher than the ones stated by law and salary levels that are as a minimum in compliance with the fair wage principle stated by art. 36 of Constitution, also in relation with the sector of the activity and the employees' duties, tasks and skills as well as company seniority.

Please note that in Italy applying a CCNL is not a legal requirement.

So that, we reference and ensure through audits that manufacturer and sub-contractors applied the relevant National Collective Agreements (CCNL) bargained by the Main Trade Unions in order to grant employees to be paid based on living wage and working conditions better than the ones stated by law.

Therefore, demonstrated through the Gucci official commitment bargained in July 2017 with the Main Fashion Trade Unions to formally require the manufacturer (through the Hercules Agreement) and they in turn to require to their sub-contractors, to apply the CCNL to their workers (related to the business sector in which they are working for) bargained by the Main employees and employers Trade Unions' and, additionally, any other better unions agreement bargained at local or company level. This represents the methodology to assure and verify that fair wage (as per Art. 36 of C.) and fair working conditions are mandated for the whole Gucci supply chain in Italy.

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This is stated in the Gucci company collective agreement signed in July 2017 (available in Italian on request).

Working with Gucci, Kering has created an internal Living Wage Working Group which has developed an internal multi-country methodology for Fair Wage in line with the definition in our Sustainability

		Principles. This methodology has been validated by BSR. https://www.bsr.org/en/ but a full auditing programme against this methodology outside of Italy has only begun to be rolled out in 2018.
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3. Purchasing practices that make living wages possible

3.1	Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?	Yes
	If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?	Gucci's Finance department carry out a due diligence during the vendor selection from which each manufacturer receives a vendor rating evaluation. All financial reports of all manufacturers (first tier) are analyzed. This type of evaluation is finalized to check the financial stability of the manufacturers also to ensure they are able to comply with the Sustainability Principles.
3.2	Does your company make long-term sourcing commitments at a specific volume to suppliers?	Yes
	If so, how long are these commitments, and at what volume?	<p>The average duration of our framework sub-supply agreement is 2 years. Our standards sub-supply agreements usually do not provide for any minimum guaranteed volume.</p> <p>Internal vertical integration:</p> <p>Also as described in Kering's Reference Document 2017, p. 375: http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf</p> <p>The Hercules project is a compliance management system created in 2015 at the initiative of Kering Top 30. Its purpose is to create best practices, monitor risk assessments, and provide supply chain analysis for the production processes of Kering's Luxury activities. In 2016, the Group also created a set of uniform procedures to be implemented by the brands. These procedures outlined the management and monitoring of interactions between the Group and brands' manufacturers. Specifically, Group-wide procedures were put in place for its</p>

		<p>relationship to manufacturers regarding selection and on boarding as well as rating and termination. Kering also redrafted contracts based on a Group template to be signed by its direct manufacturers. These newly formulated contracts ensure a higher level of protection against corruption and extend the Group’s Code of Ethics and Sustainability Principles to its entire supply chain. In addition, the Group’s standards and methodologies for security and social audits were defined and clarified. These standards and methodologies support the monitoring of the Group’s supply chain and assist Kering’s Supply Chain Audit and Supply Chain Security teams in their duties. Finally, a database on multi brand manufacturers has been set up to gather all information related to Kering’s manufacturers. These databases are used to support assessments of the supply chain and track audit activities. The Hercules process will now be rolled out with a target to cover all brands. As a consequence, the Group’s set of procedures and sustainability requirements will be further streamlined across its supply chain.</p> <p>External vertical integration:</p> <p>As described in Kering’s Reference Document 2017, p. 236: http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf</p> <p>The Group has forged special partnerships with key manufacturers, and pursues a policy of actively seeking new partners.</p>
3.3	Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your suppliers factory list?	Yes
	If so, can you provide concrete evidence over time that shows how this is working?	Gucci only works with contracted manufacturers or approved sub-contractors. Hercules Agreement clearly states that sub-contracting without prior authorization is not permitted. As part of the contractual agreement with each manufacturer, Gucci ensures the sign off by the manufacturer of 2 key documents: the Code of Ethics (which includes a Suppliers’ Charter) and the Sustainability Principles, which include policy commitments on wages, relating to the supply chain.

Additionally for our leather goods and shoe business, we created a portal (<https://www.diventafornitore.gucci/>) for any potential manufacturers who would like to work with Gucci to submit their application / candidature. In order for an application to be considered, the manufacturer must declare they acknowledge and respect the Gucci Sustainability Principles and the Code of Ethics. Supporting evidence must be provided with reference to financial documentation, such as records of social security contributions for the employees. Should Gucci wish to take forward an application, an audit is conducted to ensure the Gucci Sustainability Principles and the Code of Ethics are met and evidence can be provided, including financial documentation.

We work with our manufacturers continually to ensure compliance with the Gucci Sustainability Principles and all sub-contractors are bounded by the same Gucci Sustainability Principles.

We train all first tier manufacturers at least annually on the Gucci Sustainability Principles and Social Responsibility Policy and we regularly audit them in order to verify the level of compliance in respect of: applicable laws, Gucci Sustainability Principles and Code of Ethics.

As described in Kering's Reference Document 2017, p. 375:

http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf

The Hercules project is a compliance management system created in 2015 at the initiative of Kering Top 30. Its purpose is to create best practices, monitor risk assessments, and provide supply chain analysis for the production processes of Kering's Luxury activities. In 2016, the Group also created a set of uniform procedures to be implemented by the brands. These procedures outlined the management and monitoring of interactions between the Group and brands' manufacturers. Specifically, Group wide procedures were put in place for its relationship to manufacturers regarding selection and on boarding as well as rating and termination. Kering also re-drafted contracts based on a Group template to be signed by its direct manufacturers. These newly formulated contracts ensure a higher level of protection against corruption and extend the Group's Code of Ethics and Sustainability Principles to its entire supply chain. In

		<p>addition, the Group's standards and methodologies for security and social audits were defined and clarified. These standards and methodologies support the monitoring of the Group's supply chain and assist Kering's Supply Chain Audit and Supply Chain Security teams in their duties. Finally, a database on multi brand manufacturers has been set up to gather all information related to Kering's manufacturers. These databases are used to support assessments of the supply chain and track audit activities. The Hercules process will now be rolled out with a target to cover all brands. As a consequence, the Group's set of procedures and sustainability requirements will be further streamlined across its supply chain.</p> <p>The Group has forged special partnerships with key manufacturers and pursues a policy of actively seeking new partners.</p>
3.4	Is your company doing work to limit the use of labour contractors?	Yes
	If so, can you provide concrete evidence over time that shows how this is working?	<p>As per the contractually required Gucci Sustainability Principles:</p> <p>"All workers, including those on part-time, temporary or agency contracts, must have formal contracts of employment that meet local legislation. Contracts must include wages, payment frequency, deductions, benefits, working hours, holidays, notice periods, sick pay, maternity pay and any other locally required aspects of employment.</p> <p>Every effort possible should be made to provide regular, secure employment. The use of temporary contracts or agency labour must not be used as a mean of denying workers their rights or benefits under employment law. Apprenticeships and training contracts are allowed, but must be legally compensated and provide adequate levels of training or development"</p> <p>This requirement is audited as per question 1.2</p>

4. Transparency

4.1	Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider suppliers' network?	No
	If yes, please supply a link.	N/A
4.2	Does your company publish information on wages currently paid to workers at your suppliers?	No
	If yes, please supply a link or further information.	N/A

5. A clear roadmap for implementing a living wage for all workers

5.1	Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your suppliers network?	Yes
	If yes, please supply a link to where this is published.	<p>Kering / Gucci Sustainability Principles is our reference and our Kering Group 2025 strategy is our roadmap</p> <p>The Principles can be accessed through a hyperlink on Gucci Equilibrium: http://equilibrium.gucci.com/people/developing-our-supply-chain/sustainability-guidelines-and-principles/</p> <p>or directly here: http://equilibrium.gucci.com/wp-content/uploads/2018/11/Sustainability-Principals_ENG.pdf</p> <p>The Kering Group Strategy is our roadmap: http://www.kering.com/en/sustainability/2025-strategy</p>

		<p>The Kering Group Strategy has been distilled by all brands (including Gucci) into a bespoke internal strategy which demonstrates internally our plan on wages/monitoring/supply chain management.</p> <p>We are also following the programme to achieve a calculable Living Wage established by the SAI of which we are a member, the “GLOBAL LIVING WAGE COALITION” ; http://www.sai-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1800</p>
5.2	<p>By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?</p>	<p>Kering / Gucci Sustainability Principles is our reference and our Kering Group 2025 strategy is our roadmap</p> <p>The Principles can be accessed through a hyperlink on Gucci Equilibrium: http://equilibrium.gucci.com/people/developing-our-supply-chain/sustainability-guidelines-and-principles/</p> <p>or directly here: http://equilibrium.gucci.com/wp-content/uploads/2018/11/Sustainability-Principals_ENG.pdf</p> <p>The Kering Group Strategy is our roadmap: http://www.kering.com/en/sustainability/2025-strategy</p> <p>The Kering Group Strategy has been embedded in all brands (including Gucci) into a bespoke internal strategy which demonstrates internally our plan on wages/monitoring/supply chain management.</p>

6. Living wage projects

6.1	<p>What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level</p>	<p>Internal living wage working group with BSR and Fair Wage Network to develop full scale database for all key countries and regions within each country applying the same methodology.</p> <p>Kering engages with manufacturers on numerous high-profile initiatives that have a direct or indirect impact on living wages of the workers in the supply chain:</p>
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- through the Kering Standards, an industry leading sharing initiative comprising a comprehensive set of sustainability guidelines on raw material production and manufacturing for its suppliers, Kering supports its manufacturers in sustainable practices and certifications that improve social conditions for workers, such as the banning of hazardous chemicals, the use of sustainable farming practices through the adoption of e.g. GOTS standards, fairtrade certifications, etc. For more detail, please see: http://www.kering.com/sites/default/files/kering_standards.pdf
- BSR (Business for Social Responsibility): Kering takes part in joint initiatives as a member of this international network of more than 300 companies, including the Business Action for Women initiative, formed by 18 companies in the consumer goods sector alongside the Win-W in Strategies NGO with the aim of improving conditions for women in society. Kering's involvement here focuses primarily on the issues of women in the supply chain, the role of women in combating climate change, and the eradication of violence against women,
- Kering purchases artisanal gold certified by Fairtrade, which supports implementation of best mining practices and contributes to developing standards of living among local communities
- With the support of BSR and the Fair Wage Network, we are working on developing a robust living wage database that has a local perspective and incorporates government and NGO data sets.
- members of SAI that is member of "GLOBAL LIVING WAGE COALITION"
; <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1800>
- Gucci has worked with the Lawyers Circle on a global report into the implementation of a global living wage with a Gucci Senior Management member now sitting on the board of the working group. The Lawyers Circle has been leading The Circle's work in pushing

		<p>for a living wage to be recognised as a human right in the fast fashion industry. The argument was debated at the European Parliament in February 2018 and was made possible thanks to the foundational work done in producing The Living Wage report. The report on the living wage in the garment industry is a true collaboration of key stakeholders and was launched at the Copenhagen Fashion Summit in 2017, in partnership with TrustLaw and the Clean Clothes Campaign.</p>
	<p>By what date will this project achieve a living wage across your suppliers network?</p>	<p>Internal Living Wage Group: Internal living wage working group working group with BSR and Fair Wage Network to develop full scale database for all key countries and regions within each country applying the same methodology.</p> <p>This will allow us to audit against a set (but continually reviewed) methodology for each of the countries in which we produce (although the vast majority is Italy).</p> <p>SAI Global Living Wage coalition: SAI is a member of the Global Living Wage Coalition that brings together six of the world’s most influential sustainability standards to improve wage levels in certified supply chains. The other members of the coalition include Fairtrade International, Forest Stewardship Council (FSC), GoodWeave International, the Rainforest Alliance and the Sustainable Agriculture Network (SAN). In partnership with the ISEAL Alliance and Dr. Richard and Martha Anker, the coalition has developed a state-of-the-art methodology for calculating living wage, developing a set of country-specific living wage estimates, and testing them in various sectors and countries.</p>
	<p>Option to add an additional project</p>	<p><i>(Use one of the above)</i></p>
6.2	<p>In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your suppliers network? Please state</p>	<p>We have an Internal Living Wage Working Group working on the impact assessment of our work on Living Wages to date.</p>

	increases by country and number of suppliers impacted.	
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7. Advocacy for an increase in the minimum wage

7.1	Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases?	Yes
	If yes, please supply link to where this / these can be found.	<p>We continue to discuss minimum wage (advocating an increase) issues with the Italian government, looking address core issues in attracting a talented workforce in the face of declining production workers in Italy and Europe in general.</p> <p>As a member of the SAI we support lobbying for living wages across the globe:</p> <p>SAI is a member of the Global Living Wage Coalition that brings together six of the world’s most influential sustainability standards to improve wage levels in certified supply chains. The other members of the coalition include Fairtrade International, Forest Stewardship Council (FSC), GoodWeave International, the Rainforest Alliance and the Sustainable Agriculture Network (SAN). In partnership with the ISEAL Alliance and Dr. Richard and Martha Anker, the coalition has developed a state-of-the-art methodology for calculating living wage, developing a set of country-specific living wage estimates, and testing them in various sectors and countries.</p> <p>Gucci has worked with the Lawyers Circle on a global report into the implementation of a global living wage with a Gucci Senior Management member now sitting on the board of the working group. The Lawyers Circle has been leading The Circle’s work in pushing for a living wage to be recognised as a human right in the fast fashion industry. The argument was debated at the European Parliament in February 2018 and was made possible thanks to the foundational work done in producing The Living Wage report. The report on the living wage in the garment industry is a true collaboration of key stakeholders and was launched at the</p>

		Copenhagen Fashion Summit in 2017, in partnership with with TrustLaw and the Clean Clothes Campaign .
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8. Freedom of association

8.1	How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your suppliers factories and subcontractors?	<p>The Right to Freedom of Association and Collective Bargaining is clearly communicated through our supply chain with the Principles of Sustainability (derived from our Social Responsibility Policy) on which we require the following commitment of all our manufacturers.</p> <p>This is clearly stated in our Gucci Sustainability Principles: <i>“freedom of association. The supplier and its sub-suppliers shall guarantee the employees’ rights to establish, participate in and organise trade unions according to their own will and their right to bargain collectively through the trade unions. In the event that freedom of association and the right to bargain collectively become limited by law, the company shall allow its workers to freely elect their own representatives. The supplier and its sub-suppliers shall ensure that workers’ representatives and any personnel engaged in organising workers are not exposed to discrimination, harassment, intimidation or retaliation. Where the right of association and collective bargaining is restricted under law, the suppliers and its sub-suppliers will facilitate, and not hinder, the development of parallel means for independent and free association and bargaining.”</i></p> <p>Also through Kering the Code of Ethics including Suppliers’ charter: http://www.kering.com/sites/default/files/kering-code-of-ethics-english.pdf</p> <p>p.2 : <i>“the group’s rules of business conduct reflect several international standards, including: (...) Various International Labour Organisation conventions, notably conventions (...) 87 and 98 (freedom of association and protection of the right to organise and collective bargaining);”</i></p> <p>p.8 : <i>“Suppliers’ Charter: Kering and its brands require their suppliers to commit themselves to the following basic principles which, taken as a whole, constitute Kering’s Suppliers’ (...) To respect employees’ directly applicable right of representation and expression; (...) To take appropriate measures for the effective application of the principles of the Charter to its own suppliers;”</i></p>
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		<p>The Code of Ethics which include the Suppliers' Charter and Gucci Sustainability Principles are extensions of the Hercules Agreement we entered into with our manufacturers and the compliance of their content is screened (i) through social audits at manufacturer's activation and(ii) through regular audits during the lifecycle of the contract.</p> <p>All manufacturers have a contractual obligation to ensure they and their sub-contractors apply and respect the Code of Ethics, Gucci Sustainability Principles as well as all the others applicable laws. Any breach of this contractual obligation gives Gucci a series of remedies, including the immediate termination of the agreement, depending on the classification of the gravity of the breach as resulting from the audit.</p>
8.2	Do you require suppliers to sign union access agreements?	Yes
	If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.	<p>All Manufacturers and sub-contractors are required to sign, as part of their contractual agreement, the Gucci Sustainability Principles which state:</p> <p><i>"freedom of association. The supplier and its sub-suppliers shall guarantee the employees' rights to establish, participate in and organise trade unions according to their own will and their right to bargain collectively through the trade unions. In the event that freedom of association and the right to bargain collectively become limited by law, the company shall allow its workers to freely elect their own representatives. The supplier and its sub-suppliers shall ensure that workers' representatives and any personnel engaged in organising workers are not exposed to discrimination, harassment, intimidation or retaliation. Where the right of association and collective bargaining is restricted under law, the supplier and its sub-suppliers will facilitate, and not hinder, the development of parallel means for independent and free association and bargaining."</i></p>
8.3	Do your suppliers provide workers with paid time off for union activities?	Yes
	If yes, please state how many suppliers this impacts.	As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), we reference and ensure through audit that the National Collective Agreements (CCNL) which contains a clause on paid time off for union activities is duly applied by our manufacturers

8.4	Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?	Yes
	If yes, please state how many suppliers this impacts.	As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), we reference and ensure through audit that the National Collective Agreements (CCNL) which contains a clause on paid time off for union activities is duly applied by our manufacturers
8.5	Do you require your suppliers meet and bargain with duly constituted unions?	Yes
	If yes, how do you verify that they are doing so?	As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), we reference and ensure through audit that the National Collective Agreements (CCNL) which contains a clause on paid time off for union activities is duly applied by our manufacturers
8.6	Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions?	Yes
	If yes, please explain how these suppliers are determined and how preference is given.	Freedom of Association and Collective bargaining are requirements of our Sustainability Principles that all our manufacturers need to sign and demonstrate their compliance with.
8.7	Does your company have an accessible, independent, confidential means by which workers at suppliers factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?	Yes
	If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do	The Ethics hotline is open to external collaborators of the Group.

	<p>not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?</p>	<p>The hotline is run by an independent third-party and accessible worldwide through external phone and e-mail address. Contacts are made available in the Code of Ethics that is circulated to manufacturers as part of the contractual agreement.</p> <p>We have received 2 anonymous complaints through the system in 2018 so far, both were resolved post inspection.</p>
8.8	<p>Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?</p>	<p>Yes</p>
	<p>Please clarify your answer.</p>	<p>As part of the audit procedure in case of zero-tolerance non-compliances.</p> <p>As described in Kering's Reference Document 2017, p.122: http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf</p> <p>a) Breaches subject to zero tolerance (relating to the most serious situations liable to be encountered, specifically child labour, forced labour, irregular work, undeclared subcontractors, threats, discrimination, serious breaches of regulations, serious breaches related to wages and payments, counterfeit, etc.). Identification of a zero tolerance breach triggers the immediate establishment of a crisis unit bringing together the Kering audit team and the relevant brand(s) to decide on the future of the relationship with the manufacturer: immediate shutdown of the approval process if the manufacturer is in the process of being activated but has not started working; and discussions about the possibility of remediation and support for the manufacturer or about the need to terminate the contractual relationship if the manufacturer is working on one or more orders.</p>

All manufacturers must comply with our Sustainability Principles which they must be open to being audited against, and as per the Principles:

“We therefore ask your company to commit to the following:

- *to comply with Sustainability Principles by signing and dating this document;*
- *to provide, at our request, detailed information on programmes, actions and progress regarding the actual application of Gucci’s Sustainability Principles;*
- *to accept Audits, whether or not pre-announced, which our company is entitled to conduct directly or cause to be conducted in order to ensure that the Principles are being respected;*
- *to implement any corrective steps and actions for improvement requested;*
- *to provide up-to-date information regarding new suppliers or sub-suppliers used in the production process and sourcing;*
- *to keep, and make available to the people instructed to conduct the audit, appropriate records to prove compliance with the Principles subscribed to;*
- *to communicate these Sustainability Principles to your sub-suppliers involved in the production, processing or/and procurement of materials, raw materials and services and ensure that they sign a document where they acknowledge and accept these Sustainability Principles, or create and sign an equivalent statement of compliance.*
- *to require your sub-suppliers to undertake your company’s obligations, including their willingness to accept inspection audits, checks and information requests from our company and/or from our representatives.*

We wish to point out that compliance with Sustainability Principles is an important assessment parameter in selecting our suppliers. Therefore, your failure to cooperate in determining and adopting corrective actions may result in the termination of our business relationship.”

9. Dialogue and negotiation with labour rights organisations

9.1	Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your suppliers factories, which include agreement on paying above the legal minimum?	Yes
	If yes, how many such CBAs exist within your suppliers network and in which countries? Please provide a link to where the text can be viewed or upload an example.	<p>As far as Italy is concerned, where around 95% of our manufacturers are based (we use a small percentage of manufacturers outside of Italy for specific phases of component production), Italian Law (Article 36 of Constitution) states that:</p> <p>“Employee has the right to receive a sufficient and proportionate salary taking into account the quantity and quality of his work and in every case to assure a free and dignified existence to himself and his family.”</p> <p>CCNL (National Collective Contract Agreement) bargained every 3 years by the Main Trade Unions (CGIL, CISL and UIL etc) for any main sector of activities, assuring better working conditions higher than the ones stated by law and salary levels that are <u>as a minimum in compliance</u> with the fair wage principle stated by art. 36 of Constitution, also in relation with the sector of the activity and the employees’ duties, tasks and skills as well as company seniority.</p> <p>Please note that in Italy applying a CCNL is not a legal requirement.</p> <p>So that, we reference and ensure through audits that manufacturer and sub-contractors applied the relevant National Collective Agreements (CCNL) bargained by the Main Trade Unions in order to grant employees to be paid based on living wage and working conditions better that the ones stated by law.</p> <p>Therefore, demonstrated through the Gucci official commitment bargained in July 2017 with the Main Fashion Trade Unions to formally require the manufacturer (through the Hercules Agreement) and they in turn to require to their sub-contractors, to apply the CCNL to their workers (related to the business sector in which they are working for) bargained by the Main employees and employers Trade Unions’ and, additionally, any other better unions agreement bargained at local or company level.</p>

		<p>This represents the methodology to assure and verify that fair wage (as per Art. 36 of C.) and fair working conditions are mandated for the whole Gucci supply chain in Italy.</p> <p>To ensure effective monitoring, Hercules Agreement states also the right for Gucci (respecting the commitment bargained with the Main Fashion Trade Unions in July 2017) to carry out at any time and without notice routine checks on manufacturers and sub-contractors to audit compliance with the salary levels and working conditions stated by the relevant CCNL bargained by the main Trade Unions (CGIL, CISL and UIL).</p> <p>This is stated in the Gucci company collective agreement signed in July 2017 (available in Italian on request).</p>
9.2	<p>Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?</p>	<p>Yes</p>
	<p>If yes, please give details and provide a link to the public text.</p>	<p>All manufacturers must abide by the signed Sustainability Principles as part of their contractual agreement with Gucci which state:</p> <p>FAIR WAGE</p> <p>The manufacturer and its sub-contractors must respect employees' rights to a living wage that guarantees that the salary paid for a standard working week meets or exceeds legal standards or minimum wage standards relevant to the sector and that is sufficient to satisfy the employee's basic needs as well as providing a discretionary Income.</p> <p>“Salary withholdings due to disciplinary purposes are not allowed. Any exceptions to this rule will only be applicable upon the occurrence of both of the following conditions:</p> <ul style="list-style-type: none"> a) Salary withheld for disciplinary reasons permitted by national laws. b) Existence of an effective collective bargaining agreement: the company must ensure that employees' salaries and wage structures are clearly and duly specified in writing for each

wage period. Moreover, the company must make sure that payment of salaries and wages conform to applicable laws.”

The Principles can be accessed through a hyperlink on Gucci Equilibrium:

<http://equilibrium.gucci.com/people/developing-our-supply-chain/sustainability-guidelines-and-principles/>

or directly here: http://equilibrium.gucci.com/wp-content/uploads/2018/11/Sustainability-Principals_ENG.pdf

10. Further questions about your supplier base

10.1	<p>What are your main production countries? Please state percentage of total production per country and the number of suppliers factories.</p>	<p>Kering's supply chain structure contains a manufacturers' portfolio composed of thousands of mostly small manufacturers in a highly fragmented market with a high level of craftsmanship. The average number of employees by manufacturers is fewer than 50. The geographical location for Kering's manufacturers is spread as following:</p> <p>More than 90% are in Europe, predominantly in Italy (88.5%), 4.3% in Western Europe (except Italy), 2.3% in Eastern Europe, 4.4% in Asia and 0.5% for the remaining part.</p> <p>This supply chain is characterized by strong government presence, comprehensive and mature labor law, highly developed social dialogue.</p> <p>Please refer to Kering's Reference Document 2017 p.120: http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf</p> <p>Specifically, for Gucci around 95% of our manufacturers are based In Italy and we use a small percentage of manufacturers outside of Italy for specific phases of component production.</p>
10.2	<p>What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:</p>	<p>Free text fields showing:</p> <ul style="list-style-type: none"> • Production at factories owned by your company: 31% • Orders placed directly to manufacturer Factories: 69% • Orders placed through agencies or Intermediates 0% • Other (please specify) 0%
10.3	<p>How many sites did you use to produce your goods in 2018?</p>	<p>Please refer to Kering's Reference Document 2017 p.122: http://www.kering.com/sites/default/files/document/kering-ddr_va_vdef-290317-miseenligne.pdf</p> <p>The suppliers database managed by the Kering central team for the Luxury brands has the following characteristics:</p>

		<ul style="list-style-type: none"> • it does not yet include all suppliers, though 2017 did see a sharp rise in the number of suppliers managed, with the inclusion of all production suppliers and the first raw materials suppliers. Inclusion of suppliers of jewelry and watchmaking brands will extend over the next two years; • it covered 3,438 suppliers in 2017 (32% more than in 2016), with the following breakdown: - 28% direct suppliers (i.e., with no subcontractor), - 13% contractors (direct suppliers working for one or more brands and which subcontract part of their production), - 59% subcontractors. Subcontracting without prior authorization is not permitted. <p>Gucci prioritizes the well-being of its employees and partners and is dedicated to enhancing the lives of all those involved in making its products through the responsible and innovative management of its supply chain.</p> <p>Gucci now makes a large part (over 50%) of its leather goods and shoes at its own production facilities in Italy.</p> <p>When the services of our selective network of external manufacturers are called upon (many of these manufacturers are second or third generation family-run companies, passing on the unique artisanal expertise and know-how) it is only for certain phases of the production. The company in fact carries out all activities relating to R&D, product development and prototyping for all of its product categories internally.</p>
10.4	How many suppliers factories do you trade with where you have a regular production share of more than 25%?	We have a +25% production share at 65% of our manufacturer factories.

