
CHARLES VÖGELE SUBMISSION





Clean Clothes Campaign wage survey 2013

Monitoring company progress towards payment of a living wage for garment workers

August 2013

The purpose of this survey is to gather a snapshot of fashion company and retailer progress towards the payment of a living wage. This data will be published by organisations across Europe and the submissions compared with that of other clothing brands. It will be tailored for use by over 500,000 consumers to assess their shopping choices, both through print and online viewing, and a specific mobile application. We appreciate your time and energy in submitting as many accurate and comprehensive answers as possible.

The survey is split into 10 sections. These are based on 10 recommendations for achieving a living wage compiled by CCC Asian partners from the Asia Floor Wage Alliance. (See here for more information: document attached or: <http://www.cleanclothes.org/livingwage/road-map-to-a-living-wage>)

Definition of terms:

- Where the term **living wage** is used in this survey it means a wage that:
 - ✓ applies to all workers
 - ✓ is reached within the standard working week, which is in no case more than 48 hours
 - ✓ is a basic take-home wage before benefits, bonuses or overtime pay
 - ✓ covers the basic needs of the worker and his/her family, where a family is 3 consumption units (a child counts as half a consumption unit)
 - ✓ provides some discretionary income of at least 10% of the amount needed to cover basic needs
- Where the term **supplier factory** is used in this survey it means a factory or production unit that your brand is directly trading with.
- Where the term **subcontractor** is used in this survey it means a factory or production unit that is in your supply chain, but is trading with another unit that you are supplying from.

If you need more space than provided in the form, please use the free textbox at the end of this survey and mark the number of the question(s) you are referring to.

Company name:	Charles Vögele Trading AG
Brands owned by company:	Charles Vögele
Main contact person for this survey:	Name: Yvonne Griga Email: yvonne.griga@charles-voegele.com Phone: 055 416 71 11

1. The living wage standard

A living wage standard must be clearly defined in company policy to ensure that it is clear to everyone what a company aims to deliver in terms of conditions and wages in its supply chain. The policy should be clear on what wage should be paid, including hours in which this should be earned, the role of benefits, bonuses and overtime, the number of family members provided for, and discretionary income.

1.1	What is your company's position on payment of the living wage to workers in your supply chain?	<p>Our company is a participant of the Business Social Compliance Initiative. We implement the BSCI 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. As this is often not the case we support through BSCI work towards the payment of a living wage. 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 quantitative aspects of wages as well as qualitative aspects. Focussing on the quantitative level of the wage earned by workers alone is not enough. In accordance with its cooperation in ILO's Fair Wage Network, BSCI stresses the importance of including qualitative 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.</p>
1.2	Please give the link to your company's code of conduct, which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please provide a copy.	<p>We are following the BSCI Code of Conduct which can be found here: http://www.bsci-intl.org/system/files/2_bsci_codeofconduct_english_pdf_1.pdf</p>
1.3	Does your company agree with the definition of a living wage as given on page 1 of this questionnaire?	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No, our definition differs from the one given.</p> <p>If no, please provide details of how your definition of a living wage is different and give justification:</p> <p>Please see BSCI Code of Conduct Article 4 and our position on living wages above.</p>

2. Respect for freedom of association and collective bargaining, a precondition for a living wage

Freedom of association (FOA) and collective bargaining are fundamental enabling rights. When these rights are respected, workers can use them to ensure that other labour standards, including the living wage, are upheld. Unfortunately, workers face many barriers to joining or forming a trade union and to bargaining collectively. Proactive and positive measures are needed to ensure these abuses stop occurring, to make way for wage improvement.

