
NEW LOOK SUBMISSION



Clean Clothes Campaign Wage Survey

Response ID:72; NewLook Data

1. Login/Password Action

NewLook

Password : NewLook

2. Introduction

1. Company name:

NewLook

2. Brands owned by company:

3. Main contact person:

Name: : Subathra Vaidhiyanathan

Email: : Subathra.V@NewLook.com

Contact phone number: : 020 32197233

3. The living wage standard

4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

ETI Base Code

5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.

http://www.ethicaltrade.org/sites/default/files/resources/ETI%20Base%20Code%20-%20English_0.pdf

Upload option.

6. 1.3 Does your company agree with the definition of a living wage as given here?

Yes

If no, please provide details of how your definition of a living wage is different and give justification.

Yes, we agree with this approach in principle, but we believe that the household size and number of wage-earners per household needs to be varied according to actual household size in a particular context.

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

7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

All suppliers formally commit to working towards the ETI Base Code before they can supply. All factories used

by a supplier must have a copy of the ETI Base Code prominently displayed in their factories.

We send our Factory Assessment Guidebook to all our suppliers. This covers all sections of the ETI base code and clearly sets out our requirements and provides a self-assessment form enabling factories to understand to what extent they meet our requirements of Freedom of Association and Collective Bargaining.

Percentage of supplier factories and subcontractors reached by these measures:

0%

Please supply an example of materials used:

[2 Freedom of Association and the Right to Collective Bargaining.pdf](#)

8. 2.2 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? Please supply details:

- Yes, last year we reached 159 factories (17% of total factories) with our programmes to enable workers to raise and resolve issues, reaching around 109,000 workers. This includes train the trainer packages for workers on their labour rights at 24 factories in Bangladesh and 20 factories in India. In Bangladesh we conducted supervisor leadership training working with Nazma Akhtar of Awaz Foundation, a prominent trade unionist and labour rights activist.
- This year we will train workers on their labour rights to 50 factories in Bangladesh.

In the UK last year we provided training to increase workers' awareness of freedom of association and collective bargaining in 58 UK factories.

(To note, as discussed, we have not included answers to the % of suppliers Q so entered 0%. This applies for a number of answers, but should be read as N/A not 0% reached)

Percentage of supplier factories reached by these measures: : 0%

9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

Yes, we provided training to managers at 100% of our 50 factories in Bangladesh and training to workers at 24 factories on worker rights and FOA. We also supported 49 factories to set up worker committees. In China we supported 9 factories to set up worker committees, while in India we delivered training to workers on their labour rights at 20 factories.

This year we plan to support factories in India, Bangladesh and China to implement the principles of the training. We are also planning collaborative training on labour rights and Freedom of Association to 100% of our factories in Turkey.

The uploaded documents detail some of the training (cut down to fit upload size) we conducted in Bangladesh.

Percentage of supplier factories and subcontractors reached by these measures:

0%

10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

	Country:	Number of suppliers:	Details:
1:			
2:			

3:			
4.			

Please provide a sample of materials used in specific countries:

[HR 4_Training on FOA and worker committees_shortened version.pdf](#)
[Training on Leadership Awaj Foundation - shorter version.pdf](#)

11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

Number of supplier factories with agreements:

0

Please provide a sample of agreements signed:

12. 2.6 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? How do you monitor that this can be accessed freely by workers?:

Yes. We ask factories to post details of our helpline in every factory we source from. In addition, worker interviewers and our local teams provide business cards with contact numbers during assessments, project visits and training.

We believe that workers are able to access an actionable and safe means of raising complaints directly to us. We have received a number of calls in UK, China and Bangladesh. We keep records of all calls and 100% of whistle-blowing allegations are investigated and resolved.

13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : Yes we have identified this as a risk in North India where we have been working with factories over the past 5 years to improve the contractual position of workers and to encourage sign-up to social insurance (Provident Fund and ESI). Over the last 2 years we have worked with 8 factories to address the issue of short term contracts. We provide training to both managers and workers explaining the benefits of social insurance to the employee and the employer. We work with managers to support them to change their policies, and ensure good implementation so that workers are able to access benefits. As a result of this work, some factories have started to improve the package offered to contract workers by enrolling them in Provident Fund and ESI, and working with the local government offices to ensure that paperwork is correctly completed. This means that for the first time, workers' families are able to gain access to free medical treatment back in their villages and workers are able to gain access to a contributory savings scheme. Other factories have transitioned workers onto permanent contracts as well as providing them with social benefits. One worker said, "After on-roll system (permanent work) I think I can save more money for the future. It has changed my mind set towards the company and I think I will work here for a long time."

How has any of this work impacted on workers ability to receive seniority bonuses?: : This work has not impacted on seniority bonuses which are not common practice in Northern India, where pay is principally skill-based.

14. 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?

One of our 5 ethical objectives is "to empower people in factories to raise and resolve issues". Over the next year, we are planning to reach 133 factories and 88,654 workers in 7 countries through a combination of activities including:

- Delivering projects across 133 factories and 42 suppliers to raise worker awareness of labour rights and

FOA. This work will be carried out in 4 countries and will be linked locally accessible grievance mechanisms

5. Dialogue and negotiation with labour rights organisations

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

Cambodia: Our team met with 14 trade union representatives from 6 Trade Unions at 6 factories:

- FTUWKC (Free Trade Union of Workers of the Kingdom of Cambodia)
- LDUF (Labour Development Union Federation)
- NIFTUC (National Independent Federation Textile Union of Cambodia)
- CFTU (Cambodian Federation of Trade Unions)
- CWLFU (Cambodian Workers' Labor Federation Union)
- CFUF (Worker Freedom Union Federation)

As an immediate result, management at one factory met workers' request allowing workers to make use of washrooms during lunch breaks. We hope to broaden and deepen this dialogue to deliver further results in the coming year.

Bangladesh: we have worked with Awaz Foundation to investigate issues raised by labour activists in one factory supplying New Look. We have also worked with Awaz on training supervisors to improve the leadership skills. Given the difficulty of negotiating access to factories for TUs in Bangladesh, we have worked with factories to support the development of 49 active worker committees to provide some means of raising and resolving issues.

China: New Look has supported 9 factories to set up worker committees, resulting in the establishment of 6 effective committees.

UK: Our Ethical Trade Manager, Subathra Vaidhiyanathan, has been elected as the brand representative on the worker participation working group of the Accord on Factory and Building Safety in Bangladesh. The Working Group will develop further Accord provisions relating to:

- Workers' participation via the establishment and functioning of Health and Safety Committees
- Worker complaints mechanism
- Framework for the training coordinator and the training programmes
- Operationalising the "right to refuse dangerous work"

16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

See above

6. 4. Benchmarks for a minimum living wage

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

Yes

If yes, please provide details of how these were developed and how they are used:

We refer to the Fairwair wage ladders which set out current published figures from a wide range of sources by location. This is an extremely useful resource because it enables ready access to a large amount of data from government, trade union, academic and NGO sources, enabling us to understand the views of different stakeholders.

In China we participated in the ETI Wage study carried out last year.

We believe in taking an incremental approach to increasing wages towards living wage standards, concentrating on developing methodologies and approaches that actually deliver higher wages. These wages do not reach living wage levels in many contexts, however, we have real evidence of significant increases which are reaching workers’ pockets. One of our 5 ethical objectives is “continually improve workers’ lives and livelihoods”. This is supported by a target for this financial year to “Deliver wage improvements to workers through capacity building projects across 43 factories in 4 of our key sourcing countries”

Last year we rolled out wage improvement programmes to 119 factories against a planned 38, touching 53,449 workers. Projects include:

- 11 of our factories participated in the Benefits for Business and Workers (BBW) programme 5 in Bangladesh and 6 in India. This is a collaborative project, involving 8 retailers, with support from the Department of International Development’s RAGS Challenge Fund, and managed by Impactt. The programme reached a total of 73 factories supplying participating retailers, employing 102,000 workers. Overall, in Bangladesh average monthly take-home pay increased by 7.63%, equivalent to an increase in annual pay of £3.4 million across the workers employed by participating factories. This was matched by a reduction in working hours, which meant that hourly pay went up by 11.94%. In India, monthly take-home pay increased by 5.09%, equivalent to an increase in annual pay of £614,000 across the workers employed by participating factories. Again, working hours were reduced, which meant that hourly pay went up by 8%.
 - o One worker said: “I feel there has been lots of change in this factory in the last six months. There is less absenteeism, because of the attendance bonus. I am saving the extra money for my daughter’s future and to buy new things for the house. It is helping me through all my life.”
- In China we supported 12 factories to build wage and hours records and analysis systems, enabling us to set wage benchmarks for the coming year. We have collected data on wages at these factories on a monthly basis and carried out an in-depth analysis of average pay and hourly pay against the AFW and ETI China Income Survey. We used this to establish a wages benchmark and a long term strategy roadmap. The findings were as follows:

Average Monthly Wage Summary:

- 75% of factories’ average monthly wages were higher than AFW.
- 100% of factories were higher than AFW for 10 months of the year.

Average Hourly Wage Summary:

- 100% of factories’ average hourly wage is higher than the local minimum hourly rate.
- 41.7% of factories’ average hourly rate was higher than the Asia Floor Wage.
- 66.7% of factories’ average hourly rate was higher than the Asia Floor Wage.
- We trained 102 factories in China on how to improve basic wages.

This year we have set ourselves the following targets:

- Work with 30 key factories in China to establish wage improvement targets.
- Continue to work with the 12 factories in the RAGS BBW programme in India and Bangladesh to monitor and support wage improvements with a target of 10% increase in average pay per hour.
- Support 2 factories in China to improve average pay per hour by 10%

18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

	Country/region	Living wage benchmark
1.		
2.		
3.		

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the Asia Floor Wage.

	Country/region	Number of supplier factories paying Asia Floor Wage
1.		
2.		
3.		
4.		
5.		

7. Purchasing practices that make living wages possible

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:

Yes: We are going through a process of supply base consolidation. We have reduced the number of factories we use in key sourcing countries from 745 to 705 between February and June 2013 so as to enable us to concentrate our activities in factories where we can make a difference. This is a reduction of 5% of factories. We have also increased our vigilance on unauthorised subcontracting, levying fines on suppliers who subcontract without our authorisation.

21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard? How?

Yes: We use an ethical scorecard for our top 24 suppliers, responsible for 78.2% of our intake value last year. Suppliers are evaluated on their ethical performance alongside quality, on-time delivery and commercial measures. To achieve a maximum score of 4, suppliers must have an ethical trading policy, a dedicated ethical trading manager and be working actively on projects which benefit workers or the environment. Some of the examples of these projects include providing a housing fund for workers, or liaising with Trade Unions in Vietnam to arrange events for workers.

We have committed to ensuring all of our top 24 suppliers reach score of 3 this year, which means they are “demonstrating significant progress and performance”.

The Sourcing Director discusses the ethical scorecard and their progress against KPIs with each supplier to identify areas for further improvement and support.

We are also rolling out a factory scorecard which measures key indicators across 100% BD factories. We have committed to supporting factories to reduced risk rating against benchmark to meet our standards or we will stop sourcing relationship.

22.

Are other incentives provided for buyers or supplier factories to work towards a living wage for workers? : no
How is this monitored? : n/a

23. 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?

We work with our suppliers to encourage their factories in India and Bangladesh to participate in the RAGS Benefits for Business and Workers (BBW) project, which has delivered real increases in workers’ wages, enabling them to increase their take-home wage whilst working fewer hours. We source 32% of our Indian product from RAGS BBW participants and 41% of our Bangladesh product from RAGS BBW participants.

The RAGS BBW project delivered an increase in average monthly take-home pay of 7.63%, equivalent to an increase in annual pay of £3.4 million across the workers employed by participating factories. This was matched by a reduction in working hours, which meant that hourly pay went up by 11.94%. In India, monthly take-home pay in RAGS BBW factories increased by 5.09%, equivalent to an increase in annual pay of £614,000 across the workers employed by participating factories. Again, working hours were reduced, which meant that hourly pay went up by 8%. Whilst we recognise that these results do not meet living wage levels, they have made a real and we believe sustainable difference to the workers concerned. We have confidence that factories participating in this programme have better wages and conditions overall. This means that we are confident that the FOB price per piece at these factories is sufficient to allow for the higher wages achieved by the programme.

24. 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?

We include freedom of Association in our overall supplier scorecard, see above.

25. 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.

