

# SOCIAL REPORT

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2018/2019

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Dear Reader,

Since our beginnings in 1981, sustainability has been fundamental to our company's endeavours. Back then - when we were just an ambitious, small Outdoor company - it was a given that we wanted to manufacture products that met the highest technical and quality standards. Right from the start, products were designed to be durable and sustainable. Therefore, as early as 1981, we established the repair service and since 2015 our waterproofing service to extend the life-span of JACK WOLFSKIN products.

Over time, we as a company have continuously evolved our commitment to sustainability. We are long standing members of the Globally recognized Sustainable organisations: the Fair Wear Foundation (FWF) and bluesign and gladly commit to the widespread measures. **We are quite proud that last year the FWF has recognized us as a LEADER for the 5th time in a row.** This is not a matter of course, as FWF's requirements are enhanced each year according to the developments in the Global environment. We strongly identify with FWF's ambitious objectives – to join forces with our manufacturing partners – to establish fair and safe working conditions at their facilities.

We are particularly proud of our commitment to innovate in terms of product sustainability. Our priorities will be the recycling of plastics, actively reducing waste and a significant reduction of water consumption in the manufacturing process. We have introduced the first fully recycled, highly functional and waterproof membrane to the market in 2017. Furthermore, we use dyeing and finishing technologies that require significantly less water and chemicals as compared to conventional methods. In the future, we will continue to substantially invest in resource-saving products, technologies as well as manufacturing processes.

THERE IS ONLY ONE EARTH - LET'S DO OUR PART TO PRESERVE AND PROTECT IT!

Melody Harris-Jensbach  
CEO JACK WOLFSKIN

# THIS IS WHAT WE'RE DOING



NO. OF JACK WOLFSKIN  
**EMPLOYEES  
IN GERMANY:**  
**545**

There is **3**  
**PRODUCT  
DIVISIONS**  
(Apparel, Footwear,  
Equipment)  
collaborating with

**68**  
**PRODUCTION  
FACILITIES**  
throughout the world

**122,483**  
**INDIVIDUALS**  
work in the production  
facilities manufacturing  
**JACK WOLFSKIN**  
products. Of those,

**77%**  
**ARE WOMEN**

JACK WOLFSKIN  
products are available in  
**733 STORES**  
und more than **4000**  
**SALES POINTS**  
worldwide

JACK WOLFSKIN  
WAS FOUNDED IN  
**1981**

Executive directors are:

**MELODY  
HARRIS-JENSBACH**  
(CEO)

**MARKUS  
BÖTSCH**  
(CSO)

**ANTE  
FRANICEVIC**  
(CFO)

**ALEXANDER  
HAUSER**  
(COO)

Since its foundation in **1981**, **JACK WOLFSKIN** has offered a **REPAIR SERVICE** to extend the lifespan of JACK WOLFSKIN products for as long as possible. In **2015**, this service was complemented by a professional **WASHING AND RE-IMPREGNATION SERVICE**.







# 01

## ***SUSTAINABILITY IS AN INTEGRAL PART OF JACK WOLFSKIN'S DNA***

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We're at home outdoors. For us, there's no better place. We're drawn to wide open spaces and we draw strength from slowing down. We seek experiences rather than top performance. We are driven by fresh ideas and the passion to design outstanding products. We are committed to functionality. Our products shall offer protection, keep warm and dry, and be comfortable at the same time. Reliable for many years. No detail is too insignificant for not to be improved upon. We respect nature's diversity and all living things. Our earth is simply the most beautiful place in the universe and it's the only one we have. We do everything we can to protect it and wish to experience and share it with everyone.



JACK WOLFSKIN - HIGH-QUALITY  
OUTDOOR PRODUCTS OF TIMELESS  
APPEAL

Actively assuming social responsibility is a vital part of our self-concept as well as our corporate culture - ever since our company was founded in 1981. We firmly believe that fairness as well as environmental and social responsibility do not conflict with our company's success. We regard sustainability as being self-evident. Therefore, we emphasize functionality and longevity as well as contemporary designs. These criteria apply to our three business segments apparel, equipment and footwear. We are committed to reducing our products' and manufacturing processes' ecological footprints. Equally dedicated, we assume social responsibility in regard to our manufacturing partners worldwide.

OUR COMMITMENT TO UN'S  
SUSTAINABLE DEVELOPMENT  
GOALS

In 2015, the United Nations passed its Agenda 2030. This agenda sets 17 goals for sustainable development on a global scale - aptly called "Sustainable Development Goals". They follow the guiding principle of globally establishing humane living conditions. It concerns all of us - hence we are all called upon to contribute to an environment worth living in. Also, to a society in which everyone can lead a fulfilled and self-determined life. We at JACK WOLFSKIN fully embrace the vision behind these Sustainable Development Goals.

PRODUCT SUSTAINABILITY, AS WELL  
AS PROTECTING THE ENVIRONMENT  
AND CLIMATE

Accordingly, we constantly improve and enhance our commitment to the environment - on every level. An increasing number of our products is manufactured from recycled materials. Completely eliminating PFC in our products is a tangible objective - in fact, in our departments Apparel and Equipment, this has already been accomplished. Already today, we use certified organic cotton only and our down is sourced from species-appropriate animal husbandry, certified according to the "Responsible Down Standard". Also, we advocate a responsible chemical and environmental management in our supply chain, in compliance with the bluesign® system. We have been a partner of this system since 2011, so by now the majority of our materials comply with bluesign® system's

requirements. Furthermore, we strictly monitor harmful substances, not just in our products, but also on-site in manufacturing facilities. This is accomplished through comprehensive lists of hazardous substances, which are banned in our finished products as well as in all manufacturing processes. Furthermore, sewage is routinely monitored in all facilities. Our sustainability goals motivate us to continue along this path and develop environmentally friendly as well as innovative materials in the future.

We continuously post details on the latest status on our website:  
<https://www.jack-wolfskin.com/corporate-responsibility/>.

SUSTAINABLE  
DEVELOPMENT GOALS



SOCIAL RESPONSIBILITY

Responsible relationships with our suppliers and manufacturing facilities furthermore constitute one of the most important foundations of our corporate operations. We are committed to fair working conditions, reasonable working hours, safe workplaces and fair wages. Transparently, we disclose our supply chains and openly report, for instance, the latest progress in locally implementing social standards in specific manufacturing facilities. Our manufacturing partners must commit to our Code of Conduct. We in turn offer support, so they can implement improvement measures and thus meet our strict standards. Jointly, we have already achieved considerable progress - and together we will continue along this path. The FWF provides support for these efforts.

develops sensible and fitting strategies for manufacturing facilities worldwide, collaborating with all stakeholders involved. Those stakeholders are FWF member companies, such as Jack Wolfskin, but also non-profit, non-governmental organisations (NGOs), employers' and employees' associations in Asia and Europe, as well as government representatives. JACK WOLFSKIN has been FWF member since 2010 - a logical step after having established our own independent programme for managing social sustainability in our supply chains as early as 2007. In this report we present our commitment to social responsibility and provide a detailed account regarding financial year 2018/2019.

Status updates are continuously provided via our website:  
<https://www.jack-wolfskin.com/corporate-responsibility/>.

The FWF is an independent, non-profit organisation working on many levels to improve working conditions in the textile industry. To this end, the FWF sets strict standards. Furthermore, it





## 02 ***SOCIAL RESPONSIBILITY IS HIGHLY PRIORITISED***

We do not operate our own production facilities; instead, we collaborate with companies manufacturing our products under contract. The fundamental prerequisite for collaborating with any manufacturing partner is their commitment to comply with our social guidelines as well as FWF requirements.



## RESPONSIBLE PROCUREMENT AND PRODUCTION PLANNING

Our product range is highly diversified; therefore, we collaborate with various specialised manufacturing partners. However, we intend to consolidate the number of manufacturing partners as much as possible. This allows us to build individual as well as long-lasting relationships with our manufacturing partners and jointly establish a socially responsible procurement.

### PROCUREMENT COUNTRIES AND MANUFACTURING PARTNERS

**As we do not operate our own production facilities, we rely on manufacturing partners. These are our primary business partners where we commission our products' final manufacture. Some of our partners operate in several locations; therefore, we generally establish immediate communication with individual manufacturing sites. This way we optimise the individual collaboration according to local conditions and circumstances.**

In fiscal year 2018/2019, our products were manufactured in 12 countries; the majority of these countries are located in Asia. The largest part of our production volume originates from Vietnam, followed by Bangladesh, China and Cambodia. A smaller part of our production volume is sourced from manufacturing partners in a few European countries. Many of our classic fleece products, for instance, are manufactured by a long-term partner in Turkey.