11. Your feedback

11.1	Is there anything else you would like to tell us about your work on the living wage in general? Or	It would be interesting to have a meeting with you at some point after the report to discuss your methodology and future plans.
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	any feedback you would like to give to CCC?	
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H&M

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

H&M group

Brands owned by company: *

H&M, COS, Weekday, Monki, &other stories, Arket, Afound, H&M Home

Main contact person: *

Luisa Book

Contact email: *

luisa.book@hm.com

Contact phone number: *

+46728808127

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Every garment worker should earn a wage that is sufficient to live on. It should satisfy the basic needs of workers and their families as well as provide some discretionary income. It should be earned under legal normal working hours and be revised annually and negotiated regularly. SEE:

<https://about.hm.com/en/media/news/general-news-2018/hm-group-fair-living-wage-summit.html>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network? *

In our Sustainability Commitment (previously named Code of Conduct) we have a number of minimum requirements which all business partners must pass to before working with H&M group. Amongst those are components affecting the wage levels, such as working hours and legal minimum wage for all regular hours worked. H&M group measures our business partners' (suppliers') sustainability performance, including wage level data, through our Sustainable Impact Partnership Programme (SIPP). Our SIPP includes minimum requirements, self-assessment, validation, capacity building and case handling. We do both unannounced and announced visits by our developers in the various production markets. By working together closely with our business partners, we can drive positive impact in the value chain. Therefore we also conduct capacity building workshops and meetings to enable our business partners to understand better how to achieve fair living wages. You'll find more information about SIPP

here: https://about.hm.com/content/dam/hmgroup/groupsite/documents/masterlanguage/CSR/reports/2017%20Sustainability%20report/HM_group_SustainabilityReport_2017_FullReport.pdf (page 83 & 84)

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

H&M group uses both announced and unannounced visits as a part of our SIPP. We do not hire auditors from auditing firms, since we have one of the biggest sustainability organisations in the industry. We believe in presence and genuine partnership, we have own offices in our production countries (in Bangladesh we are about 600 people in the local production office there, working with business partners locally). However, we consider partnership with external agencies and organisations essential to create positive impact in an efficient way and are members of numerous networks and organisations within sustainability. Relevant to fair living wages and the work we conduct, we are members of SAC- Sustainable Apparel Coalition, working with the HIGG index. We are also of member SLCP. If H&M group receives input that a problem or incident linked to a supplier has occurred, our sustainability team will log the case and investigate.

In such cases, a corrective action plan must be submitted and approved by H&M group before any further business is conducted. The underlying idea is to apply a long-term strategy where we evaluate if the business partner involved is the right type of partner for H&M group. If not, we exclude them from our business partner list permanently. We follow the UN Guiding Principles on Business and Human Rights in this process.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

Yes we have public wage data figures. However, we do not use a living wage benchmark in our work with achieving fair living wages in the industry. We share the same view as ILO and many other experts that the only way to achieve substantial and sufficient increases in wages for all workers is through fair negotiations between workers, trade unions and employers. Please see our wage data:

<https://about.hm.com/en/sustainability/sustainable-fashion/wages/key-impacts-and-learnings.html>

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

According to the ILO and global trade unions there is no universal benchmark on how to calculate a living wage. Instead they stress the importance of promoting freedom of association and collective bargaining as necessary for workers and employers to negotiate wages and working conditions.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

<https://about.hm.com/en/sustainability/sustainable-fashion/wages/key-impacts-and-learnings.html>

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

We have developed a 'scientific pricing method'. This involves suppliers sharing with us all the major cost components that contribute to a product's price, including the labour cost component. This means merchandisers can and will negotiate the price of a garment with our suppliers around all component costs except one: labour. This takes garment workers' wages out of the equation for price negotiations. We believe this systematic isolation of the labour cost is important as an enabler to an industry-wide collective bargaining agreement, ultimately higher wages for workers regardless where you are employed. If wages increase as a result of a collective bargaining agreement, our method ensures the money needed to pay for these wages is accounted for. Together with the other brands within the ACT collaboration (ACTION, COLLABORATION, TRANSFORMATION) we are committed to ensure that higher wages are covered by our purchasing price.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Sustainability- including wage components- is one of the categories a supplier of H&M group receives a score on when we evaluate our business partners' performance. The higher score a supplier gets, the bigger volume and longer contracts are offered.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

We have clear policies and checks to regulate the use of sub-contracting, and we have strict regulations for avoiding undeclared subcontracting (a severe breach of our partnership). This is a central part of our Sustainability Commitment:

https://sustainability.hm.com/content/dam/hm/about/documents/en/CSR/Sustainability%20Commitment/Sustainability%20Commitment_en.pdf

and it is also a part of our Modern Slavery Statement (page 7):

https://sustainability.hm.com/content/dam/hm/about/documents/masterlanguage/CSR/2017%20Sustainability%20report/HM_GROUP_Modern_Slavery_Statement_2017.pdf

However, every year we also consolidate our supply chain, following our annual sustainability reports from year and year, you can clearly see the tendency of reduced number of suppliers and factory base:

<https://sustainability.hm.com/en/sustainability/downloads-resources/reports/sustainability-reports.html>

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

We have worked with this topic for more than 20 years, by encouraging our suppliers to hire directly rather than through agencies. However, for example in Dehli area, India, we have worked in a context-based manner to limit the use of labour contractors. Today we see a global trend of labour shortage in certain areas which increases the need for an employer to use labour contractors for recruiting.

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<http://sustainability.hm.com/en/sustainability/downloads-resources/resources/supplier-list.html>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

<https://about.hm.com/en/sustainability/sustainable-fashion/wages/key-impacts-and-learnings.html>

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

<https://about.hm.com/en/sustainability/sustainable-fashion/wages.html>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

We have now shared the results, learnings and impact from the first five years of our Fair Living Wage strategy (Summit held in Phnom Penh December 2018) Hence we are now developing the next phase of this work. We also believe that this work needs to be continuous together with other relevant partners. To review key impacts and learnings see more here:<https://about.hm.com/en/sustainability/sustainable-fashion/wages/key-impacts-and-learnings.html> ETI has also evaluated our fair living wage strategy over the first five years, the full report can be found here:

<https://www.ethicaltrade.org/resources/review-hm-groups-roadmap-to-fair-living-wage>

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

Fair Living Wage Strategy and Collaboration

Project description

H&M group was groundbreaking back in the '70s with production offices in the production markets – a key strategy and a great asset for engaging with national governments, local trade unions and NGOs. Today, H&M group employs over 700 people in the markets where our suppliers manufacture, giving us a unique opportunity to initiate and support close relationships with our suppliers. We engage with factory owners, enabling them to embrace the importance of well-functioning industrial relations as well as implementing sound wage-management systems. Improved wage management systems and workplace dialogue are implemented at an increasing number of factories and countries. We train workers about their rights, management about their responsibilities and assist the democratic elections of employee representatives through trade unions or worker committees. For example, in 2017, 100% of the garment-manufacturer units in Bangladesh producing for H&M group conducted democratic elections of worker representatives. In total, 2,882 persons were elected of which 40% of were women.

We ensure that we maintain good purchasing practices by being a long-term and stable business partner who helps enable the factories to pay a fair living wage. A business partner that does well in their sustainability work will also be rewarded with more and larger orders.

Partnerships involved

ACT, IndustriALL, IF Metall, ILO, Better Work

Countries covered by the project

Bangladesh, China, Cambodia, Turkey, Myanmar, Vietnam, Pakistan, Ethiopia, Indonesia, India

Number of suppliers impacted

655 factories, 930 000 workers to date (growing, ongoing work)

Timescale

Continous

By what date will this project achieve a living wage across your supplier network?

New strategy development is ongoing, first 5 years produced higher wage levels for all enrolled factories (see <https://about.hm.com/en/sustainability/sustainable-fashion/wages/key-impacts-and-learnings.html>) In order to achieve fair living wages in the whole industry, we believe that collective bargaining needs to be in place as well as collaboration among the key parties in the industry. To read more about suggestions from ETI on how to achieve fair living wages, read:

<https://www.ethicaltrade.org/resources/review-hm-groups-roadmap-to-fair-living-wage>

6.1 Continued. Opportunity to add additional project.

Project name

Project description

Partnerships involved

Countries covered by the project

Number of suppliers impacted

.....

Timescale

.....

By what date will this project achieve a living wage across your supplier network?

.....

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Our results are published here: <https://about.hm.com/en/sustainability/sustainable-fashion/wages/key-impacts-and-learnings.html>

.....

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

We work with advocacy through ACT, Action, Collaboration and Transformation, together with other brands and IndustriALL to promote freedom of association and collective bargaining agreements on an industry-level to achieve fair living wages. H&M group CEO, Karl-Johan Persson, has also met with government officials in both Bangladesh and Cambodia to explicitly explain the importance of a fair living wage and urge them to provide a positive impact. Read for example: <https://www.thelocal.se/20130516/47924> and more on ACT: <https://actonlivingwages.com/>

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

Through ACT, which has a close relationship suppliers get informed about the right to freedom of association and bargaining. In addition, we have a Global Framework Agreement (GFA) with IndustriALL and IF Metall and one of the main components of the GFA is the National Monitoring Committees (NMCs), which consist of representatives from IndustriALL-affiliated trade unions and H&M group staff. The NMCs work to inform the suppliers about the right to freedom of association and collective bargaining. The committees support employers and worker organisations to negotiate and to solve conflicts peacefully and in good faith at the factory level. They contribute to functioning labour markets in the countries where H&M group source its products.

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

- Yes
- No
- Some

If yes, please state how many suppliers this impacts.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

- Yes
- No
- Some

If yes, please state how many suppliers this impacts.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

- Yes
- No

If yes, how do you verify that they are doing so?

We require all suppliers to respect freedom of association. This is verified through our partnership in GFA.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

Suppliers with trade union representatives gain higher sustainability score which impacts favourably on business agreements in the form of more volume and long-term business commitment

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Complaints and grievances from workers at our supplier factories are channeled to our NMCs and handled. The NMCs are reporting to the GFA Steering group every year. Several cases have been handled and solved thanks to the collaboration within the GFA. To see an example, read: <https://about.hm.com/en/media/news/general-2016/hm-permanently-collaborates-with-industriall-and-ifmetall.html>

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Yes, we have this in our sustainability commitment and guidelines

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

As a part of the ACT initiative all brands have common commitments on purchasing practices, <https://actonlivingwages.com/purchasing-practices/>

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

<http://sustainability.hm.com/en/sustainability/downloads-resources/resources/supplier-list.html>

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:
Production at factories owned by your company

None- 0

Orders placed directly to supplier factories

All- 100%

Orders placed through agencies or intermediates

None- 0

Other (please specify)

TO QUESTION UNDER (WE COULD NOT WRITE THERE): There are 751 suppliers and 1668 factories

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

751

Sub contracted suppliers

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Confidential

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

See separate email

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Google Forms

Hugo Boss

RE: Invitation to Clean Clothes Campaign wage survey 2018/19

AN

Streubig, Andreas

Thu, 17 Jan 2019 1:43:42 PM +0000

"Anna Bryher" <anna@labourbehindthelabel.org>



 **TLS** [Learn more](#)

Dear Anna,

Thanks for your messages and the gentle reminder. In the course of Solveig Steinbrenner leaving the company and a new person stepping in a couple of things obviously ran not as smoothly as one would have hoped for. Apologies for that. We will dive into the matter and come back to you duly.

My best
Andreas

From: Anna Bryher <anna@labourbehindthelabel.org>

Sent: Donnerstag, 17. Januar 2019 12:17

To: Streubig, Andreas <Andreas_Streubig@hugoboss.com>

Cc: Gisela Burckhardt <gisela.burckhardt@femnet-ev.de>; Hinzmann Berndt <hinzmann@inkota.de>; Sabine Ferenschild <ferenschild@suedwind-institut.de>; Musiolek Bettina <bettina.musiolek@einewelt-sachsen.de>

Subject: Re: Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Andreas,

Could you kindly get back to us about whether Hugo Boss is able or not able to take part in the Clean Clothes Campaign wage survey - see invitation below? A number of brands asked for a two week extension (so by the end of next week), if this timeline could also work for you. Would you be able to send us any update about your company's work to ensuring living wages are paid to workers in your suppliers?

Looking forward to hearing back from you.

All the best,
Anna

----- On Thu, 03 Jan 2019 11:10:05 +0000 **Anna Bryher** <anna@labourbehindthelabel.org> wrote -----

Dear Andreas,

Happy New Year. I hope you had a good break. This is a quick email to check that you received this survey. If you could acknowledge receipt that would be great.

All the best,
Anna

----- On Thu, 20 Dec 2018 12:22:24 +0000 **Anna Bryher** <anna@labourbehindthelabel.org> wrote -----

Dear Andreas,

I'm writing to invite Hugo Boss's submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey aims to provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

We hope that taking part will be a useful evaluation process both for your brand and for consumers we will promote the outcomes to. Do bear in mind that if you do not fill in the survey, a profile will be published about your company using data that is publicly available nonetheless.

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. Please also reply to confirm that you have received this information. I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,
Anna

On behalf of Clean Clothes Campaign International.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

A: Easton Business Centre, Felix Road, Bristol BS50HE | Tel: +44 (0) 117 954 8011 | Mob: +44 (0)7786 832 035

E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org



Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns with 250 organizational members worldwide.

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

A: Easton Business Centre, Felix Road, Bristol BS50HE | Tel: +44 (0) 117 954 8011 | Mob: +44 (0)7786 832 035

E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org

Join the Labour Behind the Label [Facebook](#) group | Follow us on Twitter: @labourlabel

Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK member of the Clean Clothes Campaign, a coalition of over 250 organizations worldwide.

All Labour Behind the Label staff work part-time. If you need an urgent response, you can reach me on the mobile number above.

Vorsitzender des Aufsichtsrats: Michel Perraudin Vorstand: Mark Langer, Vorsitzender
Bernd Hake, Yves Müller, Ingo Wilts
Firmensitz: Metzingen Registergericht: Amtsgericht Stuttgart Nr. HRB 360610

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Inditex

Clean Clothes Campaign Living Wage Survey – Inditex

1. Living wage commitment

1.1 Has your company published a clear commitment to ensure a LW is paid across your supplier network? Y/N

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Inditex has committed to paying living wages and this commitment is available to view on the corporate website: “As an ethical business, we are committed to supporting a living wage that reasonably meets the basic needs of our supply chain workers and their families.”

Inditex defines a living wage as an adequate remuneration that allows workers to cover their basic needs and the needs of their families. This concept is present in our Code of Conduct for Manufacturers and Suppliers, compliance with which is mandatory for all suppliers and manufacturers by virtue of Inditex’s Minimum Requirements, which they sign as a condition of joining the Inditex supply chain. Specifically, the Code states that *“In any event, wages should always be enough to meet at least the basic needs of workers and their families and any other which might be considered as reasonable additional needs.”*

In 2007, Inditex signed a Global Framework Agreement (GFA) with IndustriALL Global Union. This GFA, first of its kind in the sector, aims at ensuring respect of Human Rights within the labour and social environment, by promoting decent work within Inditex’s supply chain. In more than a decade of collaboration, Inditex and IndustriALL have jointly worked to strengthen the central role of Freedom of Association and the Right to Bargain Collectively as enabling rights, facilitating the negotiation of living wages.

Furthermore, ensuring a living wage under conditions of global competition cannot be tackled on a company-by-company basis. It requires cooperation among companies as well as between employers and trade unions, to arrive at workable, achievable solutions. In this sense, Inditex is an active member of ACT Initiative for Living Wages - ACT is a joint initiative of global brands and the Global Union Federation IndustriALL. Its goal is the payment of living wages in the garment, textile and footwear sector.

Inditex adheres to ACT’s definition of living wages: *“A living wage is the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her family, including some discretionary income. This should be earned during legal working hour limits (i.e. without overtime).”*

As an ACT member, Inditex has signed a Memorandum of Understanding with IndustriALL Global Union committing to ensure that purchasing practices facilitate the payment of a living wage. Furthermore, Inditex has signed up to six commitments to support countries where collective bargaining agreements have been signed between independent employers’ organisations and trade unions at country level that meets the following basic requirements.

The commitments (which can be found on ACT’s website) are:

- Preferred destination of sourcing.

- Support of and compliance with collective bargaining agreement
- Improve purchasing practices
- Strengthen long-term partnerships
- Incorporate higher wages into purchasing price calculations.
- Engage with governments

The last public communication of Inditex, expressing its commitment for a living wage, took place last autumn during the process of negotiation for the minimum wage in Bangladesh:

“We believe in the right of workers to a living wage, in Bangladesh and in all the markets from which we source. Therefore we expect the collective demands of workers, expressed through their legitimate unions including IndustriALL Bangladesh Council, to be taken into account, and the current negotiations used to reach agreement for a fair increase in the minimum wage that preserves the right of workers to a living wage.”

References:

Living wages commitment:

<https://www.inditex.com/en/our-commitment-to-people/our-suppliers/workers-at-the-center/fundamental-rights-at-work/living-wages>

Code of Conduct for Manufacturers and Suppliers:
<https://www.inditex.com/documents/10279/241035/Inditex+Code+of+Conduct+for+Manufacturers+and+Suppliers/e23dde6a-4b0e-4e16-a2aa-68911d3032e7>

GFA with IndustriALL: <http://www.industrialunion.org/inditex>

ACT on Living Wages: <https://actonlivingwages.com/>

Wage negotiations in Bangladesh: <https://www.inditex.com/our-commitment-to-people/our-suppliers/workers-at-the-center/support-for-wage-negotiations-in-bangladesh>

1.2 How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?

Inditex adopts a number of different tools to monitor supplier compliance living wages:

a) Workers at the Centre. Living wage strategy.

By means of due diligence processes, Inditex has identified seven priority areas of work with the focus on fostering sustainable production environments while simultaneously monitoring compliance across the entire supply chain. Inditex does not differentiate between tiers in the supply chain as part of its sustainability approach. Living Wages is one of these priority areas and different programmes and projects are developed to monitor and promote a living wage. In this sense, Inditex’s living wage strategy is based on five pillars – further explained in question 5.1 (Promoting collective bargaining, Responsible purchasing practices, Improved working methods and systems, Collaboration with other stakeholders, Support campaigns).

Within the framework of the living wage strategy, Inditex develops different programmes and projects that focus on improving working methods and systems as a way for improving working conditions. One of the areas of impact of these programmes is the wages of the workers, as those should increase as

a consequence of the improvement on the factory's productivity. Therefore, an important part of assessing the outcome of this initiative is the monitoring of wages (more information about these projects in question 6)

More details on these programmes can be found in pages 87 to 89 of Inditex 2017 Annual Report. (<https://www.inditex.com/en/investors/investor-relations/annual-reports>)

b) Global Framework Agreement with IndustriALL

Inditex has, since 2007, had a Global Framework Agreement (GFA) with IndustriALL which encompasses the entire supply chain and involves local unions. The implementation of the GFA includes a myriad of activities on the ground such as training, programmes and joint interventions that allow Inditex and IndustriALL to monitor compliance and facilitate improvements in working conditions including wages. (more information on collective bargaining in questions 8 and 9)

More details on GFA can be found in pages 84 to 86 of Inditex 2017 Annual Report. (<https://www.inditex.com/en/investors/investor-relations/annual-reports>)

c) Collaboration with ILO – Better Work

Inditex is one of the signatories to ILO Better Work programme, which is a comprehensive programme bringing together all levels of the garment industry to improve working conditions and respect of labour rights for workers, and boost the competitiveness of garment factories. Through its unique and comprehensive monitoring programme, the Better Work team in 7 countries, works on identifying key issues in the supply chain, including issues related to wages, piece rate wages and overtime compensation. These issues and subsequent improvements are analysed on a yearly basis for each factory undergoing the monitoring process and combined with the expert advisory services and support of Inditex's local/regional teams.

More details of the programmes and its constituent parts can be found here (<https://betterwork.org>)

d) Compliance Programme

The Inditex Compliance Programme of the Code of Conduct for Manufacturers ensures that all suppliers of the Inditex Group observe the referred Code of Conduct, which includes living wages (section 7 of the Code).

The programme employs different tools (including due diligence tools in the shape of different assessment procedures) that allow full analysis to be made of the supply chain. Some of these tools are pre-assessment and social audits, which are followed up by the application of Corrective Action Plans and monitoring programmes. Audits are applied to all tiers of the supply chain and all include a specific review of living wages. In 2017, more than 11,000 audits were performed, and in particular:

- Pre-assessment audits: consist of a preliminary evaluation of potential suppliers and factories performed without prior notice. Only those meeting the requirements established by Inditex in its Code of Conduct can enter the supply chain. Pre-assessment audits include informal interviews with workers and document reviews.

- Social audits: to verify the degree of compliance with the Code of Conduct and to establish Corrective Action Plans (CAPs) intended to ensure respect for fundamental labour rights. Social audits can take the form of initial or follow-up audits. Based on the results of the audit, the supplier or manufacturer is assigned a rating depending on its level of compliance with the various sections of the

Code of Conduct. Supplier or factory with the highest rating is always subject to an audit at least once every 24 months. Social audits are unannounced and include extensive document reviews. Confidential interviews with workers (one to one or in group) are an essential part of social audits.

- Special audits: involve visits and inspections related to specific issues such as worker health and safety, and competence visits to ensure compliance with the Corrective Action Plans. These audits include, for instance, the inspection of laundry processes to ensure that the sandblasting process, which is prohibited by Inditex, is not in use. Depending on the specific issues covered could be announced or unannounced and may include interviews with workers.

In 2017, Inditex performed 2,252 pre-assessment audits, 4,215 social audits and 2,159 special audits.

Detailed information about the Compliance Programme can be found at Inditex Annual Report 2017 (pages 108 to 113): <https://www.inditex.com/en/investors/investor-relations/annual-reports>

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy noncompliances?

Audits

All suppliers and factories in Inditex's supply chain are periodically audited.

Inditex's audit methodology was designed in 2006 by Inditex in collaboration with IndustriALL, the Centre for Business and Public Sector Ethics of Cambridge (UK) and Ethical Trading Initiative, among others. Its objective is to guarantee the sustainability of Inditex's supply chain as well as to implement the Inditex Code of Conduct for Manufacturers and Suppliers and the Principles and Conventions of the ILO and United Nations at Inditex's suppliers.

Audits are not announced. Audits include document reviews, facility visits, a meeting with management, interviews with workers and worker representatives.

Audits are performed both by internal and external auditors. In 2017, Inditex worked with more than 500 external auditors to ensure that all suppliers and manufacturers in the supply chain comply with the Code of Conduct. These auditors belong to renowned independent third-party auditing companies.

The experts that carry out audits for Inditex belong to prestigious, specialist companies with a vast experience in the field of social auditing. Moreover, in 2017 the methodology of social auditing was updated, incorporating best practice and taking another step towards the integration of this kind of assessment into corporate purchasing systems. As a result of this, some 121 external auditors received training last year on the updates incorporated on the social audit questionnaire.

The members of Inditex's internal auditor team are accredited by Social Accountability International (SAI) as auditors able to verify compliance with the SA8000 standard, which is based on standards such as those established in the Conventions of the International Labour Organization, the United Nations Universal Declaration of Human Rights, and UN Convention on the Rights of the Child.

More information in pages 108-101 of Inditex 2017 Annual Report. ():
<https://www.inditex.com/en/investors/investor-relations/annual-reports>

Remediation

The assessments conducted at the factories may result in different mechanisms for remediation:

a) Global Framework Agreement with IndustriALL

As part of remediation, Inditex along with IndustriALL and their local affiliates carry out joint interventions to reinforce social dialogue structures at factory level. This fact implies the establishment of the Collective Bargaining pre-conditions to ensure the empowerment of workers in negotiation with factory management.

More details on GFA can be found in pages 84 to 86 of Inditex 2017 Annual Report.
(<https://www.inditex.com/en/investors/investor-relations/annual-reports>)

b) ACT

Under the umbrella of its commitment with ACT, Inditex advocates that lasting improvement of wages and working conditions can be best achieved through national collective bargaining at industry level supported by international purchasing practices.

More information on ACT in <https://actonlivingwages.com/>

c) Corrective Action Plans

Besides social auditing, Inditex establishes Corrective Action Plans (CAPs) for each factory, regardless of the ranking they have obtained in the social audit.