8. Living wage projects

26. Please provide details of any projects here. Please note you can cut and paste long pieces of text into these small boxes if necessary:

	Project 1	Project 2	Project 3	Project 4
Location:				
Number of factories and workers involved:				
Living wage benchmark used:				
Partnerships:				
Wage increase achieved:				
Details of process:				

27. Please upload any useful supporting documentation here:

[Answer to Question 6.docx](#)

9. New Page

28. 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?

We have been working with the ETI and other brands to lobby the government to increase minimum wages since 2006. The most recent letter focuses on fire and building safety.

29. 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?

Yes, as signatories to the Accord in Bangladesh, we are committed not to pull out of factories for a 2 year period.

10. Transparency

30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their locations and products?

We have shared our list of factories in Bangladesh with the Accord. We share factory lists on request with the ETI as part of their working groups.

Do you have plans to publish a full list in the future?

31. 8.2 Does your company publish impact reports on projects related to wages?

Please see our website at:

<http://www.newlookgroup.com/newlook/en/sustainability/ethicaltrading/wagesandworkingconditions> Please see Nicer Work: Impactt's Benefits for Business and Workers Programme 2011-2013 to be published in October. Our public report will be published on our website this month

11. Collaborative working

32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:

RAGS Benefits for Business and Workers Programme.

We worked in partnership with 8 major retailers and brands (Arcadia, Marks & Spencer, Mothercare, New Look, Ralph Lauren, Sainsbury's, Tesco and Varner) with matched funding from the RAGS Challenge Fund to roll out the Benefits for Businesses and Workers (BBW) project in India and Bangladesh, implemented by Impactt and Rajesh Bheda Consulting. The team worked closely with industry associations and the brands to recruit factories, and coordinated with fellow grant holder, Awaz Foundation, to refine worker outreach elements. Between January 2011 and June 2013 BBW reached a total of 102,110 workers, 54,186 (53%) of them women. In Bangladesh we reached 41 factories employing 80,526 workers (57% women) and in India, we reached 32 factories employing 21,584 workers (38% women) to:

- Develop solid and robust management and production systems to make sustained productivity and quality improvements
- Develop management and supervisor capability in HR management, problem solving and decision-making
- Build better responses to health and safety challenges
- Improve workers' job quality
- Increase workers' wages.

BBW is an innovative training and consultancy programme which trains factories in groups of 6 over a period of 6 months. The pilot project developed a low-cost model for delivering highly effective training at scale. The training focusses on HR and Productivity and enables the factory middle management to value workers as an asset in driving the company forward and increasing profitability. Factories pay a fee equivalent to £2,000 for 26 days' training. Modules take place in-factory, with each factory hosting one or more modules. The team also visits factories for individual follow-up sessions. This approach has delivered stronger results than more costly, individual factory programmes because of the sharing opportunities and peer pressure provided by the group environment.

The results are extremely positive across the board – BBW supports an improvement in both the capability of businesses and the quality of jobs for workers. The programme champions investment in the workforce, proper

induction systems, better communications and better access to skills development and promotion, increasing employee satisfaction and prompting a sense of self-worth.

In Bangladesh - Efficiency improved by 18%. Cut-to-ship ratio by improved by 1.14%, meaning that factories were able to ship (and get paid for) more garments from the same inputs. This represents a significant cost saving for factories. On average, participating factories saved £40,293; a 6-month ROI of 21.

Absenteeism reduced by 34% on average, indicating that workers were more motivated to come to work each day. In perhaps the most pleasing result, worker turnover is down on average across all factories by 52.15%. This means that fewer than half the number of workers were leaving every month than at the start of the programme.

Overall, factories saw an increase in average take-home pay 491 Taka per month or 7.63% - equivalent to an increase in annual pay of £3.4 million across the 67,640 workers employed by participating factories. Factories also performed strongly on hourly pay, increasing this by 11.94%. Workers' quality of life was also improved by significant reductions in working hours, with the percentage of workers working more than 60 hours per week falling by 43%.

In India – efficiency improved by 26.27% and cut-to-ship ratio by 1.38%, enabling Indian factories to realise £24,919 of savings due to cut-to-ship and efficiency improvements, a 6-month ROI of 13. Absenteeism reduced by 26.68% and worker turnover by 26.1%. Average take-home pay increased by 264.60 Rupees or 5.09%. This would be equivalent to an increase in annual pay of £614,000 across all the 17,442 workers employed by participating factories. Factories also performed well on hourly pay, increasing this by 7.99%.

We compared the performance of BBW factories to a comparable group of 28 factories which did not participate in the programme. Factories in both groups were broadly similar, in terms of location, product type, price point, export volume and type of customer. We looked at BBW factory performance at the end of the programme. We found that BBW factories performed far better overall on all key labour issues in which we monitor, in both India and in Bangladesh.

This may indicate that BBW participants have improved their labour standards performance during the programme, and/or may show that the type of factory willing to join and invest in such a programme is likely to have higher standards. At the very least, better factories, which are more open to change and prepared to make a commitment themselves are able to make improvements, with the support of BBW. There are also strong indications that BBW acts to boost factories which already have potential, and may also be powerful in starting under-performing factories on the road to improvement.

Participants commented as follows:

“On the first day, I was thinking why do I, a production planning manager, need to attend an HR module? After attending I realize this is very important for production people to understand workers and their feelings. I learn how to talk to them and what makes them worried and what helps them to do quality work. Listening to others and working as a team is very important.” Production Manager

“This sort of training technique I have not found elsewhere in Bangladesh and I feel [the garment industry] need this sort of training more and more.” General Manager

“I feel lots of change in this factory in the last six months – there is less absenteeism, because of the attendance bonus. I am saving the extra money for my daughter's future and using it for buying new things for the house. It is helping me through all my life.” Worker

Please see *Nicer Work: Impactt's Benefits for Business and Workers Programme 2011-2013* to be published in October.

33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

34. Supporting documents:

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

35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?

Wage improvements as central to our strategy and we understand that improvements in freedom of association and collective bargaining vital in achieving this. Our ethical objective “continually improve workers’ lives and livelihoods” includes 29 projects, of which 6 projects are specifically designed to deliver real wage increases to workers in 43 factories in 4 countries. This will reach approximately 17,173 workers over the next 7 months. This work is supported by 11 projects on freedom of association including activities directly aimed at workers, in partnership with NGOs and trade unions, and actions focused on developing management ability to communicate with workers, understand their needs and prioritise them,

We are also implementing 2 projects in India and Bangladesh giving workers access to bank accounts – this is a vital corollary to work on increasing wages, since access to banking reduces costs for workers and enable fairly priced remittances and access to savings products. These are particularly important to women and migrant workers.

36. 10.2 Does this strategy have a time scale? If yes, please state.

this is a process of continuous improvement and we have listed activities to take place over the next year.

37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

ETI tri-partite review and consultation with our suppliers through our local teams.

38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

Our strategy is focused on responding to workers stated needs. The majority of workers in our target countries are migrants and our programmes are aimed specifically at meeting their needs. We focus on issues which are important to workers, including access to benefits, in particular in China and North India, where migrants have difficulty in accessing these. Benefits provide a valuable supplement to direct income and give households greater resilience. We are also working on financial inclusion to support migrant and women workers to have more control over their money and financial affairs.

Our Delhi-based suppliers use homeworkers for embellishment of garments. We work with the Self Employed Women’s Association (SEWA) Delhi, whose members are female home-based embroiderers, to increase the wages they are paid for their work. SEWA is an innovative business model which cuts out the traditional middle-man and negotiates fairer payment for members directly with factories, ensuring more money for workers. In 2011 and 2012, New Look was SEWA’s biggest brand buyer.

39. 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?

13. Further questions about your supply base

40. 1. What are your main production countries? Please state percentage of total production per

country and the number of supplier factories.

	Country	Percentage of production	Number of suppliers
1	China	47.90%	142
2	Cambodia	14.10%	6
3	Bangladesh	12.50%	16
4	UK	6.80%	30
5	Moldova	4.80%	4
6	Turkey	3.40%	17
7	India	3.20%	45
8	Vietnam	2.20%	9
9	Pakistan	1.60%	10
10	Romania	1.60%	14

41. 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: : %
 Other: : %

42. If other, please specify.

Re the below Question: We have increased our average length of supplier relationships from 1273 days to 1653 days over the last 12 months. This helps us to build long term, stable partnerships which provide a stronger platform for ethical improvements in our supply base.

43. 3. What is the length of time that you have been working with your current suppliers?

	% of suppliers
More than 5 years:	0%
2-5 years:	0%
Less than 2 years:	0%

44. 4. How many sites did you use to produce your goods in 2012?

First tier suppliers: : We bought from 917 factories during our financial year 2012/13.

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

Number of suppliers: : We do not collect this data.

Response Location

Country:	United States
Region:	CO

City:	Boulder
Postal Code:	80301
Long & Lat:	Lat: 40.050701, Long:-105.203697

Answer to Question 6:

Last year we rolled out wage improvement programmes to 119 factories against a planned 38, touching 53,449 workers. Projects include:

- 11 of our factories participated in the Benefits for Business and Workers (BBW) programme 5 in Bangladesh and 6 in India. This is a collaborative project, involving 8 retailers, with support from the Department of International Development's RAGS Challenge Fund, and managed by Impactt. The programme reached a total of 73 factories supplying participating retailers, employing 102,000 workers. Overall, in Bangladesh average monthly take-home pay increased by 7.63%, equivalent to an increase in annual pay of £3.4 million across the workers employed by participating factories. This was matched by a reduction in working hours, which meant that hourly pay went up by 11.94%. In India, monthly take-home pay increased by 5.09%, equivalent to an increase in annual pay of £614,000 across the workers employed by participating factories. Again, working hours were reduced, which meant that hourly pay went up by 8%.
 - One worker said: "I feel there has been lots of change in this factory in the last six months. There is less absenteeism, because of the attendance bonus. I am saving the extra money for my daughter's future and to buy new things for the house. It is helping me through all my life."
- In China we supported 12 factories to build wage and hours records and analysis systems, enabling us to set wage benchmarks for the coming year.
- We trained 102 factories in China on how to improve basic wages.
- We worked with one factory in the UK to trial a methodology for increasing workers' wages through increasing skill levels and paying skill increments. This is a work in progress, and we look forward to reporting on results in the future.

This year we will continue to work with the RAGS factories to continue improvements in pay per hour.

2. Freedom of Association and the Right to Collective Bargaining

WHAT is freedom of association and collective bargaining?

Freedom of association refers to workers' rights to form or join a trade union. Collective bargaining allows workers to group together to negotiate with management on workplace issues.

WHY is it important?

Unions and collective bargaining provide an important mechanism for workers to engage with management. If used properly, they can help solve problems within the factory and improve communication between managers and workers.

The ETI base code says:

2. Freedom of association and the right to collective bargaining are respected

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.1 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 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.

CORE QUESTION 2:

Are you satisfied that the factory encourages collective negotiation?

To answer this question, you need to walk around the factory, talk to managers and look at documentation. Carefully go through the following questions. Mark each question with ✓ if you can answer YES and ✗ if your answer is NO. Answering YES means that the factory complies with New Look's standard, NO means that the factory will need to take action. Please do not feel you need to answer YES to all questions. Answer the questions truthfully so your answers truly reflect the conditions in the factory. This is an exercise which is designed to help you identify areas in which the factory needs to improve.

When you have answered all the questions in this section you will have built up a picture of the factory's performance in this area. Think about the core question and circle the word which best describes the factory's performance on freedom of association and collective bargaining.

POOR	ACCEPTABLE		VERY GOOD	EXCELLENT
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Factory Assessment Guidebook

2. Freedom of Association and the Right to Collective Bargaining

2.1 Right to Join a Union

Talk to managers:

2.1.1 Are workers allowed to join a union?

2.1.2 Is there a union in the factory?

If YES, talk to the union rep:

What percentage of workers are members of the union? _____ %

2.2 Management Attitudes to Unions

Talk to the union rep:

2.2.1 Does management have a positive attitude to the union?

2.2.2 Are union representatives freely elected by the workers?

2.2.3 Are ALL union representatives members of the workforce i.e. NOT management?

2.2.4 Does management meet with the union to discuss workers/workplace issues e.g. H&S, wages?

2.3 No Discrimination Against Unions

Talk to the union rep:

2.3.1 Are union representatives free to carry out their union responsibilities without being subjected to discrimination from management?

2.4 Alternatives to Unions

If unions are restricted by the law of the country:

Talk to managers:

2.4.1 Is there a workers committee through which workers are represented?

Talk to workers' representatives:

2.4.2 Is this committee freely elected by workers?

2.4.3 Does this group meet with management to discuss workers/workplace issues?

When you have answered all these questions, go back to the core question at the beginning of this section and answer it by circling the word which best describes the factory's performance.



