

Answers to Business & Human Rights Resource Centre

- 1) **Does your company source from Eastern Europe? If yes, from which countries and what are the shares?**

ANSWER:

ECCO's unique business model is that we own and carefully control our own tanneries and shoe factories, thus we have full control of the working conditions in the production units. In Eastern Central Europe we have our own shoe factory in Slovakia: ECCO Slovakia.

- 2) **How does your company assess the wage levels and make sure that the amount it pays is enough for a decent wage?**

ANSWER:

We consider ourselves a responsible employer and an active player in the local community.

ECCO provides wages and benefits in such a way that they are not less than the minimum wages set by applicable law and match the prevailing local industry practices. When it comes to our factory in Slovakia then we pay way above the minimum wage.

In general ECCO also provides a number of initiatives on top of paid wages, benefits and overtime compensation for our employees at our factories. Among others, ECCO provides free medical service, donates money to handicap associations, and provides student aid to support education of children from financially disadvantaged families.

We also invest in training, so workers have the chance to improve their skills and make higher earnings. We need skilled employees to produce quality products, and we are willing to pay a competitive salary for the high level of skills we need.

Especially for ECCO Slovakia it can be added, that the factory is having a status as preferred Employer for many years. The factory was established in 1999 and does now employ the 2nd generation of shoemakers. ECCO Slovakia is a respected and appreciated member of local business and community. Our factory in Slovakia is offering equal pay to all gender and age groups. With our intensive education programme we further develop individuals as well as teams. Furthermore, there is an intensive social program available as well as activities focusing of health, culture and social issues. The aim is to promote an active life-style for employees and their family members.

ECCO's Code of Conduct prescribes that wages must at least comply with applicable laws in the respective country.

3) What wages does your company pay at its 5 top suppliers? Please, specify countries.

ANSWER:

ECCO own and operate 5 shoe factories. They are located in Slovakia, Portugal, China, Indonesia and Thailand.

ECCO provides wages and benefits in such a way that they are not less than the minimum wages set by applicable law and match the prevailing local industry practices.

4) What wages does your company pay at factories in Eastern Europe, including Albania, Bosnia & Herzegovina, Macedonia, Poland, Romania, Slovakia?

ANSWER:

ECCO only has a shoe factory in Slovakia, and not in any of the 5 other countries mentioned. Elsewhere in Europe we have a factory in Portugal.

ECCO provides wages and benefits in such a way that they are not less than the minimum wages set by applicable law and match the prevailing local industry practices.

5) How does your company make sure that the piece rate system is not leading to abuses such as unpaid overtime, hurdles to use PPEs?

ANSWER:

We do not use piece rate system in our factories.

6) How does the company make sure that PPE is provided? Is your company aware of the issues described in "Labour on a shoestring" report, such as hot/cold temperatures, fainting, etc.? If yes, what does the company do about it?

ANSWER:

PPE (personal protection equipment) is provided for free in all our factories, and it is mandatory to use for all colleagues where PPE is needed. The PPE is provided to colleagues based in risk assessments. The PPE is checked on a regular basis.

In the report, unpaid overtime is also mentioned. We are far below limit of maximum overtime allowed per person. Overtime is voluntary and is being paid to operators with the salary of the respective month.

Untaken holiday is another issue mentioned in the report. In our factory. A holiday plan is signed and approved for the upcoming year, leaving each individual at least 1 week for personal holiday.

Unpaid social insurance is also mentioned in the report. We do all payments on time in full and we do offer also extra insurance which is appreciated by more than 60% of the employees. We have never been late with salary payments – in the most intensive months (before holiday, Christmas) we do even pay one day earlier.

Gender discrimination is also raised in the report. Our male employees are being paid equally to female employees. Our salary matrix is linked to gain competences and not to the gender.

The issues regarding hot temperatures has been raised by colleagues in our shoe factory in Slovakia in the past. We have taken actions on it and invested additional resources in improving the working conditions. A central heating system has been installed which can be combined with local/departmental solutions. This has lead to significant improvements. We work closely with some official institutions as well as with business/technology consultants, when it comes to monitoring and improving the working conditions for our colleagues in the production and elsewhere in the factory.

Concerning fainting. We are aware of 2-3 case. These incidents seem to be linked to personal issues like blood pressure, wrong drinking habits and avoidance of personal medical checks. We do have our own doctor, which is available for our employees, and the service is free. We have also arranged that colleagues from all working places have easy access to drinking water. We are allowing more paid breaks than prescribed by law, and on hot days we even allow for even more extra breaks. A trained first aid team is always available. Furthermore, we ensure that the provider of food and drinks in our canteen lives up to a high standard.

Our general feedback to the report “Labour on a shoestring”

ECCO is aware of the report “Labour on a shoestring”. We came across it by coincident on the internet, and were not contacted by any of the authors in relation to this report. And to be frank, we are rather surprised about the manipulative style used by the authors, who describe all companies active in the footwear industry as villains.

We understand from our colleagues in ECCO Slovakia that the input to this report in Slovakia most likely was done by a Slovak university student as part of her diploma thesis. Our Union Leader remembers one day in 2014, when this young student tried to interview people leaving a morning shift. As our Union Leader says, it was not professional at all and nobody really talked to her, since most people were running to catch their bus.

As already mentioned in this document then ECCO is paying way above the Slovak minimum wage. Furthermore we are true to our Code of Conduct, our values and we of course offer fair and equal pay to women and men. Last but not least we constantly meet all legal requirements proven by audits and inspections.

We encourage an organisation like yours to be critical towards cooperation partners like "Change Your Shoes" and "Clean Clothes Campaign", when they operate in manners as described above. Hopefully you will encourage them to raise their standards.