In the year under review, we maintained active ties to 68 manufacturing facilities. This number includes our immediate manufacturing partners as well as subcontractors commissioned by our partners. Our partners do not only work for us, but also for other client companies. We therefore share the production capacity available at individual manufacturing facilities. Within the scope of our collaboration, we aspire to occupy a considerable volume of the respective capacity of a manufacturing facility, though. This allows our order volumes to be of greater significance to the respective partner. Subsequently, we may more emphatically demand implementation of our social standards and thus participate more effectively in positive changes.

In 2018/2019, 87% of our production volume originated from manufacturing facilities in which our orders accounted for at least 10% of the respective revenue. That part of our order volume originated from facilities in which our order volume occupied a relatively small share of production capacity, is largely due to our broad product range. We offer our customers an abundance of outdoor products: an extensive range of functional apparel; many different bags, backpacks, tents and sleeping bags, drinking bottles, mats, up to footwear for various purposes. Consequently, our manufacturing partners are highly specialised in terms of the respective machinery and have specific, long-standing experience in the manufacture of specialised products.

### NEW MANUFACTURING PARTNERS

Though we always aspire to maintain long-term relationships with our manufacturing partners, from time to time we are required to establish new partnerships. This is due to various reasons:

- Expansion of our product range with a product category that none of our current partners is capable of manufacturing.
- Insufficient long-term production capacities and, as a result, overloading of the respective manufacturing facilities.
- Establishment of a new manufacturing facility by an existing partner, who asks us to support the setup of the respective facility.
- Integration of a subcontractor into an existing manufacturing process in order to compensate production peaks.
- Termination of a collaboration by a manufacturing partner, for instance if the partner wishes to change his strategic focus.
- Non-compliance with our strict social and/or high-quality standards by a manufacturing partner

If any one of these scenarios becomes a reality, we thoroughly evaluate the potential new manufacturing partner before establishing a new, potentially long-term collaboration.



SELECTION PROCESS AND ASSESSMENT OF NEW MANUFACTURING PARTNERS

Basis of any collaboration is compliance with our code of conduct. However, further criteria such as quality or delivery times and costs must also meet our expectations. Prior to a collaboration, we thoroughly assess potential manufacturing partners accordingly. To this end, we employ a pre-defined assessment method designed to provide a consistent and fair evaluation. On initial contact, we gather all relevant details regarding the manufacturing facility. Then, our sourcing team conducts a first on-site inspection to evaluate the manufacturing process. If this evaluation as well as a subsequent internal meeting have a positive outcome, we will provide our requirements specification in the next step. These specifications reflect our standards in terms of quality as well as packaging, logistics and transport. Furthermore, the specifications contain our requirements regarding management of hazardous substances and chemicals as well as the code of conduct defining the required social standards. To establish a binding collaboration, the future partner must sign a written confirmation that the code of conduct will be complied with. Simultaneously, we will place a trial order to evaluate the interaction with the manufacturing facility. Within three months, we conduct an initial social audit on site; this allows us to assess at an early stage to what extent our Code of Conduct requirements have already been implemented. The findings of this initial audit will decisively influence whether a long-term collaboration is desirable. For more details on social audits, please refer to page 30 et seqq.

OUR CODE OF CONDUCT

Our Code of Conduct is based on the Human Rights Charter of the United Nations as well as the conventions of the International Labour Organisation (ILO). It is a binding element of every contractual relationship with our manufacturing partners. Our Code of Conduct includes the following requirements, which must be complied with by each individual manufacturing facility:

- 1 Forced labour is strictly prohibited
- 2 Discrimination in the workplace is strictly prohibited.
- 3 Child labour is strictly prohibited.
- 4 Freedom of association and the right to collective bargaining is granted.
- 5 Wages shall be sufficient to secure livelihoods.
- 6 Working hours must be fair.
- 7 Workplace environments must be safe and health-compatible.
- 8 Each employee must have a legally binding employment contract.
- 9 Environmental protection must be respected.

The complete Code of Conduct may also be found on our website:  
[https://www.jack-wolfskin.com/on/demandware.static/-/Library-Sites-JackWolfskin\\_SharedContentLib/default/dw5ad3c4c4/PDFs/Code\\_of\\_Conduct\\_English\\_Stand\\_01-2011\\_new.pdf](https://www.jack-wolfskin.com/on/demandware.static/-/Library-Sites-JackWolfskin_SharedContentLib/default/dw5ad3c4c4/PDFs/Code_of_Conduct_English_Stand_01-2011_new.pdf)

FREQUENT ASSESSMENT OF MANUFACTURING PARTNERS

We audit our manufacturing partners not just at the very beginning of a collaboration. Throughout the further course of our partnership, we continue to assess twice a year, whether manufacturing partners continue to meet required social as well as quality standards. This assessment is conducted interdisciplinary, involving our departments Procurement, Technical & Quality Assurance, Logistics and Vendor Control - our team responsible for sustainability. We audit each individual manufacturing facility, applying a comprehensive catalogue of criteria as well as a standardised evaluation matrix. This provides all participating departments with accurate information on each manufacturing facility's strengths and shortcomings, as well as on its progress. We transparently share all audit results with the respective man-

ufacturing partner, and devise an individual plan for corrective action. This plan is to be carefully implemented via improvement measures by both our manufacturing partner as well as us. Hence, we establish a continuous improvement process, individual to each manufacturing facility. The findings of these frequent audits, as well as the implementation of the respective improvement measures, directly influence future collaboration: Upon positive assessment as well as successful implementation of improvement measures, we aspire to gradually increase our order volume, provided free production capacity is available. Upon negative assessment, or if improvement measures were failed to be implemented, we intend to gradually reduce our order volume.

TERMINATION OF COLLABORATION

Long-term collaboration with a manufacturing partner may not be possible at all times. Termination of a collaboration may be initiated from both parties involved. Usually, this decision is preceded by a lengthy process in which improvement measures had been jointly devised, also we usually had offered active support in eliminating deficiencies. Irrelevant to this context is the type of any shortcomings. These might be quality problems, difficulties in meeting social or environmental standards, consistently poor delivery performance, as well as many other aspects. We intend to terminate a collaboration just as responsibly as it had been initiated. Thus, we notify our manufacturing partner well in advance, and only then gradually reduce our order volume. This allows the manufacturing partner to adapt to the changes and adjust production planning.



# TRANSPARENT, LONG-TERM BUSINESS RELATIONSHIPS WITH OUR MANUFACTURING PARTNERS

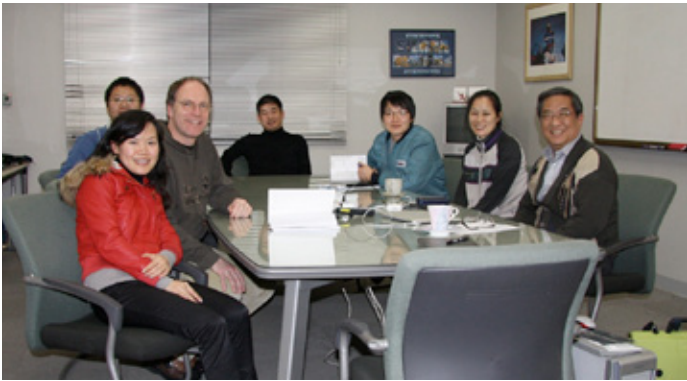
In fiscal year 2018/2019, we collaborated with 68 manufacturing facilities in 12 countries, our highest production volume originating from Vietnam, Bangladesh, China and Cambodia. As client of our manufacturing partners, long-term relationships, transparent pricing and fair production planning are of utmost importance to us.



## LONG-TERM NATURE OF OUR BUSINESS RELATIONSHIPS

We highly value - and cultivate - stable, long-term and close business relationships with our manufacturing partners. In 2018/2019, 56% of our production volume were ordered from partners that we have been collaborating with for a minimum of 5 years. Some of these partnerships reach back more than ten years, in one particular case even 26 years. This long-term approach is of utmost importance both to us as well as our manufacturers. It allows our partners to expect sound as well as reliable orders. We, in turn, benefit as the respective manufacturing facility is yet very familiar with our requirements regarding com-

pliance with social standards, as well as our requirements in terms of quality, delivery and transparent collaboration. On one hand, a partnership such as this must continuously be nurtured so as to reaffirm mutual trust. On the other hand, continuous efforts maintain mutual loyalty and willingness to implement changes. Therefore, we do not only insist on a diligent selection process involving a detailed prior assessment of potential manufacturing partners, but furthermore on transparent pricing and anticipatory production planning throughout the duration of a collaboration.

