
BESTSELLER SUBMISSION



Clean Clothes Campaign Wage Survey

Response ID:94; Data

1. Login/Password Action

2. Introduction

1. Company name:

Bestseller

2. Brands owned by company:

JACK&JONES, VERO MODA, ONLY, NAME IT, PIECES, SELECTED, OUTFITTERS NATION, OBJECT COLLECTORS ITEMS, VILA CLOTHES, JUNA ROSE, MAMALICIOUS.

3. Main contact person:

Name: : Mogens Werge

Email: : mogens.werge@bestseller.com

Contact phone number: : 2795 8713

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?

In our Code of Conduct we address living wages by stating that:

Suppliers are expected to be open, and to actively work on reaching a sustainable solution to providing living wages.

When BESTSELLER mentions living wages we use the same definition as Asia Floor Wage.

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.bestseller.com/Home/Sustainability.aspx?s=r>

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.

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?

In order to communicate the right to freedom of association and collective bargaining to workers in our supply chain we have developed a poster and booklets describing Rights and Responsibilities according to our Code of Conduct. The posters has been distributed to all production units and the booklets have been distributed to 50.000 workers in China, 20.000 workers in Bangladesh and 10.000 workers in Turkey. In Bangladesh we also made an illustrated version for those workers who are illiterate. On the posters there is a contact phone number in case of grievances according to the working environment.

Percentage of supplier factories and subcontractors reached by these measures:

0%

Please supply an example of materials used:

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:

During 2013/14 we aim to focus a lot more on vulnerable groups in our supply chain and part of this focus will result in policies on contract workers and homeworkers to ensure that their rights are also protected in our supply chain.

Percentage of supplier factories reached by these measures: : %

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

BESTSELLER has also done training for the management at top 25 suppliers in China and Turkey. Part of this training was also to ensure that the management at our suppliers understands the terms: Freedom of Association and Collective Bargaining.

Percentage of supplier factories and subcontractors reached by these measures:

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:

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:

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?:

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chain we have developed a poster and booklets describing Rights and Responsibilities according to our Code of Conduct. The posters has been distributed to all production units and the booklets have been distributed to 50.000 workers in China, 20.000 workers in Bangladesh and 10.000 workers in Turkey. In Bangladesh we also made an illustrated version for those workers who are illiterate. On the posters there is a contact phone number in case of grievances according to the working environment.

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: : no answer

How has any of this work impacted on workers ability to receive seniority bonuses?: : no answer

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?

During 2013/14 we aim to focus a lot more on vulnerable groups in our supply chain and part of this focus will result in policies on contract workers and homeworkers to ensure that their rights are also protected in our supply chain.

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:

BESTSELLER has an ongoing dialogue with ngo's and unions primarily via our membership in Danish Initiative of Ethical Trade and the ETI.

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

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 are in the process of developing a wage calculation matrix so that we can measure and compare the wages in the different countries and regions to the minimum wages and a living wage. We will continue to work with this matrix in 2013/14.

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
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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:

For the past two years we have worked systematically on consolidating our supply chain and at the same time we have decided a strict procedure for adding new suppliers to our supply chain. We have also put even more focus on mapping our supply chain to the next tier level.

BESTSELLER has a social audit system for all factories in the supply chain and it is not possible to place orders before a factory has a satisfying audit and is rating "Green" or "Yellow" in to our internal system.

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

22.

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?

no answer

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?

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.

All the buyers in BESTSELLER have gone through a Better Buying seminar, where one of the subjects is the link between the prices for the products and the final wages of the workers. They have also been made aware of the term "living wages" and BESTSELLER's stand on this.

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:	Bangladesh	we encourage them to work towards higher wages	we discuss methods of non-wage benefits such as a free lunch, free medical care etc.	
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:

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 were co-signers of the letter to the Prime Minister of Bangladesh in 2012 urging the government to raise the minimum wages in Bangladesh.

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?

In BESTSELLERS sustainability strategy one of the main goals for 2020 is to have a system that supports that workers in our supply chain are paid a fair living wage. We have also publicly announced on several occasions, that we will stay in Bangladesh and address the problems faced there.

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 submitted a list of our Bangladesh suppliers to the working group for the Bangladesh Accord. For competitive reasons we do not have a public list of our suppliers.

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?

11. Collaborative working

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

We are co-founders of The Danish Ethical Trading Initiative who on several occasions have been addressing the issues around Living Wages and we are members of the Danish partnership working with living wages and working conditions in Bangladesh.

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

We have signed the Bangladesh accord and provided the required information and are currently waiting for the next step

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?

In BESTSELLERS sustainability strategy we are – among other things - focusing on improving the working conditions for workers in our supply chain. In the process of implementing the strategy we will develop a procedure to ensure improvement of wages in our supply chain worldwide.