RAGS

4th HR Module

Getting the most out of your workers



The Training Programme

Step 4:

PEACE OF
MIND



WELFARE OFFICER,
WORKER COMMITTEE



SYSTEM
IMPLEMENTATION



What is going on in the mind of a worker

I'd love my son to go to private school, I need **money** for his education. How can I manage?

My son is **sick** again
I must go home as quickly as possible.

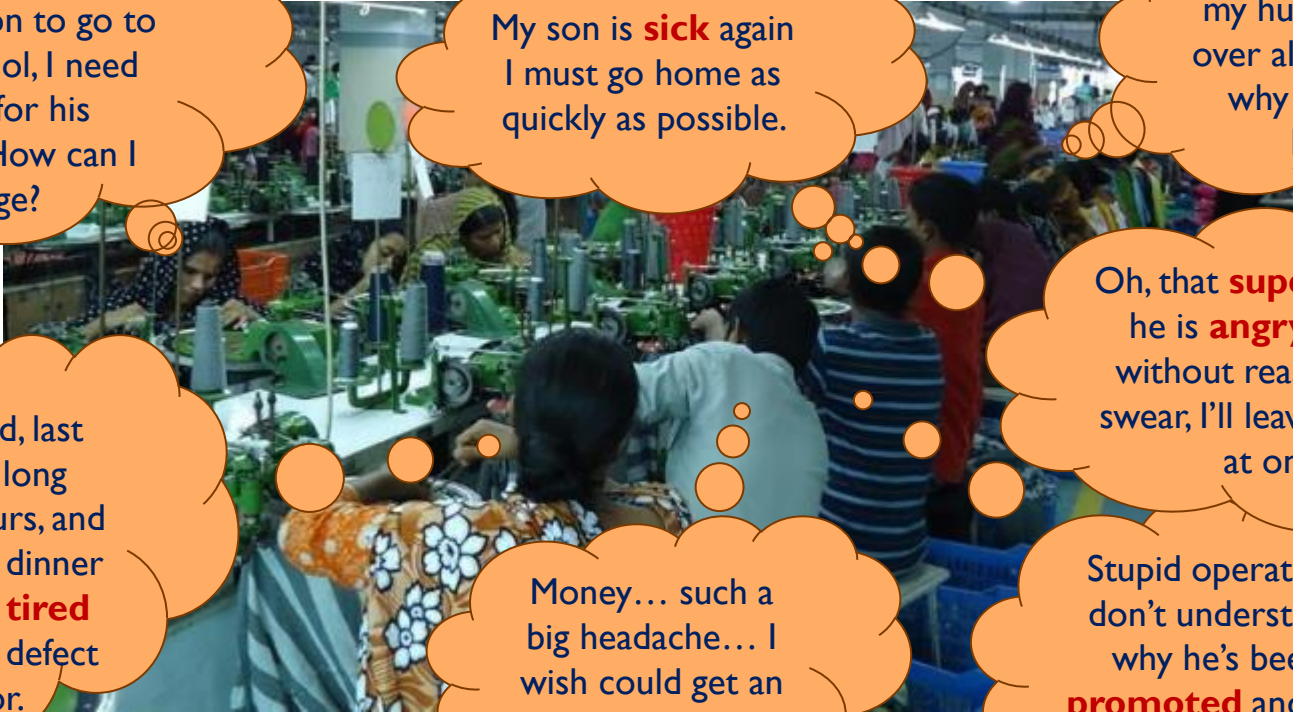
I don't understand my husband. I hand over all the **money**. why is he never happy ?

I am so tired, last night I did long overtime hours, and then cooked dinner – **I am too tired** to be a zero defect operator.

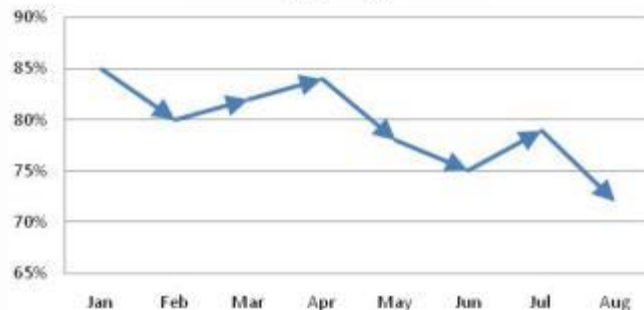
Money... such a big headache... I wish could get an **advance**.

Oh, that **supervisor**... if he is **angry** with me without reason again, I swear, I'll leave this place at once!

Stupid operator. I don't understand why he's been **promoted** and not me.



Efficiency going down!!



Efficiency is made of:

Peace of Mind – “everything is resolved”

Good process / technical know-how – “You know what you have to do when to do it”

Good work environment – “I feel comfortable at work”

Good management – “You get the right support when you need it”

Career path/reward – “You improve your position”



If you are worried, you are less likely to work efficiently and concentrate on your work.

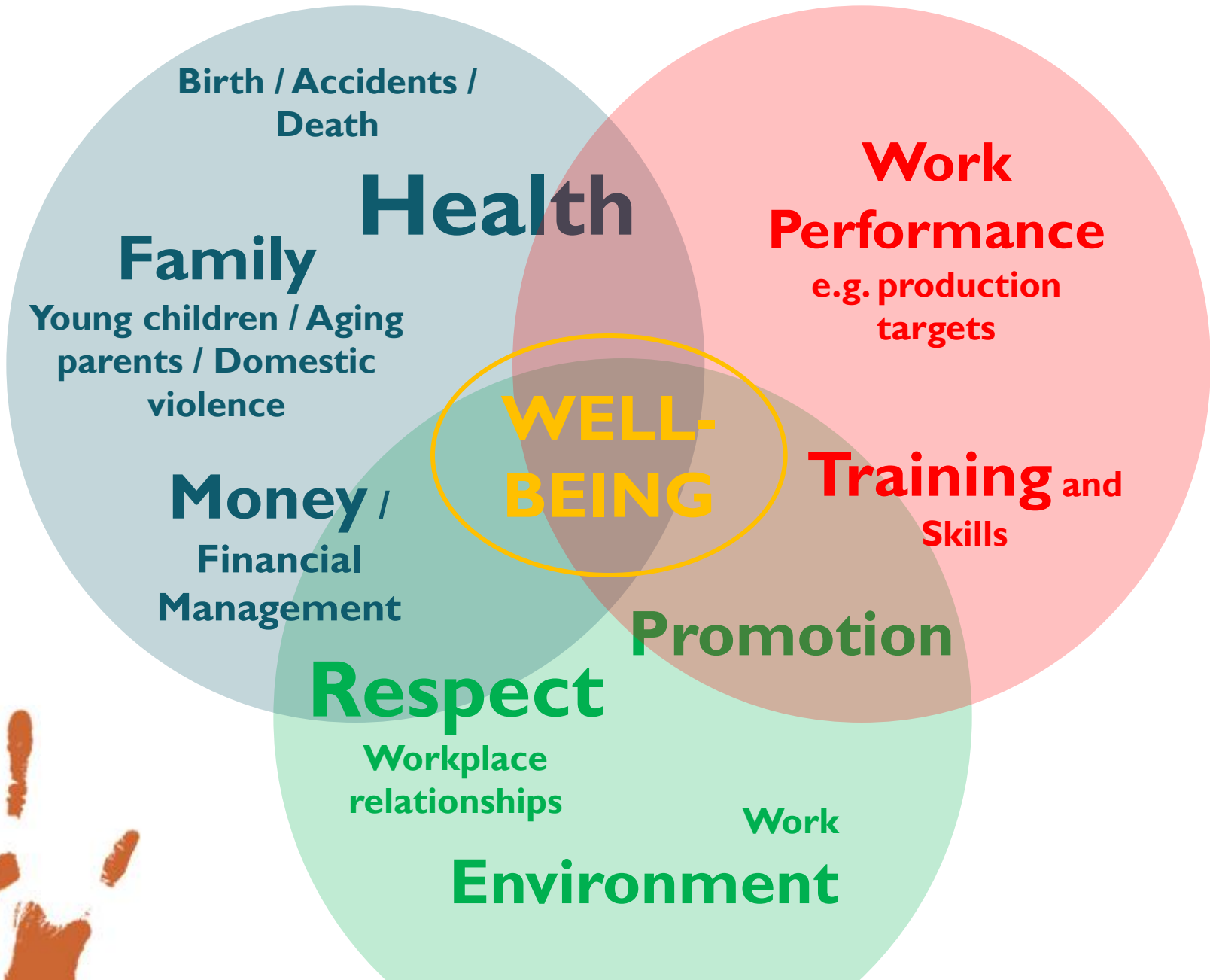
Need to understand what is going on

How can we empower workers to share their grievances with us?
If we do not know, we cannot do anything...

Absenteeism and turnover will still be an issue. Lower
productivity will be the norm.



Need to understand what is going on



Communications Workshop

Invite worker reps/buddies, welfare officer, supervisors into discussion to share workers' concerns

What can be done?

Not all issues can be addressed by us. We can only support our workforce in some ways.

Someone at the factory?

Someone outside the factory?

We unfortunately cannot help...

How can we feed this back to workers?



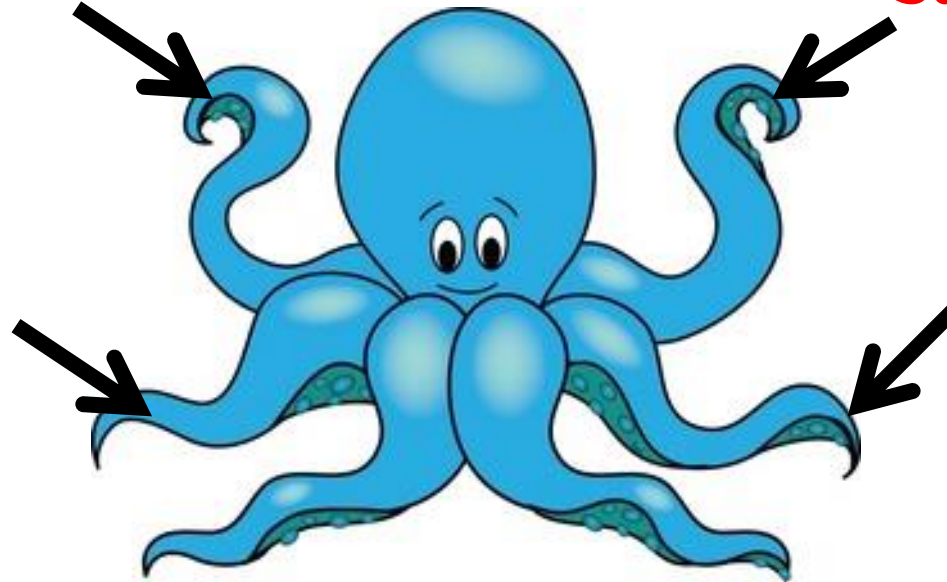
Systems

Welfare Officer

Supervisors

Buddies

**Worker
Committee**



Every arm is important – Every arm needs attention

Some Examples

- Supervisors – workers report that they do not respect workers and workers want to leave
- Welfare officer – job description focuses on administration not on HOW to support workers
- Buddies – there are workers who are respected who workers turn to for advice but they are not recognised and the information they capture is not used



Challenges

But what if workers do not want to share...?

How can we understand workers' needs and address them?

How can we proactively gather feedback from workers on what is working and what needs to be improved?



Worker Participation Committee

Golden rules:

- Establish a functioning committee
- Identify workers' views
- Communicate workers' views
- Resolve any issues
- Record workers' views and outcomes
- Communicate back the resolution



*These are critical for the success of a worker committee. If workers are not aware of the resolution of issues, they will not raise any issues... It is therefore **very important** to let workers know that management is addressing their concerns.*



Benefits

- ✓ Workers feel heard and valued by management
- ✓ Increased loyalty and retention
- ✓ Management is pro-actively tackling the issues before they become industrial actions / labour unrest



Leadership Training for Mid level Management



What we will discuss today...