2.1	How has the right to Freedom of Association and Collective Bargaining been	Please describe: Information about rights and freedoms of workers is a
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	<p>clearly communicated to workers in your supplier factories and subcontractors?</p>	<p>requirement of the BSCI CoC. As stated in the terms of implementation, the Code must be translated into local language and displayed prominently in a factory in order to be BSCI-compliant.</p> <p>Percentage of supplier factories and subcontractors reached by these measures:</p> <p>Please supply an example of materials used.</p>
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2.2	<p>Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations?</p>	<p>Please describe the measures you have taken: Due information and training of factory workers is the responsibility of factory management, the honouring of which is a requirement for BSCI Code of Conduct compliance. The exact percentage of compliance with this requirement is only available on the overall level of all BSCI participating companies, not on an individual level.</p> <p>Names of local unions or workers rights organisations involved in your activities:</p> <p>Percentage of suppliers and subcontractors reached by these measures:</p>
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2.3	<p>Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?</p>	<p>Please describe the measures you have taken:</p> <p>Regular trainings on freedom of association are organised by BSCI . The exact percentage of suppliers that join these trainings is difficult to calculate.</p> <p>Charles Vögele has own Factory Auditors for the issue of Social Compliance in all Sourcing Offices. They instruct and support the management and workers in the factories, amongst others on the right to freedom of association.</p> <p>Percentage of supplier factories and subcontractors reached by these measures:</p>
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<p>2.4</p>	<p>Have your supplier factories and subcontractors issued the <u>right to organise guarantee</u> to workers in any of your production units? Please provide information by country, stating number of supplier factories and details.</p> <p><i>Definition: Right to Organise Guarantee</i> <i>The Right to Organise Guarantee is an agreement signed by the employer to respect the right of all employees to form or join a trade union of their free choice and to bargain collectively without employer interference. The objective of a Right to Organise Guarantee is to create a positive climate for freedom of association and collective bargaining. The guarantee offers workers a commitment that their employer will not retaliate in any way if they choose to exercise their right to freely associate and bargain.</i></p>	<p>This right is clearly covered by the Code of Conduct, which must be displayed prominently in the factory.</p> <p>Some of the detailed information asked here contains privileged and confidential information and cannot be shared.</p> <p>Country: Number of suppliers: Details:</p> <p>Country: Number of suppliers: Details:</p> <p>Country: Number of suppliers: Details:</p> <p>Please provide a sample of materials used in specific countries.</p>
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<p>2.5</p>	<p>Do you require supplier factories and subcontractors to sign <u>union access agreements</u>?</p> <p><i>Definition: union access agreements?</i> <i>An agreement signed between factory management and local unions in the sector, guaranteeing unions that they can organize in a factory without facing abuse and anti-union behavior. This helps to create a positive climate for freedom of association and collective bargaining.</i></p>	<p>No. This is not feasible in some countries, where due to the legal or political circumstances such an action might be unlawful or otherwise unfeasible.</p> <p>Please describe the measures you have taken:</p> <p>Number of supplier factories with agreements: Please provide a sample of a signed agreement.</p>
<p>2.6</p>	<p>Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights?</p>	<p>The BSCI Code of Conduct requires factories to establish appropriate channels allowing workers to raise complaints.</p> <p>Please provide details:</p> <p>How do you monitor that this complaint mechanism can be accessed freely by workers?:</p>

2.7	Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?	<p>The use of short-term labour or other forms of contracting in order to avoid legally owed benefits to the workers are prohibited by the BSCI Code of Conduct. In B.4.2., the BSCI Questionnaire asks for there satisfactory evidence that workers (including those paid based on productivity) are paid benefits at least in conformity with the national law and/or industry standards. Auditors pay special attention to verify that the company does not use labour-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.</p> <p>If yes, please provide details of your policy and its impacts in relevant countries:</p> <p>How has any of this work impacted on workers ability to receive seniority bonuses?</p>
2.8	Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?	<p>Details:</p> <p>BSCI held 23 workshops for producers in 2013 and therefore could reach ca.540 producers. In these workshops, the right to freedom of association is a topic. Pls note that those data concern food and non-food producers</p> <p>If listing future plans, please provide a timescale for activities.</p>

3. Dialogue and negotiation with labour rights organisations

Too often workers are ignored in corporate accountability programmes of global buyers, even though they are the supposed beneficiaries of code implementation and monitoring programmes. Worker involvement is

key to any credible attempt to improve conditions and wages. Workers and their organisations must play a key role in the design and implementation of any programmes that aim to improve wages, both at a factory level and at a national or extra-national level.

3.1	Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:	Provide names of organisations or unions, countries, and details of work (incl. time-frame): BSCI organizes numerous round tables in sourcing countries to address critical issues in social compliance that include all stakeholders, including trade unions. See: http://www.bsci-intl.org/search/node/%22round%20table%22
3.2	Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories? If yes, please provide details specifying countries and numbers of suppliers.	The main outcomes of round tables are awareness raising, discussions and recommendations. Based on this, BSCI does more research or engage on specific capacity building activities.

4. Benchmarks for a minimum living wage

Without benchmarks for what a living wage means, the term remains an aspiration that cannot be measured or achieved in any real sense for workers. Having accurately costed benchmarks for the living wage figure makes it possible for companies, workers, unions and campaigners to work out how to realistically achieve these. It is further necessary for these to be public to allow these to be understood and scrutinised.

