
SWITCHER SUBMISSION





Clean Clothes Campaign wage survey 2013

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

August 2013

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

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

Definition of terms:

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

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

Company name:	
Brands owned by company:	
Main contact person for this survey:	Name: Email: Phone:

1. The living wage standard

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

1.1	What is your company's position on payment of the living wage to workers in your supply chain?	
1.2	Please give the link to your company's code of conduct, which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please provide a copy.	URL Link:
1.3	Does your company agree with the definition of a living wage as given on page 1 of this questionnaire?	<input type="checkbox"/> Yes <input type="checkbox"/> No, our definition differs from the one given. If no, please provide details of how your definition of a living wage is different and give justification:

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

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

2.1	How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?	Please describe: Percentage of supplier factories and subcontractors reached by these measures: Please supply an example of materials used.
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2.2	<p>Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations?</p>	<p>Please describe the measures you have taken:</p> <p>Names of local unions or workers rights organisations involved in your activities:</p> <p>Percentage of suppliers and subcontractors reached by these measures:</p>
2.3	<p>Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?</p>	<p>Please describe the measures you have taken:</p> <p>Percentage of supplier factories and subcontractors reached by these measures:</p>
2.4	<p>Have your supplier factories and subcontractors issued the <u>right to organise guarantee</u> to workers in any of your production units? Please provide information by country, stating number of supplier factories and details.</p> <p><i>Definition: Right to Organise Guarantee</i> <i>The Right to Organise Guarantee is an agreement signed by the employer to respect the right of all employees to form or join a trade union of their free choice and to bargain collectively without employer interference. The objective of a Right to Organise Guarantee is to create a positive climate for freedom of association and collective bargaining. The guarantee offers workers a commitment that their employer will not retaliate in any way if they choose to exercise their right to freely associate and bargain.</i></p>	<p>Country: Number of suppliers: Details:</p> <p>Country: Number of suppliers: Details:</p> <p>Country: Number of suppliers: Details:</p> <p>Please provide a sample of materials used in specific countries.</p>

2.5	<p>Do you require supplier factories and subcontractors to sign <u>union access agreements</u>?</p> <p><i>Definition: union access agreements?</i> <i>An agreement signed between factory management and local unions in the sector, guaranteeing unions that they can organize in a factory without facing abuse and anti-union behavior. This helps to create a positive climate for freedom of association and collective bargaining.</i></p>	<p>Please describe the measures you have taken:</p> <p>Number of supplier factories with agreements:</p> <p>Please provide a sample of a signed agreement.</p>
2.6	<p>Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights?</p>	<p>Please provide details:</p> <p>How do you monitor that this complaint mechanism can be accessed freely by workers?:</p>
2.7	<p>Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?</p>	<p>If yes, please provide details of your policy and its impacts in relevant countries:</p> <p>How has any of this work impacted on workers ability to receive seniority bonuses?</p>
2.8	<p>Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?</p>	<p>Details:</p> <p>If listing future plans, please provide a timescale for activities.</p>

3. Dialogue and negotiation with labour rights organisations

Too often workers are ignored in corporate accountability programmes of global buyers, even though they are the supposed beneficiaries of code implementation and monitoring programmes. Worker involvement is key to any credible attempt to improve conditions and wages. Workers and their organisations must play a key role in the design and implementation of any programmes that aim to improve wages, both at a factory level and at a national or extra-national level.

3.1	Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:	Provide names of organisations or unions, countries, and details of work (incl. time-frame):
3.2	Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories? If yes, please provide details specifying countries and numbers of suppliers.	

4. Benchmarks for a minimum living wage

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

4.1	Does your company have internal figures that it uses to benchmark wages for each sourcing country or region?	<input type="checkbox"/> yes <input type="checkbox"/> no If yes, please provide details of how these were developed (method, which stakeholders involved) and how they are used:
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: LW Benchmark: Country/region: LW Benchmark: Country/region: LW Benchmark:
4.3	Please give details of the number of your suppliers in Asia that are currently paying the Asia Floor Wage.	Country: Number of supplier factories paying AFW:

5. Purchasing practices that make living wages possible

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

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

6. Living wage projects

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

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

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

7.1	Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?	If yes, please provide details of work:
7.2	As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?	<p>Details:</p> <p>Please provide a link to the public statement:</p>

8. Transparency

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

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

9. Collaborative working

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

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

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

10.1	Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?	If yes, please provide details here:
10.2	Does this strategy have a time scale?	If yes, please state time scale:
10.3	What consultation have you carried out on this strategy, both within and outside your company?	
10.4	How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?	Details:
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?	