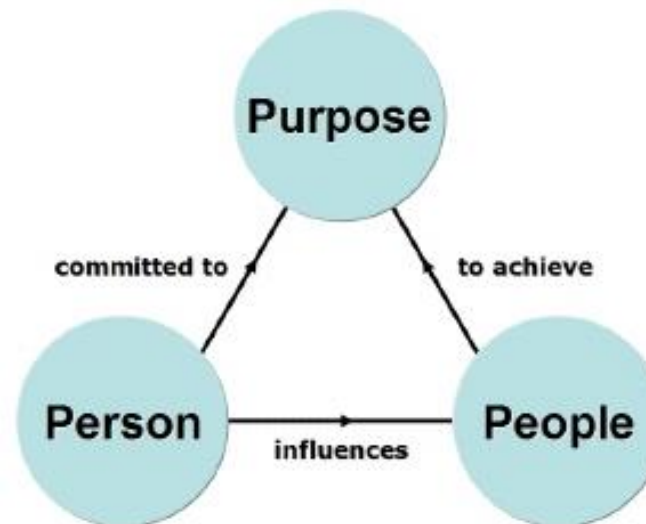
- Who is a leader?
- Definition of leadership
- You and your leadership
- Your team
- Motivating the team
- Your team's rights



Who is a Leader?

Leader is a person who **influences** a **group of people** so that the group can meet a **goal**

Leadership is about setting a new direction for a group and **supporting everyone in the group** to follow this new direction.



Supervisor = Leader for it's workers

A supervisor is a leader when s/he:

- **Listens** – when workers ask for support for any kind
- **Explains** – new work to the workers
- **Encourages** – give support when doing rework
- **Makes decisions** – who will be promoted or need further training
- **Chose directions** – how to do the work / when to give leave, gate pass, provide a feeding break
- **Overcomes changes** – handle line when no electricity, no input, lots of new workers or people on sick leave in the line



Supervisor = Leader for it's workers

A supervisor is a leader when s/he:

- **Make sure workers get their rights** – Examples are: maternity payment , Eid bonus is paid, sick leave, payment of minimum wage, leave encashment.
- **Supports** - who is absent, need leave, sick need to give them support and also achieve the target
- **Supports workers to give their best** – achieve zero defect and target on time – give a buddy
- **Keeps an eye on progress** –check performance of the line and the workers



Supervisor = Leader with their line manager

A supervisor is a leader when s/he:

- **Shares achievements on the line** – number of workers promoted, number of zero defect workers.
- **Request support from line managers** – to overcome challenges, meet production line objectives and make sure s/he has everything s/he needs to build a high performing team.



Supervisor = Leader

- A mediator reduces gap – balance the line, up-skill workers
- A networker connects people ideas and work – team work
- A problem-solver – focus on what can be done
- A visionary sees creative solutions, new directions, and possibilities – encourage, train workers



The Leader and his/her team



*“Great things in business are never done by one person, they are done by a **team of people**”*

Beatles



What should you do when you get angry?

There are many things that can make you angry....

- Today 5 workers made absent
- 2 new workers join in your line
- 3 ask for leave
- 1 workers pregnant
- 1 workers get sick in the line
- No input today
- You receive very hard tone from higher level for not achieve target
- 1 worker made accident in the line

How do you react?



What should you do when you get angry?

What is a better way to deal with anger?

- Take a 10 second break, breath... and think what it is that makes you angry.
- Think how to handle this issue in the best possible way. What is the desired outcome that you want?

Your response should support you in being someone who looks after the workers in their production line and makes sure they work in a happy and safe environment and meet production targets.

- Think about: is it your role to solve this problem?

Get the right people together who can solve the problem.



Definition of rights

A right is a legal rule to have or do something

A right implies a duty..

A duty is an action that someone needs to take to fulfil the right.

It's the supervisors duty as a leader to know about workers' rights and make sure rights are respected so that workers are happy and have no worries that influences their work.

Examples:

Right: payment of minimum wage

Duty: factory to provide worker with minimum wage

Your role: make sure workers receive minimum wage

Right: Receive maternity leave and benefits

Duty: factory to give the pregnant worker time off work and provide worker with maternity benefits

Your role: make sure workers get maternity leave and benefits



Rights: what does it mean in your day-to-day work?

You have to look after your workers' rights so that workers are happy and not worry during their work. Because then you will have a high performing team!

QUIZ



**Sweets for
right
answers!**

Rights: what does it mean in your day-to-day work?

What do you need to do when a worker:

- is off sick?
- tells you she is pregnant?
- tells you s/he wants to leave?
- asks for leave encashment?



These rights apply to you too!



Sweets for
right
answers!

Rights: what does it mean in your day-to-day work?

What do you need to do when a worker:

- does not understand his/her payslip/is or confused about his/her wage?
- asks for their Eid bonus?



These rights apply to you too!



Sweets for
right
answers!



NEW LOOK
ETHICAL
TRADE
REPORT
2012-2013

NEW LOOK

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LETTER FROM OUR CEO, ANDERS KRISTIANSEN

Sustainability is a cornerstone of how we do business. It's important to our customers, our staff, our suppliers and our stakeholders, and it makes good business sense for us too.

We work hard to manage our impact on workers and the environment, ensure that our business relationships are ethical, and make sure that no animals are harmed in the making of our products.

This report focuses on our work in ethical trade. It explains the strategy we've developed to help meet the needs of workers in our supply chains and our progress over the past year. Keeping workers safe and improving the quality of their jobs is our key ethical objective. This year we've worked with more than 200 factories employing 143,000 workers to make this a reality.

I'm proud to say that we achieved or exceeded 80% of our targets last year. For example, we delivered wage improvement projects in 119 factories, against a target of 38, and we delivered capacity building training on a range of topics including health and safety, at 129 factories, against our target of 127. We recently won the Good Governance award category at the Global Sustainability TVE film awards for a film about our factory improvement work in Bangladesh.

We're proud of our achievements, but they're not enough. We want to embed ethical trade and sustainability into all aspects of our business. We have a long way to go. But by working with our partners around the world, we believe that we are making significant progress towards this objective.

Please read this report and our website to find out more.

Yours sincerely,

Anders

INTRODUCTION

At New Look, ethical trade is about providing quality jobs for the people who make our products. It's about understanding the needs of the workers in our supply chain and working with our factories, suppliers and partners to meet those needs.

We talk to thousands of workers around the world every year. They tell us they want higher wages, more respect, and better prospects and an improved future for their children. These needs form the basis of our ethical trade strategy, they guide our work and ensure that the projects we deliver bring real benefits to workers.

Our ethical trade strategy has 5 objectives. We work to:

- Continually improve workers' wages and working conditions
- Enable workers to raise and resolve issues
- Build factory management skills and systems
- Build transparent relationships along the supply chain
- Ensure New Look's team and suppliers understand their role in delivering our ethical trade strategy



I want to buy my own machines and set up my own business in the garment sector.

This report explains our ethical programme in detail and sets out the progress we have made against these targets over the past year to April 2013. We aim to be as transparent as possible and we hope this report provides a useful resource to understanding our strategy and our work this year.



The report is split into two sections; firstly the background to ethical trade and how we develop our ethical trade strategy. Secondly, it explains the strategy in detail and how we've implemented it.

I want to earn a living for me and my family. I also think it's important that I save some of what I earn for the future.

DEVELOPING OUR ETHICAL TRADE STRATEGY

1. Our ethical principles
2. Background to our ethical trade programme and our key stakeholders
3. Understanding the ethical issues in our supply chain

IMPLEMENTING OUR ETHICAL TRADE STRATEGY

4. Our ethical trade objectives
5. Monitoring progress against our objectives
6. Our partners
7. The ethical trade team and how to contact them

INTRODUCTION

Meeting workers' needs across our supply chain is a big challenge and we have a long way to go. It's not easy and we have a lot of obstacles to overcome along the way. But we're determined to bring about positive change.

We ask all of our suppliers to sign up to our **Ethical Aims**, which are based on the ETI Base Code. We know we need to support our suppliers in achieving all of these aims. We do this through a combination of audits, factory visits and project work.

Our projects focus on key areas like health and safety, wage improvements and labour rights. We've seen some great achievements in 2012/2013. These include:

- Training 121 factories across 6 countries on health and safety
- Delivering wage improvements in 119 factories
- Working with 159 factories and over 92,000 workers to increase awareness of labour rights
- Training supervisors and management at 129 factories on topics like improving working environments, health and safety, and communication between workers and management

Workers are seeing the benefits of these projects and have reported:



I like this factory as I can plan for my future for me and for my family. Here they provide training for what I want to learn. This means I could get promoted. Mainly they listen to us. This is the main thing in my life I want from a job.



I feel lots of change in this factory in the last six months – there is less absenteeism, because of the attendance bonus. I am saving the extra money for my daughter's future and to buy new things for the house. It is helping me through all my life.



When developing and implementing our ethical strategy, we follow 6 key principles that guide our work. They are:

1 NEVER LOSE SIGHT OF DOING THE RIGHT THING FOR WORKERS

Our ethical strategy focuses on doing the right thing for workers, so that every person in our business can be proud of our products and how they are made.

2 SUPPORT OUR SUPPLIER BUSINESSES AND SUPPORT BETTER JOBS FOR WORKERS

We care about our suppliers and the workers who make our product and realise that by sharing resources, knowledge and tools we increase the quality of jobs and businesses.

3 ENGAGE WITH SUPPLIERS AND MONITOR PROGRESS

Maximising the outcome of our strategy can only happen when all relevant parties are engaged and involved. Through our experience we also know that it is not just about making a first step, it's about monitoring on an ongoing basis to continuously improve our performance.

4 BE TRANSPARENT AND WORK WITH FACTORIES TO UNDERSTAND THEIR CONCERNS AND CHALLENGES

First we need to understand what the concerns at our factories are before we can expect these parties to understand us. This creates an open dialogue that encourages transparency. This provides us with a true picture of the situation and only from this basis can we develop and execute a meaningful ethical strategy.

5 BUILD FACTORY MANAGEMENT SKILLS & SYSTEMS

Strong supplier relationships coupled with our robust supplier KPI process helps us to understand their strengths and weaknesses, spot opportunities, identify solutions and delivering projects together that are of real value to suppliers and their workers.

6 KEEP IT REAL!

We're very good at getting to the bottom of things. As such, we have an understanding of the issues our suppliers and workers face, and we're very aware that within the difficult trading conditions we know we need to stay realistic in terms of what we can achieve.

OUR JOURNEY SO FAR

WE HAVE BEEN WORKING ON ETHICAL TRADE SINCE 1993. WE ARE PROUD OF THE PROGRESS WE'VE MADE SINCE WE STARTED. HERE ARE SOME OF THE HIGHLIGHTS OF THE LAST 15 YEARS.

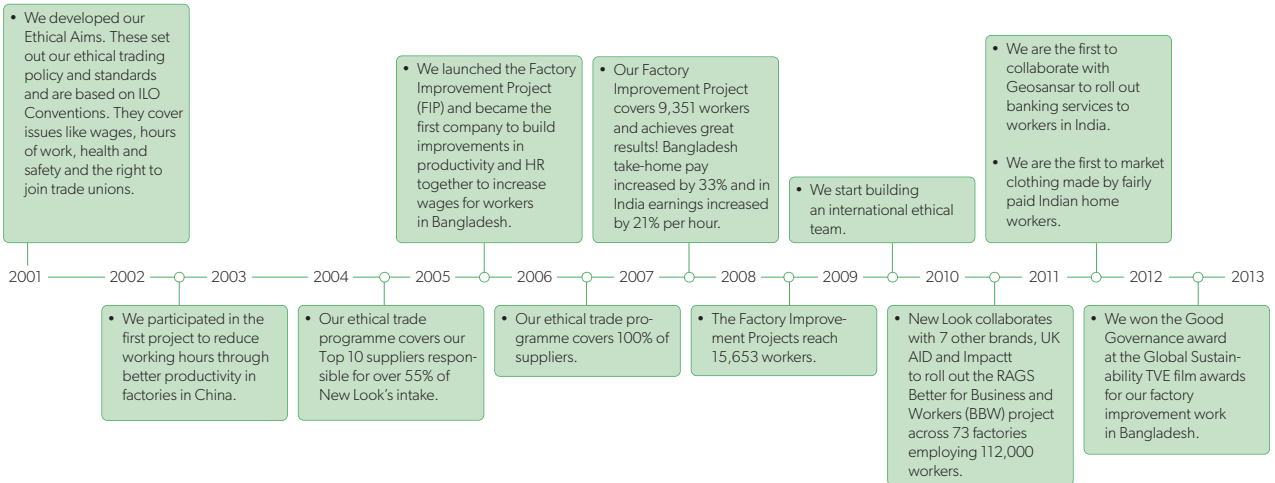


Figure 1: Timeline of our ethical activities since 1998

We're looking to build on these successes year on year. But for our work to be both successful and sustainable, it needs to deliver on the needs of all our key stakeholders. Broadly

speaking, ultimately this means contributing to the success of our business, whilst driving real improvements for workers around the world.