4.1	Does your company have internal figures that it uses to benchmark wages for each sourcing country or region?	<input type="checkbox"/> yes <input type="checkbox"/> no If yes, please provide details of how these were developed (method, which stakeholders involved) and how they are used: The calculation of the local living wage forms part of the BSCI Audit and is calculated according to the SA 8000 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 the living wage.
4.2	Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.	BSCI follows the SA 8000 methodology for calculating the level of living wages. Country/region: LW Benchmark: Country/region: LW Benchmark:

4.3	Please give details of the number of your suppliers in Asia that are currently paying the Asia Floor Wage.	<p>This information is privileged and confidential.</p> <p>Country:</p> <p>Number of supplier factories paying AFW:</p>
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5. Purchasing practices that make living wages possible

How buyers engage with suppliers, and the prices that they pay, has a crucial impact on a factory's ability to pay a living wage. Buyers can use contracts and buying power to improve wages and incentivise change.

5.1	Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list?	<p>Charles Vögele does not allow subcontracting, unless we know the factory and the BSCI standard is implemented, respectively the factory is in the BSCI-process.</p>
5.2	<p>Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard*? How?</p> <p><i>*High Standard: CCC is interested whether you are promoting work towards a living wage using these measures, where a living wage is defined for all workers as a take-home wage for a standard working week, before bonuses and overtime, which covers basic needs for 3 consumption units, and discretionary income of 10% (see definition page 1). High standard is not defined as compliance with the minimum wage, which is not a living wage.</i></p>	<p>This information is privileged and confidential.</p> <p>Details:</p> <p>Are other incentives provided for buyers or supplier factories to work towards a living wage for workers?</p> <p>How is this monitored?</p>
5.3	Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?	<p>This information is privileged and confidential.</p> <p>Please provide details:</p>
5.4	Does your company operate a policy of buyers favouring supplier factories that support the establishment and functioning of genuine trade unions, and those with collective bargaining agreements?	<p>This information is privileged and confidential.</p> <p>Details:</p> <p>How is this monitored?</p>

5.5	Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.	<p>Details:</p> <p>If listing future plans, please provide a timescale for activities.</p>

6. Living wage projects

In this section we would like you to provide details of any test case programmes your company is currently engaged in on the ground to achieve wage increases. See the attached document "Road map to a living wage", section 6, for more information about the Clean Clothes Campaign's approach to credible wage projects and their objectives.

6.1	Please provide details of any projects here:	<p>Location:</p> <p>Number of factories and workers involved:</p> <p>Living wage benchmark used:</p> <p>Wage increase achieved:</p> <p>Details of process:</p> <p>Partnerships:</p> <p>Location:</p> <p>Number of factories and workers involved:</p> <p>Living wage benchmark used:</p> <p>Wage increase achieved:</p> <p>Details of process:</p> <p>Partnerships:</p> <p>Location:</p>
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		<p>Number of factories and workers involved:</p> <p>Living wage benchmark used:</p> <p>Wage increase achieved:</p> <p>Details of process:</p> <p>Partnerships:</p>
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7. Public statements to support an increase in the minimum wage to living wage level

Global buyers also have a role to play in advocating for an increase in minimum wages in production countries. This by no means removes the responsibility of global buyers to pay a living wage in each factory, but the raising of the minimum floor can help reduce the gap between the minimum and living wage, therefore making it easier for all companies to improve wages.

7.1	Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?	Please see all the public statements and position papers which are available on the BSCI-website.
7.2	As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?	<p>Details:</p> <p>Please provide a link to the public statement:</p>

8. Transparency

Transparency and accountability should be central to any credible corporate accountability program. The lack of transparency in the industry limits the abilities of unions to organise the workers employed by particular buyers, and makes it difficult to verify whether a particular company's reports on working conditions are accurate. In order for change to be supported at all levels in the industry it is vital that information and supplier lists are more readily available from all parties.

8.1	Does your company publish a full public list of supplier factories, and subcontractors, their locations and products?	<p>This information is privileged and confidential.</p> <p>If yes please provide a URL link. If no, please provide your position on this:</p>
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		Does your company have plans to do this in the future?
8.2	Does your company publish impact reports on projects related to wages?	If yes, please provide a URL link:

9. Collaborative working

9.1	Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:	Name of MSI: Details of your involvement in project work on wages:
9.2	Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:	Details:

10. A clear route map for implementing a living wage for all workers

In order for change to happen, it is important that companies have a clear aspiration, timeline and concrete plan for how to achieve the living wage, which clearly marks out steps for how this will be achieved. This should include, for example, a clear target number of factories that will pay the living wage benchmark within a 5 year and 10 year period.