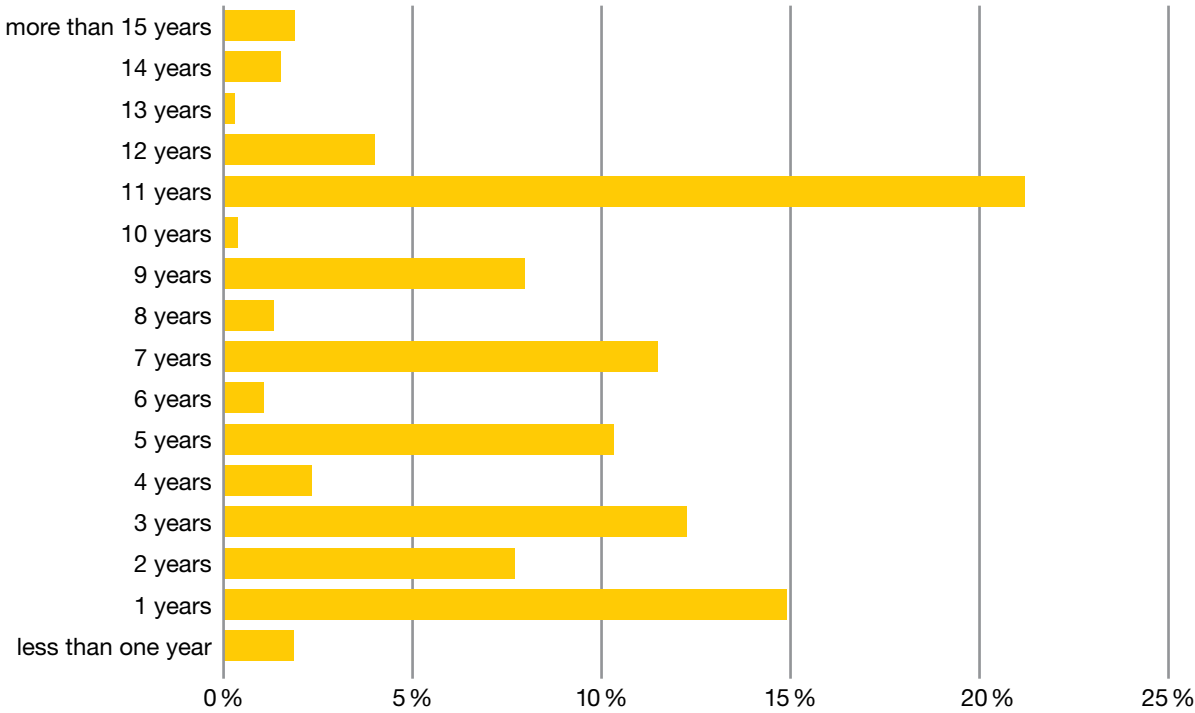


Meeting with our tent supplier 2011



Developing a tent with our supplier in 2013

## ORDER VOLUME PER FACILITY BASED ON A COLLABORATION TIME OF...



Order volume in relation to years of collaboration with our partners

## LONG-TERM PRODUCTION PLANNING

An integral part of sustainable production planning is a responsible procurement process. This involves, among other factors, closely monitoring a manufacturing facility's current production capacities. Only when manufacturing facilities are not overloaded, excessive overtime and its adverse effects may be avoided beforehand. In this context, close ties to, as well as transparent communication with our manufacturing partners are of crucial importance. Accordingly, we determine production as well as delivery schedules in close coordination with our manufacturing partners.

We produce two collections each year - a summer and a winter collection - each with a lead time of appr. 1.5 years. This allows us sufficient time for precise order forecasts. The more accurate these forecasts are, the easier our manufacturing partners may allocate their capacities in accordance with further clients' orders. This applies both to our partners for finishing as well as

partners for intermediate products or material supplies. These partners supply, for instance, textile panels, buttons, zippers or strings. Consequently, we also submit order forecasts, including production and delivery schedules, to the according suppliers. Thus, it is warranted that all materials required for the final production stage will be produced and delivered to the respective manufacturing facilities for finishing in time. Based on our forecasts, we order several batches of a collection's production run, adjusted to our customer's actual order volumes.

Should a production facility unexpectedly experience overload during a production run, we may prioritize based on the orders and adjust delivery schedules or transportation modalities in consultation with the respective manufacturing facility. For this purpose, we employ our live planning system, which permanently maps the status of all of our orders, and which allows us to communicate with our manufacturing partners at all times.





# COMMITMENT TO LIVING WAGES

We firmly believe that all people deserve a wage adequate to provide a livelihood. From the very beginning of our commitment to establish fair, safe and socially responsible working conditions, we have asked our manufacturing partners to pay living wages. In 2007, this demand certainly was not self-evident. Our membership with the FWF as of 2010 had us reassured, that we were dedicating ourselves to an important, vital cause. After all, gradually establishing living wages in manufacturing companies is one of FWF's primary objectives.

## WHAT EXACTLY IS A LIVING WAGE?

A living wage allows workers to provide for their families as well as themselves, to afford housing and furthermore cover day-to-day necessities such as clothing or transport. Moreover, funds should be disposable for children's education and

healthcare. Also, it should be possible to accumulate reserves for unforeseen expenditures. "Living wage" refers exclusively to the wage received within regular working hours - excluding any overtime pay or performance-related bonuses.



Food



Housing



Health



Education



Clothing



Mobility



Savings

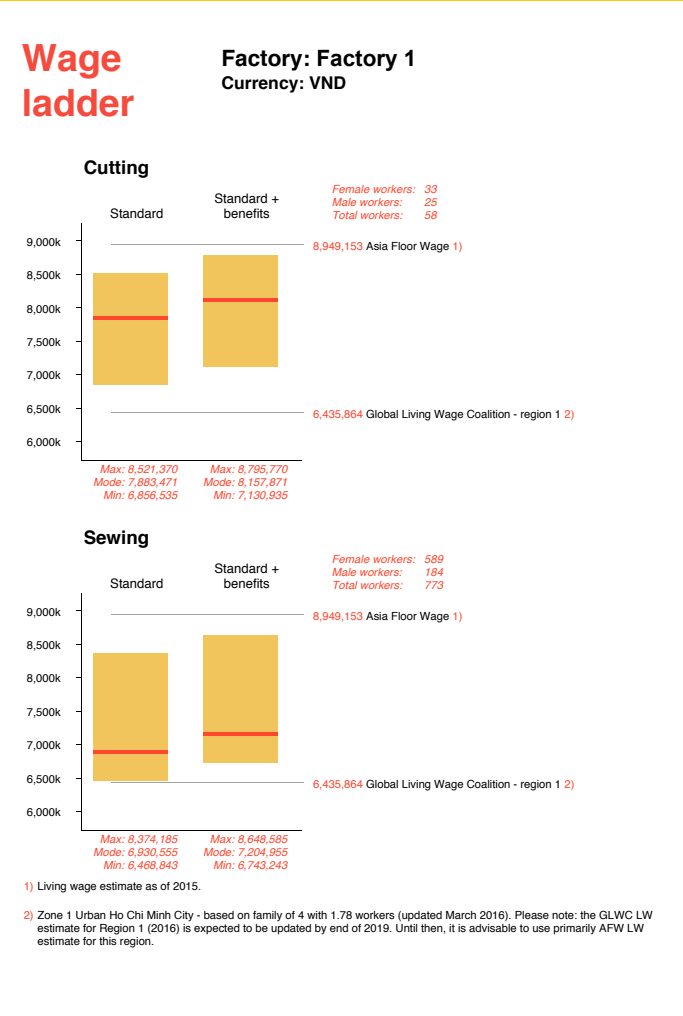
Living wages are a crucial issue requiring everyone's full commitment and support. Establishing those in the global marketplace, involving numerous stakeholders, is hugely complex, requires a creative approach - and may take some time yet to be realized.