Discovery of a compliance breach, including payment related breaches, during an audit triggers the immediate rollout of a corrective action plan that imposes stringent targets and timelines. If a supplier wants to preserve its business relationship with Inditex it must carry out these corrective plans, to which end it can count on the full support and engagement of Inditex's Sustainability and commercial teams.

CAPs are monitored by local sustainability teams, who provide support and assistance to suppliers and manufacturers so that they can remedy the breaches detected during the audit, implementing the measures detailed in the plan. Other parties such as trade unions and NGOs may support or oversee the improvement measures. Inditex considers continual improvement to be a fundamental aspect of achieving a stable and sustainable supply chain because we believe that this delivers the best outcome for workers; with this in mind, the CAPs are designed to give suppliers and manufacturers the chance to make improvements.

In 2017, external collaboration on the development of plans involved entities including IndustriALL and its local affiliates as well as different organizations from civil society, the Association for Supporting Contemporary Life (*Çağdaş Yaşamı Destekleme Derneği - ÇYDD*) in Turkey or the NGO Pratham in India, among others.

Furthermore, Inditex's Sustainability teams carry out various capacity building initiatives with suppliers in order to create awareness about the Code of Conduct for Manufacturers and Suppliers and all its provisions, including equal pay and non-discrimination.

More information at Inditex Annual Report 2017 pages 112 and 113 and at <https://www.inditex.com/en/our-commitment-to-people/our-suppliers/continuous-improvement>

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? Y/N

Assuring a living wage for all workers is one of the pillars of the management of Inditex's supply chain.

Inditex believes that collective bargaining is the most sustainable approach within the industry to achieve wage levels deemed suitable by workers and employers for each individual market. Collective bargaining at industry level gives employers and workers the freedom to negotiate bespoke solutions and ensures that commonly agreed standards become binding for everyone.

This approach is also shared with ACT. Both in the work with ACT and as an individual company, Inditex understands that living wages can best be achieved through collective bargaining at industry level between employers and trade unions.

Such agreements are legally binding and enforceable for the signatories. They can be extended to the whole industry within a country, in which case they will cover every worker within the sector.

Linkage between international purchasing practices and national collective bargaining is the mechanism that gives national bargaining partners the economic leeway and the institutional framework they need in order to agree on continuous, substantial improvements in working conditions and wages.

In this sense, the company focus is based on facilitating the participation of all parties involved in the process of bargaining and empowering workers to be able to freely negotiate for fair wages that could be included in collective agreements.

Inditex's living wage strategy is based on five pillars that encourage and promote the fair negotiation of wages (more information on the strategy on question 5.1):

- Promoting collective bargaining
- Responsible purchasing practices
- Improved working methods and systems
- Collaboration with other stakeholders
- Support campaigns

More information at page 87 to 99 of Inditex Annual Report 2017 and at <https://www.inditex.com/en/our-commitment-to-people/our-suppliers/fundamental-rights-at-work/living-wages>

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

Collective bargaining at industry level allows a competitive wage setting process where productivity gains can be fairly shared between employers and workers. It also enables the bargaining parties to agree on a continuous process of upgrading the industry and improving wages and working conditions.

Collective bargaining agreements can provide for agreed wage scales to be introduced that set the wage for specific jobs or skill categories that are common across the sector. A pay system based on wage scales helps to retain qualified and experienced staff and offers new recruits a career path.

In particular through the work with ACT, Cambodia and Turkey are the two countries in which brands and IndustriALL are currently particularly focused in taking steps towards industry level collective bargaining.

More information on ACT in <https://actonlivingwages.com/>

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.

Free text box and file upload option

As reflected in the results of social audits carried out according to new methodology updated in April 2017, 3,532 factories are paying a living wage to workers out of the 5,038 factories currently in our supply chain that have been audited according to new methodology.

(Please note that Inditex audit methodology was updated in April 2017, increasing the objectivity of the result and incorporating the very latest best practices. The living wages section of the audit questionnaire has been extended and includes new questions in order to better assess a factory's compliance. This new methodology facilitates the analysis of the information and hence data from previous methodology is not comparable)

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?

Y/N

If yes, please supply evidence.

If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

Free text box and file upload option

Inditex acknowledges that a responsible approach to purchasing practices is a vital part of achieving a more sustainable supply chain, including living wages for workers. As a member of ACT, Inditex commits to ensure that purchasing practices facilitate the payment of a living wage.

The company adopts an open cost sheet system for suppliers which includes labour cost and which is used for calculating FOB prices considering these costs. Each member of the purchasing teams receives training on Social Sustainability. In particular, purchasing teams constantly receive training on responsible purchasing practices. Specifically, training sessions on responsible purchasing have been held with 729 members of the purchasing teams and their managers.

Furthermore, as part of our responsible purchasing practices strategy (which includes building a culture of sustainability throughout the company including the buying teams) Inditex participates in the purchasing practices Working Group of ACT, which provides tools to assess and improve purchasing practices. Against this backdrop, Inditex understands and is committed to facilitating living wages by committing with the countries with a collective bargaining agreement at industry level by making them a preferred destination for sourcing.

The first step has been, during 2017 and 2018, an internal assessment of the company's purchasing practices, which is now being complemented by feedback received from suppliers. This allows us to identify further opportunities to improve current practices, which is being done through close collaboration with buying teams and embedding sustainability in the business model.

More information at Inditex Annual Report pages 67 to 68 and 70.

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? Y/N

If so, how long are these commitments, and at what volume? Free text box

Inditex's purchasing practices advocate for long-term and stable relationships with suppliers based on trust and mutual recognition but owing to our business model we do not make volume guarantees.

Also, as part of its commitment with ACT, it will make countries with a collective bargaining agreement at industry level a preferred destination for sourcing and will ensure that purchasing practices support long-term partnerships with manufacturers which enable and reward progress to paying a living wage.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? Y/N

If so, can you provide concrete evidence over time that shows how this is working? Free text box

Between 2016 and 2017, Inditex placed 12% more garments on the market. However, Inditex's supply chain in 2017 consisted of 1,824 suppliers and 7,210 factories of all production tiers. In 2016, the number of suppliers had been 1,805 and 6,959 factories. In other words, while the number of garments

increased by 12%, its suppliers and factories used in its supply chain only increased by 1% and 3% respectively – demonstrating the promotion of a stable supply chain and how we support the organic growth of existing suppliers.

Furthermore, traceability is essential to identify if suppliers and factories wish to outsource any part of the supply chain. By facilitating traceability, we are able to identify all units of an order before they enter our supply chain to ensure they meet our standards and ensure that Inditex's programmes reach all phases and processes of our supply chain. Our traceability systems work in the following specific ways:

- R&D in traceability: Technological innovation is a fundamental pillar at Inditex. For this reason, the company has developed cross-departmental projects with the most advanced tools, aimed at making all our processes and activities as efficient as possible.

Throughout 2017, Inditex continued to improve the production traceability system and advocated new practices for the development of an effective global methodology. As a result, thanks to the tools available, Inditex is able to identify suppliers and manufacturers involved in the production of its garments. Furthermore, another action carried out in 2017 was the inclusion of more information on sustainability in the supplier management system to facilitate the decision-making process for the purchasing team and promote responsible purchasing practices.

- Performance of traceability audits: Based on the analysis of the information entered into Inditex's manufacturer management system by suppliers, traceability audits enable us to evaluate capacities, processes and time frames, and therefore ensure that all production units are declared and approved and that there are no undeclared second or third production levels. In other words, this method aims that all workers involved in Inditex's production are covered by the programmes set out in the Code of Conduct, designed to protect their rights. In 2017, a total of 2,621 traceability audits were carried out in which internal and external Inditex teams worked on-site to verify that garments were being produced in the factories named by the suppliers and authorised by Inditex.

If any type of non-compliance is detected on a traceability audit, the sustainability team works closely with the purchasing teams to, firstly, rectify the situation and, secondly, work with suppliers to improve their management systems so that the non-compliance does not happen again. In this regard, it is vital that suppliers take on board the need for traceability within their own supply chain, not simply as an Inditex requirement but rather as a tool for their own internal control and improvement in order to have the most sustainable outcome for the supply chain. Among other measures, Inditex asks suppliers for a Production Control Plan to resolve any weak points in the supply chain that are of mutual interest to the supplier and Inditex. In June 2017, a total of 81 plans were requested and nine suppliers have been blocked for a lack of willing to collaborate in this vital area.

- Traceability of raw materials: In 2017 the Group signed a public-private agreement with the International Labour Organisation (ILO) to strengthen labour rights and principles in cotton production and to contribute to the sustainability of the supply chain down to the last link. Through this collaboration, Inditex has improved its knowledge of the supervision and control processes of the raw materials needed to produce its garments, from both perspectives of traceability and improvement of working conditions. In addition, the Group cooperates with other initiatives to promote cotton sustainability and traceability, for example the Better Cotton Initiative, Textile Exchange and Organic Cotton Accelerator.

More information on pages 70 to 76, 107 and 245 of Inditex 2017 Annual Report

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

3.4 Is your company doing work to limit the use of labour contractors? Y/N

If so, can you provide concrete evidence over time that shows how this is working? Free text box

Manufacturers and suppliers undertake that all the employment systems they use are part of the applicable local laws. Thus, they shall not impair the rights of workers acknowledged under labour and social security laws and regulations by using schemes that have no real intention to promote regular employment in the framework of regular employment relationships. (section 9 of the Code of Conduct)

All suppliers must disclose all companies that they are using, and this includes any possible recruitment agency. The Code of Conduct has to be observed (included are the provisions related to the prohibition of forced labour) and workers' rights shall be upheld as stated in the Code by any possible recruitment agency or labour contractor also during the recruitment process.

In case a supplier or manufacturer uses a recruitment agency, this information is checked during social audits, where all the aspects related with the recruitment process are also assessed in order to verify that the requirements of the Code of Conduct have been followed and the rights of the workers have been respected. This system of accountability is helping to control the use of recruitment agencies in our supply chain.

In 2017, 4,215 social audits were performed.

Detailed information about the Compliance Programme at Inditex Annual Report 2017 (pages 108 to 113): <https://www.inditex.com/en/investors/investor-relations/annual-reports>

The Code of Conduct for Manufacturers and Suppliers is available at <https://www.inditex.com/documents/10279/241035/Inditex+Code+of+Conduct+for+Manufacturers+and+Suppliers/e23dde6a-4b0e-4e16-a2aa-68911d3032e7>

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

4. Transparency

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network?

Y/N

If yes, please supply a link.

While we do not publish a list of suppliers publicly, Inditex shares detailed information about its supply chain with the relevant stakeholder groups.:

- IndustriALL Global Union: A complete list of the supply chain at all tiers and processes is regularly shared with IndustriALL, including purchasing volumes and sustainability compliance levels. Inditex is the only company in its sector that provides this information to a union and facilitates union access to all suppliers.

- International Labour Organisation: Inditex regularly provides the ILO with information on its supply chain in countries where the Better Work Programme operates, such as Vietnam, Cambodia and Indonesia. (<https://betterwork.org/?lang=es>)

- Greenpeace and the Chinese Institute of Public & Environmental Affairs: The list of direct and indirect wet process factories - dyeing, tanning, washing and printing - declared by suppliers is published publically. Also, IPE's Green Supply Chain has been signed. (This list is available at www.wateractionplan.com and at <http://wwwen.ipe.org.cn/MapBrand/Brand.aspx?q=6>)

- Customers: Customers are informed about where their garments were made on request. In this regard, in 2017 63 customer queries were answered regarding the source of our products. In this area, there are also specific projects in some countries, such as Fabricado no Brasil (Made in Brazil) where customers can scan a garment to know the factory and details about where the garment was made.

- Investors, stock market indices, NGOs, We provide social, economic and environmental information both on demand and on a regular basis to various organisations that represent stakeholders.

- Other companies in the sector: There is open collaboration with other brands and companies in the sector by sharing information on supply chain management and establishing joint remediation and action paths. Examples of this are the Bangladesh Accord and the ACT living wage initiative.

This commitment has been positively acknowledged by various organisations, such as the Dow Jones Sustainability Index (sector leader for the last three years), FTSE4Good (sector leader in the last two years), Ethical Fashion Report or Know the Chain, among others.

This information is available at Inditex Annual Report 2017 page 77: <https://www.inditex.com/en/investors/investor-relations/annual-reports>

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

4.2 Does your company publish information on wages currently paid to workers at your suppliers? Y/N

If yes, please supply a link or further information.

Inditex discloses aggregated yearly data of the assessments performed by means of the Compliance Programme. In page 111 of Inditex's Annual Report 2017, the percentage of compliance with all the points of the Code of Conduct for Manufacturers and Suppliers in active factories is disclosed. This data is aggregated geographically.

This disclosure includes compliance with the "Wages" section of the Code of Conduct by region.

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

5. A clear roadmap for implementing a living wage for all workers

5.1. Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? Y/N

If yes, please supply a link to where this is published. Free text box

Inditex has a living wages strategy in place which combines coordinated action across the five key pillars outlined below:

1) Fostering collective bargaining

Inditex believes that collective bargaining is vital to achieving real and sustainable progress on the provision of living wages. The experience that the company has in this field demonstrates that wage improvements are correlated to the promotion of worker rights and particularly their freedom of association. To this end, and against the backdrop of the framework agreement signed with IndustriALL Global Union, Inditex actively encourages workers' freedom of association and their right to hold free elections with the purpose of choosing their representatives.

2) Responsible purchasing practices

Purchasing practices also have a direct impact on the wages earned by workers in Inditex's supply chain. Consequently, Inditex routinely trains its buying teams so that they factor sustainability criteria into their business decisions. In this manner the company can help make sure supply chain workers receive a living wage.

3) Improving working methods and systems

The analysis and continuous improvement of working methods translates into better working environments. Inditex has observed that it is possible to achieve wage increases for workers without its suppliers and manufacturers having to incur higher costs. We also help build communication channels between employers and worker representatives as this creates mutual trust and mature industrial relations helping to increase wages throughout Inditex's supply chain.

4) Collaboration with stakeholders

Collaboration with other stakeholders is essential for improving the conditions of workers in general and, in particular, for achieving decent wages in the industry. In this regard, Inditex actively participates in the ACT initiative (Action, Collaboration, Transformation). The ACT initiative is as an agreement

between brands and worker representatives to establish a cooperation that promotes the attainment of living wages in the industry.

5) Public support campaigns

Inditex publicly advocates its commitment to living wages and labour rights in all of its business communities. One noteworthy example is the support for the minimum wage negotiations in the garment industry in Cambodia and Bangladesh ((more information in <https://www.inditex.com/our-commitment-to-people/our-suppliers/workers-at-the-center/support-for-wage-negotiations-in-bangladesh>)

Each year, Inditex publicly reports progress against this strategy in its Annual Report.

More information at Inditex Annual Report 2017 pages 87 to 89 and at <https://www.inditex.com/en/our-commitment-to-people/our-suppliers/fundamental-rights-at-work/living-wages>

And also includes details of its strategy on its website:

<https://www.inditex.com/our-commitment-to-people/our-suppliers/workers-at-the-center/fundamental-rights-at-work/living-wages>

5.2. By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

Free text box

The introduction of industry bargaining will enable continuous wage growth. In this sense, Inditex understands that countries that start collective agreements will progressively cover the existing gap.

Sectoral collective bargaining sets a level playing field where competitive advantages cannot be won through substandard working conditions. Workers in the sector are entitled to the wages and benefits negotiated in the collective bargaining agreement independently of their specific employer. Predictability and transparency of wage increases offers business the stability that is needed for longer term investment and progressive improvements.

Trust has to be built and credible monitoring mechanisms such as the most up to date audit methodology adopted by Inditex in April 2017 have to continue.

6. Living wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level? Free text fields covering:

Project name wage and how will they achieve this level?

Partnerships

Countries

Number of suppliers involved

Project detail

Timescale

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

By what date will this project achieve a living wage across your supplier network? Free text box

These projects are focused on bringing sustainable impact in the factories and suppliers that lead to an improvement in the payment of wages and ability to negotiate them freely. The aim of the projects is to provide tools that facilitate living wages which means it will be achieved over time.

Option to add an additional project As 6.1 above.

In line with the five-pillar strategy described on question 5.1, Inditex implements various programmes and projects, in collaboration with its stakeholders, that aim to guarantee that living wages are paid to workers in its supply chain. These programmes are implemented in the different clusters, and in 2017 we can highlight the following:

1) Promoting collective bargaining – Global Framework Agreement with IndustriALL
Partnerships: IndustriALL Global Union
Countries: All production countries. Activities in 2017 included Bulgaria, Turkey, Bangladesh and India.
Number of suppliers involved: All suppliers are covered by the Global Framework Agreement with IndustriALL.
Project details:

Some of the activities performed in 2017 were:

- Vietnam: Worker representatives from 25 factories in Vietnam attended a seminar on labour relations held in October and organised by IndustriALL in Hanoi in order to provide follow-up to the creation of the Inditex suppliers union network in 2016.
- Turkey: Apart from the seven suppliers involved in a training project that has been running for the last four years, in May a joint seminar was organised by the International Labour Organisation and IndustriALL to promote dialogue and collaboration in the workplace. The seminar was attended by 90 representatives of 58 Inditex suppliers in the area, as well as local trade unions, and representatives of the Turkish government and other entities.
- Morocco: Training on labour relations for representatives of 30 factories and local trade unions.
- Tunisia: Seminar on Framework Agreements and dialogue with representatives of five factories.

Furthermore, in 2017 alone, Inditex carried out joint programmes with IndustriALL in 22 factories in Bangladesh (5), Bulgaria (2), Morocco (4), Turkey (9), and Tunisia (2).

One of main activities carried out in 2018 is the joint organization of training seminars with suppliers and workers representatives to promote collective bargaining in Bangladesh, a project in Turkey and Bulgaria to reinforce trade unions in East Europe, among others.

Timescale: The Global Framework Agreement with IndustriALL was signed in 2007 and has been active since. The activities and projects are jointly defined with IndustriALL annually.

2) SCORE programme
Partnerships: ILO
Countries: China and Turkey

Number of suppliers involved: 2 in China and 6 in Turkey (2018)

Project details: The SCORE programme is designed to improve management systems to, in turn, improve wages and other working conditions.

Timescale: Factories are usually engaged in the project to receive training approximately over a year. Inditex has been participating in this programme with different suppliers for more than five years. For example, four new factories have taken on the programme in 2018 in Turkey.

3) LEAN project

Partnerships: Universidade do Minho in Portugal and Inditex internal team.

Countries: China, Portugal and India

Number of suppliers involved: In 2018, 14 factories are involved in the project and 5 factories are in the follow up stage.

Project details: This is an initiative carried out by Inditex's industrial engineers and it is based on the Lean production management methodology. The aim of the project is to improve wages and other working conditions by means of improved production management systems.

Timescale: The project has a three-year duration per factory.

In 2018 the Lean Project continued to be developed in China, with the incorporation of 5 new factories. The implementation and monitoring in those that were already engaged in previous years continued in order to ensure sustainable results and maximize the improvements done. During this year the Project was also expanded to new countries such as India and Portugal. In both countries the Project started with one pilot experience in one key supplier of the company. Based on the good results so far, it is planned to do it in more factories of these three countries in 2019 as well as to gradually implement it in more countries.

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Free text box

Considering the main four countries in which programmes are being carried out in order to contribute to living wages (India, China, Turkey and Portugal) an analysis have been made of the progress in wages as recorded by the social audits.

The basis for this comparison includes all factories in India, China, Portugal and Turkey that were active in 2014 and received an audit that year and continue in the supply chain and have received a social audit also in 2018.

The result shows an increase in all four countries.

COUNTRY	% Increase	Number of factories
TURKEY	90%	215
PORTUGAL	32%	298
CHINA	90%	139
INDIA	31%	43

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases?

Y/N

If yes, please supply link to where this / these can be found.

As part of Inditex's participation in the Act Initiative on Living Wages, Inditex has supported communications to and with governments to support and encourage collective bargaining and living wages. Below are some examples of those public statements and interactions in the last two years:

- Cambodia: a letter was written to the Prime Minister of the country in September 2017 to discuss the ACT approach to improving wages and working conditions based on collective bargaining within the industry. <https://actonlivingwages.com/>
- Turkey: Meetings and preliminary work in November 2017 involving ACT, the brands and the exporters' association to introduce the work of ACT into the country. <https://actonlivingwages.com/>
- Myanmar: a letter was sent to the State Counsellor in November 2017 to propose some ideas for joint progress on social and industrial development in the sector
 - Vietnam: Individual meetings with stakeholders to promote collective bargaining in 2017. E.g. https://www.just-style.com/news/inditex-supplier-unions-work-to-boost-labour-rights_id131946.aspx
- Bangladesh: Support to the wage negotiation process in Bangladesh in 2018 (more information in <https://www.inditex.com/our-commitment-to-people/our-suppliers/workers-at-the-center/support-for-wage-negotiations-in-bangladesh>)

More Information in: <https://actonlivingwages.com/> and page 89 of Inditex 2017 Annual Report

8. Freedom of Association

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?

Free text box

Inditex Code of Conduct for Manufacturers and Suppliers includes the rights to freedom of association and collective bargaining. The Code itself establishes that "*Manufacturers and suppliers shall communicate the Code to all employees and those in any way involved in the Inditex Supply Chain. A copy of the Code, translated into the local language, shall be displayed in accessible locations to all workers.*" This is verified in visits and audits to the factories.

Inditex believes that it is essential that workers have at their disposal sufficient mechanisms to get to know, control and strengthen their labour rights. Freedom of association and the right to collective bargaining are key to ensuring the sustainability of the supply chain. Inditex also recognises the important role played by national and international trade union organisations in monitoring compliance of the brand's suppliers and manufacturers with the Code of Conduct. Consequently, giving information and training to workers and employers about freedom of association rights is a key part of the activities developed under the umbrella of the Global Framework Agreement.

One of the most important tools that Inditex has to promote freedom of association and collective bargaining, including communication and training to employers and workers, is the Global Framework Agreement that the Group signed in 2007 with the international trade union federation IndustriALL Global Union. This Agreement covers the entire supply chain of the company and is intended to protect the interests of workers in the factories with which Inditex works and ensure compliance with trade union rights and other labour rights.

One of the aims of the Global Framework Agreement is to contribute to worker participation, and training is fundamental to this aim. Raising awareness on the importance of freedom of association and collective bargaining and the value of social dialogue (the main vehicle for achieving mature labour relations) constituted the mainstays of the training activities carried out in 2017 in cooperation with IndustriALL.

Some of the activities performed in 2017 were:

- Vietnam: Worker representatives from 25 factories in Vietnam attended a seminar on labour relations held in October and organised by IndustriALL in Hanoi in order to provide follow-up to the creation of the Inditex suppliers union network in 2016.
- Turkey: Apart from the seven suppliers involved in a training project that has been running for the last four years, in May a joint seminar was organised by the International Labour Organisation and IndustriALL to promote dialogue and collaboration in the workplace. The seminar was attended by 90 representatives of 58 Inditex suppliers in the area, as well as local trade unions, and representatives of the Turkish government and other entities.
- Morocco: Training on labour relations for representatives of 30 factories and local trade unions.
- Tunisia: Seminar on Framework Agreements and dialogue with representatives of five factories.

Furthermore, in 2017 alone, Inditex carried out joint programmes with IndustriALL in 22 factories in Bangladesh (5), Bulgaria (2), Morocco (4), Turkey (9), and Tunisia (2).

One of main activities carried out in 2018 is the joint organisation of training seminars with suppliers and workers representatives to promote collective bargaining in Bangladesh, a project in Turkey and Bulgaria to reinforce trade unions in East Europe, among others.

More information at Inditex Annual Report 2017 pages 84, 85 and 86 and at <https://www.inditex.com/en/our-commitment-to-people/our-suppliers/shared-challenges>

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

8.2 Do you require suppliers to sign union access agreements? Y/N

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload. Free text box and file upload option

Union access is one of the principles of the Global Framework Agreement between Inditex and IndustriALL.

As a result of this, all suppliers are bound by the Global Framework Agreement and have to provide and guarantee access to all unions. Failure to do so by any supplier would imply a breach of the requirements and, if not immediately corrected, would cause termination with supplier.

<http://www.industrialall-union.org/inditex>

**8.3 Do your suppliers provide workers with paid time off for union activities? Y/N/Some
If yes, please state how many suppliers this impacts. Free text box**

Inditex Code of Conduct for Suppliers and Manufacturers establishes that “Worker representatives shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace.” All suppliers are bound by this Code.

The Group’s social audits questionnaire includes a thorough section on freedom of association which includes different questions in relation of trade union activities at the factories. Also, Inditex’s own social audits methodology includes the performance of trade unions representatives’ interviews.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Y/N/Some

If yes, please state how many suppliers this impacts. Free text box

Inditex Code of Conduct for Suppliers and Manufacturers establishes that “Worker representatives shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace.” All suppliers are bound by this Code.

The Group’s social audits questionnaire includes a thorough section on freedom of association which includes different questions in relation of trade union activities at the factories. Also, Inditex’s own social audits methodology includes the performance of trade unions representatives’ interviews.

**8.5 Do you require your suppliers meet and bargain with duly constituted unions? Y/N
If yes, how do you verify that they are doing so? Free text box**

Inditex requires from suppliers that Freedom of Association and Collective Bargaining are respected. These rights can be enforced through unions or through other lawful means of worker representation.

This being said, Inditex Code of Conduct for Suppliers and Manufacturers states that: “...They shall adopt an open and collaborative attitude towards the activities of Trade Unions.”