Figure 2: Our ethical strategy considers the needs of all our key stakeholders

OUR SUPPLY CHAIN

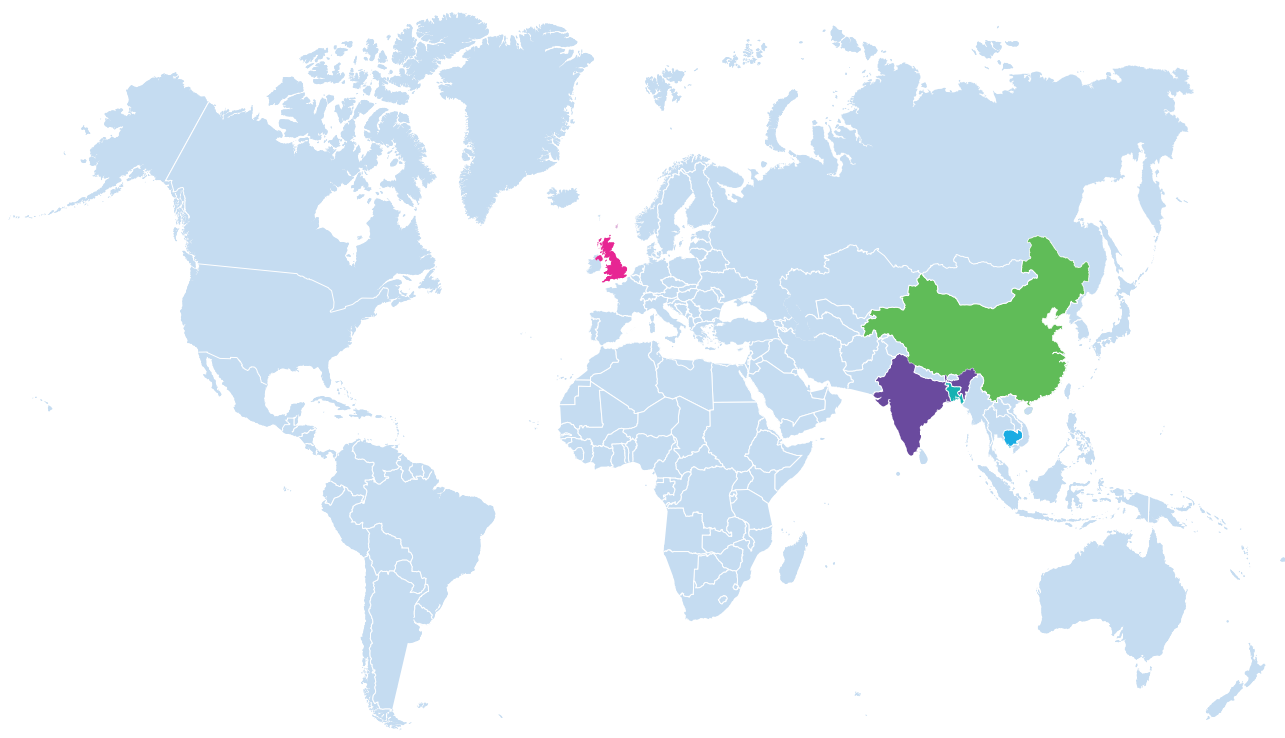
We value our suppliers and aim to build strong, long standing partnerships. We buy from 269 suppliers (agents) who source from 917 factories in 26 countries.

We have very strong relationships with our top 20 suppliers who accounted for 76 % of intake spend in last year.

This is followed by a layer of core suppliers with whom we have medium to long term relationships.

There are then a number of suppliers who supply us as fashion trends dictate, on an occasional basis. Our strategy must identify appropriate actions for each of these groups.

CHINA, BANGLADESH, CAMBODIA, UK AND MOLDOVA WERE OUR TOP 5 SOURCING COUNTRIES LAST YEAR, IN TERMS OF SPEND.



UNDERSTANDING THE ETHICAL ISSUES IN OUR SUPPLY CHAIN

We use a number of tools to build our understanding of the issues in our supply base. This includes auditing, our own factory visits, worker interviews, and the experience we gain from working with suppliers and factories around the world.

1. AUDITS AND FACTORY VISITS

We use a range of tools to do this including third party audits via the Sedex system, second-party audits carried out by our own and by supplier staff, and in-depth, diagnostic investigations conducted by external partners.

This year, independent third party auditors conducted over 250 audits across our supply chain. By talking to factory managers and workers we can understand what challenges our factories face in delivering quality jobs and meeting New Looks Ethical Aims (based on the [ETI Base Code](#)).

In addition to audits carried out by independent auditors, our own team has visited over 500 factories since 2011.

The combination of audits, visits and in depth investigations gives us a strong grip on the underlying issues in our supply base.

We've found that the most common issues in the countries and factories that we source from are to do with health and safety, working hours and wages.

The diagrams below and on page 10 show the issues found in our supply chain as well as an overview of the top issues in our key sourcing countries.

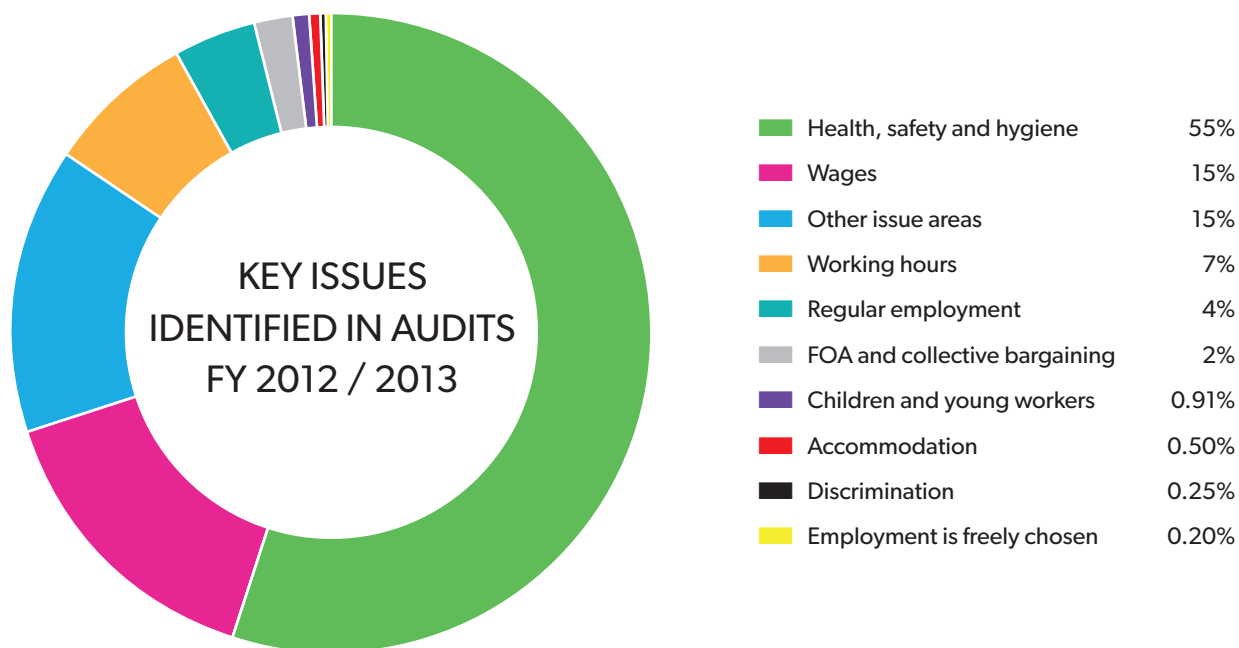


Figure 3: Key issues identified in audits FY 2012 / 2013

These audits raised a small number of non-compliances to do with Children and Young Workers, however none of these involved finding children working at the sites. The issues were raised to improve their age-verification and young-worker

management systems at some of the sites. We are currently supporting supplying factories to make these improvements e.g. by making sure they check and verify IDs when workers are being recruited.

UNDERSTANDING THE ETHICAL ISSUES IN OUR SUPPLY CHAIN

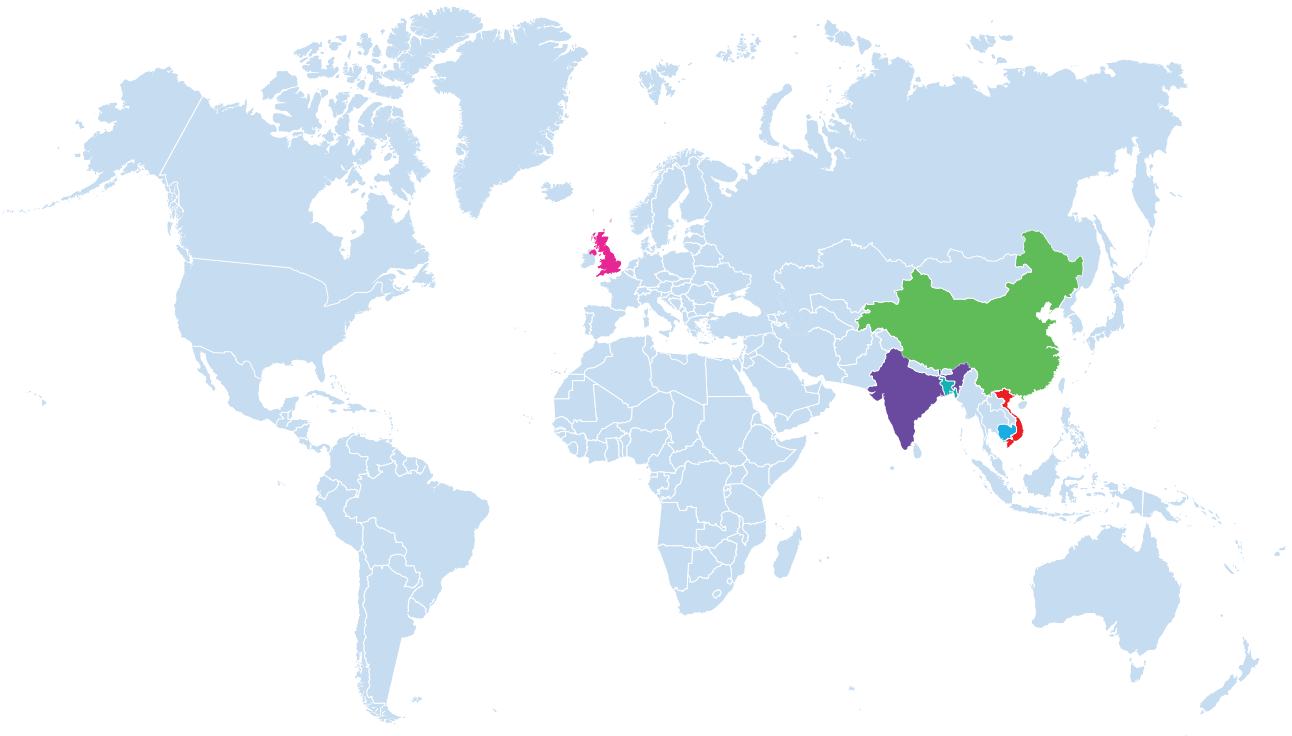


Figure 3: Top 3 issues in key sourcing countries

The tables below show the most common issues within each of these key sourcing countries, as well as the % of sites supplying

New Look that have one or more non-compliances within these three areas.

UK		VIETNAM		INDIA	
Health safety and hygiene	54%	Health safety and hygiene	50%	Health safety and hygiene	47%
Wages	20%	Wages	16%	Other issue areas*	24%
Regular employment	14%	Working hours	14%	Wages	16%
CHINA		BANGLADESH		CAMBODIA	
Health safety and hygiene	54%	Health safety and hygiene	62%	Health safety and hygiene	87%
Other issue areas	18%	Wages	17%	Working hours	10%
Wages	13%	Other issue areas	8%	Accommodation	3%

* Other issue areas refer to issues which do not fall directly under one of the ETI base code categories. They are often to do with the environment or a lack of management systems.

Health and safety along with wages and working hours are the most common non-compliances in our supply base. We work with all our suppliers to close off these non-compliances. Sometimes this can take a few weeks. Sometimes, this can take more than a year, especially when dealing with issues that are harder to solve or involve a lot of training, such as increasing wages.

We've also used these findings to guide **our strategy** and many of our projects are designed to improve health and safety and tackle the root causes of low wages and long **working hours**.

2. WORKER INTERVIEWS

We know audits are important. However, they do not give us the whole picture and we strongly believe that the best people to tell us how to improve the lives of workers are the workers themselves.