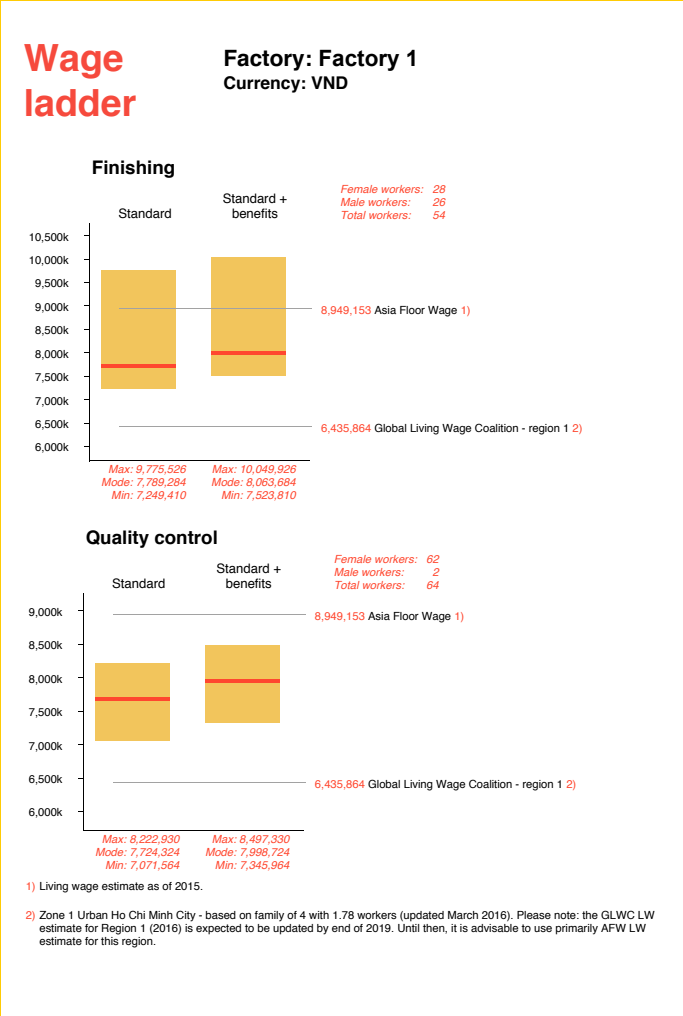


THE CHALLENGES

There is no single one formally declared living wage. Therefore, depending on which stakeholder (local unions, international NGOs, factory owners, employee representatives, etc.) comments on living wages, varying - sometimes very different - amounts are specified as a living wage. Therefore, the FWF employs so-called “wage ladders”, indicating different salary brackets according to country and sometimes even individual provinces. The underlying data applied by the FWF is gathered from official sources or stakeholder surveys. These wage ladders reveal significant differences between many countries when estimating the salary level defined as a living wage.



Wage ladder example for a different production partner in Vietnam



We do not operate our own manufacturing facilities; hence, JACK WOLFSKIN does not directly employ or pay production workers. Consequently, establishing living wages fast, and above all on our own authority, is rather challenging. In

our collaboration with our manufacturing partners, we have made it our objective to actively convince them, in the spirit of partnership, that securing living wages is the right and the only way to be successful in the long run.





TRANSPARENT PRICING

For each individual product we determine and negotiate prices directly with the respective manufacturing partner. In this process we follow the concept of transparent price calculation. Our purchasing price for any product is composed of costs for material and labour, as well as operational costs and the profit margin for the manufacturing partner.

Material costs may be determined quite accurately. We stipulate the raw materials to be used for each product in a parts list. This bill of material depicts all materials required to manufacture the product; however, no quantities are specified. The actual quantity of materials used in production, is specified by the manufacturing partner, as he creates the cutting patterns. Therefore, he may calculate the exact material consumption. Combined with known prices for the materials, we, in coordination with our production partners, may calculate unit costs. Thus, quantities and costs of materials may be determined transparently in the pricing negotiations.

Labour costs per product depend on the particular effort required for production as well as the respective degree of complexity. Manufacturing partners derive the required work input based on “sampling”, i.e. trial production. Furthermore, the efficiency rate, a measure of productivity of the respective manufacturing facility, also enters into determining labour costs. Based on the effort required and the efficiency rate, labour costs may be determined accordingly.

In order to calculate the final purchase price, manufacturing partners must also consider operating costs and their intended profit margin.

However, as our manufacturing partners are independent entities, which do not need to disclose their cost structure, fully transparent pricing is not feasible. Still, we strive for maximum transparency and face our manufacturing partners as equals when negotiating. To this end, we monitor changes regarding the labour and cost structure in the respective manufacturing countries and provinces and assess whether the agreed prices are realistic or whether they need adjustment. In this context, the team responsible for pricing can rely on years of in-depth experience and innumerable trips to our manufacturing countries.

It must be noted, however, that we are not an exclusive client in any of the manufacturing facilities. Thus, we have limited leverage to influence labour structures at our partners’ facilities. Through our approach to pricing plus our continuous efforts to establish fair wages, we attempt to convince our partners, that adequate employee compensation is an investment into the partner’s future viability. In many countries, there is evidence today, that employees not receiving adequate compensation, are turning to other industries for work. As a result, the supply of qualified employees is steadily decreasing.

SALARY ANALYSES AND DETERMINATION OF A TARGET WAGE

JACK WOLFSKIN has integrated a monitoring system into the social audits, which is designed to verify that our manufacturing partners’ workforce receives fair and contractually agreed compensation for their labour. The fundamental requirement, which must never be compromised, is compliance with statutory or industry minimum wages. Premise is, that wages cover workers’ basic needs and furthermore provide an amount for free disposal. Naturally, unlawful and arbitrary wage reductions or sanctions are not admissible and will not be tolerated. Also, all employees clearly must be aware of the detailed breakdown of their wages at the time of signing the contract.

Due to our social audits, we may accurately estimate the actual salary levels in factories, as well as how they compare to statutory minimum wages. As we may not disclose exact wages for the sake of privacy, we classify actual wages into clusters for the purposes of this document. For an overview, please refer to page 26.

Detailed wage statistics as well as respective progress, we frequently share with the FWF.

We have reviewed various studies as well as analyses related to living wages; for illustration, we present the case of Vietnam:

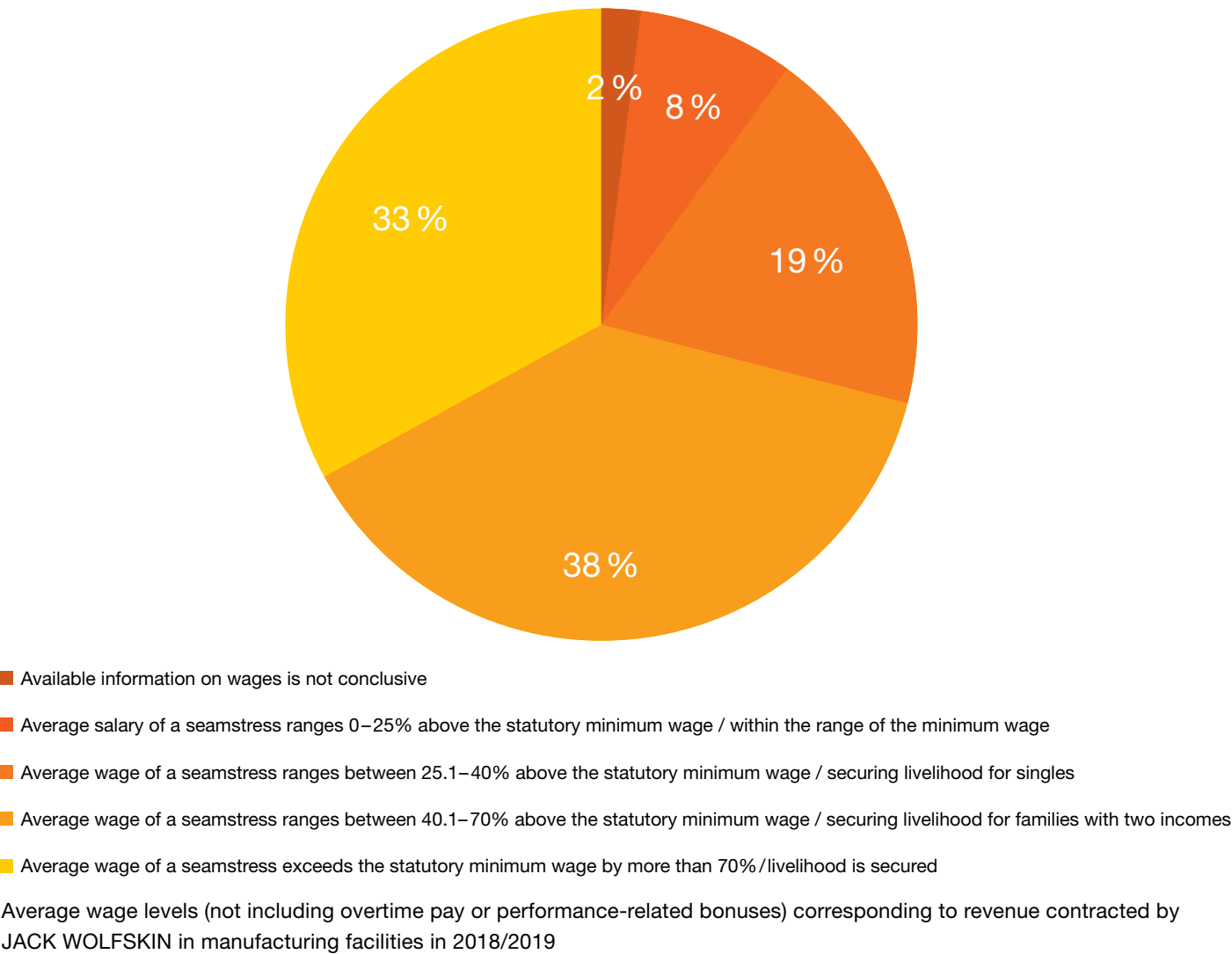
Based on data, studies and estimates available to us, we have defined 5 target wage levels (not only for Vietnam). At level 5, wages exceed the minimum wage by at least 70%. According to the Global Livingwage Coalition, a living wage thus is provided for. The right-hand column indicates the percentage of manufacturing sites currently having attained the respective level target.