Under the auspices of the Global Framework Agreement, Inditex and IndustriALL Global Union perform different activities and programmes that include supplier dialogue with unions.

Another of the means that Inditex has to verify if suppliers are doing so is through the information gathered in social audits. The Group’s social audits questionnaire includes a thorough section on freedom of association which includes different questions in relation to trade union activities at the factories. Also, Inditex’s own social audits methodology includes trade union representatives’ interviews.

In the work carried out in ACT, a number of major steps have been taken towards implementing collective bargaining agreements at industry level in Turkey and Cambodia.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions? Y/N

If yes, please explain how these suppliers are determined and how preference is given. Free text box

As a brand member of ACT, Inditex is committed to “make countries with a collective bargaining agreement at industry level a preferred destination for sourcing and investment for a defined period of time” and “asks suppliers to actively support the collective bargaining process. Compliance with the standards of the collective bargaining agreement at industry level will be requested from suppliers”.

Also, following its Code of Conduct, Inditex requires its suppliers to respect freedom of association and collective bargaining rights, regardless of whether these rights are enforced through unions or through other lawful means of worker representation. Therefore, what is considered for directing purchases to those suppliers that are the most compliant with the Code of Conduct is whether they are respecting workers freedom of association and collective bargaining rights.

In this sense, Inditex puts particular emphasis on training its purchasing teams and a Responsible Purchasing Practices training system has been developed. This system involves boosting the resilience of the business model by supervising the way in which the purchasing teams develop practices that have a positive impact on the working conditions of the people employed in the supply chain. In 2017, A total of 1,010 members of purchasing and product teams have been trained over the last two years. Furthermore, the company’s key purchasing teams have participated in ACT workshops and meetings.

As a result, in 2017, 95% of the purchases made by all of the Group’s brands were to A or B suppliers (the highest compliance rankings within Inditex’s own methodology).

More information at Annual Report 2017 pages 26, 27, 88, and 90-93, 109, 113.

(Please note that Inditex’s fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?

Y/N

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Free text box and file upload option

Inditex has a formal Whistle Blowing Channel in place through which all employees of Inditex manufacturers, suppliers or third parties with any direct relationship and a lawful business or professional interest, regardless of their tier or geographical location, may report to the Committee of

Ethics any noncompliances with the Code of Conduct and Responsible Practices or with Code of Conduct for Manufacturers and Suppliers, they may be aware of, which affect Inditex and which arise from other employees, manufacturers, suppliers or third parties with whom Inditex has any direct employment, business or professional relationship, by means of a report made in good faith.

Contact details of the Committee of Ethics are shown in the Code of Conduct for Manufacturers and Suppliers which has to be placed in all sites producing for Inditex so that it is visible and accessible at all times for all workers as well as communicate to all workers of these sites, as established in the same Code. In all social audits Inditex verifies if the Code is posted and if workers are aware of its content.

In the performance of its duties related to management and supervision of the Whistle Blowing Channel, the Committee of Ethics shall ensure the indemnity of any person as a result of bringing complaints in good faith to the Committee.

In 2017, the Committee of Ethics has processed 181 cases. Upon receipt of any report, the Committee of Ethics verifies first whether it falls under its remit. If such were the case, the Committee of Ethics shall refer such report to the relevant department or area so that it would launch the relevant investigation. If not, the Committee shall order the closing of proceedings. In light of the conclusions drawn from the relevant investigation, and having heard first the interested party, the Committee of Ethics shall take one or more of the following measures, having considered and weighted them where appropriate, with the relevant department or departments:

- The remedy of the breach;
- The relevant sanctions or actions; and/or;
- The closing of proceedings, where no breach whatsoever has occurred.

All the reports received by the Committee of Ethics during 2017 were duly attended.

More information at Inditex Annual Report 2017 page 228 and 229.

Apart from the whistleblowing mechanism, the Global Framework Agreement between IndustriALL Global Union and Inditex establishes a systematic communication channel that ensures an efficient and regular interaction between both organisations on the ground. As part of its benefits, this tool allows the receipt, joint investigation and resolution of complaints or demands received from workers or from their representatives. This procedure aims for resolution of any type of demand or allegation between workers and management in the respective representation bodies at factory level.

Also, within the ACT framework, there will be a complaints mechanism for stakeholders to file complaints about non-compliance with the commitments, and a dispute settlement mechanism between the brands and IndustriALL as signatories of ACT.

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Y/N

Please clarify your answer. Free text box

Inditex has a policy of terminating relationships with suppliers that fail to comply with its Code of Conduct. This includes indeed Freedom of Association and Collective bargaining related breaches.

However, Inditex considers that termination is always the last resort. Only by working in a collaborative way with suppliers and factories the greatest possible benefit for workers can be achieved, given that if relations are directly severed with a company when faced with any kind of breach, their workers would be left without any kind of protection, and no remediation would be provided to them where due.

This is why corrective actions are always put in place, in collaboration with IndustriALL and local unions, in order to reverse the situation. Only when no possible solution can be reached, then the relationship with the supplier will be terminated.

More information on pages 112 and 113 of 2017 Annual Report.

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?

Y/N

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

In the assessment of all factories a large section on Freedom of Association is included. This section provides the information about collective bargaining and the existence of CBA.

The data below reflects the results in audits performed to active factories since the new methodology of social audits was updated in April 2017. Data is not comparable with old methodology. CBA can cover a sector, country, region or factory level.

Country	No. of CBAs
ALBANIA	2
ARGENTINA	10
BRAZIL	1
CAMBODIA	1
SPAIN	90
INDIA	3
INDONESIA	2
ITALY	41
LITHUANIA	1
MOROCCO	1

MEXICO	2
PORTUGAL	1003
ROMANIA	46
RUSSIA	1
SERBIA	1
TUNISIA	38
TURKEY	9
UKRAINE	2
VIETNAM	85
Total	1339

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?

Y/N

If yes, please give details and provide a link to the public text. Free text box

Inditex's approach towards workers' involvement and empowerment in decisions related to wages is mainly channeled through the following:

- Global Framework Agreement with IndustriALL (see pages 84 to 86 of Inditex 2017 Annual Report)
- ACT on Living Wages (see pages 87 to 89 of Inditex 2017 Annual Report)
- Inditex Living wage strategy (see pages 87 to 89 of Inditex 2017 Annual Report)

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

10. Further questions about your supplier base

10.1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories. Free text box

In 2017 Inditex worked with 1,824 suppliers located in 47 countries. The company's main production countries are those 12 where its supplier clusters are located: Spain, Portugal, Morocco, Turkey, India, Pakistan, Bangladesh, Vietnam, Cambodia, China, Brazil and Argentina. In 2017, 95% of the production was concentrated on these countries. For more details on the number of suppliers and factories per cluster please see page 238 of Inditex Annual Report 2017.

It is worth noting that 57% of the factories working for Inditex's suppliers in 2017 were concentrated in proximity countries: countries that are close to the Group's headquarters such as Spain, Portugal, Morocco and Turkey.

More information at Inditex Annual Report 2017 page 80 and 107.

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

10.2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Free text fields showing:

- **Production at factories owned by your company**

[REDACTED]

Please note that this data is confidential and should not be made public.

- **Orders placed directly to supplier factories**

[REDACTED]

Please note that this data is confidential and should not be made public.

- **Orders placed through agencies or intermediates**

[REDACTED]

Please note that this data is confidential and should not be made public.

- **Other (please specify)**

10.3 How many sites did you use to produce your goods in 2018?

Free text fields showing:

(Please note that Inditex's fiscal year ends 31/01 and hence information related to FY2018 is not yet available. Hence, all data – unless otherwise stated- refers to FY2017)

- **First tier suppliers**

[REDACTED]

- **Sub contracted suppliers**

[REDACTED]

[REDACTED]

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%? Free text box

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

11. Your feedback

11.1 Is there anything else you would like to tell us about your work on the living wage in general?

**Or any feedback you would like to give to CCC?
Free text box**

Inditex continues to be very committed to adopt the best social and environmental sustainability practices when working with suppliers and will soon present the new phase of its Social Sustainability Plan for 2019 to 2022. The new Plan has been formulated from the results of the 2014-2018 Strategic Plan which will end the 31st January 2019 and will be disclosed in the 2018 Annual Report. The Plan will take advantage of the very important knowledge acquired until now and Living wages have been identified as a priority area for Inditex's supply chain management for this Plan and beyond.

As part of this, Inditex has convened a Living Wage Working Group compiling Social Sustainability team members from different countries to review the Group's Living Wage Strategy to align its implementation with the new Social Sustainability Plan. This strategy has also received the input of Inditex's Social Advisory Board, which is formed of members of Inditex's stakeholders and representatives of civil society.

Some of the planned activities from 2019 onwards include training to buying teams alongside relevant stakeholders on purchasing practices, programmes for suppliers to facilitate the collective bargaining process with unions and the scaling up of projects such as LEAN or SCORE, as described in Qu 6, to improve working systems and methods, among others. Stakeholder relations and the cooperation with key partners such as IndustriALL Global Union and all the members of ACT will continue to be the cornerstone of this new phase.

Levi's

Re: Invitation to Clean Clothes Campaign wage survey 2018/19



smorris1@levi.com

Wed, 16 Jan 2019 10:29:42 PM +0000

"Anna Bryher" <anna@labourbehindthelabel.org>

"Baigorri Soneiro, Manuel" <MBAigorri@LEVI.com>, "Walker, Anna" <AWalker@levi.com>



TLS [Learn more](#)

Hi Anna,

We will not be participating in the survey.

Best regards,
Sveta

From: Anna Bryher <anna@labourbehindthelabel.org>
Date: Tuesday, January 15, 2019 at 6:39 PM
To: "Morris, Sveta" <smorris1@levi.com>
Cc: "Baigorri Soneiro, Manuel" <MBAigorri@LEVI.com>, "Walker, Anna" <AWalker@levi.com>
Subject: Re: Invitation to Clean Clothes Campaign wage survey 2018/19

Hi Sveta,
Thanks for this information. Can you confirm if you will or will not be able to submit a response to the survey?
Many thanks,
Anna

----- On Fri, 11 Jan 2019 17:59:21 +0000 **Morris, Sveta** <smorris1@levi.com> wrote -----

Dear Anna,

It is a pleasure to connect with you over email. Thank you for the invitation to participate in the Clean Clothes Campaign 2018/2019 Wage Survey. We appreciate the attention that Clean Clothes Campaign brings to the rights and needs of apparel workers. We encourage you to review the relevant information we have made publicly available on our website. Some useful links are provided at the bottom of the email.

Levi Strauss & Co. believes that everyone who works has the right to wages ensuring a standard of living adequate for the health and well-being of themselves and of their family, including food, clothing, housing and medical care and necessary social services. As a key enabling condition for this, Levi Strauss & Co. strongly supports a worker's right to freedom of association and collective bargaining and our Terms of Engagement (TOE) require suppliers to respect this fundamental right. Failure to respect or recognize it is considered a zero-tolerance violation in the TOE.

At a systemic level, we work with industry associations to encourage the governments of the countries from which we source our products to set a minimum wage consistent with the cost of living; establish comprehensive and regular mechanisms for minimum wage reviews; ensure institutional support for effective labor dispute resolution; and not impose punitive measures on leaders of legal and peaceful labor movements. Most recently, requests of such nature were made to

the governments of Bangladesh and Cambodia expressed in open letters sent by the American Apparel and Footwear Association, of which Levi Strauss & Co. is an active member.

Additionally, since 2011 we have been implementing the Worker Well-being Program to support financial empowerment, health and family well-being, equality and acceptance of the workers in our supply chain. By the end of 2018, we reached over 190,000 workers in collaboration with over 100 factories in 12 countries. Levi Strauss & Co. aims to produce 80 percent of our products at Worker Well-being factories by 2020.

We will watch with interest the development of the new report. We appreciate your commitment to keep us abreast of the survey release date and a preview of the entry on Levi Strauss & Co.

Helpful links:

- Factory & Mill List: <https://levistrauss.com/wp-content/uploads/2018/12/Levi-Strauss-Co-Factory-Mills-List-December-2018.pdf>
- Commitment to Workers: <https://www.levistrauss.com/wp-content/uploads/2014/01/Commitment-to-Workers-Feb-28-2011.pdf>
- Terms of Engagement and Supplier Guidebook: <https://levistrauss.com/sustainability/sustainability-guidebook/>
- Worker Well-being Program: <https://www.levistrauss.com/sustainability/people/#worker-rights>

Best regards,

Sveta

Sveta Morris
Manager, Global Policy & Advocacy
Levi Strauss & Co.
1155 Battery Street
San Francisco, CA 94111, U.S.A.
+ 1 415 501 4844
smorris1@levi.com

From: Anna Bryher <anna@labourbehindthelabel.org>
Date: Tuesday, January 8, 2019 at 12:51 AM
To: "Morris, Sveta" <smorris1@levi.com>
Subject: RE: Invitation to Clean Clothes Campaign wage survey 2018/19

Hi Sveta,
Good to meet you. If there is more information that you need, or if you need to clarify anything, do get in touch. The deadline is Friday, but a number of brands have asked for an extension, so next week is also fine.
Anna

---- On Tue, 08 Jan 2019 00:51:14 +0000 **Baigorri Soneiro, Manuel** <MBaigorri@LEVI.com> wrote ----

Dear Anna,

Hope this message finds you well

Let me introduce you Sveta Morris from our Corporate Affairs team. She will follow up with you on the survey.

Best,
Manuel

From: Anna Bryher [mailto:anna@labourbehindthelabel.org]
Sent: Thursday, January 03, 2019 7:08 PM

To: Baigorri Soneiro, Manuel; Devant, Laetitia

Subject: Re: Invitation to Clean Clothes Campaign wage survey 2018/19

Dear Laetitia and Manuel,

Happy new year. I hope you had a good break. This is a quick email to check that you received this survey. If you could acknowledge receipt that would be great.

All the best,

Anna

----- On Thu, 20 Dec 2018 12:32:32 +0000 **Anna Bryher** <anna@labourbehindthelabel.org> wrote -----

Dear Laetitia and Manuel,

I'm writing to invite Levis to make a submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey aims to provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

We hope that taking part will be a useful evaluation process both for your brand and for consumers we will promote the outcomes to. Do bear in mind that if you do not fill in the survey, a profile will be published about your company using data that is publicly available nonetheless.

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. Please also reply to confirm that you have received this information. I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,
Anna

On behalf of Clean Clothes Campaign International.

--

Anna Bryher (formerly McMullen) | Labour Behind the Label

A: Easton Business Centre, Felix Road, Bristol BS50HE | Tel: +44 (0) 117 954 8011 | Mob: +44 (0)7786 832 035

E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org



Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns with 250 organizational members worldwide.

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.

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information contained in this message. If you are not the intended recipient, please notify us immediately by reply e-mail or telephone and please delete this message. Thank you very much for your cooperation

--

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Join the Labour Behind the Label [Facebook](#) group | Follow us on Twitter: @labourlabel

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Nike

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

Nike, Inc.

Brands owned by company: *

Nike, Converse, Hurley, Jordan Brand

Main contact person: *

Devon Scott

Contact email: *

devon.scott@nike.com

Contact phone number: *

971.275.6733

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Every contract factory worker in our supply chain has the right to a standard of living that's adequate to support themselves. We have committed to work with our suppliers to progressively meet employees' basic needs, including some discretionary income.

Nike's Code of Conduct requires our suppliers to pay their employees at least the local minimum wage or prevailing wage (whichever is higher), including premiums for overtime worked, legally mandated benefits, and compliance with social insurance regulations required by country law.

Nike's Code of Conduct and Code Leadership Standards also require a progressive realization of a fair wage, in which suppliers commit to developing and implementing a process that incrementally moves employee compensation (wages and benefits) over time toward meeting employees' basic needs including some discretionary income.

Full detail on Nike's policy regarding a progressive realization of a fair wage can be found in Nike's Code Leadership Standards (pgs. 25-30).

Code of Conduct: https://sbi-stg-s3-media-bucket.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike_Code_of_Conduct_2017_English.pdf

Code Leadership Standards: <https://sbi-stg-s3-media-bucket.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike-Code-Leadership-Standards-September-2017-English.pdf>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

Nike monitors compliance with its Code of Conduct and Code Leadership Standards, including provisions around wages and benefits, through our audit program. These assessments are both announced and unannounced – and are conducted by internal and external parties who measure against the Code Leadership Standards and our Code of Conduct, including those related to wages.

For more information on this process can be found on our website:

<https://sustainability.nike.com/sourcing-manufacturing-standards>.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

Nike monitors finished goods supplier compliance with our Code of Conduct and Code Leadership Standards through regular announced and unannounced audits conducted by internal and external parties. We call this our Factory Compliance Ownership (FCO) Program. This includes audits by third parties such as the Fair Labor Association and assessments by Better Work – a joint initiative of the International Labor Organization’s and the International Finance Corporation (IFC). Ratings assigned as a result of FCO assessments form the foundation of a supplier’s Sustainable Manufacturing & Sourcing Index Score , driving business to high performing suppliers and initiating sanctions with suppliers failing to meet minimum performance expectations (Bronze rating). This encourages Nike’s suppliers to fully own their compliance with Nike’s Code of Conduct and Code Leadership Standards through effective management systems.

Nike takes issues of non-compliance seriously. If we are alerted to an issue of non-compliance with our Code of Conduct or Code Leadership Standards within one of our contract factories, we investigate it immediately and, where improvements are required, we take a collaborative approach to working with factory managers to see that corrective actions are taken, that problems are remediated and that the managers have on-site verification of this remediation. Should a supplier fail to remediate issues identified by an audit or allegation investigation according to Nike’s requirements, it is subject to review and sanctions, including potential termination of the supply agreement.

For more information on this process can be found on our website:

<https://sustainability.nike.com/sourcing-manufacturing-standards>.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

N/A

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

N/A

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

Nike's costing processes include detailed information from suppliers on overhead and employment costs which account for at a minimum, meeting legally required wages and benefits. This information is regularly collected and reviewed to ensure FOB prices sufficiently cover labor costs for Nike's suppliers.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Nike has been working with most of the suppliers and factories in our supply chain for years, in many cases for decades. Our sourcing strategy prioritizes and favors suppliers who show demonstrable leadership in corporate responsibility and sustainability and who seek to move beyond minimum standards. Nike does not typically make contractual commitments to specific volumes, but we do have a defined process to share strategic plans with our suppliers. As part of our growth strategy, we seek partners who are developing agile and resilient management systems which enable them to drive sustainable business growth through minimizing their environmental impacts, fostering a strong culture of safety and developing an engaged and valued workforce. We will only work with suppliers who show leadership in sustainability and who have achieved a foundation of compliance and want to move into new and innovative labor practices. We also encourage and help facilitate shared partner learning on these important subjects.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

Subcontracting

Nike's Code of Conduct and Code Leadership Standards prohibit unauthorized subcontracting. Our standards state that a supplier may not sub-contract out the production of Nike or Nike Affiliate product to third-parties or supplier owned facilities not previously approved without the prior written approval of Nike or Nike affiliate.

Consolidation of Supply Chain

We are focused on building quality, long-term relationships with fewer factories. We've reduced the number of factories in our supply chain from 785 factories in FY13 to 527 factories today (as of 1/1/19), a 33% decrease.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

Nike restricts the use of temporary workers and short-term contracts in our Code Leadership Standards. We monitor compliance with these requirements through our regular audit program.

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<http://manufacturingmap.nikeinc.com/>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

Fair compensation, meaningful benefits

Every contract factory worker in our supply chain has the right to a standard of living that's adequate to support themselves. We have committed to work with our suppliers to progressively meet employees' basic needs, including some discretionary income. We believe that the wages can increase as overall factory operational efficiency improves.

A better run factory should be more profitable and should then be able to pay higher wages, in exchange for benefits such as lower turnover, higher productivity, and better quality product. Workers are key to delivering on the promise of high quality and high productivity, and need to be compensated accordingly.

Since FY15, we have partnered with a leading academic, factory management, workers, and third-party experts to see if we could increase the value created in a factory and see it shared between management and workers.

Our pilot tested three different approaches, each focusing on productivity improvements, shared value creation, and employee engagement. After collecting baseline data, we spent a full year building the foundation of a better running factory, which included all key areas within our Lean 2.0 approach. These covered line operations, supervisory skills, leader standard work, relief teams, engagement and communication processes, social dialogue, stress resilience activities, and management skills. During the second year, we tested different ways to align compensation with Lean principles, make pay more transparent to workers, and empower workers to participate in decision-making and problem-solving.

The results show that worker agency – their ability to voice their views and opinions – was important to good business performance. Collaborative problem solving between workers and supervisors increased, while self-reported levels of stress fell. Key business metrics, like turnover, productivity, and profitability, all improved. And, importantly, take-home pay went up.

The academic paper on the compensation pilot has been published by our academic partner here: <http://irle.berkeley.edu/files/2018/12/Productivity-Profits-and-Pay.pdf>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

N/A

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

Compensation and Benefits Pilot

Project description

Nike worked with Berkeley researcher Dara O'Rourke to conduct a pilot study with one of our factory partners in Thailand from 2015 to 2017. The study sought to understand how more advanced compensation structures could increase worker wages while supporting factory goals around increased productivity and profitability. Key to the intervention were aligning incentives across the factory, aligning pay structures with factory goals, and increasing transparency for workers into targets and wage calculations. In the first year, the factory participated in Lean 2.0 training, resulting in strengthened worker-management communication systems and a management system that encouraged problem-solving. The findings from the compensation intervention were very encouraging; wages increased by 4.2-11.6% and productivity increased by 7-12%-points. Profitability, quality, and worker retention rates also increased, and worker stress levels decreased.

Further detail on the pilot can be found here:

<http://irle.berkeley.edu/files/2018/12/Productivity-Profits-and-Pay.pdf>

Partnerships involved

Professor Dara O'Rourke (University of California, Berkeley)

Countries covered by the project

Thailand

Number of suppliers impacted

1

Timescale

2015-2017

By what date will this project achieve a living wage across your supplier network?

We are continuing to deepen our understanding of what elements of the Compensation & Benefits Pilot were foundational to its success in increasing worker wages while supporting factory operational goals. These elements include worker-management communication channels and strong employee input throughout the implementation process.

There were no specific wage benchmarks included in this pilot, rather this was designed to explore different mechanisms for raising wages along with other key worker and business outcomes. This pilot isn't the whole answer to the complex challenge of wages, but it's an important step forward. From our unique academic partnership has come a truly multi-stakeholder approach that presents a robust alternative to the current model of compensation used in most factories. We will continue to develop a plan to scale the approach.

6.1 Continued. Opportunity to add additional project.

Project name

Project description

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Through the Compensation & Benefits pilot, wages increased by 4.2-11.6% in 1 supplier in Thailand.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

Nike regularly engages with governments regarding labor rights and working and living conditions in the countries where our suppliers operate. In some instances, we engage directly with relevant government ministries on policies and enforcement of laws in line with international standards and Nike's requirements. In other cases, we join with a coalition of like-minded companies and organizations to advocate for specific policies to enhance and protect the rights of workers.

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

We believe all workers have the right to freely associate and collectively bargain. Where freedom of association and collective bargaining are restricted under law, Nike requires suppliers to allow for parallel means for independent and free association and bargaining.

Our Code Leadership Standards contain detailed requirements on how suppliers must respect the rights of workers to freely associate. Those requirements include prohibitions on interference with workers seeking to organize or carry out union activities, as well as on any sort of activity which seeks to intimidate, harass, or retaliate against workers for participation in a union or other representative organization or for attempting to organize or form a union. Nike's Code Leadership Standards also require suppliers to train workers on their rights to freedom of association and collective bargaining.

As a condition of doing business with Nike, suppliers are required to implement and integrate Nike's Code of Conduct and accompanying Code Leadership Standards and applicable laws into its business, including development of effective management systems, and submit to verification and monitoring.

The supplier is required to post the requirements of Nike's Code of Conduct, in the language(s) of its employees in all major workspaces, train employees on their rights and obligations as defined by this Code and applicable country law. (see the bottom of pg. 3 of Nike's Code of Conduct - https://sbi-stg-s3-media-bucket.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike_Code_of_Conduct_2017_English.pdf)

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Per Nike's Code Leadership Standards, union representatives should have access to their members under conditions established by country law or mutual agreement between the supplier and the union. CLS: <https://sbi-stg-s3-media-bucket.s3.amazonaws.com/wp-content/uploads/2018/05/14214943/Nike-Code-Leadership-Standards-September-2017-English.pdf>

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

Nike's Code Leadership Standards encourage contractors to allow reasonable time off with pay for employee union representatives to carry out their duties, such as grievance handling and representing members, and providing such facilities as may be reasonably required to enable the representatives to function effectively. The facilities and time-off which may be appropriate will vary depending upon the number of represented employees, number of worker representatives, provisions in the collective agreement, etc.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

Not available.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

Suppliers are required to recognize the right of organized employees to engage freely in collective bargaining. Per Nike's requirements the supplier shall bargain in good faith and honor the terms of any signed collective bargaining agreement for the duration of that agreement. Where country law specifies a certain union(s) as the exclusive bargaining agent, the supplier will not be required to engage in collective bargaining with other employee groups or organizations on matters covered by a valid collective agreement. We monitor compliance with all of requirements related to freedom of association and collective bargaining through our audit program.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

All Nike suppliers are required to comply with our Code of Conduct and Code Leadership Standards, including respecting the right of workers to form and join trade unions and other worker organizations of their own choosing without interference and to bargain collectively.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Establishing trusted, effective grievance mechanisms for workers to use to raise concerns about working conditions and conditions of employment are an essential element in protecting the rights of workers and building an engaged workforce. Nike's Code Leadership Standards require our suppliers to have effective grievance processes which include the ability to raise grievances anonymously and confidentially without fear of retaliation. The standards also require training of workers on the facility's grievance system as well as a process to track grievances and to respond to workers in a timely manner. Suppliers are also encouraged to involve worker representatives in resolution of grievances.