10.1	Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?	If yes, please provide details here: The payment of a living wage is a long term goal and is pursued on the factory level. Through BSCI we work with each factory individually, because some factories are closer to 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.
10.2	Does this strategy have a time scale?	If yes, please state time scale:

10.3	What consultation have you carried out on this strategy, both within and outside your company?	
10.4	How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?	Details: Through discussion with government, NGOs, Trade Unions and other bodies in the form of Round Tables and special projects. This year a process aiming at improving the conditions of Migrant Workers in Thailand has been started, as well as work aiming at the improvement of Homeworkers in India.
10.5	Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?	BSCI is an active member of the ILO Fair Wages Network and believes in a holistic approach to the improvement of working conditions and remuneration practices for workers.

Further questions about your supply base

These questions will not affect the assessment of your company, but the data will provide important background to allow your responses to be read in context. Answering these questions is compulsory.

Please understand that this information forms part of our business strategy. By providing this information we could jeopardize our business. Therefore this information is privileged and confidential.

A	What are your main production countries? Please state percentage of total production per country and the number of supplier factories.	Country: Number of suppliers: Country: Number of suppliers: Country: Number of suppliers: Country: ; Number of suppliers: Country: Number of suppliers:
B	What kind of trade partners are part of the sourcing structure?	Please indicate an approximate % of volume share of your production for each type of trade partner.

		<p>Production at factories owned by your company:</p> <p>Orders placed directly to supplier factories:</p> <p>Orders placed through agencies or intermediates:</p> <p>Other:</p> <p>If other, please specify:</p>
C	What is the length of time that you have been working with your current suppliers?	<p>More than 5 years: .of supplier factories.</p> <p>2-5 years: of supplier factories.</p> <p>Less than 2 years: of supplier factories.</p>
D	How many sites did you use to produce your goods in 2012?	<p>First tier supplier factories:</p> <p>Subcontracted suppliers:</p>
E	How many supplier factories do you trade with where you have a regular production share of more than 25%?	<p>Number:</p> <p>Please list suppliers, country and % of product share at the factory:</p>

➔ Free textbox on next page

General Statement on Living Wages

We support the concept of a fair remuneration that aims at covering the needs and aspirations of factory employees. Hence, we appreciate the efforts undertaken by various organisations to achieve living wages for workers in production countries.

We are aware, that our business activities have an influence on the living standard and working conditions of factory employees. For this reason we prefer suppliers who support our sustainability activities in a comprehensive and active way whenever possible. As a member of the Business Social Compliance Initiative (BSCI), we are guided by the BSCI Code of Conduct that provides the framework for improving working conditions at the level of factories. We actively engage with our suppliers to implement the BSCI Code of Conduct. Currently, the BSCI CoC is under revision. The new version is planned to be published by the end of the year 2013.

The new BSCI CoC follows the concept of a fair remuneration. This definition comprises both quantitative and qualitative aspects. It includes topics like regular payments of wages, paid maternity / sick leave, regular payments to social security systems where available, timely and formal payment, equal treatment of full-time, part-time and piece-rate workers, etc. The concept of fair remuneration allows a holistic view on wages. It is based on the ILO Fair Wage concept.

The requirement to pay minimum wage including all statutory benefits and correct overtime payment is non-negotiable. The implementation of a living wage remains voluntary, but it is a clear aspirational goal to be achieved. The local calculation of living wages is part of all BSCI audits and is recommended as best practice. The calculation shows the difference between currently paid wages and aspired living wages.

Apart from the developments around the Code of Conduct, additional activities organised by BSCI take place in form of round tables in production countries, as well through dialogue with local stakeholders and organisations that face similar challenges. BSCI collaborates e.g. with the Fair Wear Foundation and the Fair Labour Association in ILO's Fair Wage Network. Furthermore, BSCI strengthens the dialogue between workers, management and unions through workshops and other activities. The aim of these activities is to achieve a sustainable wage increase through local legislation and stakeholder dialogue, in our view the best way to progress towards our long-term goal.

For further information on BSCI's activities on wages please refer to the BSCI Factsheet on Wages.