Basic requirement 1	Paid wages must be known.	Attained for 98% of our revenue. For the remaining two percent, we are confident that statutory minimum wages have been paid, we wer not provided with reliable wage level data, though.
Basic requirement 2	The statutory minimum wage must never be undercut. Paid wages are up to 25% higher than the statutory minimum wage.	Attained for 100% of our revenue.
Target level 1	Paid wages are <b>25-40% higher than the statutory minimum wage</b> . We consider attaining this level to be the first step towards a living wage.	Attained for 90% of our revenue.
Target level 2	Paid wages are <b>40-70% higher than the statutory minimum wage</b> . We consider this target wage to be the second step to be taken towards securing a livelihood.	Attained for 71% of our revenue.
Target level 3	Paid wages are over <b>70% higher than the statutory minimum wage</b> . When attaining this level, seamstresses have reached target level 3 and thus have secured a livelihood. (Based on the findings of the Global Livingwage coalition in regard to Vietnam)	Attained for 33% of our revenue.

Organisation responsible for analysis of/study on living wages in Vietnam	% Wage level above statutory minimum wage
Wageindicator.org – for a single person	<b>47%</b> (Wageindicator.org estimate ranges between 11%-82%)
Wageindicator.org - for a typical local family	146% (Estimate ranges between 91%-196%)
Global Livingwage Coalition <a href="https://www.globallivingwage.org/wp-content/uploads/2018/04/living-wage-report-urban-vietnam.pdf">https://www.globallivingwage.org/wp-content/uploads/2018/04/living-wage-report-urban-vietnam.pdf</a>	<b>72%</b>



AVERAGE WAGES PAID TO SEAMSTRESSES CORRESPONDING TO REVENUE OF JACK WOLFSKIN IN MANUFACTURING FACILITIES



OUR GOAL: GRADUALLY ESTABLISHING LIVING WAGES

At first, we are aiming to as well gain full transparency on actual wages paid for the remaining 2% revenue. Subsequently, we will systematically address all manufacturing partners from whom we order a significant revenue. Top priority here is to persuade those partners to increase wages. Initially, we address those partners whose wages paid range only up to 25% above the statutory minimum wage. We aim to motivate these partners to pay wages in line with our target level 1 (see table). With partners whose wages already correspond to those of target levels 1 or 2, we will explore the possibility of a gradual salary increase in order to ultimately ensure livelihoods for all.

WAGE SURVEYS FOR VIETNAM, BANGLADESH AND MYANMAR

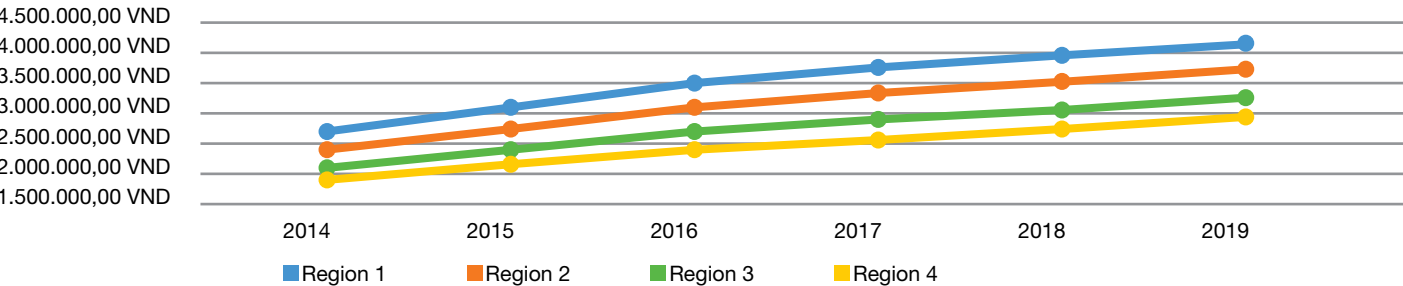
In order to illustrate wage structures in specific countries, we wish to introduce some of our most important manufacturing countries in the following section. Corresponding data was collected during audits.

VIETNAM

Vietnam is one of our most important production countries; therefore, to us, progression in regards to the general salary structure in Vietnam - and with our partners in particular - is of great relevance.

In regard to salaries, the country is divided into four regions. In each of those, the statutory minimum wages were increased significantly - namely by more than 50% - between 2014 and 2019:

PROGRESSION OF THE STATUTORY MINIMUM WAGE IN VIETNAM FROM 2014–2019



	2014	2015	2016	2017	2018	2019
Region 4	1.900.000,00 VND	2.150.000,00 VND	2.400.000,00 VND	2.580.000,00 VND	2.760.000,00 VND	2.920.000,00 VND
Region 3	2.100.000,00 VND	2.400.000,00 VND	2.700.000,00 VND	2.900.000,00 VND	3.090.000,00 VND	3.250.000,00 VND
Region 2	2.400.000,00 VND	2.750.000,00 VND	3.100.000,00 VND	3.320.000,00 VND	3.530.000,00 VND	3.710.000,00 VND
Region 1	2.700.000,00 VND	3.100.000,00 VND	3.500.000,00 VND	3.750.000,00 VND	3.980.000,00 VND	4.180.000,00 VND

Progression of the statutory monthly minimum wage in Vietnam between 2014 and 2019 (Figures in VND - Vietnamese Dong; VND 4,190,000.00 corresponds to approximately EUR 165.-)

Despite this significant increase, minimum wages are still not in line with living wages (refer to the estimates of Wageindicator.com and the Global Living Wages Coalition cited above). This is true, even considering that the statutory minimum wage in Vietnam has already doubled in the last six years.

In fiscal year 2018/2019, however, all of our 23 Vietnamese manufacturing partners on average rank highly regarding actual wages paid. Just at two manufacturing facilities, wages are only up to 25% above the statutory minimum wage. These two facilities are subcontractors, which presents us with our first challenge. In these cases, we have no direct influence on the respective

manufacturer. Our main contact for all communication regarding prices is our immediate manufacturing partner. Therefore, it poses quite a challenge to actively engage in a dialogue with the subcontractor regarding a salary increase. In two further manufacturing facilities wages paid range between 26% and 40% above the statutory minimum wage; in eleven manufacturing facilities between 41% and 70% above. A total of eight of our Vietnamese partners pay their seamstresses wages that exceed the statutory minimum wage by more than 70%. According to the findings of the Global Living Wage Coalition, these wages are considered to secure their livelihood.



BANGLADESH:

The statutory monthly minimum wage in Bangladesh outside the textile industry amounts to 1,500 BDT (Bangladesh Taka). This equals about EUR 16,- . As of December 1, 2013, a sector-specific minimum wage of 5,300 BDT (EUR 56,50) was established in the textile industry. On December 1, 2018 this was increased to 8,000 BDT (approx. EUR 85,- ). Thus, the statutory minimum wage in the textile industry exceeds five times the statutory minimum wage applicable to other industries in Bangladesh. As the majority of the population in Bangladesh works in the textile industry, this industry serves as a pioneer in the development of the country. Nevertheless, the minimum wage level in Bangladesh’s textile industry is still low as compared to surrounding production countries.

Name of manufacturing facility	Location	Average wage of a seamstress including non-performance-related bonuses, excluding overtime
Youngone Hi-Tech Sportswear Ind. Ltd. & Savar Sportswear Company Ltd.	Dhaka	>300%
Karnaphuli Shoes Ind., Ltd. (Garments Unit)	Chittagong	140,1%-170%
Youngone CEPZ Ltd.	Chittagong	140,1%-170%
Haewae Apparel Inc.	Chittagong	140,1%-170%
Kadena Sportswear Ltd.	Comilla	140,1%-170%

MYANMAR:

In 2018/2019 we collaborated with three manufacturing partners in Myanmar:

Eslite Garment Co., Ltd.

The collaboration with this manufacturing partner was initiated for the 2018 spring/summer collection, ordering small quantities. Unfortunately, it was soon apparent that a long-term partnership would not be desirable due to different approaches towards various aspects of the collaboration. Consequently, we rapidly reduced orders and the collaboration was discontinued approaching the Fall/Winter 2019 collection.