If a concern is raised directly to Nike by a worker, or by a third-party, Nike promptly investigates and requires corrective actions for any issues identified. Should a supplier fail to remediate issues identified by an audit or allegation investigation according to Nike's requirements it would be subject to review and sanctions, including potential termination of the relationship.

In addition to formal grievance processes, Nike believes that effective two-way communication between management and workers is key to creating strong and growing businesses. Some of our supplier's facilities have one or more formal unions where their elected representatives serve a critical function in representing and negotiating on behalf of workers and as an important partner in broader communications.

Many of our suppliers' facilities also have worker committees through which management can get direct input on how to continually improve operations and working conditions. One such area is health and safety. Nike recognizes the critical role workers play in identifying risks and opportunities to improve the health and safety conditions of the facility. Therefore, through the Code Leadership Standards, Nike requires supplier facilities to have a specific health, safety and environment committee composed of at least equal numbers of workers and managers. Our suppliers' facilities have other committees to directly engage workers and continually improve working conditions and worker satisfaction and engagement.

Given the emergence of new technologies over the past several years Nike has been working with our suppliers to identify and implement ways to improve grievance mechanisms and two-way communication between workers and management.

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Our Code Leadership Standards contain detailed requirements on how suppliers must respect the rights of workers to freely associate. Those requirements include prohibitions on interference with workers seeking to organize or carry out union activities, as well as on any sort of activity which seeks to intimidate, harass, or retaliate against workers for participation in a union or other representative organization or for attempting to organize or form a union.

Should a supplier fail to remediate issues identified by an audit or allegation investigation according to Nike's requirements, including not meeting Nike's requirements for Freedom of Association, it is subject to review and sanctions, including potential termination of the supply agreement.

In the event that the relationship with an existing supplier is terminated, Nike's responsible exit process is triggered. This includes evaluation of the risks to Nike, the workers, local community and environment associated with the upcoming divestment.

We take this process seriously. It includes a reduction in production orders over a determined length of time to create the least amount of disruption to a business and workers as possible. In high-risk situations, multi-stakeholder working groups are assembled to develop and monitor an exit plan designed to manage the risks identified with the divestment.

Nike's Sourcing and Manufacturing Standards: <https://sustainability.nike.com/sourcing-manufacturing-standards>

Human Rights Commitment (including FOA): <https://sustainability.nike.com/human-rights>

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

N/A

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

- China – 116 (48 apparel, 34 equipment, 34 footwear)
 - Vietnam – 99 (65 apparel, 8 equipment, 26 footwear)
 - Indonesia – 39 (17 apparel, 5 equipment, 17 footwear)
 - For fiscal 2018, contract factories in Vietnam, China and Indonesia manufactured approximately 47%, 26% and 21% of total NIKE Brand footwear, respectively.
 - For fiscal 2018, contract factories in China, Vietnam and Thailand produced approximately 26%, 18% and 10% of total NIKE Brand apparel, respectively.
-

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:
Production at factories owned by your company

0%

Orders placed directly to supplier factories

100%

Orders placed through agencies or intermediates

0%

Other (please specify)

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

527 (<http://manufacturingmap.nikeinc.com/>) as of 1/1/2019

Sub contracted suppliers

Sub contracted suppliers: All factories producing Nike, Inc. branded products are required to be audited before full production may begin and are included in the 527 noted above.

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Nike's supply chain is comprised of a wide range of suppliers, some with well over 25% of capacity dedicated to Nike production and others where Nike represents a very small percentage of overall production.

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Nike believes that working conditions, including wages, can be improved when suppliers enhance their technical capabilities and management systems. A firm's workforce is a key business asset that can perform to the best of its ability when supported, valued, and enabled correctly. We know that factories in our source base that use strategic compensation as well as tools on safety, worker engagement, and overall human resource management will perform well from a business perspective, reduce risk, and ensure people are valued and treated properly.

A better run factory should be more profitable and should then be able to pay higher wages, in exchange for benefits such as lower turnover, higher productivity, and better quality product. Workers are key to delivering on the promise of high quality and high productivity, and need to be compensated accordingly. Our partnership with Berkeley researcher Dara O'Rourke on the Compensation & Benefits Pilot demonstrated that transparent and aligned compensation structures can create conditions where higher wages drive higher productivity and profitability, while decreasing worker turnover and stress levels.

In order for a strategic approach to compensation to be successful, factories must establish a foundation in Human Resource Management (HRM) capabilities, worker engagement, and Lean. Nike has been working with our suppliers on these key capabilities for several years, with suppliers increasingly taking ownership over the development of these capabilities.

Strong Human Resource Management

We have developed guidance and tools that our suppliers can use to improve Human Resources Management in their factories. We're supporting our suppliers in developing predictive, agile, resilient and integrated HRM capabilities. By investing in HR professionals, systems and processes our suppliers will be able to have the right people, with the right skills, in the right roles, who are engaged, empowered and invested in driving their business success.

We have teams in each of our regions with individuals dedicated to working with our suppliers to measure and develop their HRM capabilities. In the last several years, these engagements were often part of an integrated approach to Nike's Lean Management Framework. Those activities included:

- Developing systems and processes to capture accurate data and conduct data analysis on HRM related qualitative and quantitative metrics
- Assessing supplier management strengths and weaknesses and identifying opportunities for development

- Providing coaching and consultation to strengthen supplier HRM systems, with a focus on how to attract, develop and engage their workers
- Developing tools to measure worker engagement and identify areas of opportunity for investment (more on this below)

We will continue to evolve our approach, partnering with organizations focused on developing relevant tools and services to support suppliers as they drive their strategies around workforce investment and management.

Worker Engagement

We believe that a skilled, valued and engaged workforce is key for growth and sustainability. We know that when workers are valued, issues of compensation, overtime, workplace conditions and worker engagement will fundamentally shift.

As manufacturing processes become more sophisticated through modernization and innovation, the role of the factory worker is changing. We will only work with suppliers who transform their business by investing in the skills and capability of workers and promoting cooperation to support a more sustainable manufacturing model.

To this end, we bring pragmatic, evidence-based and measurable practices to our suppliers to increase worker engagement. We developed the Engagement and Wellbeing Survey (EWB) to measure engagement based on the experiences of individuals working in factories. The EWB survey highlights areas where employees already feel supported and engaged and help identify opportunities for factory management to improve employee engagement.

The survey was extensively piloted and tested, in collaboration with suppliers and other organizations, to ensure the results were statistically relevant, actionable and successfully painted a comprehensive picture of the current status of engagement in a facility.

Measuring engagement is just the start. We support our suppliers in building capabilities that will increase worker engagement. By focusing on increasing worker-management communications; investing in strategic human resources management and lean management frameworks; elevating a Culture of Safety; and employing a valued-worker centric view to program implementation, worker engagement will increase and businesses will thrive.

Lean

In addition, we have been working with our suppliers to implement lean manufacturing methodologies for over 15 years. Our goal is to help suppliers understand and apply this new way of managing their business. One of our priorities has been the role lean manufacturing can play in creating a workplace culture that prioritizes workers' health and safety, and human resources management systems focused on continuous improvement,

building workers' skills and empowering them to identify opportunities to improve overall production.

In order to help suppliers understand our new approach, we provide training on lean principles and tactical guidance on implementing the principles in our suppliers' facilities. The training focuses specifically on Human Resources Management and how to efficiently implement and manage their capabilities in health, safety and environment.

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Google Forms

Primark

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

Primark Ltd

Brands owned by company: *

Primark

Main contact person: *

Katherine Stewart, Director of Ethical Trade & Environmental Sustainability

Contact email: *

kstewart@primark.co.uk

Contact phone number: *

0118 9606300

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Primark is committed to ensuring that workers in its supply chain are paid a living wage. We agree with the principle that a living wage should cover basic needs, provide for discretionary income and savings, and cater for dependents. We acknowledge the inherent challenges in defining and calculating a living wage, and ensuring that there are effective mechanisms for delivering it, and therefore we support a negotiated approach as the most practical and sustainable method of achieving a living wage, namely through the enabling right of Freedom of Association and the mechanism of collective bargaining. Primark's Supplier Code of Conduct states: "Living wages shall be paid."

- "Wages and benefits paid for a standard working week must meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income."
- All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.

Primark and other leading retailers, developed the ACT (Action, Collaboration, Transformation) on Living Wages initiative to provide a global framework on living wages in the garment sector that brings together all relevant stakeholders to identify what each stakeholder's role and responsibility is, and how, if taken together, this can support living wages in a scaled up, sustainable, industry-wide approach. The initiative aims to improve wages in the global garment sector by establishing industry-wide collective bargaining in sourcing countries, supported by world class manufacturing standards, and responsible purchasing practices. Our commitment to ACT is underpinned by our signed Memorandum of Understanding with IndustriALL.

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

Compliance with Primark's Supplier Code of Conduct forms part of our General Terms and Conditions of Business, and we require all our suppliers factories to comply with the Primark Code of Conduct as a condition of doing business with us.

Orders can only be placed with a factory once it is operating to a standard that meets the requirements set out in our Code of Conduct, and it is approved by the Primark Ethical Trade team. Tier 1 suppliers are also required to apply our Supplier Code of Conduct to their own supply chain. Primark has increasing visibility of Tier 2, 3, and raw material suppliers, and conducts due diligence using a risk-based approach.

In 2017 we carried out 3,413 audits against the Code of Conduct (<https://www.primark.com/-/media/ourethics/annual%20performance/our-performance-2017.ashx>). Primark pays directly for all its audits. This enables us to retain control of the audit protocol, quality and integrity. It also allows us to more effectively address risk through the ability to adapt the audit process as required.

Suppliers receive the corrective action plan (CAP) but the final full audit report is confidential to Primark which enables worker anonymity and auditor testimony. The CAP details any non-compliance and details a mutually agreed, time-bound action plan to resolve the issues identified. Primark works with the factory to support them in addressing the issues, for example, by providing direct support on how to resolve individual issues and providing training and capacity building.

For new factories, the initial audit is announced, and the date agreed by both parties in order to build trust at the start of the new supplier relationship. This initial meeting also gives Primark the opportunity to explain our Supplier Code of Conduct and ethical trade standards. Once approved, the factory is subject to regular audits, at least once a year, to check the Supplier Code of Conduct is being applied. These subsequent follow-up audits are conducted on an unannounced basis, meaning the supplier does not receive advance warning of when the audit will take place. By conducting unannounced audits, we can ensure we are seeing a more accurate picture of the factory and workforce. Additional monitoring is carried out by Primark's Ethical Trade team for example, through unannounced 'spot checks' of factories or during discussions with workers in their communities.

Confidential worker interviews are mandatory during the audit and form a critical part of the audit process. These are always conducted in confidence and in a way as to protect the workers and their testimonies. During the interviews, workers are informed that they can contact the Primark team at their discretion whenever they wish and are given direct

contact details. Any issues that present a severe and imminent threat to workers' lives or safety are prioritised for immediate remediation. Such issues would be assigned a red critical rating under our audit categorisation and the factory immediately suspended on our purchase order system until such time as the issue has been fully and appropriately remediated. In some cases, we partner with NGOs and other organisations for remediation.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

Please see our response to Q1.2 for details on our audit and remediation programme. Audits are conducted by both Primark in-house and selected external third-party auditors. We do not use any external certifiers or certification bodies.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

See our response to Q2.2

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

ACT members abide by the principle that employers and workers and their representatives should reach agreement on a living wage through collective bargaining at industry level. This means that the negotiated wage will differ according to national contexts, and will reflect the needs of workers and employers, rather than any particular external benchmarks.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

Please see our response to Q2.2.

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

In line with the ACT Memorandum of Understanding, ACT brands have developed Global Purchasing Practices Commitments (published December 2018).

These state:

"Brands commit that purchasing prices include wages as itemised costs."

Specific implementation measures have been defined and include:

- Write compliance with collective bargaining agreements into purchasing agreements between brands and suppliers terms and conditions of purchase.
- Adopt all direct and indirect labour cost components in line with the agreed ACT methodology.
- Provide guidance to suppliers on labour costing for suppliers.
- Reflect increases in negotiated wages in the labour components of costing calculations.

Tools and processes to support each of these implementation measures will be developed.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Not disclosed.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

We have implemented a process for managing unauthorised sub-contracting cases with our buying and merchandising teams. All factories where there is evidence of unauthorised sub-contracting are suspended on our purchase order system until the supplier can demonstrate appropriate resource and process to manage production in approved sites. As part of this process, the Trading, Sourcing, and Ethical Trade Directors discuss each case and agree further actions in relation to the supplier and other associated factories.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

We do not limit the use of agency labour. We require all our suppliers to apply the Code of Conduct in full to all employees including those provided by agencies. This includes suppliers operating warehouses, and depots.

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<https://globalsourcingmap.primark.com/> Our sourcing map includes Tier 1 factories where Primark product is produced. It details factory name, address, number of workers and gender split. It does not include parent company and product.

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

N/A

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

Primark is a founder member of ACT. Our commitment to living wages across our supply chain is underpinned by our signed MOU with IndustriALL global trade union.

<https://actonlivingwages.com/memorandum-of-understanding/>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

This is dependent upon the progress of ACT and the rights holders and stakeholders in each country.

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

ACT

Project description

Primark is a founder member of ACT. Our commitment to living wages across our supply chain is underpinned by our signed MOU with IndustriALL global trade union.

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

This is dependent upon the progress of ACT and the rights holders and stakeholders in each country.

6.1 Continued. Opportunity to add additional project.

Project name

SAVE programme

Project description

Primark's programme with SAVE in South India has had a positive impact on wages. Please see our response to Q8.1 for further detail.

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Not disclosed

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

We have sent multiple statements to governments and employers' associations (including Cambodia, Myanmar, and Bangladesh) either directly and / or as part of wider networks including the ETI and the Textilbündnis.

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

Primark's Supplier Code of Conduct states: "Freedom of Association and the Right to Collective Bargaining are respected."

- Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Worker rights awareness (<https://www.primark.com/en/Our-Ethics/People-Production/running-education-programmes>) is one of our strategic objectives and is embedded throughout our programme, starting from the moment we begin a relationship with a factory. All suppliers and factories are sent a copy of our Code of Conduct as part of our pre and post-audit communication.

This is translated into 40 languages, including regional languages, and suppliers are sent the appropriate version(s).

Suppliers are required to display the code in the workplace and expected to communicate the code to their workers. Failure to do so is classed as non-compliance and followed up. As of end 2017, 89% of suppliers were fully compliant on this part of our Code, and those that were not had an active corrective plan in place to address this.

In some countries we have found that imagery can be an effective way to bring to life the different elements of our Code of Conduct for workers. We partnered with local experts, NGOs and designers, and asked workers to design posters that visualise the code (<https://www.primark.com/en/Our-Ethics/Resources/PeopleProduction>), helping workers to better understand it. The posters are available to factories to display for workers and use in training.

We also use the posters within other programmes, for example, in Suddokho. This is a DFID funded programme under which selected factory staff are trained to operationalise and manage a factory's technical training system – i.e. to get untrained workers onto the lines and making garments. The factory selects staff to become 'Trainers' and 'Assessors' within this system and they are then trained on technical skills by the project. Primark also suggested and ensures that those selected as trainers and assessors are educated on the

Primark Code of Conduct, especially as these staff often play a crucial role in many new workers' first contact with the factory. The Primark team trains every batch of trainers and assessors in each of the participating factories, using the Primark Code of Conduct poster as the core training material.

Primark's longest running worker rights programme is with NGO SAVE, based within Tamil Nadu. Worker Education Groups (WEGs) are created in local communities where the workers who make Primark products live. The WEGs focus on workers' education and rights. In 2015, Primark commissioned an independent expert to conduct an evaluation of the Primark-SAVE partnership. Impacts included:

- In the workplace, workers were able to vocalise their rights and use negotiation tactics imparted by SAVE, and spoke with management to gain improvements on safety equipment, wage and bonus increases, paid time off, and access to benefits.
- WEGs also work with one-another to bring about change and function as grievance mechanisms for workers. By working in regional "Clusters" representatives have been able to raise grievances with factories.
- A Consortium of WEG members across Tamil Nadu meets once a month. The Consortium members used SAVE materials to calculate their cost of living in the context of living wages, and used this information in tripartite collective bargaining negotiations in Tirupur.

SAVE is now training further volunteers to enable the programme to be more sustainable and reach significant scale within the community through the development of additional Worker Education Groups. We aim to scale up to over another 500 groups, and work on this is underway.

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

N/A

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

Not disclosed.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

Not disclosed.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

Negotiations towards an industry CBA are conducted as part of the ACT process. In other countries (including India, Turkey and Cambodia), Primark has actively played a supporting role to improve industrial relations between unions and suppliers. This is done directly and / or with other stakeholders including CCC, IndustriALL, ETI and the ILO. Recent examples include Meridian Enterprises in Cambodia and Avery Dennison in India.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

Any breach of our Code of Conduct including Freedom of Association would be reflected within the CAP, and if critical, results in suspension of the supplier from our system. We use a 'balanced score card' approach that assesses critical business measures including Ethical Trade. Ethical Trade is one of the ratings with the highest weighting. The scorecards are updated twice a year, and the results are communicated to suppliers and discussed in one-to-one meetings with suppliers.

To drive continuous improvement, those who fail to engage over time risk removal from the supply base. This provides a strong incentive for suppliers to maintain good conditions in the factories that supply Primark as the process creates an environment of peer group competitiveness in relation to compliance. Those suppliers that do not meet expectations and engage on improvements are reviewed with the result that their business with Primark is terminated over an appropriate timeframe, to allow a responsible exit.

Those who do better are more likely to gain further business - score cards are used by buyers and directors, and those performing well are invited to join a specific tier of partner suppliers for our key line product order process. Newly approved suppliers, those pending approval, or those performing poorly would not be invited to this process.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

It is important that people and organisations can raise grievances directly with us and alert us to potential breaches of our Code of Conduct. They can do this via several channels:

- Directly through the Primark website <https://www.help.primark.com/hc/en-gb>;
- Through our whistle-blowing facility which is available to all our employees, including casual or agency staff http://www.abf.co.uk/documents/pdfs/policies/cr_policies_whistle_blowing.pdf; and
- Through confidential interviews with workers. These are a critical and mandatory part of our audit process. Interviews are always conducted in confidence and in a way that protects the worker and their testimony. During the interviews workers are informed that they can contact the Primark team at their discretion and are given direct contact details.

To strengthen our approach to grievance mechanisms we have reviewed our existing policies and processes to make it even easier for anyone affected to raise grievances and ensure that these are addressed effectively. We are moving forward with this process and have revised our Supplier Code of Conduct to include a new clause on grievance mechanisms.

We are also focusing on developing solutions that are tailored to meet a specific need or risk in the supply chain and in 2019 we will launch our Grievance Policy supported by a global programme and mechanisms to enable secure reporting.

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

In cases where suppliers are either unable to make improvements, or lack commitment, we have a clear process on termination, and work with the supplier and our Buying and Merchandising and Sourcing teams on a responsibly-managed exit plan.

One example of how this process works is through our approach to red-rated factories. Following an audit, a factory that is rated red receives support from our on the ground team to address the issues. If they are then rated red on consecutive audits, a review meeting is held at Primark headquarter offices between the supplier and the Ethical Trade and Sourcing teams to ensure there is commitment from the supplier and to look at the root causes of the issues. Following this, where factories are still unable to meet our requirements, they risk termination of business.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

N/A

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

Our commitment to ACT is underpinned by our signed Memorandum of Understanding with IndustriALL (<https://actonlivingwages.com/memorandum-of-understanding/>). Please see our response to Q1.1 for further detail.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

<https://globalsourcingmap.primark.com/>

Please see our global sourcing map for a list of all our production countries and the number of supplier factories. Total production per country is not disclosed.

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

Not disclosed.

Orders placed directly to supplier factories

Not disclosed.

Orders placed through agencies or intermediates

Not disclosed.

Other (please specify)

Not disclosed.

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

First tier production sites—please see our global sourcing map

<https://globalsourcingmap.primark.com/>

Sub contracted suppliers

Sub contracted suppliers – not disclosed

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Not disclosed.

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

No feedback.

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Puma

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

PUMA SE

Brands owned by company: *

PUMA, PUMA Cobra Golf

Main contact person: *

Stefan Seidel

Contact email: *

stefan.seidel@puma.com

Contact phone number: *

+49 9132 81 2660

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

PUMAs Code of Conduct does not specify a living wage. However, the PUMA Code provision on Fair Compensation covers similar requirements and has been validated by the Fair Labor Association (FLA). For the precise text, please refer to <https://about.puma.com/en/sustainability/codes-and-handbooks>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network? *

The PUMA Code of Conduct forms part of our Manufacturing Agreement signed with all our T1 vendors. Annual audits are conducted on all our T1 and our Core T2 vendors, including a thorough review of wage payments. In addition, we collect annual wage data from Core Suppliers.

For more information, please refer to our PUMA Annual Report 2017, pages 68 – 72 <https://annual-report-2017.puma.com/en/>

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

Our audits are a mixture of internal (i.e. PUMA staff) and external audits. For example, we use Better Work Assessments instead of our own audits where available and have local experts contracted for those countries where we do not have own staff available to carry out audits.

Most of our audits are announced. However, in case we see a need for an unannounced audit (for example due to worker complaints) we will also carry out unannounced audits.

Non-compliances are remedied according to a standard protocol. Non-compliance to minimum wage regulations are considered as Zero-Tolerance Issue by PUMA and need to be rectified immediately by the concerned company.

If not rectified, non-compliance to minimum wage regulations would lead to the termination of an existing business contract. In case of new suppliers, they will not be allowed to produce for PUMA unless they can prove full compliance to minimum wage regulations.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

We mainly use minimum wage requirements. Where industry collective bargaining agreements exists (for example South Africa), we use those.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

We mainly use minimum wage requirements. Where industry collective bargaining agreements exists (for example South Africa), we use those.

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

100% of our T1 vendors and all our core T2 vendors are covered by our auditing scope. In 2018 we conducted 536 audits, which covers all T1 and core T2 suppliers.

Evidence upload

CoC_English - stef...

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

FOB prices are calculated with reference to national minimum wages and other wage costs, which are frequently shared with PUMA Group Sourcing, our purchasing organization.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

We work with vendors on yearly production plans broken down by season and by month. Given the complexity of the product and the required quality standards, we maintain a stable and consolidated supply chain. We have partnered with most of our vendors for more than 10 years.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

We work with vendors on yearly production plans broken down by season and by month. Given the complexity of the product and the required quality standards, we maintain a stable and consolidated supply chain. We have partnered with most of our vendors for more than 10 years.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

Typically, our suppliers do not work with labor contractors as we encourage them to employ their staff directly. Exceptions to this rule may exist for non-product related functions such as canteen or security personnel.

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<https://about.puma.com/en/sustainability/social>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

Please refer to our Annual Report, page 71. You can download our Annual Report here:

<https://about.puma.com/en/investor-relations/financial-reports>

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

All our suppliers are already contractually bound to pay a fair wage as defined in our Code of Conduct. In addition, we have just finished a Fair Wage Project in Bangladesh with the Fair Wages Network.

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

Fair Wages as per our PUMA and the FLA definition has been an integral part of our CoC since 2015.

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

Fair Wages Project in Bangladesh with the Fair Wage Network.

Project description

Looking at 12 dimensions of a Fair Wage, including comparing paid wage levels to Poverty Line, Minimum Wage and Living Wage benchmarks.

Partnerships involved

Fair Wage Network

Countries covered by the project

Bangladesh

Number of suppliers impacted

7 (all PUMA core suppliers in the country)

Timescale

2018/2019

By what date will this project achieve a living wage across your supplier network?

All our suppliers are already contractually bound to pay a fair wage as defined in our Code of Conduct. Fair Wages as per our PUMA and the FLA definition has been an integral part of our CoC since 2015.

6.1 Continued. Opportunity to add additional project.

Project name

Project description

Partnerships involved

Countries covered by the project

Number of suppliers impacted

Timescale

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

Please refer to PUMA Annual Reports 2017 and 2016, pages 71 and 53 respectively.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

However, we have been part of an FLA delegation meeting in 2018 with the government of Cambodia over Human Rights Issues including Freedom of Association.

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

The Right to FoA is a paragraph in our Code of Conduct which is publicly displayed at all our suppliers. In addition, we trained our suppliers on FoA during our 2018 supplier round tables.

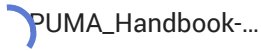
8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Evidence upload



8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

Yes, according to local legislation. Please refer to our audit questionnaire:

“Does the factory provide the trade union or other worker organization structure with the necessary facilities and time as per local law to enable it to carry out its activities?”

For more information please refer to page 40 of our Sustainability Handbook on Social Issues.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

Yes, according to local legislation. Please refer to our audit questionnaire:

“Does the factory provide the trade union or other worker organization structure with the necessary facilities and time as per local law to enable it to carry out its activities?”

For more information please refer to page 40 of our Sustainability Handbook on Social Issues.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

Followed up during our audits but also as part of our worker or third party complaint mechanisms.

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

As PUMA, we remain neutral on the issue of trade unions.

Meaning workers must be free to exercise their right to FoA, but we do not set any preferential treatment for unionized factories.

