COMPANY POSITION ON THE LIVING WAGE:

“Versace complies with all the Labor laws, as fore-casted into the policy of Versace Ethic Code.”

Versace makes no reference to a living wage in its ethical code.

WHAT WE SAY:

Versace says it produces 82% of its goods in Italy, 7% in other European countries and just 2% in Asia. However, we would not consider Italy to be a ‘low risk’ country in terms of labour rights. Little evidence was given of work to ensure that workers making Versace products have their rights respected. More engagement is needed than issuing a paper code of conduct.

IN MORE DETAIL:

Has living-wage benchmarks?
No.

Worker empowerment:
Versace says: “Both the Ethic Code and the Framework Supply Agreements state that anyone who has relationships with Versace in any way has to fulfill with all the Versace ethic values, including expressly those related to the Laws and Rules in force in the countries where Versace acts, Labor Laws included.”

Commitment and practices:
Versace has no identifiable monitoring in place to ensure rights are upheld for workers in its supply chain. There are no incentives in place for buyers to show preference to suppliers who promote better wages or are demonstrating better practices, and the company has no policy in place to limit the use of short-term contracts or subcontracting.

Versace says the Asia Floor Wage is being paid to workers in its four Chinese and Indian supplier factories.

Collaborative approach:
Versace has had no involvement with any multi-stakeholder initiatives or trade unions in Italy or anywhere else.

Strategy:
None.

Production overview:
Number of suppliers: 167 first-tier suppliers
Main production countries listed as: Italy (82%), Other European Countries (7%), India (1%), China (2%)

Versace does not publish a full public list of the names and addresses of its supplier factories.

COMMENTS:

Although most of Versace’s production takes place in Italy itself, Versace displays a startling lack of engagement in the need to ensure rights for workers making its products. Due to a significant use of the informal sector and migrant labour in Italy, Versace’s production needs to be carefully monitored if it is to be sure that wages are enough to meet workers’ basic needs and ensure their rights. Little evidence was shown of this. Health and safety in Italian factories has repeatedly cropped up as an issue. Indeed in December 2013, a fire in a subcontractor factory in the town of Prato killed seven Chinese migrant workers, and unions said the health and safety problems that caused the disaster were common in the area – an area where Versace has factories. More needs to be done to safeguard rights than simply having an ethical code and hoping factories comply with the law.