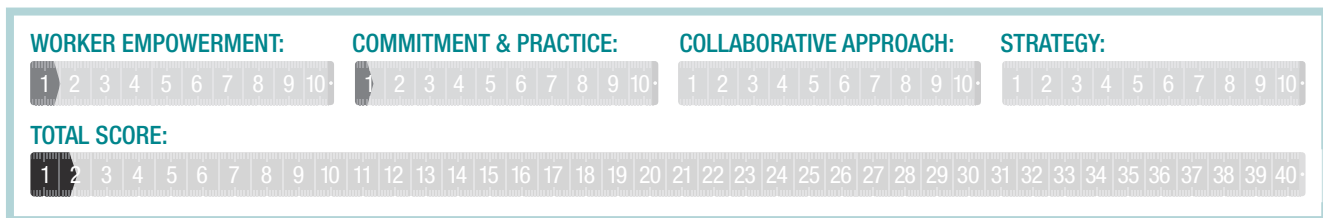


WE FASHION

Brands: WE, Blue Ridge



COMPANY POSITION ON THE LIVING WAGE:

“We implement the BSCI [Business Social Compliance Initiative] Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income.

“We believe it is essential to emphasize the importance of a holistic approach towards the issue of

fair remuneration for workers. In this context, it is important to address the qualitative aspects of wages as well as quantitative aspects... such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.”

WHAT WE SAY:

Sound familiar? Like Lidl, Aldi, IC Companys and others, WE has simply repeated the answers provided by the BSCI, without engaging in the issues. Very little evidence was given of any work to address the problem of low pay. Nothing in the answers provided by this company indicated to us a serious engagement in the need to increase pay to a living-wage level.

IN MORE DETAIL:

Has living-wage benchmarks?

No, uses SA8000 methodology.



WE FASHION

Worker empowerment:

WE Europe says: "Information about rights and freedom of workers is a requirement of the BSCI Code of Conduct."

Training for workers or suppliers is available via the BSCI, but WE doesn't monitor this or ensure its suppliers participate.

Commitment and practices:

No mention was made of work on purchasing practices.

On living-wage benchmarks, WE says: "The calculation of the local living wage forms part of the BSCI audit and is calculated according to the SA8000 methodology. They are used for the gap analysis and in the Corrective Action Plans that are issued to factories after each BSCI audit, indicating steps to be taken in order to arrive at the level of a living wage."

Collaborative approach:

WE is part of a Dutch initiative to make the textile sector more sustainable.

WE mentioned involvement in the Bangladesh Accord, which is not a wage project.

Strategy:

WE says: "The payment of a living wage is a long term goal and is pursued on factory level. Through BSCI we work with each factory individually, because some factories are closer to achieving the living wage and more able to attain this goal than other factories that require different measures and interventions. Overall, the strategy is a step-wise development approach as outlined by BSCI.

"BSCI is an active member of the ILO [International Labour Organization] Fair Wages Network and believes in a holistic approach to the improvement of working conditions and remuneration practises for workers."

Production overview:

Number of suppliers: 78 first-tier suppliers, 138 subcontracted suppliers

Main production countries listed as: China (25%), Other (75%)

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

COMMENTS:

WE Europe's repeated reliance on its membership of the BSCI as an answer to important questions regarding due diligence on human rights is unacceptable. For us, the BSCI approach lacks any means or financial commitment to address low wages.

Our take on the BSCI focus on addressing "the qualitative as well as quantitative aspects" of wage payment is that this is missing the point. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the main issue for most factory workers is that they cannot afford to buy shoes for their children. The repeated protests that take place around the world in garment-producing countries all call for a significant quantitative wage increase. The focus on other aspects of wage payment is a distraction from the pressing and urgent issue of poverty. Given a list of 12 things to do, one of which is 'pay more', every supplier will do the other 11 first.

WE needs to take responsibility for its global supply chain and invest in ensuring the rights of all workers within that supply chain are respected.