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Confidential worker interviews during audits, also the complaints hotline and the worker voice programs we are running.

In total we received around 50 workers complaints during 2018 (across all Code Elements, not just FoA).

We follow a formalized process within the PUMA compliance team; if necessary also with support from external experts.

Over the last years we had resolution rates of over 90%. Please refer to our Annual Report 2017, page 70.

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

We would terminate relationships with suppliers who are clearly violating the Right to Freedom of Association (where this right is not restricted by law).

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

We are measuring the percentage of CBA coverage at our core suppliers as part of our Social KPIs. The coverage varies widely between different countries and regions. Please refer to our PUMA Annual Report, page 71 for further details.

(Exemplary CBA will be sent separately.)

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

We have signed the Freedom of Association Protocol in Indonesia.

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

Vietnam, China, Bangladesh, Cambodia, Indonesia (in that order)

For numbers of supplier factories, please refer to our public factory list.

10.2 What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

Almost zero. We own one single small factory in Argentina for our local production.

Orders placed directly to supplier factories

Over 90%. We have an own sourcing organization (PUMA Group Sourcing), which is responsible for placing production orders directly to supplier factories.

Orders placed through agencies or intermediates

Some orders are placed locally by PUMA subsidiaries directly to suppliers. PUMA licensed goods such as glasses, watches or fragrances are sourced through licensees.

Other (please specify)

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

536

Sub contracted suppliers

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

We do not have any precise figures. Estimated figure between 20 and 50.

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Many answers in this questionnaire depend on the precise definition of the term living wage.

We have compared your definition with the definition of our Code element on wages and came to the conclusion that those are very similar, although we do not mention the term living wage in our Code.

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PVH

About your company

Company name: [PVH Corp.](#)

Brands owned by company: [Tommy Hilfiger](#), [Calvin Klein](#), [Heritage Brands \(Izod, Speedo, Olga Intimates, Arrow1851, TrueandCo, Van Heusen, Warners\)](#)

Main contact person: [SVP, Corporate Responsibility](#)

Name: [Marissa Pagnani McGowan](#)

Email: marissapagnani@pvh.com

Contact phone number: [212-381-3720](tel:212-381-3720)

1. Living wage commitment

1.1	Has your company published a clear commitment to ensure a LW is paid across your supplier network?	Yes
	If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.	<p>Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Our business partners must pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. If the compensation paid does not meet the workers' basic needs and provide some discretionary income, our business partners are required to take appropriate actions that seek to progressively realize a level of compensation that does.</p> <p>https://www.pvh.com/responsibility/policy/Living-Wage-Strategy</p>
1.2	How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?	<p>PVH monitors compliance with all of our requirements, including worker compensation, by conducting pre-sourcing audits before a factory is allowed to produce PVH product and regular audits once production begins. We work closely with factories to remediate any identified risks or violations and, when necessary, terminate supplier factories that commit the most significant violations of our policies or fail to remediate other violations in accordance with corrective action plans ("CAPs") that are put in place.</p>
	Please supply details about your approach to auditing for a living wage. Does your company hire auditors from	<p>Factory audits are announced and conducted by our third party auditing partner, Elevate, and guided by a Corporate Responsibility</p>

	<p>auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?</p>	<p>Assessment Tool that measures compliance through metrics based on the requirements of <i>A Shared Commitment</i>, including specific metrics tied to compensation and benefits. As part of the audit, we also seek workers' views in confidence, so that we can hear, first hand, about factory conditions.</p> <p>If an audit reveals that a factory has failed to comply with our standards, policies or other requirements, we work with the factory to remediate the issues. We engage factory managers in an open discussion on the findings, explore root causes, and support them in CAPs. In addition, we meet with our suppliers between audits to review their progress in implementing remediation activities and to provide further guidance.</p>
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2. Benchmarks for a minimum living wage

<p>2.1</p>	<p>Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region?</p>	<p>Yes.</p>
	<p>If yes, please provide details</p>	<p>PVH follows the FLA's Fair Compensation Work Plan and is working towards fair compensation in the Work Plan's three phases: Taking Stock, Learning and Planning, and Making Change.</p> <p>As part of this work, PVH is mapping the impact of paying wages below a living wage level through the FLA's assessment of purchasing power of average compensation in countries where our suppliers are concentrated. These analyses take into consideration income benchmarks, adjustments for inflation, and living wage figures to determine whether worker compensation can sufficiently meet basic needs.</p> <p>Furthermore, as a member of ACT, PVH is working alongside other global brand owners and IndustriALL to support industry-wide collective bargaining agreements at a national level to establish living wages.</p> <p>PVH Corporate Responsibility team members continuously monitor changes in wages</p>

		through government reports, information from country-based International Labor Organization offices, and alerts from our third party auditing partner, which maintains a live database of wage data and labor laws. PVH works to ensure that all suppliers in our supply chain meet new wage requirements as they come into effect.
2.2	Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.	<p>As an FLA Accredited Company, we reference the FLA's Fair Compensation research which includes on a benchmark of compensation data in specific countries relative to various living wage methodologies.</p> <p>Additionally, as a member of ACT, PVH is working alongside other global brand owners and IndustriALL to support industry-wide collective bargaining agreements at a national level to establish living wages. In joining ACT, PVH is supporting the principle that employers and worker representatives should reach agreement on what constitutes a living wage through collective bargaining at the industry level, with assistance from the national government.</p>
2.3	Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.	Not Available

3. Purchasing practices that make living wages possible

3.1	Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?	<p>As a member of ACT, PVH has adopted global purchasing practices commitments which include the commitment that purchasing prices include wages as itemised costs.</p> <p>Link: ACT Website Article about Adoption of Global Purchasing Practices Commitments</p>
	If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?	

3.2	Does your company make long-term sourcing commitments at a specific volume to suppliers?	Yes.
	If so, how long are these commitments, and at what volume?	<p>As a member of ACT, PVH has adopted global purchasing practices commitments, one of which is a commitment to better planning and forecasting. At country level, ACT brands will make countries with a collective bargaining agreement at an industry level a preferred destination for sourcing and investment for a defined period of time. Based on a consultation process, ACT will agree specific sourcing commitments for each country that have high priority for suppliers and can be implemented by buyers.</p> <p>Links:</p> <ul style="list-style-type: none"> • ACT Website Article about Adoption of Global Purchasing Practices Commitments • ACT Country Support Commitments
3.3	Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list?	<p>Yes. Currently PVH collects market intelligence from sales and retailers to develop a single demand plan. This information is used to develop a supply plan with visibility to long-term material and capacity plans. In collaboration with suppliers, divisions review strategic production capacity plans and long-term buy plans. This process is intended to improve demand forecasting and thereby increase forecasting accuracy to enable suppliers to responsibly plan production. PVH considers the subcontracting of any part of a Purchase Order to a factory without prior written authorization from PVH CR a Zero Tolerance issue. PVH reserves the right to immediately and permanently discontinue business with any factory engaging in unauthorized subcontracting. During our assessment process we review certain “non-code” elements, which include unauthorized subcontracting. If this practice exists in our supply chain, we are informed through our assessment process, as well as by colleagues in the quality assurance department, brand protection departments etc.</p>

	If so, can you provide concrete evidence over time that shows how this is working?	Not available
3.4	Is your company doing work to limit the use of labour contractors?	Yes. At the time of this survey, PVH is publishing an updated version of our Corporate Responsibility Supply Chain Guidelines which will contain a more robust migrant worker policy. According to this policy, our suppliers are responsible for ensuring that any labor contractors adhere to our legal requirements and PVH policies.
	If so, can you provide concrete evidence over time that shows how this is working?	Not available

4. Transparency

4.1	Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? If yes, please supply a link.	Yes
	If yes, please supply a link.	https://www.pvh.com/cr (See Factory List Disclosure at the bottom of the linked page) Direct Link: https://www.pvh.com/~media/PVH/Files/corporate-responsibility/PVH-Factory-List.ashx?la=en
4.2	Does your company publish information on wages currently paid to workers at your suppliers?	No.
	If yes, please supply a link or further information.	N/A

5. A clear roadmap for implementing a living wage for all workers

5.1	Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network?	Yes
	If yes, please supply a link to where this is published.	https://www.pvh.com/responsibility/policy/Living-Wage-Strategy
5.2	By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?	In 2018, PVH became a member of <u>ACT</u> (Action, Collaboration, Transformation) and is working alongside other global brand owners and <u>IndustriALL</u> to support industry-wide collective bargaining agreements at a national level to establish living wages. In joining ACT,

		PVH is supporting the principle that employers and worker representatives should reach agreement on what constitutes a living wage through collective bargaining at the industry level, with assistance from the national government.
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6. Living wage projects

6.1	What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?	<p>Project name: ACT (Action, Collaboration, Transformation)</p> <p>Partnerships: ACT, IndustriALL</p> <p>Countries: Cambodia and Turkey (other countries TBD).</p> <p>Number of suppliers involved: Not available</p> <p>Project detail: In 2018, PVH became a member of ACT (Action, Collaboration, Transformation) and is working alongside other global brand owners and IndustriALL to support industry-wide collective bargaining agreements at a national level to establish living wages. In joining ACT, PVH is supporting the principle that employers and worker representatives should reach agreement on what constitutes a living wage through collective bargaining at the industry level, with assistance from the national government.</p> <p>Timescale: Not available</p>
	By what date will this project achieve a living wage across your supplier network?	Not available
	Option to add an additional project	
6.2	In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.	Not available

7. Advocacy for an increase in the minimum wage

7.1	Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments	Yes
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	that production will not be relocated as a result of increases?	
	If yes, please supply link to where this / these can be found.	PVH has worked with multi-stakeholder organizations such as the Fair Labor Association and ACT on advocacy related to wage levels.

8. Freedom of Association

8.1	How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?	According to our Code of Conduct, A Shared Commitment, suppliers are required to recognize and respect the right of their employees to freedom of association and collective bargaining. This is also communicated to our suppliers through our PVH Supplier Guidelines . PVH's expectation is that our suppliers convey these rights to workers in their factories and subcontractors.
8.2	Do you require suppliers to sign union access agreements?	No
	If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.	All business partners, including suppliers, contractors, vendors, licensees, and agents, must adhere to PVH's code of conduct, A Shared Commitment, and our Supplier Guidelines. Both documents require our business partners to recognize and respect the rights of employees to freedom of association and collective bargaining. https://www.pvh.com/~media/PVH/Files/corporate-responsibility/PVH_CSR_SupplierGuidelines.ashx?la=en https://www.pvh.com/responsibility/policy/shared-commitment
8.3	Do your suppliers provide workers with paid time off for union activities?	According to our PVH Supplier Guidelines , employers need to comply with all terms specified in legally-negotiated collective bargaining agreements. Our suppliers are therefore required to provide workers with paid time off for union activities when specified as part of a collective bargaining agreement.
	If yes, please state how many suppliers this impacts.	Not available
8.4	Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?	According to our PVH Supplier Guidelines , employers need to comply with all terms specified in legally-negotiated collective bargaining agreements. Our suppliers are therefore required to provide a dedicated space in the workplace for workers to meet and discuss union issues when specified as part of a collective bargaining agreement.

	If yes, please state how many suppliers this impacts.	Not available
8.5	Do you require your suppliers meet and bargain with duly constituted unions?	Our suppliers are required to meet and bargain with unions when a union is the recognized bargaining agent on behalf of workers consistent with national law.
	If yes, how do you verify that they are doing so?	Factory audits that assess compliance with our Code of Conduct.
8.6	Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions?	Our Code is based on the Core Conventions of the International Labour Organization (ILO), including Conventions 87 and 98, and our suppliers are audited for compliance with our Code. PVH terminates supplier factories that commit the most significant violations and buyers cannot do business with those factories.
	If yes, please explain how these suppliers are determined and how preference is given.	PVH monitors compliance with all of our requirements, including worker compensation and freedom of association, by conducting pre-sourcing audits before a factory is allowed to produce PVH product and regular audits once production begins. PVH terminates supplier factories that commit the most significant violations and buyers cannot do business with those factories.
8.7	Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?	Yes
	If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?	PVH has established a formal hotline (website and phone) for associates and factory workers to report potential legal, regulatory, ethical and policy violations, including violations of <i>A Shared Commitment</i> . The hotline is available in the 15 principal languages spoken by associates (which includes the languages most workers in our supply chain would speak). Grievances can be made anonymously (where permitted by law).
8.8	Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?	Yes
	Please clarify your answer	PVH monitors compliance with all of our requirements throughout the product development process and partners with suppliers to address any identified risks or violations. We conduct pre-sourcing assessments before

		a factory is allowed to produce PVH product, conduct regular audits once production begins, work closely with factories to remediate any identified deficiencies and, when necessary, terminate supplier factories that commit the most significant violations of our policies, procedures or guidelines or fail to remediate other violations in accordance with corrective action plans (“CAPs”) that are put in place.
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9. Dialogue and negotiation with labour rights organisations

9.1	Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?	No.
	If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.	
9.2	Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?	No.
	If yes, please give details and provide a link to the public text.	

10. Further questions about your supplier base

10.1	What are your main production countries? Please state percentage of total production per country and the number of supplier factories.	Please refer to PVH Factory List Disclosure .
10.2	What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:	Not Available
10.3	How many sites did you use to produce your goods in 2018?	• First tier suppliers: 712
10.4	How many supplier factories do you trade with where you have a regular production share of more than 25%?	Not available

11. Your feedback

11.1	Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?	
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Please note: deadline for responses to this survey is 11th January 2019.

Tchibo

Clean Clothes Campaign Living Wage Survey

This survey is being carried out on behalf of the Clean Clothes Campaign and will be used to update our study into brand progress towards payment of a living wage (last published as Tailored Wages - www.cleanclothes.org/livingwage/tailoredwages - in 2014). The outcomes of the study will be promoted to consumers across Europe and the US.

We firmly believe that there should be more evidence-backed information available for consumers and the wider public about garment supply chains, and wages in particular. As such, links and upload options are given for providing evidence to back up your answers throughout this survey. Please note that documents uploaded or links provided may be checked for verification reasons, but will not be used as part of the assessment. Please make sure to include any data you want to be read in the main body of your answers.

All the information that you provide to us may become publicly available. If however, in exceptional circumstances, there are sensitive pieces of information that you would like to provide to the assessment process but that can't be made public, please indicate these clearly.

Defining terms

For the purposes of this study, a living wage is defined by the following statement:

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.

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

(For more details see: <https://cleanclothes.org/livingwage>)

The latest Asia Floor Wage benchmark figures, last updated in 2017, can be found here:

<https://asia.floorwage.org/what>

The Clean Clothes Campaign estimates for Living Wage benchmarks in the European production region, based on worker interviews, can be found on p.25 of this report:

<https://cleanclothes.org/livingwage/europe/europes-sweatshops>

Your company

Company name: *

Tchibo

Brands owned by company: *

Tchibo Certified Merchandising (TCM)

Main contact person: *

Axel Schroeder

Contact email: *

Axel.schroeder@tchibo.de

Contact phone number: *

+49 40 6387-9303

1. A Living Wage commitment

Our definition of a living wage is as follows:

"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."

Specifically a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income.

1.1 Has your company published a clear commitment to ensure a Living Wage is paid across your supplier network? *

Yes

No

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Our central approach is the ACT Initiative on Living Wages. It aims at industry-wide compulsory wage levels to be set through consecutive collective bargaining between local/national trade unions and employer associations (the social dialogue partners) over a number of years and in the form of legally binding collective bargaining agreements. Employers have to publicly recognize workers' rights to organize and to bargain collectively. Brands and retailers have to support this process by fair purchasing practices and change their current ones accordingly. We believe that a broad and monitored collaborative approach can best lead to living wages sustainable for all partners, ensure long-term stability and provide an equal level playing field for all parties involved. Tchibo is a founding member of this Initiative.

Tchibo's Living Wage commitment within ACT (purchasing practices) is formulated by our CEO Thomas Linemayr on the ACT website

- <https://actonlivingwages.com/purchasing-practices/>

Detailed commitments and explanations are published in our sustainability report and on our corporate Blog:

- <https://tchibo-nachhaltigkeit.de/servlet/content/1253142/-/home/consumer-goods-value-chain/sustainable-development/global-challenges-initiatives-to-develop-system-solutions.html>

- <https://blog.tchibo.com/aktuell/unternehmen/herausforderung-faire-loehne-in-den-herstellerlandern/>

- <https://blog.tchibo.com/aktuell/unternehmen/existenzsichernde-loehne-in-der-textilindustrie/>

- <https://tchibo-nachhaltigkeit.de/servlet/content/1253142/-/home/consumer-goods-value-chain/sustainable-development/global-challenges-initiatives-to-develop-system-solutions.html>

ACT's Living Wage definition: "A 'living wage' is the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her family including some discretionary income. This should be earned during legal normal working hour limits."

- <https://actonlivingwages.com/memorandum-of-understanding/>

Tchibo Living Wage definition as per Social Code of Conduct (SCoC): "wages that always meet basic needs of employees and their families and provide some discretionary income"

- <https://tchibo.com/SCoC>

1.2 How do you monitor supplier compliance with this living wage commitment, both for tier 1 suppliers and across your supplier network?

*

Our suppliers are obliged to understand and sign our SCoC which is part of our purchasing contract (They receive a supplier manual that explains the requirements and definitions, advises how to comply and provides a self-assessment.). In article 6 we point out that our suppliers shall pay living wages. We do not measure the payment of living wages as of yet, although this will come through ACT as soon as the first industry-wide binding CBA is negotiated and signed by the social partners in the ACT countries. In our own social auditing processes, the payrolls of employees are checked regularly, a system to identify falsifications is in place.

Our WE – Worldwide Enhancement of Social Quality Program is a factory-based program to drive human rights dialogue and empowerment among workers and management. Besides others it aims at establishing fair wage systems. This includes enabling workers to identify and perceive as to whether they feel they are receiving a fair wage and voicing this in joint workers managers workshops. The facilitators carrying out the WE program also serve as grievance channels from employees to Tchibo and alert any violation of our Social Code of Conduct, including wage issues. The WE workshops are conducted by local workers' rights organisations and consultancies which we have trained intensively over the past years and which receive on-going coaching through international consultants and Tchibo to support them in their facilitation and mediation role. The issue of wages is addressed by the trainers in different way as per the participants level of understanding, priority etc. In general, the country law of minimum wages is addressed, how the wage is calculated in the factory, what would be the wage for overtime, bonus etc. The trainers also focus on the dialogue between management and workers around wages such as why it is important to get salary on time, how does it affects the migration of workers etc. Furthermore, they touch topics such as what a living wage is, how living wages are calculated internationally, what are the discussions going on globally around living wage like ACT and benchmarks, and the commitment of Tchibo towards. The methods are participatory to create knowledge and ownership . Yet, we know that these measures alone are not sufficient to reach the goal of living wages but are a core piece of the puzzle. They support our industry-wide commitment.

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

By signing the SCoC suppliers allow Tchibo to carry out unannounced audits at any time. In most countries we partner with auditing firms. In high-risk situations and in Bangladesh in general Tchibo staff conducts the social and environmental audits to not allow for any irregularities. New suppliers are made familiar with the monitoring process via the supplier manual, existing strategic/key suppliers are usually informed about upcoming assessments. After a self-assessment an onsite audit follows. Most visits are announced because we build our entire program on dialogue and cooperation with long-term strategic/key suppliers. However, suppliers are only given a timeframe of several weeks, in which the audit will be conducted. Our experience shows that factories without a management system cannot falsify flaws over a longer time. Therefore we get a fairly realistic picture of the measurable social and environmental issues.

If non-compliance is found, the supplier is requested to remedy the issue and effected employees and provide a corrective action plan (CAP). Remediation and its effectiveness will be controlled through a second audit max. 3 months after. Withholding of wages, systematic wage deductions and non-payment of statutory minimum wages are considered Zero Tolerances and have to be remediated immediately. This will be checked by a second audit shortly after remediation. As a last step, order placements can be withdrawn in case the SCoC is not complied with.

Apart from these probably unavoidable measures we focus on partnership and cooperation in our relation with suppliers, rather than control. We have created and adapted the WE Program to face and answer the audit fatigue in our industry. It is designed to create a deeper impact than supervision by helping to identify root causes, responsibilities and countermeasures. If we see one or more types of violations repeatedly the supplier will be integrated into our WE program to enable workers and managers to identify root causes of the violations and jointly develop corrections and improvements. At the same time, WE serves as a grievance system (see Q 1.2)

To reduce complexity for Tchibo and for suppliers, we recognize other audit schemes if they are comparable to our monitoring program: WRAP, SA8000, BSCI, SMETA 4-pillar. We accept their certification only after a thorough document check. Some certifications are not accepted for production sites in high-risk countries, most need to be combined with another audit scheme or other validation.

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? *

Yes

No

If yes, please provide details.

The ACT process of industry-wide binding wage levels to be set through consecutive collective bargaining between trade unions and employer associations shall serve as wage setting mechanism. This implies that bargaining partners set levels by themselves according to economic abilities and robustness. They will reflect the needs of workers and employers. ACT takes into consideration several locally and internationally calculated living wage benchmarks as reference points such as from Asia Floor Wage, FWF wage ladder, local unions and civil society organizations and universities.

As Tchibo we have always appreciated and respected the Asia Floor Wage as a benchmark (e.g. survey in 70 sample factories on potential wage increase to AFW levels with simulated price impacts in 2011); local union figures are considered as well and on factory level workers calculate living wages in WE activities. We calculate the share of wages and labor costs in production prices in each country of production for Tchibo on a regular basis.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

<https://actonlivingwages.com/living-wages/>

<https://asia.floorwage.org/what>

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible. *

None (0)

We steer the implementation of living wage at our suppliers via the ACT process, hence all suppliers of ACT brands in one country will implement the wages agreed on in the binding industry-wide CBAs. For example, once a CBA is signed in Cambodia, our 8 suppliers (as of December 2018, might be subject to change until the very date the CBA is signed) in the country will adapt and the brand's country support commitments will come into effect. After over three decades of turning a blind eye to workers' incomes and livelihoods, ACT currently promises to be the best solution for a sustainable payment of living wages – step by step and in a foreseeable future. We trust this as indispensable mechanism to exclude the wage question from global price competition as the main hurdle for living wages.

For a larger company and its suppliers, single-supply-chain approaches are too complex to handle. In practice, current IT and management systems are not feasible to provide the transparency needed to reach a quick growth in wages but only increase the factor of control and decrease progress. Uni- or bilateral approaches and benchmarks might provide for concrete roadmaps and marketing catchphrases. However, our learnings from past projects have shown that they don't reflect the reality of complexity in a competitive sector. Industry experts agree that solo runs will never solve an industry-wide problem. Instead, industry-wide actions are needed, and we urgently ask all committed business and civil society organizations to join hands for these.

Evidence upload

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver? *

Yes

No

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

We do these calculations and found that FOB prices are not sufficient – but are necessary to maintain our business in the highly competitive retail market. Therefore, we co-founded ACT. This calculation is integral part of the ACT process. It is currently being worked on by an ACT working group comprising of brands and suppliers. The aim is to establish a mechanism to make wages and labor costs constantly visible in FOB pricing and fix it as non-negotiable factor of the FOB price. On the other hand, it will serve as a basis to monitor the unconfined transfer of the agreed wage increase to the workers. We are awaiting finalization in 2019.

Upload option.

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers? *

Yes

No

If so, how long are these commitments, and at what volume?

Tchibo: A larger part of our purchasing volume is handled via bundles/framework agreements that are agreed with a number of suppliers per apparel category >>>do not publish>>> over a period of 3 years or longer <<<do not publish<<<. We have also established long-term relationships with strategic partners respectively key suppliers

ACT: Once the first industry-wide binding CBA in a project country has been signed ACT brands commit to keep up business with the supplying countries and their suppliers/factories at a level no less than the latest volume and over a period of minimum 4 years (Cambodia, in following ACT countries to be decided later), respecting that labour costs and thus FOB prices will increase. This is one of the central commitments of ACT member companies. The mechanism might be subject to minor alternations from country to country though. Please see <https://actonlivingwages.com/enabling-change-act-country-support-commitments/> for ACT country support commitments.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list? *

Yes

No

If yes, can you provide concrete evidence over time that shows how this is working?

Continuous supplier portfolio consolidation process since 2010: Higher order percentage per factory. We increase the percentage of direct business (ca. 80% of all orders) and framework agreements with key suppliers (see Q 3.2). Buyers can only source from the defined supplier pool.

Unannounced subcontracting is not allowed as stated in every purchasing contract; compliance is monitored through quality audits conducted by Tchibo staff to make sure the factory has the capacities to produce the orders. Subcontracting as an exemption has to be agreed with by Tchibo and leads to a social and environmental audit at the premises of the subcontractor. Tchibo only works with audited factories, non-compliance can lead to blacklisting of the supplier. In 2018 we found 5 cases of unauthorized subcontracting, which is at a low level. These cases were solved according to our respective management guideline and SCoC.

3.4 Is your company doing work to limit the use of labour contractors?

Yes

No

If so, can you provide concrete evidence over time that shows how this is working?

We are surveying the number of contract workers per supplier in each social audit. Per our SCoC all workers all employees need to be granted the same rights and protection, regardless of their contractual relationship with the supplier .

The supplier needs to ensure that the contractor complies with the provisions of our SCoC

4. Ensuring transparency

See <https://cleanclothes.org/transparency/transparency-pledge> for reference on definitions.

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network? *

Yes

No

Please supply a link or further information.

<https://tchibo.com/SCoC>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? *

Yes

No

If yes, please supply a link or further information.