This year we've spoken to more than 3,000 workers across our supply chain. From our conversations, we know that their three top needs are improved wages, being treated with respect, and their ability to give their children a better life and more opportunities than the previous generation.

UNDERSTANDING THE ETHICAL ISSUES IN OUR SUPPLY CHAIN



My husband and I work in the same factory. We have two children in our home town. We're working hard to raise them and provide a better life for them.

I am working here to get some savings and I want to open a small shop after several years.

For this reason, our strategy prioritises the issues important to workers, and builds our suppliers' abilities to tackle these issues.

Our work in factories has identified some of the root causes of the problems workers are facing, including poor human resource management, long working hours, freedom of association, and the management of worker grievances. Our strategy targets these issues and we're already seeing some improvements.

To summarise, our understanding of the ethical issues in our supply chain is gained from a combination of worker interviews, site visits and audits. In addition to this, we're constantly developing our understanding through our own project experience, our close working relationships with suppliers, and the expertise of our partner organisations.



Figure 4: How we develop our understanding of key issues in our supply chain

OUR STRATEGIC OBJECTIVES

Led by the findings of our audits and our conversations with workers and other stakeholders, we identified 5 strategic objectives which are vital to tackling the issues in our supply chain. In 2012, we committed ourselves to:

- 1 CONTINUALLY IMPROVE WORKERS' WAGES AND WORKING CONDITIONS**
- 2 ENABLE WORKERS TO RAISE AND RESOLVE ISSUES**
- 3 BUILD FACTORY MANAGEMENT SKILLS AND SYSTEMS**
- 4 BUILD TRANSPARENT RELATIONSHIPS**
- 5 ENSURE NEW LOOK'S TEAM AND SUPPLIERS UNDERSTAND THEIR ROLE IN DELIVERING OUR ETHICAL TRADE STRATEGY**

This report sets out how we're progressing against these objectives one year on.

1 CONTINUALLY IMPROVE WORKERS WAGES AND WORKING CONDITIONS

Keeping workers safe and improving the quality of their jobs is our key ethical objective. This year we've worked with more than 200 factories employing 143,000 workers to make this a reality.

This year, we're committed to:

WORK WITH 124 FACTORIES ACROSS 6 COUNTRIES TO DELIVER HEALTHIER AND SAFER WORKING ENVIRONMENTS

Factories		
Planned	Reached	%
124	121	98%

DELIVER WAGE IMPROVEMENT PROJECTS ACROSS 38 FACTORIES IN BANGLADESH, CHINA AND INDIA

Factories		
Planned	Reached	%
38	119	313%

We implemented a number of projects to achieve these results including:

- Improving health and safety through training workshops
- Improving wages and working conditions
- Improving access to banking for workers
- Child labour remediation

PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

IMPROVING HEALTH AND SAFETY

We're always striving to improve health and safety in the factories we source from. We do this through factory visits, audits and training in Bangladesh, China, India Cambodia, Turkey and the UK.

Factory fires in Bangladesh have shown the tragic loss of life which poor health and safety can cause. It's very clear that there's lots of work to be done to change attitudes to health and safety. We're working to improve understanding and awareness of the importance of sound health and safety systems in factories and, crucially, how to implement good practice at all times.

We worked with over 100 factories around the world between April 2012 and January 2013 to train them on the importance of



Worker wearing a protective metal glove for cutting

BANGLADESH FIRE SAFETY TRAINING

We held a fire safety seminar in January 2013, training 167 managers from all of our factories on key fire safety skills. At the start of the training, managers wanted to find out "how can I save lives?", "how can I check for risks and share this information with my factories" and "how can I apply this in my work".

The training aimed to answer all these questions and more. Whilst the training did cover the practical technical elements such as how to check for fire hazards, how to conduct a fire drill, and how to make sure workers know what to do should a fire break out; the main emphasis was on ensuring that all factory managers in our supply chain understand that worker safety and wellbeing must always come first.



We have been given fire and safety training so I know where to store sharp tools, how important it is to keep the needle guards in place, and I always use the equipment provided for my safety.

Now our supervisors always suggest that we wear our masks for our better health.

With this in mind, the training focussed on transforming mind-set, attitudes and resulting behaviours. We made the most of very interactive and experiential learning techniques to facilitate open discussion and encourage a practical approach to the challenge. These combine to enable management to understand and take true ownership of their roles and responsibilities in protecting workers and always prioritising worker safety over production as well as giving them technical knowledge on implementing best practice health and safety.

We provided a self-help guidebook as a supporting tool to this training. This included a self-assessment tool to help managers check their current systems, identify shortfalls and implement improvements.

PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

Our local team is now visiting every single factory to monitor their progress and support factories to close any gaps and engage in a process of continuous improvement. We're now working in collaboration with IndustriALL and other retailers on the Accord on Factory and Building Safety in Bangladesh to tackle this issue right across the Bangladesh garment sector, not just within the factories that supply us.

TACKLING MASS FAINTING IN CAMBODIA

We worked with the ILO's **Better Factories Cambodia** programme to deliver HR training. A key topic was on how to reduce the phenomenon of mass fainting in garment factories in Cambodia, which came to our attention in **2011**. Official figures suggest that in 2011 alone over 2,400 workers fainted in 25 separate instances across the country.

We've spent three weeks conducting field research and working closely with NGOs and trade unions to establish the root causes of mass fainting. Our research found a number of potential factors – such as a long and crowded commute to work on trucks and buses, a need for more breaks, better ventilation and ensuring workers eat more nutritious food.

One of our factories now provides their 9,500 workers with free, nutritious food and over 3,300 workers with free accommodation. This is very unusual in Cambodia. At the time of writing (March 2013), none of the factories we source from have experienced mass fainting. We'll continue to work with our factories to help prevent any instances of mass fainting in the future.



Attendees listen to speakers explaining how to avoid a factory fire

NEW LOOK SANDBLASTING POLICY

Sandblasting, a finishing technique that gives a faded, worn out or bleached look to denim fabric, involves the use of crystalline silica (a compound found in sand) which is blasted onto the fabric from air compressors to give jeans a faded appearance. Sandblasting poses great health risks to sandblasting operators as exposure to the process can cause silicosis, lung cancer and autoimmune diseases.

Because of this high risk to workers' health and safety, New Look banned sandblasting in all of our product lines in early 2011. This ban has been communicated to all New Look suppliers and to our buying and design teams.

We've reviewed other options for achieving the worn look and now require our suppliers to use alternative methods, such as abrasive rubbing and chemical spraying.



PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

IMPROVING PAY AND JOB QUALITY

We're working to find effective and sustainable ways of increasing pay and improving job quality in factories around the world.

[Click here](#) to see a short film from Bangladesh which shows how these kinds of projects can really benefit workers. This film won an award in the Global Sustainability TVE film awards 2012 in the good governance category.

Following one of our projects, a worker said:

“ We have a production bonus system in our line which means that in the middle of the month I receive money which is totally extra for me. This money helps me a lot. I do not need to borrow from my friends or neighbours for my unexpected expenses. I can buy new things for myself like dresses and can save some for my family in village. When I have saved a big amount I send it to my village. ”



Footage from 'Badhon's Story' – a film by Khalid Mahmood

We ran a pilot project in Bangladesh in 2005 which proved so successful that we have now collaborated with 7 other brands, UK Aid, and Impactt to roll out the RAGS Better for Business and Workers (BBW) programme to 73 factories employing 112,000 workers across India and Bangladesh.



PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

RAGS BENEFITS FOR BUSINESS AND WORKERS

The RAGS Benefits for Business and Workers (BBW) programme consists of working with a factory over 6 months, delivering training on team working, understanding workers, HR and communication systems, and improving quality and efficiency.

Managers learn that building worker skills and meeting their needs creates a stable, committed and satisfied workforce. At the same time it improves productivity and the quality of output. In this way, improved pay and better jobs for workers go hand in hand with better business.

BANGLADESH

- Workers' monthly income increased by 7% – worth more than £3.4 million more paid to workers in one year
- Working hours reduced which meant that hourly pay went up by 11.94%
- Monthly turnover, or the number of workers leaving the factory, reduced by 52%
- Factory efficiency increased by 18%

INDIA:

- Workers' monthly income increased by 5% – worth more than £614,000 more paid to workers in one year
- Working hours reduced, which meant that hourly pay went up by 8%



- Monthly turnover, or the number of workers leaving the factory, reduced by 26%
- Factory efficiency increased by 26%

WORKERS

Earlier I was not able to raise grievances to HR. Before this role of buddy all the workers were helpless. The buddy system is really very helpful to us workers, because HR listens to our problems and can help us.

I feel lots of change in this factory in the last six months – there is less absenteeism, because of the attendance bonus. I am saving the extra money for my daughter's future and to buy new things for the house. It is helping me through all my life.

I am very excited about the new roll system (i.e. permanent job). I always send the extra money home. I think I can save more money for the future and am planning to stay with this company for the long term.





SUPERVISORS

Earlier my work was counting and shouting. After the supervisor training I realise my job is care and share.

MANAGERS

On the first day of training, I was thinking why do I, a production planning manager, need to attend an HR module? After attending I realised it is very important for production people to understand workers and their feelings. I learnt how to talk to them and what makes them worried and what helps them to do quality work. Listening to others and working as a team is very important. In the garment sector most of us learn our work by watching what other people do. There is no time to think about whether what we learn is right or wrong!

Now RAGS BBW has made us think about how to judge this. After this training we always try to find the right way of working before we do anything.

NEW LOOK

The RAGS BBW programme has improved our factories' quality and on-time performance and strengthened our supply chain. We have also noticed a transformation in the mindsets of factory managers which is critical to improving the factories. They now see that better paid and more motivated staff means better quality product, more efficient production enabling them to increase their capacity.

Anita Light, Head of Supply Base and Ethical Trade, New Look



PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

IMPROVING ACCESS TO BANKING

In 2010, migrant workers in our Delhi factories told us they found it hard to keep their money safe and send it home to their families.

They said they find it difficult to open bank accounts, which makes them vulnerable to loss and theft. Some are forced to use informal money lenders or deposit schemes which take a significant percentage of their savings. This hardly seems fair.

We launched a partnership with **Geosansar** that year to help address this issue. Geosansar provides practical support to workers and helps increase their levels of financial literacy.

When we started the project, Geosansar had just launched and we were one of the first retailers to support them. Geosansar now operates from over 600 branches across India and has opened over 580,000 bank accounts as of January 2013 – in less than 36 months!

Through the New Look scheme 770 accounts have been opened in 9 of our factories. We have also rolled out financial inclusion training in 12 of our factories in India and have trained close to 1,200 workers.

We're proud to say that many retailers are now following our lead and working with Geosansar too!



Some of the workers with bank accounts have told us:

I have opened this account as my in-laws used to take away all the money I earned. Now I have opened an account they cannot withdraw my money as I use my fingerprint to access the account. I am very happy.

I send money to my family every month. This used to take lots of time to reach my family and the commission to be paid to the post office was also very high. But now the money reaches my family instantly and the bank charges are very low.





We are delighted to partner with New Look. We share common values and vision to provide workers with tools that enable their growth and financial independence. The Geosansar programme provides access to banking for factory workers. For many, this is the first time they have the opportunity to open a bank account. This not only provides security for their hard earned salaries, but it also gives a sense of pride and social inclusion to workers.

Nish Kotecha, president and founder, Geosansar

I am pleased I have this bank account. It is safe. I used to keep my money in my room and it could have been stolen very easily. I'm not worried about that anymore.

I gave the money I saved to my relative for safekeeping but it is very difficult to recover this money. This is much easier and I can deposit my savings whenever I like.

CHILD LABOUR REMEDIATION

Child labour is a problem in some of the countries we source from. It is something we strongly oppose and our Ethical Aims stipulates that all workers in factories producing for us must be over the local minimum working age.

We work with our suppliers to help ensure they don't hire any child labour by conducting age verification training. In China, we have conducted training with 112 of our factories. This training gives HR staff the skills required to identify potential underage labour when recruiting for new employees.

However, like other retailers, we've very occasionally found underage workers in our factories.

We've adopted industry best practice to make sure that we do the right thing for any young person we find. All our suppliers sign up to the [Child Labour Remediation Procedures](#) to commit to make sure that this happens.

This means that if an underage worker is found working in a factory we source from, we remove them from work, help them to find a school, support them through their education and make sure that they continue to receive an amount similar to the wage they were earning. We think this is the best possible way to help these young people make a better life for themselves and their families.