Further questions about your supply base

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

A	<p>What are your main production countries? Please state percentage of total production per country and the number of supplier factories.</p>	<p>Country: _____ ; _____ ; Number of suppliers: _____</p> <p>Country: _____ ; _____ ; Number of suppliers: _____</p> <p>Country: _____ ; _____ ; Number of suppliers: _____</p> <p>Country: _____ ; _____ ; Number of suppliers: _____</p> <p>Country: _____ ; _____ ; Number of suppliers: _____</p>
B	<p>What kind of trade partners are part of the sourcing structure?</p>	<p>Please indicate an approximate % of volume share of your production for each type of trade partner.</p> <p>Production at factories owned by your company: _____</p> <p>Orders placed directly to supplier factories: . _____</p> <p>Orders placed through agencies or intermediates: _____</p> <p>Other: _____ If other, please specify: _____</p>
C	<p>What is the length of time that you have been working with your current suppliers?</p>	<p>More than 5 years: _____ .of supplier factories.</p> <p>2-5 years: _____ of supplier factories.</p> <p>Less than 2 years: _____ of supplier factories.</p>
D	<p>How many sites did you use to produce your goods in 2012?</p>	<p>First tier supplier factories: _____</p> <p>Subcontracted suppliers: _____</p>
E	<p>How many supplier factories do you trade with where you have a regular production share of more than 25%?</p>	<p>Number: _____</p> <p>Please list suppliers, country and % of product share at the factory:</p>

→ Free textbox on next page

Thank you for taking our survey. Your response is very important to us.

A.1

[Insert Date]

[Insert General Manager name]

[Factory address]

Dear [Insert GM Name]:

INVITATION TO PARTICIPATE IN NEW MANAGEMENT-WORKER TRAINING PROGRAMME

As you may know, [Company name] is an Affiliate of Fair Wear Foundation (FWF). FWF has partnered with UN Women and other local partners to develop a training programme for factories to help raise awareness about workplace standards and prevent violence through the development of anti-harassment committees and other grievance mechanisms. For a limited time, this training is available free of charge.

Please find enclosed information about the training package and how you can be involved. If you are interested in pursuing this valuable opportunity in partnership with [insert company name], please let us know.

I look forward to continuing the conversation.

Sincerely,

[Insert name]

[Insert title]

Enclosure: Leaflet describing FWF's new training programme



Anti-harassment Committee and Violence Prevention Capacity Building

A training programme available to
FWF Affiliates and
selected sourcing partners
in Bangladesh.

Raising awareness about workplace
standards and grievance systems

An important step towards building
effective factory systems for
workplace communications and
violence prevention

Available free of charge
for a limited time



A Letter from Fair Wear Foundation's Director

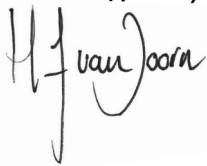
Dear General Manager:

You have been specially selected by one of your clients, a Fair Wear Foundation (FWF) Affiliate, as a candidate factory for FWF's new training programme for workers, supervisors, and managers. The course is available free of charge and covers some of the fundamentals pertaining to workplace standards and grievance systems. The programme focuses especially on developing internal systems to prevent violence and enhance communication systems for women workers in Bangladesh.

Part of your client's decision-making for long-term strategic partners is the existence of functional internal systems for communications and grievance handling. By inviting your factory to participate in this training, your client hopes to support the development of systems in your factory that can effectively address disputes and ensure violence prevention.

The information in this leaflet will provide further details about the programme. And if you have questions or seek more information, please contact your client or FWF. We hope to collaborate with you soon!

Best regards,



Erica Van Doorn

Director

Fair Wear Foundation

What is the Training Programme?

- A training package providing short, targeted onsite training for management, supervisors, and workers.
- Training covers workplace standards, an introduction to internal grievance systems, and other mechanisms that can help prevent violence. FWF's complaint mechanism is also explained.
- After training rollout, FWF's local partners will provide ongoing support to management and worker representatives to develop internal grievance systems.
- Taking a very practical approach in workplaces where most workers are women, the focus will be on developing factory-level anti-harassment committees. These can provide a safe environment for addressing and preventing common workplace issues pertaining to workplace harassment (e.g. verbal abuse, psychological pressure, and sexual harassment) and other issues.

Why should my factory concern itself with improved workplace awareness and grievance systems? Why participate in this training?