Through a working group ACT develops a mechanism to monitor the unconfined transfer of wage increases agreed on in industry-wide binding CBAs to the workers. We are awaiting finalization in 2019. This could serve as a basis to publish wages in due course.

5. A clear roadmap for implementing a living wage for all workers

5.1 Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? *

Yes

No

If yes, please supply a link to where this is published.

As ACT members we recognize that we as brands must be part of the solution. In 2018 we have identified purchasing practices which are obstacles to paying living wages. We have committed to change these to a set of improved purchasing practices which all ACT brands have to integrate in their daily business step by step, including the integration of the negotiated wages into FOB purchasing prices without deduction. Currently we are working intensely on how to integrate the commitments and improvements into our internal processes, e.g. how to ensure a Living Wage when working not only directly with suppliers but with agencies or importers. We look forward to an industry-wide binding CBA in Cambodia in the first quarter of 2019 after negotiations of 1 year between the local social dialogue partners. At the same time it needs to be acknowledged that due to the nature of the ACT approach – which involves a wide range of parties, interests and conditions and is entirely new to the countries including national governments – this process can never be expected to be a quick fix but as a deeply sustainable approach to the implementation of Living Wages as stated above.

Please see <https://actonlivingwages.com/wp-content/uploads/2019/01/Questions-and-Answers.pdf>, pp. 8, and <https://actonlivingwages.com/enabling-change-act-country-support-commitments/> for ACT country support commitments.

Explanations are published in our sustainability report and on our corporate Blog:
<https://tchibo-nachhaltigkeit.de/servlet/content/1253142/-/home/consumer-goods-value-chain/sustainable-development/global-challenges-initiatives-to-develop-system-solutions.html>

<https://blog.tchibo.com/aktuell/unternehmen/herausforderung-faire-loehne-in-den-herstellerlandern/>

<https://blog.tchibo.com/aktuell/unternehmen/existenzsichernde-loehne-in-der-textilindustrie/>

5.2 By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

ACT is a global project and has an iterative, ongoing design. We concentrate on 5 countries now, Cambodia to be the first, create impact and learnings. We will use these to adapt and improve the program to move forward in other countries which are important to the apparel industry. As with every living wage project across all industries, proposing a final date would fail to recognize the complexity of the target. We would be proud to reach the implementation of living wages across all countries within the next decade. Please help to enforce brand/retailer commitments to ACT internationally to guarantee pre-competitiveness and thus feasibility and shorten the process decisively.

6. Living Wage projects

6.1 What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Project Name

ACT

Project description

Wage according to living wage definition (see above, Q 1.1), achieved by a combination of industry-wide binding CBAs, recognition of Freedom of Association and the Right to Collective Bargaining by all parties involved, country and purchasing commitments of member brands/retailers, adaption of in-house purchasing practices to enable a living wage. See <https://actonlivingwages.com/wp-content/uploads/2019/01/Questions-and-Answers.pdf>, sections 3, 4, and https://actonlivingwages.com/fact-sheet/#col_bar, section "Framework for Action"

Partnerships involved

Since 2018 ACT partners with German Partnership for Sustainable Textiles (BnT) – of which Tchibo is member as well – to make the ACT approach accessible to other BnT members, create additional leverage among German brands and retailers which are not ACT members yet and thus economies of scale. Since November 2018 Fair Wear Foundation partners with BnT to promote living wages and join forces together with ACT. A corresponding Partnership Initiative is under preparation and to be expected in February this year. ACT will offer their systems for participation, FWF will offer their knowledge with regards to living wage benchmarks, pricing and capacity building. Other Non-Governmental-Organizational members of BnT are invited to support the Partnership Initiative by their expertise and support on the ground.

Countries covered by the project

Cambodia, Turkey, Myanmar, Bangladesh, Vietnam

Number of suppliers impacted

n/a

Timescale

Ongoing

By what date will this project achieve a living wage across your supplier network?

See Q 5.2

6.1 Continued. Opportunity to add additional project.

Project name

WE

Project description

The WE Programme is a worldwide programme to enhance and establish human rights in production, running in several Asian factories. It is based on a dialogue approach and takes place on factory level. It is Tchibo's core initiative to ensure the application of International Labour Standards in the Tchibo Non Food supply chain; business aspects such as quality, productivity and efficiency are addressed to the extent that they correlate with labor issues, such as working hours or pay.

The issue of wages is addressed by the trainers in different way as per the participants level of understanding, priority etc. In general, the country law of minimum wages is addressed, how the wage is calculated in the factory, what would be the wage for overtime, bonus etc. The trainers also focus on the dialogue between management and workers around wages such as why it is important to get salary on time, how does it affects the migration of workers etc. Furthermore, they touch topics such as what a living wage is, how living wages are calculated internationally, what are the discussions going on globally around living wage like ACT and benchmarks, and the commitment of Tchibo towards. The methods are participatory to create knowledge and ownership . Yet, we know that these measures alone are not sufficient to reach the goal of living wages but are a core piece of the puzzle. They support our industry-wide commitment.

Partnerships involved

Countries covered by the project

Cambodia, Turkey, Myanmar, Bangladesh, Vietnam, India, China.

Number of suppliers impacted

370 + since inception, currently around 90+

Timescale

Ongoing. WE activities take place every 2 months at each factory, for min. 2 years.

By what date will this project achieve a living wage across your supplier network?

Probably never, but it supports our industry-wide activities within ACT from the other end

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

n/a

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases? *

Yes

No

If yes, please supply a link to where this / these can be found.

We always support public political invitations to increase minimum wages, except if it would prove to be counterproductive in the specific situation. We have signed every official letter of the ETI while our membership until April 2018. They are not necessarily public but are addressed to governments such as in the case of the minimum wage increases in Bangladesh in November 2013 (to government and BGMEA), and in Cambodia in September 2014 (to government and GMAC).

We have made an exemption from this in the minimum wage process in Bangladesh in 2018 as we realize that a raise of the minimum wage in the country would simultaneously lead to a similar increase in living costs and thus would not result in an increment in extra income. Instead, we have concentrated on intensification of the ACT process in Bangladesh. Nevertheless, a significant increase of the minimum wage in the country is needed urgently.

We have publicly supported the AFW since 2009: <https://tchibo-nachhaltigkeit.de/servlet/cb/954960/data/-/StellungnahmeAsiaFloorWage.pdf>

8. Freedom of Association

*For the purposes of this question, Freedom of Association is defined as per ILO convention 87 - https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C087. In particular, that 'trade union' means an entity established to represent the interests of workers, without the influence of management or outside forces, and, where allowed by law, an entity that is able to act and bargain on behalf of the workers. Parallel means mechanisms such as management controlled worker committees do not fall under this definition.

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors? *

Suppliers are obliged to respect our Social Code of Conduct which contains FoA and the right to Collective Bargaining. The SCoC needs to be posted in factory premises visible to all workers and translated into the local language. Implementation is checked through social audits.

Suppliers are handed out a supplier manual which explains these issues further.

FoA and CB are one of the five pillars of the WE Program and are covered over a 2-year period.

We have signed a GFA (Global Framework Agreement) with IndustriALL in 2016 which aims at promoting FoA and CB even further. Suppliers are informed about this. The GFA is currently being integrated into the WE program. Trade unions use our GFA for worker trainings.

In Myanmar we facilitate worker trainings on labour rights over 2 years, they are conducted by trade unionists. Managers are trained separately. All our Myanmar suppliers participate in the program.

For more info see Q 1.2, 8.2, 8.7

The respect for Freedom of Association and the right to Collective Bargaining by all parties including suppliers is one of the core elements of ACT and the industry-wide binding collective bargaining process.

8.2 Do you require suppliers to sign union access agreements? *

Yes

No

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

Besides the legal aspect Tchibo does not require supplier factories to issue right-to-organize guarantees to workers for practical reasons. From our experience, a formal document does not eliminate the actual barriers to FoA, two of the most relevant reasons are: (1) mistrust between factory management and unions, manifested in a lack of interaction and communication, and (2) lacking understanding of factories regarding the constructive role unions can play in stabilizing working environments and increasing workplace collaboration.

With these barriers in place, a right-to-organize guarantee may be issued formally, however the likelihood is high that this might be accompanied by verbal threats to not to make use of this right. Tchibo would not be able to prevent such contraventions as we are not permanently in the factories.

Instead, we aim at addressing the lack of trust between the relevant stakeholders (between factory managers and workers, between factory managers and unions as well as between unions and workers). The WE Programme is a key stepping stone in promoting the necessary trust. We have signed a GFA with IndustriALL in 2016 to promote and empower FoA and Collective Bargaining in factories. This is currently implemented in project countries and integrated into the WE Programme. We aim at bringing together factory managers, workers and union members to build this trust in a transparent and open dialogue. The process is designed to step by step demonstrate that collaboration with and integration of unions creates wins on all sides, as long as all parties access their rights in a responsible manner. Such an approach has a higher likelihood of anchoring ownership and creating sustainable results.

Evidence upload

8.3 Do your suppliers provide workers with paid time off for union activities? *

Yes

No

Some

If yes, please state how many suppliers this impacts.

We have just started to collect this information on a systematic basis. We know of several business partners which grant paid time off for union activities and can hand out information once survey and assessment are fully completed

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues?

Yes

No

Some

If yes, please state how many suppliers this impacts.

See Q 8.3

8.5 Do you require your suppliers meet and bargain with duly constituted unions? *

Yes

No

If yes, how do you verify that they are doing so?

See Q 8.2 and 8.3

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine, independent trade unions*? *

Yes

No

If yes, please explain how these suppliers are identified and how preference is given.

With the implementation of ACT they are committed and thus obliged to do so. One of the buyers commitments is to prefer suppliers/factories having implemented the industrywide binding CBA.

Currently we work with the principle of gradual “negative” selection: Suppliers that have shown acts of union busting or non-cooperation are either called upon to comply with our Social Code of Conduct and GFA, integrated into the WE programme in order to develop a deep understanding and ownership of labour rights, or will be blacklisted ultimately.

Please also see Q 8.2

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights? *

Yes

No

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

With the implementation of ACT they are committed and thus obliged to do so. One of the buyers commitments is to prefer suppliers/factories having implemented the industrywide binding CBA.

Currently we work with the principle of gradual “negative” selection: Suppliers that have shown acts of union busting or non-cooperation are either called upon to comply with our Social Code of Conduct and GFA, integrated into the WE programme in order to develop a deep understanding and ownership of labour rights, or will be blacklisted ultimately.

Please also see Q 8.2

Evidence upload

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

No

Please clarify your answer.

Termination is the last resort. See Q 8.2 and 8.6

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? *

Yes

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

We have just started to collect this information, see 8.3 and 8.4. We know of several business partners which have negotiated unilateral CBAs with trade unions and will disclose information once survey and assessment are fully completed. We trust on industry-wide binding CBAs to be delivered by the ACT mechanism to prevent single suppliers/factories to be phased out from business because of severe competitive disadvantages.

Evidence upload

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions? *

Yes

No

If yes, please give details and provide a link to the public text.

We have signed a Global Framework Agreement with IndustriALL which covers a range of ILO conventions of which C.026, 100, 131 focus on wage issues. Wage is not a central issue in the GFA, yet it serves as an important basis for the ACT process with regards to the empowerment of FoA and the right to CB.

<http://www.industrialall-union.org/industrialall-and-tchibo-sign-framework-agreement-strengthening-workers-rights-across-the-supply-chain>

Evidence upload

10. Further questions about your supplier base

(for context only)

10.1 What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

All following information refers to sourcing of apparel, footwear and accessories which were sold in 2018.

China 43%- 109

Bangladesh 16%- 21

Turkey 12%- 12

Myanmar 8%- 4

India 5%- 20

10.2 What kind of trade partners are part of the sourcing structure?

Please indicate an approximate % of volume share of your production:

Production at factories owned by your company

0

Orders placed directly to supplier factories

84%

Orders placed through agencies or intermediates

16%

Other (please specify)

n/a

10.3 How many sites did you use to produce your goods in 2018?

First tier suppliers

: 213 (apparel, footwear, accessories)

Sub contracted suppliers

n/a

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

We do not collect this information but in general we estimate ourself not large enough to cover those or higher shares.

Your feedback

Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

We highly acknowledge the attempt of CCC to push the living wage agenda forward. Unfortunately, we don't see the heterogeneity of living wage approaches being reflected in the survey nor do we see an acknowledgment of the complex and systemic nature of the topic. This limits outcomes and learnings of the survey from our point of view. We would therefore like to ask you to break down complex questions into separate questions, phrase them more openly and allow for a wider range of approaches in the next survey. We think that living wage approaches via benchmarks and single-actor-strategies as exclusive measures are not sustainable. Let us shortly lay out why.

After many years of meaningful engagement for sustainable supply chains and fair working conditions, especially in the apparel industry, we have learned that unilateral or bilateral pioneering on systemic issues like living wages comes at a high cost. Singular supply chains rarely exist – we are part of global production networks, interconnected with a wide range of suppliers, other businesses and through them with direct competitors. Volunteering uni- or bilaterally for living wages in these networks almost necessarily leads to unfair competition. As a company heavily investing in sustainability we see the impact on our costs and competitiveness. At the same time the industry needs to realize that it failed to address the wellbeing of workers for a long time.

Today we see the huge gap between minimum wages and local living wages in apparel production countries – with the former being as much as five times higher than the latter – with no meaningful development to the better. At the same time, we know that labour costs make up 15% to 26% of purchasing prices FOB. Combining these two insights against the background of the current dangerous competition on prices at every end of value chains in our markets, we need to acknowledge that a uni- or bilateral living wage strategy has a high chance to become unbearable for a committed company – this is not sustainable for any stakeholder.

Therefore we engage actively in industry-wide approaches and support building local structures by co-founding ACT and signing a Global Framework Agreement (GFA) with IndustriALL Global Union, amongst other things. For a national living wage, we need to raise the floor nationally and take out competition on wages. ACT shares this approach with the Asia Floor Wage. Lifting minimum wages to a living wage level is not yet in sight. We as group of ACT brands commit to support industry-wide Collective Bargaining Agreements (CBAs) with real wage increases. This is a complex endeavor. Suggesting otherwise only stops progress as everyone tends to simplistic solutions. We all know nowadays that there is no quick fix.

When we talk about a living wage we are not talking about a fixed number. We believe that a living wage is what is considered to be a living wage by workers and their union.

representatives. And it is arrived at through negotiation with employers and their associations recognized as legal social dialogue partners by the governments. We should neither specify a living wage level nor a timeline. It all depends on the way the actors of the ACT process work together and do their share step by step: brands and retailers, governments, suppliers and their associations, workers and their trade unions. This creates sustainability.

Tchibo is convinced that multilateral approaches create the binding nature among all parties that is needed to follow the path towards a living wage that the Asia Floor Wage Alliance, the Anker methodology and other living wage initiatives have successfully carved over a long time. At the same time this shall not lead to increased control in supplier-brand relations but to ownership, trust, quality, and transparency. What brings all different approaches together in the end is the need to convince those who do not believe in the feasibility of living wages in the apparel industry. A multitude of strategies – uni-, bi-, multilateral – is most certainly most effective to reach this goal.

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Google Forms

Under Armour

CCC Living Wage Survey

Our definition of a living wage is as follows:

"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."

Specifically, a living wage:

- Applies to all workers, which means that there is no salary below the living-wage level
- Must be earned in a standard work week of no more than 48 hours
- Is the basic net salary, after taxes and (where applicable) before bonuses, allowances or overtime
- Covers the basic needs of a family of four (or 3 consumption units, two adults and two children)
- Includes an additional 10% of the costs for basic needs as discretionary income

1. Living Wage Commitment:

- 1.1. Has your company published a clear commitment to ensure a LW is paid across your supplier network? Yes or No. If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Under Armour's [Supplier Code of Conduct](#), which reflects core ILO conventions, includes a Compensation provision that states:

Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.

Under Armour is a Participating Company affiliate of the Fair Labor Association, so our Code is aligned with the [FLA's Code of Conduct and Compliance Benchmarks](#), including its Compensation provision and related benchmarks.

- 1.2. How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?

Please supply details about your approach to auditing for a living wage. Does your company hire auditors for a living wage? Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy non-compliances?

Under Armour's work in this area, in general, follows the FLA's Fair Compensation Strategy and Workplan and aspects of that strategy, plan and related work may be seen [here](#) and in related [FLA country reports on compensation](#). This strategy, plan and reporting, reflects the complexity, scope and scale of this work and also recognizes that progress towards Fair Compensation will only be achieved through the collective work of an array of stakeholders,

including companies, and supported by other stakeholders and governmental engagement. For information summarizing our approach to factory assessments, please see the [Labor, Health and Safety page](#) of our Sustainability website, as well as the FLA's Sustainable Compliance Initiative methodology [overview](#). Our [2017 Sustainability Report](#) also contains detailed information about our approach to audits and remediation, which is summarized below.

Under Armour seeks to assess annually how the independent third-party manufacturers that make our products perform, including measuring through assessments their operations against the FLA and Under Armour Codes and benchmarks, evaluating whether they meet their legal compliance obligations to their employees and analyzing their compensation practices related to minimum wage, fringe benefits, and overtime payment calculations. We also conduct these assessments as part of a due diligence and on-boarding process for new manufacturers before we place production orders with them.

Our licensees' manufacturers are also assessed, even though the licensees are contractually required to have supplier monitoring programs in place to ensure, and to assess, their suppliers' compliance, including with the FLA and Under Armour Codes and applicable laws. Some of our licensees and suppliers are also FLA Affiliates and Participating Suppliers in their own right, having chosen to make a commitment to meet the FLA's requirements and being subject to its oversight.

Most of our assessments are conducted on a semi-announced basis. This means factories are given a date range, usually a period of about two weeks within, but not the actual dates during which the assessment will be conducted. Some factories are assessed without notice. In other cases, factories receive notice prior to assessments, in particular, those conducted by the FLA.

We engage third-party assessment firms and assessors, some of which are FLA-accredited, to evaluate suppliers. The FLA also conducts assessments of some of our factories, amounting to about 5% of applicable suppliers each year, which often have at least one other FLA affiliate as a customer. FLA Accreditation means that some of our assessors have extensive experience in conducting social compliance assessments, and they may also reside in the countries and regions where they conduct assessments. The assessors are expected to be fluent in at least one of the languages understood by the personnel they will interview during assessments, and they also may have specific knowledge and experience about the country where they conduct assessments. One of the assessment firms that conducts assessments of, and capacity building for, suppliers is also a Civil Society Organization (CSO) in addition to being FLA accredited.

The FLA, however, does not have accredited service providers in all regions where Under Armour partners with manufacturing facilities, so we engage other experienced assessment firms in those situations. We also train the assessors we engage to help them develop and enhance their capacity to evaluate suppliers using the FLA's Sustainable Compliance Initiative (SCI) assessment [methodology](#) and assessment tool. We also train them on topics such as the Worker Life Cycle (see "Worker Life Cycle Analysis," below), how to conduct Root Cause Analysis, as part of an effort to identify why non-compliance occurs, and how to develop and present to suppliers focused and effective remediation plans also known as IMAP. In order to further align on assessment expectations and procedures, Under Armour's Sustainability department also conducts periodic refresher and new training for field assessors and

Sustainability team staff. The Sustainability team also sends our assessors materials, including those prepared by CSOs on country, region and macro and micro issue specific risks and trends.

We use two main approaches to issue remediation. In our IMAPs, corrective actions are categorized into either “Immediate Action Required” or “Sustainable Improvement Required”. In general, our goal is for Factory management to address “Immediate Actions Required” in about 7 days, as they largely relate to issues that can be fixed quickly. Additional time of about seven to 14 days is often granted, as needed, to address issues or to complete work in process. For “Sustainable Improvement Required”, we understand that building new and better processes will generally take longer if the changes are to be sustainable over time. In those cases, we set a longer initial action time frame, usually around 30-45 days. Actions related to “Sustainable Improvement” are generally needed to create or enhance a management system and may include establishing, improving and implementing policies, procedures, training, communication, accountability, and the review/update process. They are intended to instill and create the conditions necessary to achieve lasting change.

Suppliers respond to the IMAP with their own plan to address the action items identified in it, as well as by sending supporting materials showing how they are working to address them. The Sustainability team then reviews suppliers' corrective actions by engaging with them during the follow-up process in subsequent assessments and/or visits. We are asking assessors to report to us any recurrence of issues, year over year, from one assessment to the next, for which we will do further root cause analysis. In certain cases, manufacturers may benefit from additional expertise, resources, or structure - so we may require a factory's management to hire a local third-party firm to conduct documented training and capacity building on a short-term or periodic basis.

We learn from these assessments about issues and areas in which suppliers need to improve their performance, as well as those where we need to provide them with improved guidance, training, and educational materials. Mindful that we may have limited influence given the amount of business we have with them, we seek to support suppliers to build sustainable compliance capability by engaging with them in person, by phone, and by webinar, as well as written communication. In certain cases, we may support financially the cost of capacity-building programs either alone or in collaboration with other FLA affiliates or supplier customers. When audit firms identify issues during assessments, we engage with suppliers so that they work to implement improvements. We will work with suppliers (active or new) who demonstrate that they are committed to continuous improvement, even when they need to improve their performance. Rejecting a supplier because it needs to perform better means that we have no chance to help improve conditions for its workers.

2. Benchmarks for minimum living wage

2.1. Does your company have internal or public figures that it uses to benchmark LW for each sourcing country or region?

If yes, please provide details.

Under Armour is collaborating with the FLA to advance the organization's [Fair Compensation Strategy](#). We have piloted the latest version of the [FLA Compensation Tool](#) at two factories in El Salvador and are currently working to expand that pilot program in 2019 to suppliers in China,

Bangladesh, Cambodia, Indonesia, Vietnam, Honduras, El Salvador, Dominican Republic, and Mexico.

The FLA uses a compensation data collection methodology that takes into account all relevant aspects of worker pay that is earned within a regular work week. The FLA does not commit to define one living wage, but is informed by/cognizant of, and draws from, other organizations' expertise in setting living wage benchmarks – including the [Global Living Wage Coalition](#) and the [Asia Floor Wage](#).

The FLA Wage Data Collection Tool allows FLA affiliates including Under Armour to collect related data from factories and to support this work. Through our affiliation with the FLA, we are partnering with it to analyze the data gathered, mapping it against relevant living wage benchmarks, and developing practical strategies to advance fair compensation based upon a multi-stakeholder approach to this issue.

- 2.2. Please supply LW benchmarks for the countries from which you source or alternatively provide a link to a LW methodology that your company uses to provide specific LW benchmarks for production countries.

See answer to 2.1.

- 2.3. Please provide details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their facility. Do supply evidence for this where appropriate.

See answer to 2.1.

3. Purchasing practices that make LW possible

- 3.1. Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the LW standard your company has committed to deliver?
If yes, please supply evidence. If no, does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's LW standard?

As part of our Responsible Sourcing strategy and commitment to operational excellence, we formalized and enhanced our approach in 2018 through our Responsible Sourcing Policy. This policy reflects and further aligns with our commitment as an FLA Participating Company Affiliate to the [FLA Principles of Fair Labor and Responsible Sourcing](#). Related implementation and training is ongoing.

Under Armour's Responsible Sourcing Policy underscores the importance of maintaining an open dialogue with suppliers and avoiding purchasing practices that could trigger instances of rushed on-boarding, excessive overtime, compressed production schedules or unauthorized subcontracting. Scope, supply chain complexities, financial and contractual terms, balanced planning, accountability, training, communication, and review are all addressed in the policy.

Under Armour also has procedures to standardize the processes for supply and demand planning, level-loading, forecasting, and a strategy for mills and supplier consolidation.

In 2018, Under Armour became a [Better Buying](#) program participant. Better Buying enables suppliers to communicate with their buyers about purchasing practices that are working well and those that need improvement, without risking their business relationship because their feedback is received in the Better Buying platform and presented in an anonymous form to participants such as Under Armour.

- 3.2. Does your company make long-term sourcing commitments at a specific volume to suppliers? If so, how long are these commitments, and at what volume?

See answer to 3.1.

- 3.3. Is your company doing work to limit the use of subcontractors in your supply chain, and at what volume? If so, can you provide concrete evidence over time that shows how this is working?

Unauthorized subcontracting is specifically prohibited. See also answer to 3.1.

- 3.4. Is your company doing work to limit the use of labor contractors? If so, can you provide concrete evidence over time that shows this is working?

See the last sentence to 1.1 and the answer to 3.1 above.

4. Transparency

- 4.1. Does your company publish a public list of suppliers, including address, parent company, products and number of workers, for tier 1 and your wider supplier network? If yes, please supply a link.

Yes, our list is posted [here](#) on our website.

- 4.2. Does your company publish information on wages currently paid to workers at your suppliers? If yes, please supply a link or further information.

No.

5. A clear roadmap for implementing a LW for all workers

- 5.1. Does your company have a public roadmap / strategy for how it will achieve a LW for all workers across your supplier network? If yes, please supply a link to where this is published.

We collect wage-related data through our annual factory assessment process and more recently through the FLA Wage Data Collection Toolkit. The FLA released [a detailed work plan](#) related to their Fair Compensation Strategy, including the development and deployment of this tool. The most recent [public update](#) on the strategy states that, “rather than a simple data collection exercise, this Toolkit is a means for sparking action oriented conversations between

buyers and suppliers around compensation levels. As affiliates use the new toolkit, they will share their learnings with the FLA and with each other. Together we will then build a menu of joint strategies and actions to address wage gaps in a sustainable and just way". Under Armour is actively engaging in this learning exchange with the FLA and other affiliates.