The underage worker learning computer skills during her remediation

2 ENABLE WORKERS TO RAISE AND RESOLVE ISSUES

In many countries, workers do not have access to any form of representation or bargaining. This means that they can't raise issues and resolve problems with their managers. Managers are also less able to understand and meet the needs of their workers. Workers are left frustrated and frequently move to new factories to try and find a better job.

Our work clearly shows that when worker-management communication systems are in place, disputes can be more easily resolved and workers are less likely to leave as a result of ongoing issues. This also ensures a healthier and happier working environment for the workers and a more motivated and productive workforce for factories.

New Look has been working with 110 factories employing 110,000 workers in India, Bangladesh and China to help them



A worker committee meeting

understand the benefits of worker representation and how to implement systems to enable this. This year we've included training workers in India on their labour rights and training all our suppliers in Bangladesh on how to introduce worker committees and grievance mechanisms in their factories. This year, we committed to:

Deliver projects across 127 factories to raise worker awareness of their labour rights in 5 countries and support locally relevant grievance mechanisms.

Factories		
Planned	Reached	%
127	159	125%

WORKER COMMITTEES IN CHINA

In China, few factories have an active trade union. This makes it hard to ensure workers have a voice within factories. One way of addressing this and supporting workers to raise and resolve issues with management is to introduce worker committees.

We've worked with 12 of our factories to develop worker committees. In these factories, a number of workers are elected by employees to act as representatives at regular management meetings. These representatives are well known to staff and their details and photographs are displayed on notice boards. Workers can go to any of the committee team and discuss ideas, issues and suggestions. Worker representatives then raise these during meetings with the factory management.

Factories have introduced a variety of improvements and new benefits that have been suggested by workers as a result of

worker committees. These include better welfare benefits, the creation of libraries, help with transport to and from home-towns, annual parties for employees and giving cakes to all workers on their birthdays.



PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

SUPERVISOR TRAINING IN BANGLADESH

In Bangladesh we've worked with the Awaz Foundation, a leading labour rights organisation, to deliver supervisor leadership training.

This training supports supervisors to encourage workers to raise issues and take the initiative in solving them.

The training also encourages supervisors to motivate their workers. This helps workers both in terms of job satisfaction and gives them better support to help them to reach production targets and increase their wages.

Supervisors told us that the training improved their problem solving and leadership skills. Across the factory overall, communication and teamwork improved which had a positive effect on the working environment.

When we talked to workers a month after the training, they reported that their supervisors were much more approachable, and keen to solve problems.

WORKERS

Earlier our supervisor always put us under pressure to achieve targets. They didn't care whether we knew how to achieve the target or not. But nowadays, if we face any problems, then they give us a lot of support instead of showing their anger.



Previously supervisors used to get angry when there was a bottleneck on the line. Since the training we have not heard any shouting from the supervisor. Now he explains how to overcome the problem and do work in an efficient way.

I like working here. We have targets but I feel I can meet them because my supervisor helps me whenever I get stuck. I also know that there are opportunities for promotion in this factory if I keep learning new skills like this.

SUPERVISORS

Now we have understood our workers' points of view. As leaders we should look after our workers and try to solve their problems. Now we believe in listening more rather than talking too much!

Now we try to treat workers in a very polite way. By doing this we earn respect from the workers.



3 BUILD FACTORY MANAGEMENT SKILLS AND SYSTEMS

We've found that many problems in factories are down to poor management skills, general disorganisation and poor systems. This year we've worked with 129 factories employing 82,000 workers in India, Bangladesh and Cambodia to train factory management on improving their team-working, communication and problem-solving skills and building their technical and quality skills.

By helping managers to improve, we find that we can make a treble win – better job quality for workers, a more profitable business for factories and better quality products for our customers.

This year, we committed to:



DELIVER CAPACITY BUILDING ACROSS 127 FACTORIES TO BUILD KEY MANAGEMENT SYSTEMS ACROSS 9 PRIORITY TOPICS. THIS INCLUDES HEALTH AND SAFETY, WAGE IMPROVEMENT, IMPROVED COMMUNICATION WITH WORKERS AND AGE VERIFICATION TECHNIQUES.

Factories		
Planned	Reached	%
127	129	102%

CAMBODIA HR TRAINING ON AGE VERIFICATION

We work closely with partners on the ground in our sourcing countries. Our key partner in Cambodia, ILO Better Factories Cambodia (BFC) told us that they were finding an increase in underage labour instances in Cambodia.

We know that factories can struggle to spot potential underage labour. The first step to preventing this is to build the HR team's age verification skills. So we asked BFC to train all our suppliers in Cambodia on how to spot and prevent young people working in their factories.

The training took place in January 2013 and provided practical guidance, specific techniques and best practice for preventing child labour. It also reinforced understanding of and compliance with our zero-tolerance policy. Attendees were tested to make sure they were fully up to speed on age verification. It also reinforced understanding of and compliance with our zero-tolerance policy.

Since the training, the factories have been very proactive in developing robust age verification systems.



4 BUILD TRANSPARENT RELATIONSHIPS



Trust and transparency down the supply chain is central to understanding and tackling issues. We need to make sure that we have as much information as possible about the places where our products are made.

One of the main ways in which we do this is through audits, carried out either by our own staff or by independent third party auditors. By talking to factory managers and workers we can understand what challenges our factories face in delivering quality jobs and meeting the [ETI Base Code](#).

We can then support them to improve.

In addition to audits carried out by independent auditors, our own team has visited over 500 factories since 2011. From these visits we have found that the most common issues in many of the countries and factories that we source from are to do with health and safety, working hours and wages.

Our ethical trade strategy depends on our level of understanding of key issues in our supply chain. We can only find this out when we work with our suppliers in a transparent way.

When we have a true picture of the commercial, social and economic environment of our suppliers and know what their challenges are in delivering quality jobs and being a quality business we can support them in the best possible way.

This year, we committed to:

INCREASING COVERAGE AND VISIBILITY OF OUR SUPPLY CHAIN

Factories		
Planned	Reached	%
420	561	134%

Over the past year we have increased our coverage and visibility of our supply chain in all our key sourcing countries by conducting audits, using Sedex to monitor progress, and supporting our suppliers where needed.

We're also working more closely with our UK supply base to improve our visibility over subcontracting. Subcontracting is when a factory outsources part of an order to another factory or site. We do not allow undisclosed subcontracting and factories

are obliged to notify us of their intent to subcontract so we can first check that the new sites comply with our ethical aims.

Understanding the issues beyond tier 1 factories has also been a focus in China and we've conducted targeted investigations beyond first tier across two suppliers in China.

Identifying and addressing these issues is at the heart of our ethical trade strategy and the projects we're working on.

PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

MAPPING OUR JEWELLERY SUPPLY CHAIN IN CHINA

There are lots of stages in the production of jewellery. The creation of one necklace can involve many different processes. These processes do not always happen under the same roof. For example, one factory may specialise in metal plating while another may do assembly, quality control, and packing.

The industry is characterised by subcontracting. This is when factories outsource work to other factories, smaller workshops and sometimes home workers. Understanding what is going on all the way down our supply chain and making sure not only our suppliers but also their subcontractors respect labour standards is a key challenge.

To address this we're working with our suppliers in China to map their supply chains. This has helped us to build our understanding and enable us identify areas for improvement.

So far, we've identified a number of issues including health and safety breaches, long working hours and problems in protecting worker rights.

This information gives us a good base from which to work with factories. We'll support them to develop better relationships with subcontractors and monitor compliance with New Look's Ethical Aims. We also plan to develop projects which will help to address these issues in the long term.

CONTINUOUS IMPROVEMENT WITH OUR UK SUPPLIERS

The UK is an important manufacturing country for us – we're very keen to buy British products and aim to ensure that UK factories meet our standards.

All our UK suppliers are required to commission annual third party audits, which are carried out by recognised auditors, and share the results with us through Sedex. Sedex is the **largest collaborative platform** for sharing ethical supply chain data.

As well as this, our team visits all our factories regularly so that we can build strong relationships, understand the issues facing factories, and talk through their action plans for continuous improvement.



5

ENSURE NEW LOOK'S COMMERCIAL TEAM AND SUPPLIERS UNDERSTAND THEIR ROLE IN DELIVERING ETHICAL TRADE STRATEGY



For us to be able to support our suppliers to meet our ethical aims, we need to make sure that our designers, buyers and merchandisers are helping our suppliers to do the right thing. This is key to the success of our ethical trade strategy, but it is also one of our challenges.

Our fast fashion model and commitment to providing great products means that our commercial teams are focused on providing our customers with wearable and exciting fashions and reacting to changing trends. We need to make sure that they factor in ethical considerations too.

This year, we committed to increasing buyer, merchandiser and designer awareness of ethical issues. We also committed to train all new members of the commercial team when they join the business on our ethical trade programme and what they can do to help. To do this, we:

- Trained 100% of new buyers on ethical trade at New Look
- Launched a quarterly newsletter to commercial teams to increase collaboration between teams and update them on ethical trade activities and impacts
- Visited 14 factories with both the Ethical Trade and Buying teams and held 9 supplier meetings together

We also held regular meetings to keep everyone up to date with ethical developments and make sure we are working together to improve the ethical performance of our suppliers.

We have received some great feedback from our buying and merchandising teams:

After visiting our factories in Bangladesh, I continue to be amazed at the high standards that they achieve. New Look's commitment to ethical and improving the lives of workers makes me proud to work here. The open communication and discussions with factories and their owners gives us an in-depth understanding of the challenges they face on a daily basis. This means we can work together to resolve issues and make sure additional pressure isn't put on the factory workers.

I learnt a lot from the ethical training – it was one of the most interesting courses I've been too! New Look is working on so many projects that I was not aware of before... The biggest learning for me was the impact my decisions can make on factories and workers. Now I know how to work in a way which meets our ethical objectives.

Raising awareness of ethical trade across the company is definitely a good thing. This training has helped me to get a clear understanding of what New Look's ethical aims are and the role I can play in achieving them.

PART TWO: IMPLEMENTING OUR ETHICAL TRADE STRATEGY

MONITORING PROGRESS AGAINST OUR OBJECTIVES

With over 70 individual projects implemented this year, monitoring our progress against all these aims is vital.

Demonstrating results is central to our strategy. We feel it is important to ensure that we deliver a real difference to workers on the ground at the same time as covering a large number of factories and workers. To measure the success of both these aims, we developed a reporting tool which helped us track not only the numbers of suppliers, factories and workers reached but also the impact of our work with each of these groups.

To measure impact we looked at a number of different indicators, from worker feedback on how satisfied they are with their employment to the % of improvements made at any given factory. This helps us check our work is delivering real benefit to workers on the ground.

We used this tool with our country teams to monitor progress on a monthly basis. This enabled us to take stock of key challenges, refocus efforts and celebrate success.

We've used these discussions to share best practice between teams – we've found this is really important especially since our team all work in different corners of the world! This has helped us keep momentum going across all our projects and means we continuously deliver against our objectives.

WE FEEL THAT THE BEST WAY TO BRING ABOUT LONG LASTING SUSTAINABLE CHANGE IS THROUGH COLLABORATION

We feel that the best way to bring about long lasting sustainable change is through collaboration. So we partner with experts, NGOs, other retailers and various government

initiatives around the world. Here are some of the organisations we partner with and the work that we do with them:



The **ETI** is an alliance of companies, trade unions and voluntary organisations working together to improve the working lives of poor and vulnerable people across the globe who make or grow consumer goods. The ETI Base Code forms the basis of our ethical programme.



Better Factories Cambodia is a programme of the International Labour Organization for improvement of working conditions in the garment industry. We worked with them to build factory management HR skills covering a broad range of issues.



Awaj Foundation is a workers' rights organisation formed and led by garment workers in Bangladesh. We work with the Foundation to train supervisors in Bangladesh on labour rights and improving communication with workers in their factories.



Impactt is a leading consultancy in ethical trade, human rights, labour standards, gender and international development. We work with Impactt on developing our strategy and dealing with difficult issues on the ground.



Sedex is the largest collaborative platform for sharing ethical supply chain data. We require all our suppliers to become a member and share their ethical data with us.



UK Government Department is responsible for promoting development and the reduction of poverty. We've worked together on the **RAGS Benefits for Business and Worker programme**.

PARTNERS



Geosansar is a social enterprise based in India which aims to achieve 'Financial Inclusion in the supply chain' by educating workers in financial literacy and providing access to bank accounts. We've worked together to provide workers in our supply chain with access to bank accounts and financial training.