All five manufacturing partners in Bangladesh, that JACK WOLFSKIN has contracted in 2018/2019, pay salaries above the statutory minimum wage. The manufacturing facilities are located in Dhaka, the capital, as well as in the more remote regions of Chittagong and Comilla. The manufacturing partner in Dhaka pays far higher wages than the further production sites, factoring in that cost of living is highest in Dhaka. In the more rural regions of Chittagong and Comilla, living costs tend to be lower.

In March of 2017, prior to commencing manufacture, a social audit was conducted at the manufacturer’s premises. Shortly afterwards, in May 2017, we therefore initiated a training programme for factory employees and managers in cooperation with SMART Myanmar (an EU co-funded organisation to improve labour laws in Myanmar). This training provided extensive information on the FWF’s Code of Conduct and complaints process. The aim was to lay the foundations for a successful collaboration in Myanmar, a relatively young production market. The second and final audit at the manufacturing facility was conducted in July 2018.

Sawbwa VT Co., Ltd.

The collaboration with Sawbwa VT has been established as early as 2014. Training regarding our code of conduct and the complaints process was conducted with this partner in May 2017 as well. Both employees and management participated in the training. The first audit at the factory was conducted in October 2014. As a manufacturing country, Myanmar is still „fresh“ in the global market, so the risk of not (yet) meeting our requirements for workplace conditions is high. Therefore, follow-up audits have been conducted annually for the purpose of providing adequate support to continuously improve the workplace environment. To complement the six audits conducted to date, as well as the basic training on social standards in 2017, a further training initiative - conducted by the FWF - is planned for 2020. As with all previous trainings, JACK WOLFSKIN will bear the costs for instructors. The manufacturing partner will be responsible for the personnel costs incurred. Thus, the partner guarantees that employees participating in the training will receive their regular wages even during periods of absence due to the training.

SALARY OVERVIEW OF PRODUCTION FACILITIES IN MYANMAR

Average wages paid to employees at the three locations exceed the statutory minimum wage. This includes non-performance-related bonuses, but not overtime compensation.

In Myanmar it is lawful to compensate employees in training up to 50% less than the statutory minimum wage. During the probationary period, employees may still be paid up to 25% less than the statutory minimum wage. One of our three production partners (still) opts for this practice. At present, we are working on specific measures to end this legally permissible, yet to us unacceptable practice. Up until 2018, the respective manufacturing partner paid trainees 3,400 MMK (Myanmar Kyat) /day. Employees within the probationary period received 3,600 MMK/day; and, on completion of the three-month probationary period, at least the statu-

Average salary of a seamstress in Myanmar in % of the statutory minimum wage (including non-performance-related bonuses, excluding overtime)

Name of manufacturing facility	Average salary of a seamstress including non-performance-related bonuses, excluding overtime
Eslite Garment Co., Ltd.	100%-125%
V.T. Garment - Sawbwa VT Co., Ltd.	125,1%-140%
Kido Yangon Co., Ltd.	125,1%-140%

Kido Yangon Co., Ltd.

This manufacturing facility was acquired in 2018 by a long-term partner that is already manufacturing for us at locations in Vietnam. Here as well, the first audit was conducted in November 2017, before commencing collaboration. Subsequently, in 2018 and 2019, one social audit per year was conducted by the FWF. Furthermore, this manufacturing facility is participating in a one-year FWF training program. Main objective of this programme is to improve and intensify communication between employees and their superiors at all management levels. The core elements of the Code of Conduct are also an elementary aspect of this long-running training initiative.





# 03

## ***ESTABLISHED SYSTEM TO SECURE SOCIAL STANDARDS IN MANUFACTURING FACILITIES***

We are committed to truly being familiar with the actual situation in manufacturing facilities. Due to our approach of auditing locations even before placing the first order and routinely conducting recurring audits, audit coverage has been at 99%-100% for many years. Only this approach allows us to react quickly to undesirable developments and to continuously work on improvements in cooperation with our suppliers.





# ANNUAL AUDITS TO EFFECTIVELY ESTABLISH HIGHER SOCIAL STANDARDS

Through auditing, we monitor whether our manufacturing partners' efforts and our own supporting measures have been effective. As the majority of our manufacturing partners already complies with our requirements to a very high standard, these audits should in most cases be regarded more as an analysis of potential rather than a conventional inspection. We strive to continuously improve ourselves along with our partners - and thus pave the way to a "new normal", as the FWF very nicely puts it. Fair working conditions then are the norm, not the exception!



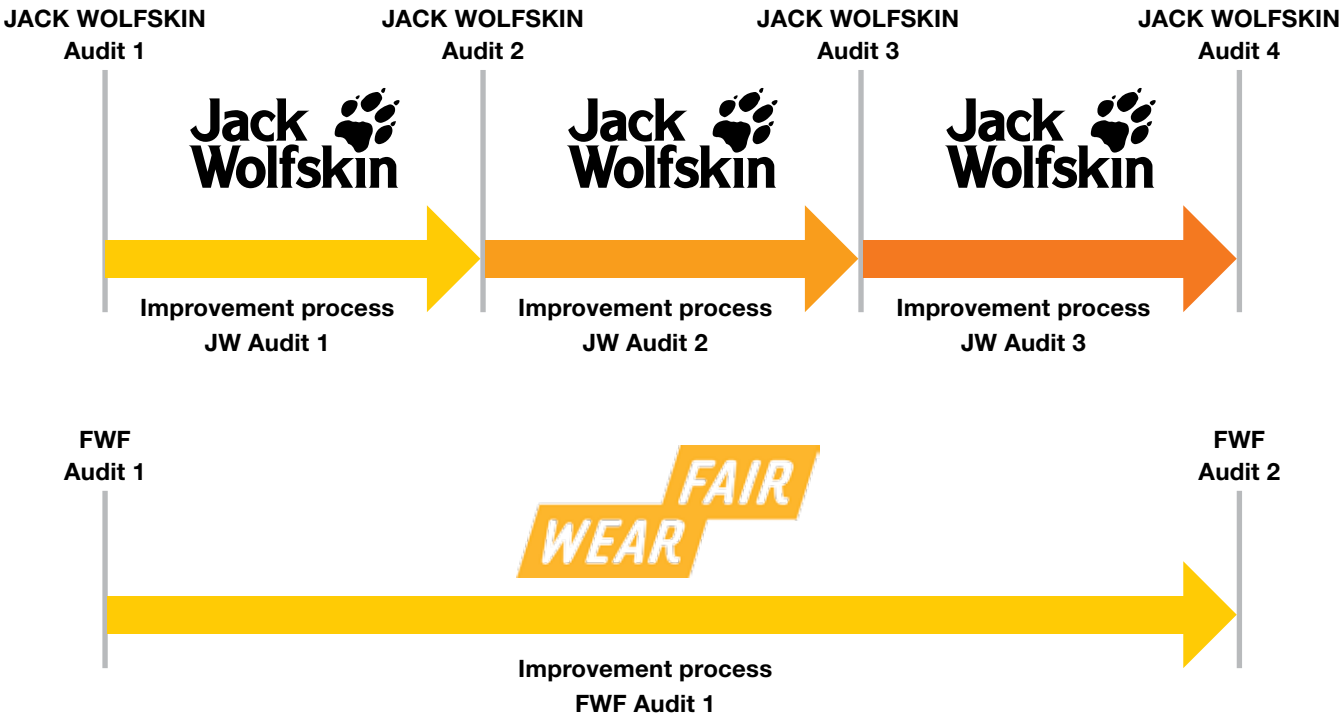
## INDEPENDENT AUDITORS

A team of independent auditors periodically visits the manufacturing facilities of all of our partners. They assess the working conditions at each individual facility and whether improvement measures formerly agreed upon, have been implemented successfully. Our team at Jack Wolfskin partially consists of trained social auditors as well. However, we have decided to have the manufacturing facilities' audits conducted exclusively by auditors not employed with us. Independence secures impartiality. Which we explicitly insist on when assessing the actual situation on site and documenting positive as well as negative changes. For these audits, we have been working with the independent, globally active auditing company Sumations since 2007, complemented by FWF auditors since 2010. This allows us to make our established auditing system even more robust and protect it from being compromised.

Sumations' audit teams generally consist of at least two individuals with different cultural backgrounds. One of the auditors typically originates in the country in which the audit is conducted; whereas the audit team partner will typically belong to an entirely different cultural background. Due to the fact that at least one team member lacks a culturally biased perspective in the sense of "this is common local practice and therefore acceptable", he can assess local conditions more objectively.