Please also see answers to 1.1 and 1.2 above. To achieve sustainable progress in this area, there will need to be individual and collective work by an array of stakeholders, including brands, that is supported by their individual and collaborative action and related governmental engagement by such stakeholders.

- 5.2. By what date does your strategy anticipate that a LW will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network?)

See answers to 1.1, 1.2 and 5.1 above.

6. LW projects

- 6.1. What LW projects are you participating in currently? How do these projects calculate a LW and how will they achieve this level?

By what date will this project achieve a LW across your supplier network?

Option to add an additional project

See answers to 1.1., 1.2, 2.1 and 5.1 above.

- 6.2. In the past 5 years, as a result of pilot projects to deliver a LW that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

See answers to 1.1., 1.2, 2.1 and 5.1 above.

7. Advocacy for an increased in the minimum wage

- 7.1. Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where your suppliers are located, assuring country governments that production will not be relocated as a result of increases? If yes, please supply link to where this / these can be found.

Under Armour has engaged publicly with governments and suppliers to help advance progress on fair compensation. Most of these engagements have occurred in collaboration with other brands and as part of our affiliation with the FLA. For examples, please see:

Cambodia	http://www.fairlabor.org/report/fla-fwf-sai-and-five-brands-stand-workers-who-dissent-wages-cambodia http://www.fairlabor.org/sites/default/files/documents/reports/letter_to_prime_minister_hun_sen_oct_2017.pdf
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	http://www.fairlabor.org/blog/entry/leading-apparel-and-footwear-brands-meet-cambodian-government-express-concerns-about
China	http://www.fairlabor.org/report/social-benefit-verification-factories-operated-pou-chen
Peru	http://www.fairlabor.org/report/cofaco-peru

8. Freedom of Association

8.1. How has the rights to FOA and CBA been clearly communicated to employers and workers in your supplier factories and subcontractors?

Under Armour suppliers and their sub-contractors are expected to comply with all applicable laws, with our [Supplier Code of Conduct](#), which includes a provision on Freedom of Association and Collective Bargaining (FOA and CB), and with the [FLA's Workplace Code of Conduct](#), including its FOA and CB provision and related benchmarks:

Under Armour suppliers and their subcontractors shall recognize and respect the right of employees to freedom of association and collective bargaining. Employers must develop and implement effective industrial relations systems and mechanisms to resolve industrial disputes, including employee grievances and ensure effective communication with employees.

All active, authorized, suppliers and their subcontractors are expected to post our Code in prominent and readily accessible areas and in each of the primary and native languages of the workers/employees and their management, including at the parent company, agent or licensee, as applicable. We expect all managers and workers, at the factory, parent company, vendor group, licensee, and agent, to be aware of, and knowledgeable about, all applicable laws, the Codes' and related benchmarks, standards and expectations. They also are directed to, and provide with a means to contact Under Armour's Sustainability team with related questions and concerns, without fear of reprisal, retribution or adverse action. See the Reporting Misconduct provision of the Under Armour [Supplier Code of Conduct](#).

We strive for continuous improvement by suppliers, informed by factory assessments, to ensure that factory management trains new hires on their legal rights, including their applicable legal rights to FOA and CB, and related provisions of the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#). We also expect new hires to receive the suppliers' written personnel policies covering these rights and all other employment aspects and practices. Active workers are expected to receive documented refresher sessions covering these and other topics. Such training should be interactive and conducted with materials in local language and/or any applicable dialects to ensure it can be fully understood by workers, supervisors and managers.

While we strive for continuous improvement in conditions by suppliers who employ the workers who make our products, in the event of unremediated legal and/or code of conduct

violations, based upon the facts and circumstances, we reserve the right to take related actions including the termination of a business relationship with a supplier.

8.2. Do you require suppliers to sign union access agreements?

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload.

No.

8.3. Do your supplier provide workers with paid time off for union activities? If yes, please state how many suppliers this impacts:

Suppliers are expected to provide worker representatives with the necessary time off without loss of pay to carry out union activities where, and if, required by applicable laws, or if such a benefit is included as a provision/clause in a valid Collective Bargaining Agreement. During our assessments, we review supplier's compliance with the above and the related provisions in the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#). In 2018, approximately 250 suppliers were assessed.

8.4. Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues? If yes, please state how many suppliers this impacts.

Suppliers are expected to meet their legal obligations to their employees - including compliance with all applicable laws concerning FAO and CB - and comply with the related provisions of the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#). We seek to evaluate this in our factory assessment work. In 2018, approximately 250 suppliers were assessed.

8.5. Do you require your supplier meet and bargain with duly constituted unions?

If yes, how do you verify that they are doing so?

Suppliers are expected to meet their legal obligations to their employees - including compliance with all applicable laws concerning FAO and CB - and comply with the related provisions of the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#). We seek to evaluate this in our factory assessment work.

8.6. Do your buyers favor suppliers that support the establishment and functioning of genuine trade unions? If yes, please explain how these suppliers are determined and how preference is given.

We seek to work with suppliers that meet their legal obligations to their employees - including compliance with all applicable laws concerning FAO and CB - and comply with the related provisions of the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#).

8.7. Does your company have an accessible independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of FOA and CBA rights? If yes, how do you monitor that his can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Yes - Under Armour’s code requires suppliers to have and to communicate to all personnel, a Non-retaliation policy, supported by procedures as described below:

Under Armour suppliers and subcontractors are expected to effectively implement a non-retaliation policy, procedures and reporting channels that enable workers to express anonymously and safely their concerns about workplace conditions directly to factory management and to other parties without fear of retribution, retaliation or any other adverse action.

Our [Supplier Code of Conduct](#) also includes a Reporting Potential Misconduct provision that by which workers and other parties may report related concerns using a hotline and/or by email to Under Armour’s Sustainability team. The hotline allows for the option to report anonymously, depending on location. Suppliers and their subcontractors are required to provide reasonable support during an investigation of a potential violation.

All active suppliers and their subcontractors are also expected to develop and effectively implement a comprehensive written grievance policy, which complies with the FLA’s benchmarks and related standards. To support this policy, suppliers are expected to have procedures which allow for easy, effective and confidential grievance reporting to top managers/human resources (for example, by sending text messages; email and making free phone call to a dedicated H.R. manager/top executive). Suppliers are also expected to build employee and other personnel’s awareness about these policies and procedures by conducting periodic and documented training.

As an FLA affiliate, workers in Under Armour’s supply chain may also employ the [FLA’s Safeguard Mechanism](#) to address alleged issues of, and/or violations related to an array of issues, including legal rights of FOA and CB, and related provisions of the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#). For examples of this process, please see:

Petralex	http://www.fairlabor.org/zh-hans/node/2198 http://www.workersrights-test.org/wp-content/uploads/2016/02/WRC-Memo-re-Petralex-6.23.15.pdf
New Holland	http://www.fairlabor.org/report/new-holland-nica-nicaragua http://www.fairlabor.org/report/new-holland-apparel-nicaragua-0

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8.8. Do you have a policy of terminating relationships with suppliers that fail to pro-actively support FOA through measures such as the above?

Please clarify your answer.

See answers to 8.1 and 1.2.

9. Dialog and negotiation with labor rights organizations

9.1. Can your company demonstrate the existence of CBA's negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum? If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

During supplier assessments, assessors are expected to collect data on CBAs and unions, as well as compliance related to applicable laws and compliance with related provisions of the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct and Compliance Benchmarks](#).

9.2. Has your company signed any legal binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wage above the legal minimum and other conditions? If yes, please give details and provide a link to the public text.

No.

10. Further questions about your supplier base

10.1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

Please see our [2017 Annual Report](#).

10.2. What kind of trade partners are part of the sourcing structure? Please indicate an appropriate % of volume share of your production:

See answer to 10.1.

10.3. How many sites did you use to produce your goods in 2018?

See answer to 10.1 and for additional information, please also see our Supplier List, which is available [here](#).

10.4. How many supplier factories do you trade with where you have a regular production share of more than 25%

See answer to 10.1.

11. Your feedback

- 11.1. Is there anything else you would like to tell us about your work on the LW in general? Or any feedback you would like to give to CCC?

Thank you for the opportunity to share information about our Sustainability program with you.

UNIQLO

1. Living wage commitment

1.1 Has your company published a clear commitment to ensure a LW is paid across your supplier network?

Yes

If yes, please describe how your company defines a living wage and provide a link to where this commitment is publicly available.

Fast Retailing defines living wage in its Code of Conduct as wages that meet workers' basic needs and provides some discretionary income and makes the commitment to take appropriate actions to progressively realize a level of compensation that meets this definition.

Code of Conduct for business Partners

https://www.fastretailing.com/eng/sustainability/labor/pdf/coc_en.pdf

Fast Retailing Code of Conduct on Wages & Benefits: Production partners shall furnish wages and benefits, make monetary deductions, and provide workers with employment contracts in compliance with all applicable Law. Production partners shall also maintain wage-related documentation. No monetary deductions shall be permitted for disciplinary action.

Production partners shall recognize that each worker has a right to wages that meet the worker's basic needs and provide some discretionary income.

Such wages shall be equal or better than the higher of minimum wage or the prevailing industry wage. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Fast Retailing and other organizations to take appropriate actions that seek to progressively realize a level of compensation that does. (ILO Conventions 26 and 131)

1.2 How do you monitor supplier compliance with the living wage commitment, both for tier 1 suppliers and across your supplier network?

We conduct audits at all Tier 1 facilities and some of our core fabric manufacturers against our code of conduct to ensure that suppliers are implementing our workplace standards. The audits ensure that facilities are paying workers accurately and maintaining these records. To monitor our supplier's commitment to fair compensation, we collect some anonymous wage data through the FLA's Wage Data Collection Tool Kit.

<http://www.fairlabor.org/global-issues/fair-compensation/tools-for-companies>

Please supply details about your approach to auditing for a living wage. Does your company hire auditors from auditing firms? Are these announced or unannounced visits? Does your company use any external certifiers? How do you remedy noncompliances?

Fast Retailing uses our Code of Conduct for Production Partners as a template to audit partner sewing factories and key fabric manufacturers for human rights abuses, poor labor conditions, environmental preservation practices, and other issues.

We disclose the results of our audits to the public. We contract with third-party entities to perform regular audits of labor and environmental conditions at partner factories, reporting the findings of these audits to our partners. When improvements are required, we send Fast Retailing personnel to visit the site in person, helping our partners implement measures for improvement. We perform due diligence of potential partners to identify and improve any labor environment issues as early in the process as possible.

<https://www.fastretailing.com/eng/sustainability/labor/partner.html>

Production partners must allow FAST RETAILING and its designated agents to access all workers, all facilities, including manufacturing and worker housing facilities, and relevant documents to confirm compliance with the code of conduct, with or without notice provided in advance.

Code of Conduct for business Partners

https://www.fastretailing.com/eng/sustainability/labor/pdf/coc_en.pdf

2. Benchmarks for a minimum living wage

2.1 Does your company have internal or public figures that it uses to benchmark Living Wages for each sourcing country or region? Y/N

Yes

If yes, please provide details. Free text box

With guidance from the FLA, Fast Retailing uses various wage benchmarks that have been collected as part of the FLA's Fair Compensation Work. For example, for China: Asia Floor Wage, Average Wage for Manufacturing Workers.

2.2 Please supply living wage benchmarks for the countries from which you source or alternatively provide a link to a living wage methodology that your company uses to provide specific living wage benchmarks for production countries.

Fast Retailing uses benchmarks from FLA's Fair Compensation Work described in Appendix B: Compensation Benchmarks Guidelines.

http://www.fairlabor.org/sites/default/files/documents/reports/toward_fair_compensation_in_global_supply_chains_2016_report_with_appendices_0.pdf

2.3 Please give details of the number of your suppliers (both tier 1 and across your supplier network) that are currently paying your stated living wage benchmark to all workers in their factory. Do supply evidence for this where possible.

Fast Retailing is currently analyzing the data collected towards the benchmarks.

3. Purchasing practices that make living wages possible

3.1 Does your company calculate whether FOB prices paid per piece are sufficient to allow for compliance with the living wage standard your company has committed to deliver?

Fast Retailing places orders via proper procedures, protecting the labor conditions and human rights of employees working at partner factories. To promote responsible procurement, we have formulated guidelines consistent with procurement policies and business activities. The Fast Retailing procurement policy consists of three main principles:

1) We protect the health, safety, human rights, and rights guaranteed by law for workers at partner factories, contributing to improved living and labor conditions.

2) We encourage the growth of our partner factories by expanding our transaction volume steadily over time.

3) We meet customer expectations through products manufactured via appropriate processes.

If we are to engage in responsible procurement, our production-related departments must practice appropriate procurement procedures. Our guidelines specify these procedures. Further, we provide regular training to employees in our production-related departments, covering these guidelines and other matters.

<https://www.fastretailing.com/eng/sustainability/labor/procurement.html>

If yes, please supply evidence. If no, how does your company ensure that the FOB prices paid to suppliers are sufficient to allow for compliance with your company's living wage standard?

3.2 Does your company make long-term sourcing commitments at a specific volume to suppliers?

Yes

If so, how long are these commitments, and at what volume? Free text box

Fast Retailing has had long term relationship with its core business partners and provides one-year advance visibility of production. We engage in dialogue regularly with our core business partner in case of any revision.

3.3 Is your company doing work to limit the use of subcontractors in your supply chain, and consolidate your supplier factory list?

When production partners subcontract production orders submitted by any Fast Retailing group company to subcontractors, production partners shall ensure that all business activities by such subcontractors are in compliance with this code of conduct. Additionally, when production partners procure raw materials or indirect materials necessary for the manufacture of our

products from third parties, production partners shall not conduct business with suppliers whose business activities violate this code of conduct. In the event that production partners will use any subcontractors and/or procure any raw materials or indirect materials necessary for the manufacture of our products from third parties, the consent of Fast Retailing shall be obtained prior to engaging such third party. In the event Fast Retailing wishes to confirm that the business activities of the subcontractors and/or suppliers of a production partner are in compliance with this code of conduct, the production partner shall address such requests in good faith and cooperate as required by Fast Retailing.

Code of Conduct for business Partners

https://www.fastretailing.com/eng/sustainability/labor/pdf/coc_en.pdf

If so, can you provide concrete evidence over time that shows how this is working? Free text box

3.4 Is your company doing work to limit the use of labour contractors? Y/N

No

If so, can you provide concrete evidence over time that shows how this is working?

4. Transparency

4.1 Does your company publish a public list of suppliers, including address, parent company, products and numbers of workers, for tier 1 and your wider supplier network?

Yes

If yes, please supply a link.

Fast Retailing discloses and updates information on its partner factories on the company website and in its annual Sustainability Report. In 2017, it published a list of UNIQLO core sewing factories in February followed by a list of GU core sewing factories in December, with the goals of increasing the transparency of its supply chain and taking on a greater responsibility to ensure good labor conditions and address issues concerning human rights and the environment. In November 2018, a list of UNIQLO core fabric mills was published.

<https://www.fastretailing.com/eng/sustainability/labor/list.html>

4.2 Does your company publish information on wages currently paid to workers at your suppliers? Y/N

No

If yes, please supply a link or further information.

5. A clear roadmap for implementing a living wage for all workers

5.1. Does your company have a public roadmap / strategy for how it will achieve a living wage for all workers across your supplier network? Y/N

No

If yes, please supply a link to where this is published. Free text box

5.2. By what date does your strategy anticipate that a living wage will be paid to all workers at 100% of your suppliers (both tier 1 and across your supplier network)?

6. Living wage projects

What living wage projects are you participating in currently? How do these projects calculate a living wage and how will they achieve this level?

Fast Retailing is a member of the Fair Labor Association, which established a commitment to fair compensation in 2015. The FLA uses compensation data collection methodology derived from the Ankers' methodology (of the Global Living Wage Coalition). The FLA's fair compensation work is unique, as it does not commit to define one living wage, but takes into account other organizations expertise in setting living wage benchmarks. Fast Retailing's membership with the FLA means we are partnering with them to understand the compensation data and begin to understand how solutions could be implemented to address identified wage gaps.

By what date will this project achieve a living wage across your supplier network?

6.2 In the last 5 years, as a result of pilot projects to deliver a living wage that you have participated in, by how much have wages increased across your supplier network? Please state increases by country and number of suppliers impacted.

7. Advocacy for an increase in the minimum wage

7.1 Has your company issued and sent any public statements supporting specific demands for increased minimum wages to governments and employers in countries where you suppliers are located, assuring country governments that production will not be relocated as a result of increases?

No

If yes, please supply link to where this / these can be found.

8. Freedom of Association

8.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to employers and workers in your supplier factories and subcontractors?

Free text box

As per Fast Retailing for Business partners, production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively. In addition, all production partners shall implement grievance mechanisms to allow all workers to confidentially communicate concerns to the production partner's management and the worker representative without the risk of retaliation and provide effective means remedy such grievances.

Code of Conduct for business Partners

https://www.fastretailing.com/eng/sustainability/labor/pdf/coc_en.pdf

We conduct regular training to ensure production partners understand the Fast Retailing Code of Conduct for Production Partners and the latest in labor standards, etc. For example, we offer programs that cover revisions to the code of conduct (e.g. requiring partners to establish hotlines in fiscal 2017), fire prevention safety standards, correct pay calculations for overtime work, and other matters. During fiscal 2017, we conducted training for a total of 488 factories across seven different countries.

<https://www.fastretailing.com/eng/sustainability/labor/partner.html>

8.2 Do you require suppliers to sign union access agreements? Y/N

No

Fast Retailing is a member of Fair Labor Association. In case of any issue around Freedom Of Association, we enter in a dialogue with our business partners for them to hold an all-employee meeting stating their neutral position regarding trade union activities in their factories. We actively follow remedy toward affected trade union leaders/members.

If yes, please provide details and a copy of any agreement that your suppliers have signed, either by a web link or file upload. Free text box and file upload option

8.3 Do your suppliers provide workers with paid time off for union activities? Y/N/Some

Some

If yes, please state how many suppliers this impacts. Free text box

Fast Retailing is unable to disclose this information, but monitors the number of factories which has signed a Collective Bargaining agreement under which such condition would be negotiated.

8.4 Do your suppliers provide a dedicated space in the workplace for workers to meet and discuss union issues? .

Some

If yes, please state how many suppliers this impacts.

Fast Retailing is unable to disclose this information, but monitors the number of factories which has signed a Collective Bargaining agreement under which such condition would be negotiated.

8.5 Do you require your suppliers meet and bargain with duly constituted unions? Y/N

Yes

If yes, how do you verify that they are doing so? Free text box

As per Fast Retailing Code of Conduct for Business partners: Production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively. Production partners must comply with all applicable local, national laws and regulations, legal requirements, and applicable treaties in the country or countries in which they operate including collectively bargain with duly constituted unions. When improvements are required, we send Fast Retailing personnel to visit the site in person, helping our partners implement measures for improvement.

Code of Conduct for business Partners

https://www.fastretailing.com/eng/sustainability/labor/pdf/coc_en.pdf

8.6 Do your buyers favour suppliers that support the establishment and functioning of genuine trade unions? Y/N

No

If yes, please explain how these suppliers are determined and how preference is given. Free text box

8.7 Does your company have an accessible, independent, confidential means by which workers at supplier factories can file and follow up on complaints about violations of freedom of association and collective bargaining rights?

Yes

If yes, how do you monitor that this can be accessed freely by workers? How do you ensure that workers do not face retaliation when filing complaints? How many complaints have you received in the past year? What is the process for investigating these complaints? How many of those complaints have been resolved?

Free text box and file upload option

Fast Retailing asks partner factories to establish their own hotlines as part of proper business management. In addition, we monitor partner labor conditions to assess whether their business management meets Fair Labor Association standards. We established a Worker Counseling Program that provides a channel for employees at major production partners to contact us directly. These programs exist in Shanghai, Ho Chi Minh City, Dakar, Jakarta, Tokyo, and other locations. Our Sustainability and Production departments take the lead in dealing with complaints received through this program. We ask partners to make improvements and corrections in line with our Code of Conduct for Production Partners, International Labor Organization Standards, and local labor laws. We believe this process leads to improved human rights standards and labor conditions among our partner factories.

<https://www.fastretailing.com/eng/sustainability/labor/partner.html>

8.8 Do you have a policy of terminating relationships with suppliers that fail to pro-actively support Freedom of Association through measures such as the above?

Yes

Please clarify your answer.

As per Fast Retailing Code of Conduct for Business partners, production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively, which is part of the supplier agreements that they need to sign. The agreement also includes that suppliers are expected to uphold the Code of Conduct and remediate violations, when found. Breaching the agreement can be escalated to the Business Ethics Committee, in which one possible outcome could be terminating business relationships.

This committee ensures the Group does not use an advantageous position to exert undue pressure on business counterparts such as partner factories and suppliers. The committee provides advice and counsel to departments based on external field inspections and partner company surveys. The committee is chaired by the head of the Sustainability Department and committee members include a lawyer acting in the capacity of an external auditor. The Committee also carefully discusses the cases of terminating business and gives advice to business lines considering the impact on the factory's business and employment. However, Fast Retailing prefers to work with its suppliers to remediate violations, instead of leaving the factory with the violation unresolved.

9. Dialogue and negotiation with labour rights organisations

9.1 Can your company demonstrate the existence of CBAs negotiated with independent trade unions in your supplier factories, which include agreement on paying above the legal minimum?

No

If yes, how many such CBAs exist within your supplier network and in which countries? Please provide a link to where the text can be viewed or upload an example.

Free text box and file upload option

9.2 Has your company signed any legally binding agreements with workers in garment exporting countries, concerning prices paid to suppliers, wages above the legal minimum and other conditions?

No

If yes, please

10. Further questions about your supplier base

10.1. What are your main production countries? Please state percentage of total production per country and the number of supplier factories. Free text box

Fast Retailing is unable to disclose this information, but has production offices in its key production countries such as China, Vietnam, Bangladesh and Indonesia.

10.2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate % of volume share of your production:

Free text fields showing:

- **Production at factories owned by your company**
- **Orders placed directly to supplier factories**
- **Orders placed through agencies or intermediates**
- **Other (please specify)**

We work mainly with Japanese trade companies and also have direct business with our business partners.

10.3 How many sites did you use to produce your goods in 2018?

Free text fields showing:

- **First tier suppliers**
- **Sub contracted suppliers**

In 2017, we produced in at least 576 1st tier factories. 2018 number of factories is not yet published.

10.4 How many supplier factories do you trade with where you have a regular production share of more than 25%?

Fast Retailing is unable to disclose this information.

11. Your feedback

11.1 Is there anything else you would like to tell us about your work on the living wage in general? Or any feedback you would like to give to CCC?

Fast Retailing is currently collecting wage data using FLA's wage tool kit and benchmarks in a panel of factories located in China, Bangladesh, Vietnam and Cambodia. An analysis is on-going to identify any gap towards living wage and to understand the contributing factors and success from factories which are currently paying a living wage so that Fast Retailing and its suppliers can take sustainable actions to addressing the wage gap. From there Fast Retailing will continue to scale and develop its program committed to achieving fair compensation for workers.

Zalando

RE: Invitation to Clean Clothes Campaign wage survey 2018/19



kirsten.siegler@zalando.de

Fri, 11 Jan 2019 7:22:41 PM +0000

"anna" <anna@labourbehindthelabel.org>

"Dennis Hoenig-Ohnsorg" <dennis.hoenig-ohnsorg@zalando.de>



TLS [Learn more](#)

Dear Anna,

Thank you very much for reaching out to us.

This is an important topic for us which is why we have signed up the Memorandum of Understanding of IndustriALL Global Union and ACT (Action Collaboration Transformation) corporate signatories with zLabels as producer of our private label brands. With this collaboration we are extending our efforts on fair working conditions for Zalando employees and the people working in our supply chain.

Further information about the zLabels standards you can find [here](#).

Kind regards,
Kirsten

--

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From: cr@zalando.de <cr@zalando.de> **On Behalf Of** Anna Bryher
Sent: Thursday, December 20, 2018 2:29 PM
To: cr <cr@zalando.de>
Cc: Hinzmann Berndt <hinzmann@inkota.de>; Gisela Burckhardt <gisela.burckhardt@femnet-ev.de>; Sabine Ferenschild <ferenschild@suedwind-institut.de>
Subject: Invitation to Clean Clothes Campaign wage survey 2018/19

- With attachments -

Dear Denis Hoenig-Ohnsorg,

I'm writing to invite Zalando to make a submission to the Clean Clothes Campaign 2018/19 Wage Survey. This survey will provide a definitive resource for consumers in Europe and the US on which brands are doing more and which are doing less to combat the problem of poverty pay in clothing factories supplying to the European and US market. We're asking you to take part in the survey as a top global company with an influential presence across retail.

Attached is a letter giving you details of the process, and a copy of the survey text. The survey is available to fill in online here: <https://goo.gl/forms/PNu1YIY92dX4GtC13>

We hope that taking part will be a useful evaluation process both for your brand and for consumers we will promote the outcomes to. Do bear in mind that if you do not fill in the survey, a profile will be published about your company using data that is publicly available nonetheless.

Deadline for responses is Friday 11 January, 2019. If you have any questions or concerns, don't hesitate to get in touch. **Please also reply to confirm that you have received this information.** I do hope you will be able to take part in this process and share some of the work you have been doing.

All the best,
Anna

On behalf of Clean Clothes Campaign International.

--
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Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns with 250 organizational members worldwide.

All Labour Behind the Label staff work part-time. I work two days a week. If you need an urgent response, you can reach me on the mobile number above at other times.