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

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

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

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	no answer		
2			
3			
4			
5			
6			
7			
8			
9			
10			

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: : 0%

Orders placed directly to supplier factories: : 0%

Orders placed through agencies or intermediates: : 0%

Other: : 0%

42. If other, please specify.

The above question is not answered

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: : 0

Sub contracted suppliers: : 0

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

Number of suppliers: : 0

Please list suppliers, country and % of product share at the factory: : 0

Response Location

Country:	Denmark
Region:	17
City:	Copenhagen
Postal Code:	
Long & Lat:	Lat: 55.666698, Long:12.5833

Profile: Bestseller

Brands: Jack&Jones, Vero Moda, Only, Name It, Pieces, Selected, Outfitters Nation, Object Collectors Items, Vila Clothes, Juna Rose, Mamalicious.

Company position on the living wage:

"The employees are entitled to at least the statutory minimum wage, or the standard benchmark rate in the industry, whichever is higher, and should be enough to meet basic needs. Suppliers are expected to be open, and to actively work on reaching a sustainable solution to providing living wages... When Bestseller mentions living wages we use the same definition as Asia Floor Wage."

What we say:

Bestseller recognises the principle of a living wage, but as a company they have a long way to go if this is to become a reality for workers in their supplier factories. No evidence was given of work to increase wages above the minimum aside from trainings for management and staff.

Right from the beginning BESTSELLER has built close relations with its 31 suppliers in Bangladesh and is in close dialogue with them regarding the wage issue. The minimum wage is only paid during a short introductory period, and the reality is that 80% of the workforce at BESTSELLER's supplier factories is paid more than the minimum wage. In addition most suppliers offer extra benefits such as free lunch, medical care, annual bonuses etc. which is also part of the wage package.

In more detail:

Has living wage benchmarks? No.

Worker empowerment:

Bestseller say: "In order to communicate the right to freedom of association and collective bargaining to workers in our supply chain we have developed a poster and booklets describing Rights and Responsibilities according to our Code of Conduct. The posters has been distributed to all production units and the booklets have been distributed to 50.000 workers in China, 20.000 workers in Bangladesh and 10.000 workers in Turkey. In Bangladesh we also made an illustrated version for those workers who are illiterate. On the posters there is a contact phone number in case of grievances according to the working environment."

Some training has also been given to management of their top 25 suppliers about the right to freedom of association.

Commitment and practices:

No living wage benchmarks were provided. Bestseller say they are in the process of developing a wage calculation matrix so they can measure and compare wages in different countries.

Bestseller adopted a new strategy in November 2013 that will guide their sustainability work towards 2020. As part of this they announced the following goal. "We will have a clear process in place that will enable our suppliers to pay a fair living wage." No further info was given on what this entails.

Collaborative approach:

Bestseller are a member of the Danish Ethical Trading Initiative, but no work as part of this was mentioned.

BESTSELLER is part of the Danish partnership between the Danish government, trade unions, NGO's and textile companies that have committed to raising the overall standard of the Bangladesh RMG industry. Part of this commitment is to address the living wage issue, where BESTSELLER is one of the members of the steering committee.

BESTSELLER also participated in the 'European Conference on Living Wages' in November last year arranged by The Ministry of Foreign Affairs in the Netherlands (MinBuZa), the German

Federal Ministry for Economic Cooperation and Development (BMZ) and the German Round Table Codes of Conduct.

Finally, BESTSELLER participated in the conference called 'Achieving a living wage in the global garment sector - The case of Bangladesh' arranged by Copenhagen Business School (CBS) where the Danish Clean Clothes Campaign also participated.

Strategy:

Bestseller have no strategy for ensuring workers in their factories are paid a living wage.

One of the commitments of BESTSELLER's 20 by 20 strategy is to address the living wage issue starting by setting the frames for their suppliers to implement a higher wage structure.

Production overview:

Number of suppliers: Bestseller refused to make this information public. BESTSELLER has 293 suppliers producing at 709 factories (as per 1 August 2013).

Main production countries listed: Bestseller refused to make this information public.

BESTSELLER's main production countries are China, Turkey, Bangladesh, Italy and India.

Bestseller does not publish a list of where its supplier factories are based due to competitive reasons, but they will provide the list for those NGO's they enter into partnership with.

Comments:

It is positive that Bestseller recognise that a living wage should provide for a family and meet their needs. We hope that in their coming work to establish wage matrices for their production countries, the Asia Floor Wage standard will feature prominently. Bestseller now need to come up with a methodology for delivering this sort of promise into the pockets of workers – not an easy task. Their 20-20 commitment is a positive step towards this, although now needs content. We look forward to monitoring this progress.