## AUDIT PLANNING: ANNUAL AUDITS

The FWF encourages its members to audit their manufacturing partners at least every three years. Thereby required is a coverage of 80% of the revenue. We are committed to exceed this FWF requirement. Accordingly, we cover close to 100% of our total revenue. Moreover, we usually audit all our suppliers once a year - even those with small revenue as well as all sewing subcontractors. This allows us to exercise an even greater degree of influence in order to support our partners in meeting our requirements regarding working conditions. However, exceptions are made for manufacturing facilities that consistently have had excellent audit results over a long period of time, and where we have not received any serious complaints. In these cases, we extend the interval in between audits. Conversely, we shorten these intervals if particular suppliers suddenly exhibit poor performance. Then we decide on a case-by-case basis, how we can counteract any negative developments. Helpful options for addressing issues may be on-site support, seminars, specific trainings or follow-up visits through the auditors.



The higher audit frequency gives us far more opportunities to positively influence our manufacturing partners' operations.



## AUDIT PROCEDURE AND SCOPE

### Duration of an audit:

Generally, an audit requires two days, depending on the size of the facility to be audited. Whereas the audit of a small company with only 20 employees may be concluded in just one day, large manufacturing facilities with several thousand employees require two to three days.

### What happens before an audit?

Before any audit, auditor teams familiarise themselves with the facility's background. That may involve previous corrective action plans or known issues in the facility that may have been brought to attention through an employee complaint. Depending on the quality and extent of the auditors' local network, they will meet with various local stakeholders (e.g. trade unions or employee representatives) as well as, for instance, local residents in the vicinity of the manufacturing site in order to gain a first impression. Also prior to the actual audit, the - preferably local - auditors pass by the respective manufacturing site on weekends or during late hours. A favourable time would also be at the end of a shift. These visits allow to assess whether and to what extent overtime work is being performed. Furthermore, these visits provide an opportunity to interview individual employees at ease. The insights thus gained may also serve to verify the accuracy of statements made during an audit.

### What happens during an audit?

The audit is initiated via an introductory session. This meeting is attended by the entire management team, ideally employee representatives, as well as the sustainability team, which is in charge of compliance with the Code of Conduct at the manufacturing facility. Both the expectations of all those involved as well as the procedure of the audit will be considered. Furthermore, all parties involved are given the opportunity to address unresolved issues.

Subsequently, the entire premises of the manufacturing facility will be explored. On this tour, primarily safety precautions are checked. This encompasses employee protection measures, the use of personal protective equipment, architectural characteristics, fire safety and many other aspects relevant to health and safety in the facility. During this tour, auditors are also alert, for instance, to the presence of particularly young employees. Furthermore, auditors also use the opportunity to conduct initial interviews with individual employees and actively involve them.

Following the tour, documents provided by the manufacturing partner will be reviewed comprehensively. These include, for instance, payroll records, time sheets as well as personnel records. Also relevant are documents resulting from collective bargaining; records of employee absences; but also work instructions, work orders, process documentation, etc. Auditors furthermore conduct individual as well as group interviews with employees, obviously without any managers present. The overall impression gained through the tour, the documentation and the staff interviews allow the audit team to assess to what extent the Code of Conduct is complied with on site.

Once the audit process has been concluded, a corrective action plan is compiled for this site. This plan briefly summarizes the issues, that management, in cooperation with the employees who are also responsible for compliance with the Code of Conduct, need to address for improvement.

To conclude the audit, the corrective action plan will be thoroughly reviewed with management, employee representatives, as well as the sustainability team. It is crucial that all parties involved fully understand the individual issues so improvements may actually be implemented.

## COOPERATION WITH OTHER BRANDS

Occasionally, several global brands, that are FWF members as well, have their products manufactured in the same facility. In such cases, we cooperate with these FWF members and jointly conduct audits as well as support implementation of corrective measures. This has a number of benefits for all parties involved. Firstly, the manufacturing partner must implement only one single corrective action plan for multiple clients. Secondly, the manufacturing partner may be certain not to receive any contradictory requirements from his clients.

The following offers some insight on successful cooperation with other FWF members, improving working conditions in manufacturing facilities:

<https://www.youtube.com/embed/YjgCuzx5o3U?wmode=opaque>





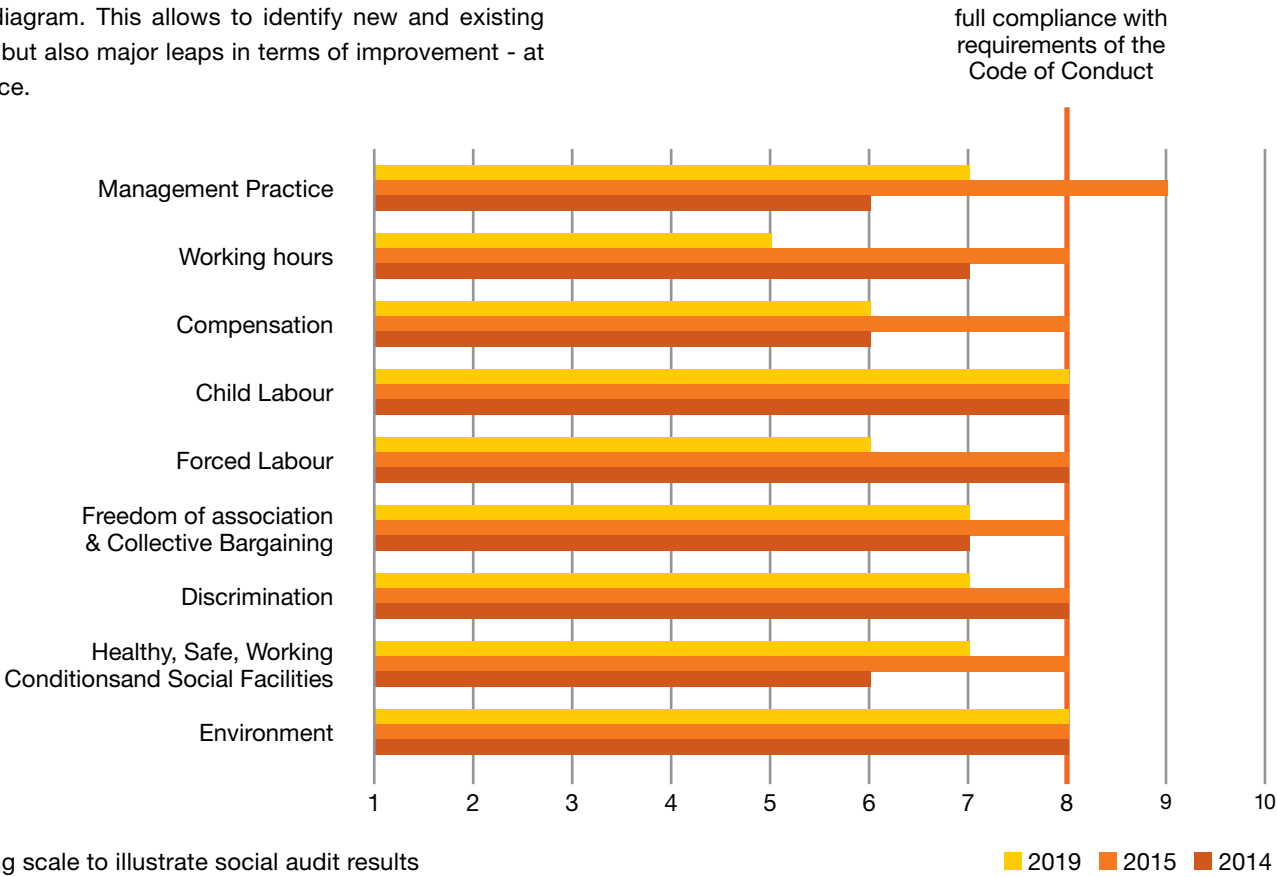


# STRAIGHTFORWARD AND SYSTEMATIC ASSESSMENT AS WELL AS INDIVIDUAL IMPROVEMENT MEASURES

A systematic assessment provides clarity and allows the findings of social audits to be comprehensible even to parties not immediately involved. Therefore, we have established a 10-level rating scale providing a straightforward summary of audit results.

## 1-10 RATING SCALE

Since 2007, we as well as auditing teams have relied on a systematic and precise assessment when auditing. Audit results are illustrated applying a 10-level rating scale. In order to clearly document progress, we depict up to three consecutive audits in a diagram. This allows to identify new and existing challenges - but also major leaps in terms of improvement - at a single glance.



## IMPROVEMENT MEASURES BASED ON CORRECTIVE ACTION PLANS

The corrective action plan identifies all issues that were identified during the audit as either offering potential or requiring improvement. Accordingly, manufacturing partners devise improvement measures independently on their own, coordinating these with us periodically. We thus act as a “sparring partner” and also may contribute useful suggestions. Also, we may evaluate proposed measures before their implementation. We monitor the actual implementation based on documentation and photos, as well as interviews with employees. Final review of the implementation will take place during the next independent audit on site.