- **Enhanced competitiveness** - For FWF Affiliates and other leading brands, conditions at production facilities are closely linked to sourcing strategy, particularly when it comes to choosing long-term strategic partners. When brands identify particular factories as potential strategic partners, they want to ensure that those factories have the systems in place to address problems as soon as they arise.
- **Effective problem-solving measures** - In the Bangladeshi context, workplace harassment is a serious issue. Working collaboratively to raise awareness and develop anti-harassment committees sends a clear signal that your factory is serious about workplace standards and is developing internal mechanisms to prevent potential issues. Once functional, such committees can help keep problems from mushrooming out of control.
- **Available free of charge** - Thanks to funding from UN Women and the Dutch Ministry of Foreign Affairs, FWF is able to make this training available to FWF Affiliates and their selected suppliers free of charge. Of course, you will need to invest time, effort, and follow-up, but this funding minimizes the costs of training.
- **Recognition upon completion** - Factories that complete this internationally-recognized project will also receive a Certificate of Participation.

With reports of recent uprisings in Bangladeshi factories, we hesitate to introduce anything that could fuel any kind of unrest in our factory

Yes, recent news reports have been concerning. But it is important to recognize that such problems are a product of poor internal communications and lacking systems for handling disputes in factories. This training programme focuses on fundamental steps needed to develop such systems. Good communications channels and dispute handling are the most effective ways to ensure that the grievances that exist in every workplace do not mushroom into more serious issues.

Who is involved?

We begin with the General Manager and other managers and then offer training to supervisors, worker representatives, and a representative sample of workers. We will work with factory management to select workers in a way that avoids disruptions to production. Through peer education, the aim is to expand the reach of training among workers.

The training will be delivered by FWF's local partners who are selected and trained by FWF. They have the expertise and local presence to help coach your factory through the steps needed to initiate anti-harassment committees and other internal grievance systems that encourage better communication and grievance handling.

How much does the training cost?

As mentioned earlier, the cost of the trainings and ongoing coaching come free of charge. But by joining onto the training, the factory and FWF Affiliate together take responsibility to ensure that workers are paid their regular wages while in training. Before starting training, it will be necessary to clarify how such costs will be covered.

When and where will the training take place?

The trainings in Bangladesh scheduled for 2012 have already been filled. So we are currently recruiting for 2013.

At the moment, all trainings are taking place onsite in factories, and so we request that factories provide the meeting/classroom space needed for training. Some management training may take place offsite in the future.

Is this training just a masked effort to monitor and intervene in our business?

Absolutely not. FWF and its partners respect your company's proprietary information and confidentiality throughout this process. And our approach is collaborative. We know that real improvement is only possible if management *and* workers participate. To enhance trust, FWF and partners sign confidentiality agreements.

Factory audits will not be conducted in association with this training. We will, however, conduct a baseline assessment (i.e. interviews to get a sense of the situation before the training) and an impact assessment (i.e. interviews after the training to measure any

changes). Factory-specific findings from these assessments will only be shared with the factory, which may, in turn, opt to share findings with the FWF Affiliate. All other reporting is cumulative (i.e. across factories) with an aim of sharing learning and improving accordingly.

If your company follows up with this training and continues to develop the anti-harassment committee and other grievance systems, we hope you will find that your efforts have real payoffs for you – for example, in terms of lower absenteeism and higher worker retention, satisfaction levels, etc.

What does training rollout look like?

- FWF Affiliate and factory agree to participate in the training. Training dates are set and particular terms of rollout are clarified.
- FWF and its local partner collect data from the factory for a baseline assessment of the factory situation with regard to workplace awareness, dispute handling, and harassment-related issues.
- The training is held at the factory for management and a portion of workers.
- Workers who participated in the training provide peer education to other workers with a hope of spreading key information with the entire workforce (we aim at 70-90% awareness).
- The factory executes training lessons, with support from FWF's local partners. The focus is on developing in-house mechanisms to support strong communications and dispute handling channels.
- Data is collected to assess the impact of the training.
- The factory uses learning from the training and impact assessment to target next steps in order to continue to improve internal systems.

Need more information?

If you are a supplier to a FWF Affiliate, please contact the Affiliate.

You may also contact FWF's contact person for Bangladesh:

Dr. Rituparna Majumdar:
bangladesh@fairwear.org



Fair Wear Foundation is an independent, non-profit organisation that works with companies and factories to improve labour conditions for garment workers.

To learn more, visit www.fairwear.org



Fair Wear Foundation

www.fairwear.org

info@fairwear.org

P.O. Box 69253

1060 CH Amsterdam

The Netherlands

t +31 (0)20 408 4255

f +31 (0)20 408 4254