Nari Uddug Kendra (NUK) was established in 1991. It is a non-government national women's development support organisation, which promotes gender equality, human rights and personal empowerment of women and girls in Bangladesh. It works both directly and in partnership with local women's organisations, Garment factories and Trade Unions, political parties, and local government bodies.



Rajesh Bheda Consulting (RBC) works to enhance competitiveness of fashion industry entities. RBC partners with leading manufacturers, brands and UN agencies to facilitate performance improvement. They're a key implementing partner in the DFID funded RAGS Benefits for Business and Workers project.



Social Compliance Initiative Bangladesh (SCIB) is an independent compliance service provider who ensures the social, labour, ethical and environmental regulatory and organisational standards for the Ready Made Garments (RMG) sector in Bangladesh.

BRANDS WE'VE PARTNERED WITH THIS YEAR INCLUDE:



WHO WE ARE

We have an 8-strong dedicated ethical trade team, plus partners, who are based in Bangladesh, India, China and the UK – see map below.



WE WANT TO HEAR FROM YOU!

We hope you found this report and our website useful and informative. We want to hear your thoughts so please get in touch if you have any feedback or would like to know more!. This will also help us understand the aspects of ethical trade most important to our customers and keep ethical trade at the top of our agenda.

We have a member of our ethical team on hand to answer any queries.

Just email ethical.support@newlook.com and we'll do our very best to answer.

Profile: New Look

Brands: New Look

Company position on the living wage:

“We believe in taking an incremental approach to increasing wages towards living wage standards, concentrating on developing methodologies and approaches that actually deliver higher wages. These wages do not reach living wage levels in many contexts, however, we have real evidence of significant increases which are reaching workers’ pockets.”

What we say:

New Look have started to use wage ladders to benchmark wages, and are doing interesting work in China and Bangladesh. More work is needed on pricing commitments.

We see pricing commitments as one step to ensuring better wages for workers; this must go hand in hand with training and checks to ensure that workers actually see an increase in earnings.

At New Look we address the issue of low wages through a combination of approaches:

1. We train our buyers to understand how their buying practices impact upon workers. Training includes:

- the impact their decisions have for workers on the factory floor
- working hours
- pay
- working conditions.
- realistic quotes: the impact low quotes have on quality, hours and working conditions

2. Importantly we develop long term relationships with our suppliers. We have been working with some of our key suppliers for over 40 years, and the long length of our relationships means that suppliers understand our ethical requirements and take part in training and improvement projects on wages and working conditions. These activities are coupled with spot checks to ensure improvements are being made.

3. We run many factory improvement projects and trainings for workers and supervisors across our key sites which develop their understanding of worker’s needs and improve the skills and capacity of management to meet them. An important part of our training is the up-skilling of workers so that they have an opportunity for promotion. Our factory improvement projects and training also enable factories to improve efficiency and productivity so that savings can be passed down to workers in improved salaries. To enable profit sharing, we use techniques to demonstrate that financially incentivising workers can be beneficial to the bottom line.

In more detail:

Has living wage benchmarks? Yes.

Worker empowerment:

New Look say: “We provided training to managers at 100% of our 50 factories in Bangladesh and training to workers at 24 factories on worker rights and FOA. We also supported 49 factories to set up worker committees. In China we supported 9 factories to set up worker committees, while in India we delivered training to workers on their labour rights at 20 factories.”

New Look also have a worker hotline complaints mechanism.

Commitment and practices:

New Look have started to use the Fair Wear Foundation wage ladder to benchmark living wages. This includes the Asia Floor Wage benchmarks. In China, New Look has been doing strategic work with 12 factories using the AFW as a benchmark. Results show that 75% of factories’ average monthly wages are now higher than the AFW.

Work on purchasing practices included supplier base consolidation, and the use of an internal ethical scorecard to support buying choices.

On Short Term Contracts in North India: “Over the last 2 years we have worked with 8 factories to address the issue of short term contracts.... As a result of this work, some factories have started to improve the package offered to contract workers by enrolling them in Provident Fund and ESI, and working with the local government offices to ensure that paperwork is correctly completed.”

Collaborative approach:

Some meetings with Cambodian unions were mentioned, where New Look's intervention resulted in certain union demands being met by factory management.

New Look are members of the ETI, and are active in the Bangladesh Accord.

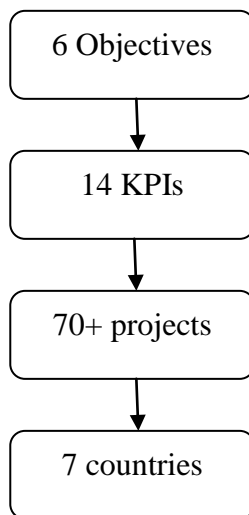
Strategy:

The BBW programme is one project of many in our overall strategy.

Our ethical trade strategy in 2012 – 2013 had 6 objectives:

- Continually improve workers' wages and working conditions
- Enable workers to raise and resolve issues
- Build factory management skills and systems
- Build transparent relationships along the supply chain
- Ensure New Look Buying, Merchandising and Design (BMD) team and suppliers understand their role in delivering our ethical trade strategy
- Build customer belief in New Look's Ethical trade strategy

These objectives were supported by 14 KPIs split across the objectives. We identified over 70 different projects for the year to support us to achieve these objectives. Each country team had a certain number of projects which sit under each KPI.



We measured our progress on these projects, the numbers of factories and workers touched, and their impact captured from feedback from workers, factory manager and suppliers. We have seen significant progress in 2012/2013 against our key objectives, working with 1,046 factories against our target of 1,028 and reaching 603,808 workers against our target of 530,543.

New Look say: “11 of our factories participated in the Benefits for Business and Workers (BBW) programme 5 in Bangladesh and 6 in India. This is a collaborative project, involving 8 retailers, with support from the Department of International Development's RAGS Challenge Fund, and managed by Impactt... Overall, in Bangladesh average monthly take-home pay increased by 7.63%...In India, monthly take-home pay increased by 5.09%.” Working hours were also reduced. These gains were achieved via trainings and productivity improvements.

New Look also say: “We are also implementing 2 projects in India and Bangladesh giving workers access to bank accounts – this is a vital corollary to work on increasing wages, since access to banking reduces costs for workers and enable fairly priced remittances and access to savings products.”

New Look say: “We worked with one factory in the UK to trial a methodology for increasing workers’ wages through increasing skill levels and paying skill increments. This is a work in progress, and we look forward to reporting on results in the future.”

New Look have set themselves the following targets for the coming year: “Work with 30 key factories in China to establish wage improvement targets; Continue to work with the 12 factories in the RAGS BBW programme in India and Bangladesh to monitor and support wage improvements with a target of 10% increase in average pay per hour; Support 2 factories in China to improve average pay per hour by 10%.”

Production overview:

Number of suppliers: 917 first tier suppliers

Main production countries listed as: China 48%, Cambodia 14%, Bangladesh 12%, UK 7%, Moldova 5%, Turkey 3%, India 3%, Vietnam 2%, Pakistan 2%, Romania 2%, Other 2%.

New Look refuses to publish a public list of where its supplier factories are based.

Comments:

New Look's 'Benefits for Business and Workers' (BBW) project with Impactt and other brands in Bangladesh seems to focus largely on setting up worker committees and encouraging management dialogue. We were very concerned about the lack of reference to actual Freedom of Association or trade unions in the training materials provided by this project.

The trend to set up Worker Committees that the BBW project has been promoting is worrying. Although Worker Committees create the false illusion of freedom of association, the right to freedom of association is often blocked by the promotion of these 'parallel means' in countries like Bangladesh and India where there is a functioning Trade Union movement. By taking on the role normally carried out by independent trade unions, Worker Committees give the impression of providing worker representation, while in reality removing any real power. Worker Committees do not have the right to collectively bargain on anything aside from fringe benefits, to take industrial action to back up their position, or to hold independent elections. Worker committees are also usually restricted to individual workplaces, meaning members cannot take part in campaigning aimed at improving wages and conditions on a sectoral, regional or national level. Worker Committees rarely play more than an advisory role and can be listened to or ignored at the whim of management.

The BBW project has put up wages, but as we have always held about productivity gains, these have been minimal. The 8% wage increase achieved in Bangladesh by efficiency improvements is quite laughable, given that the minimum wage was recently put up by 80% and this still isn't anywhere near a living wage.

New Look have been doing a small amount of work on Short Term Contracts in North India which sounds interesting and we hope this learning will be used more widely in their Cambodian factories (where STCs are an issue).

We are pleased that New Look has started to use the Fair Wear Foundation wage ladder to benchmark living wages in their sourcing countries. Work in China actually paying a living wage is also impressive. We hope that New Look will work towards rolling this out more widely and seriously engaging in projects to meet these figures. They seem to be on this path, which is positive. It is now vital that New Look make commitment to address pricing and internal calculation of costs to ensure these living wage levels can be paid.

BBW

The BBW is one programme of many that we work on with our suppliers. This programme delivers technical assistance and focusses on building factory capacity, particularly in the areas of communications and problem-solving, between different actors in the factory. BBW does not promote establishing worker committees. These are a legal requirement under Bangladesh law. It aims to facilitate worker empowerment through building skills and changing perspectives to open up space for more effective worker representation. This links to BBW's broader goals of transformational change in factories and an ongoing process of worker empowerment. In its next phase, BBW will have a cooperation agreement with the Better Work Program, which is focussing on social dialogue.

Workers in factories in Bangladesh and India often don't have experience of self-organisation and can find it difficult to present their issues and collective interests to management. Furthermore, factory managers often hold anti-union beliefs and obstructionist attitudes towards worker organising and collective representation. One of the ways New Look has attempted to build towards Freedom of Association in our factories is by addressing both of these blocks as part of the BBW programme. BBW does this through:

1. Skills training: This includes soft skills training in defining and representing issues to management
2. Management perspective change: Gaining management buy in to the BBW programme encourages managers to identify workers as an asset not a liability, appreciate the benefits of effective, two-way communication and understand the benefits of engaging with workers. Management undergo a gradual shift in perspective towards understanding the need to listen to workers' needs. This is an important and necessary first step in countries such as Bangladesh and India where anti-union sentiment can be intransigent among factory management.

This approach is encouraged by the ETI's best practice guidelines on facilitating Freedom of Association in workplaces which do not have worker representatives. The next phase of the programme will be working closely with ILO/IFC's Better Work Program which is focusing on social dialogue through legally mandated Workers Participation Committees, and discussions are already ongoing on how the two programs can work together to meet their joint objectives.

On wages, we would agree that BBW does not achieve living wage. However it does demonstrate that factories are able to increase wages through a combination of skills and quality based increments, a necessary part of increasing wages overall. In fact the 8% increase is the equivalent of an extra month's money every year. Looking at India and Bangladesh together, BBW delivered the equivalent of an additional £4 million in salary over 12 months to the 85,082 workers employed by Year 2 factories. This is far from laughable. This increase was achieved whilst also reducing working hours - realising an increase in hourly pay of 12% in Bangladesh. In the next phase of the programme, BBW will focus on ensuring that factories are able to pay the new minimum wage and then encourage further increases above this.

Beyond BBW:

New Look also carries out numerous worker trainings on labour rights and social dialogue. Last year, we delivered training directly to workers on their labour rights in 44 factories in Bangladesh and India. We have continued to build upon these trainings this year, and are currently working on freedom of association training for nearly 100 factories and suppliers in Bangladesh, India and Turkey.

We will conduct our yearly ethical trade review in April this year and are planning to further build on our work on freedom of association using learnings from previous years to develop next year's project focus.

For clarification:

Who runs the worker hotline? Is this independent?

We have 2 forms of hotline:

1. We have an independent line run by Impactt which is predominantly accessed by workers in the UK.
2. All our field teams provide their number to workers on factory visits so that workers can call with their concerns. These calls are anonymous and New Look works with the site/s to ensure problems are addressed. Our teams also display posters in our sites with their contact number as well as local helplines and we maintain an Ethical Trade email account, where any worker around the world can email the Ethical Trade team with their concerns. Any worker who makes contact enters our whistle-blower process which logs issues quickly and ensures that issues are addressed efficiently and in the best interests of the worker/other workers on site.

Why did New Look not meet with C.CADWU as part of the Cambodian union engagement?

New Look does not have a field team in Cambodia, so during our visits we prioritise meeting those trade unions that are present in our factories in order to help support them to resolve issues on site. We meet with trade union representatives during factory audits to gain their feedback on workers' issues on site and we have supported the resolution of issues raised by trade unions in six of our factories.

Was there specific information on FOA and unions delivered as part of the BBW project? Or just parallel means?

Please see our response to BBW above.