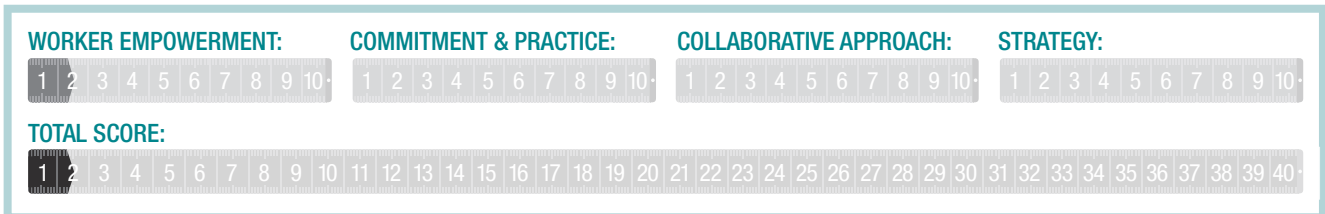


CHARLES VÖGELE TRADING AG

Brands: Charles Vögele



COMPANY POSITION ON THE LIVING WAGE:

“We implement the BSCI [Business Social Compliance Initiative] Code of Conduct in our international supply chain. This Code prescribes the payment of the legal minimum wage. This legal minimum wage should be at a level that covers workers basic needs as well as provide some discretionary income. As this is often not the case we support through BSCI work towards the payment of a living wage.”

“We believe it is essential to emphasize the importance of a holistic approach towards the issue of fair remuneration for workers. In this context, it is important to address the qualitative aspects of wages as well as quantitative aspects ... such as the way of payment, timely and formal payment of wages, reflecting skills and education of workers in the level of wages, and equal treatment of full-time employees, part-time, and piece-rates workers.”

WHAT WE SAY:

Charles Vögele has simply repeated back to us the answers provided by the BSCI, without engaging in the issues. It has chosen to hide behind the BSCI and outsource responsibility for the respecting of labour and human rights to the initiative. Nothing in the answers provided by this company indicates to us a serious engagement in improving the wage situation in its supply chain and increasing pay to a living-wage level.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

Charles Vögele referred us to the BSCI Code of Conduct, which includes statements on freedom of association. This code is displayed in its supplier factories.

Charles Vögele says: “Due information and training of factory workers [about freedom of association and the right to collective bargaining] is the responsibility of factory management, the honouring of which is a requirement for BSCI Code of Conduct compliance.”

No details of the content of the trainings nor whether the company's suppliers actually participate in BSCI trainings that are offered to factory management were known.



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Commitment and practices:

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

The company did not answer any further questions on the actual level of wages at supplier factories or on purchasing policies and practices. Charles Vögele says that this information is privileged and confidential.

Collaborative approach:

Charles Vögele referred us to the position papers on the BSCI website. On living wage, it is stated:

“BSCI believes that a sustainable way to increase wages for workers is through the local legislation and based on discussions among local social partners. To foster the importance of this concept, BSCI is engaged in a network of Round Tables ...” No details are known on the content of these round tables, or whether suppliers of Charles Vögele participate.

Charles Vögele does not engage with any multi-stakeholder initiatives, trade unions or NGOs in work to concretely deliver a living wage. The company does not publicly report on the wage situation or on any measures taken and progress achieved regarding higher wages in its supply chain.

Strategy:

Charles Vögele says: “The payment of a living wage is a long term goal and is pursued on factory level. Through BSCI we work with each factory individually, because some factories are closer to achieving the living wage and more able to attain this goal than other factories that require different measures and interventions. Overall, the strategy is a step-wise development approach as outlined by BSCI. BSCI is an active member of the Fair Wages Network and believes in a holistic approach to the improvement of working conditions and remuneration practises for workers.”

Neither Charles Vögele nor the BSCI have publicly communicated a clear strategy, with measurable benchmarks and a timeline, for achieving a living wage.

Production overview:

Number of suppliers: Charles Vögele says that this information is privileged and confidential.

Main production countries listed as:

Asia (90%) – broken down into China (17%), Bangladesh (41%), India (9%), Pakistan (1%), Indonesia (2%), Other Asian Countries (19%) – Europe (10%)

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

COMMENTS:

Charles Vögele largely outsources its responsibility for due diligence and the respect of human rights to the BSCI.

The BSCI generally accepts the right to a living wage, but at the same time does not demand that its members deliver a living wage in their supply chains. In its publicly available position papers, the BSCI refers to the responsibility of governments, trade unions and NGOs for the implementation of a living wage. However, in order to deliver a living wage, companies have to analyse their own purchasing practices and adapt their pricing structure and lead times so it becomes possible on a factory level to pay living wages. The BSCI is not making any efforts in this aspect.

The BSCI wants to focus on addressing “the qualitative as well as quantitative aspects” of wage payment. It is important, yes, to pay workers on time and ensure wages reflect how skilled workers are, but the salaries today are so low that the main issue for most factory workers is that they cannot afford to even cover their most basic needs, such as sufficient food. A significant wage increase is needed in garment, shoe and textile factories globally, and therefore, brands have to commit to paying higher prices to their supplier factories to contribute to a wage hike. Neither the BSCI nor Charles Vögele are committed to such steps.

Nothing in the answers of Charles Vögele suggests that the company – in partnership with suppliers, workers, trade unions and NGOs – is striving for practical steps towards a living wage in its own supply chain. The company hardly engages in the empowerment of workers’ rights in its own global supply chain.

Charles Vögele relies entirely on the positions, standards, activities and audits of the BSCI and shows no individual commitment concerning living wage. To achieve real changes in supplier factories, it is not enough to outsource responsibility to a scheme such as the BSCI. Charles Vögele needs to take personal responsibility for its global supply chain and invest in ensuring that the rights of all workers are respected within that supply chain, including the right to a living wage.