VIETNAM

- Freedom to association and collective bargaining remain a challenge
- Management of overtime continues to be less than ideal
- Compliance to building codes as well as occupational safety generally tend to be good
- There is progress in the development of the statutory minimum wage as well as the general salary level

CHINA

- The textile industry is the second-strongest sector
- No statutory right to freedom of association and collective bargaining
- Overtime remains common practice
- Cultural challenges, e.g. lack of open dialogue regarding areas of improvement

BANGLADESCH

- In recent years, safety of buildings has generally improved significantly
- Harassment and violence, especially against women, continues to be an issue. Facilities do actively counteract and thus have established various anti-harassment-committees
- Salarie levels are increasing

KAMBODSCHA

- Textile industry is a significant economic sector
- Structurally, the county is still rather weak, though currently experiencing considerable development and changes
- The population's average age is rather young

MYANMAR

- Established very recently as a production country in the global market, structural deficiencies are still evident
- Due to a lack of experience in union work as well as collective bargaining, according support must be provided

INDONESIEN

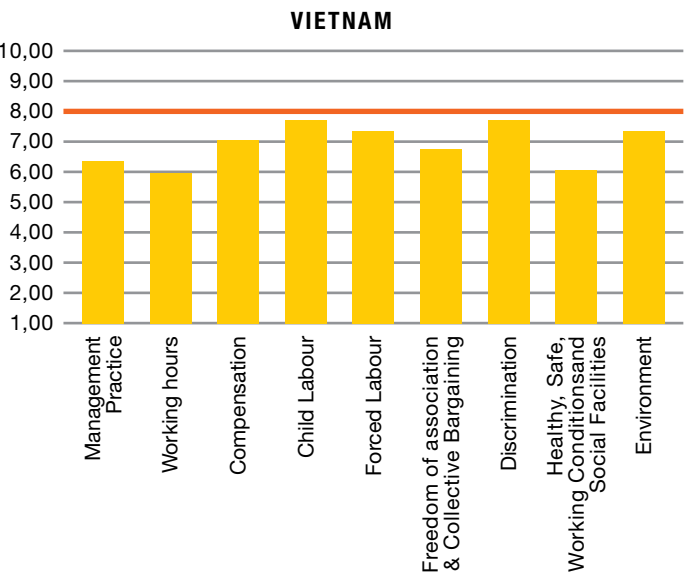
- Textile industry is a small but nevertheless very significant sector
- Above-average number of female employees in the textile industry's facilities
- Quite often rather large production facilities employing a large workforce
- Considerable differences in salary levels depending on the specific region of the country

VIETNAM

According to an FWF study, the textile industry continues to be one of Vietnam's most important export industries. For some years now, the country has been seeing positive economic growth and as a manufacturing country is attracting an increasing number of brands from the apparel sector. However, according to the FWF, the right to free unionization and collective bargaining remains one of the country's greatest challenges. So far, it is not legal to form independent trade unions. All trade union activities must conform with the Vietnam General Confederation of Labour (VGCL), the only officially approved trade union in Vietnam.

Generally speaking, this does not imply that workers' interests are not adequately represented within the manufacturing facilities. Nevertheless, in the context of social audits, we are paying very close attention whether local trade union representatives actually do represent workers' interests. A further challenge in Vietnam still is observance of reasonable working hours. Frequently, the statutory overtime limits are exceeded - which, clearly, we deem unacceptable. During the social audits, we therefore verify in particular, if working hours are properly accounted for. If manufacturing facilities report excessive overtime, we attempt to find individual approaches to keep employee overtime within acceptable limits.

According to a further FWF study, compliance with building codes as well as occupational safety and health regulations has significantly improved in Vietnam. However, some of our contracted manufacturing facilities still show potential to improve occupational safety, an issue that we consistently address during our periodic social audits and also in the corrective action plans. Positive is, as well, the improvement in the statutory minimum wage, which has been considerably increased in recent years (see also page 27).



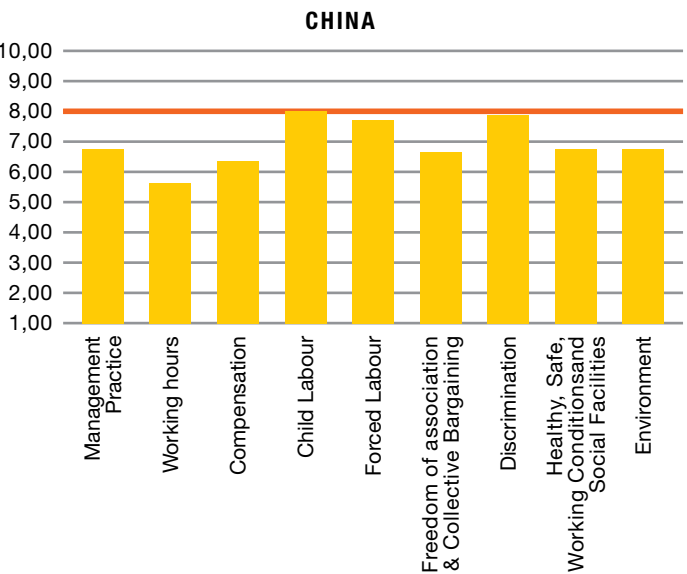
Overall average of audit results for all manufacturing facilities in Vietnam contracted by JACK WOLFSKIN in fiscal year 2018/2019.

CHINA

According to a FWF country study, the textile industry is the second most important economic sector in China, only surpassed by the electronics industry. At the same time, China is the world's largest exporter of textiles. According to the FWF, the most serious challenges in the textile industry are exceeding statutory overtime limits as well as low wages. Furthermore, free unionization and collective bargaining is illegal, as independent trade unions are not permitted. Thus, when auditing our contracted manufacturing facilities, we observe that reasonable working hours and adequate compensation are not necessarily provided. We try to actively resolve these issues in cooperation with the manufacturing partners.

Unfortunately, we still receive incomplete or inaccurate time sheets from some of our Chinese partners. In such cases, it is not possible to validly estimate compensation in these facilities. Here our task remains to identify why records are incomplete or inaccurate. In the past, we have been able to obtain accurate time sheets in nearly all of these instances, through extensive talks and confidence-building measures.

Once we are provided accurate records, we may, cooperating with the respective manufacturing facility, devise measures to reduce overtime.



Overall average of audit results for all manufacturing facilities in China contracted by JACK WOLFSKIN in fiscal year 2018/2019.

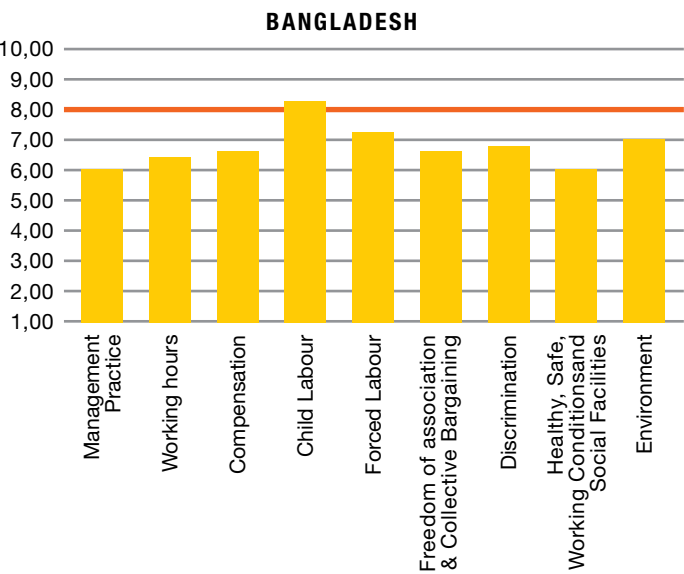
RATING RESULTS FOR 2018/2019 IN OVERVIEW

Our manufacturing partners are located around the world. In fiscal year 2018/2019 we collaborated with manufacturing facilities in Vietnam, Bangladesh, China, Cambodia, Myanmar, Indonesia, South Korea, Taiwan, Turkey, Italy, Slovenia and Germany. Every country has specific national regulations; a unique culture and history, as well as specific contemporary social changes, traditions and customs. This leads to country-specific peculiarities and possibly even risks, that must be taken into account when trying to establish fair and safe working conditions. Apart from these country-specifics, factors individual to each manufacturing facility may also play an important role. These include, for instance, the respective management practices, the local environment or the individual history of the local facility. In the following we will provide an overview of our personal experience as well as some background in the various manufacturing countries.



BANGLADESH

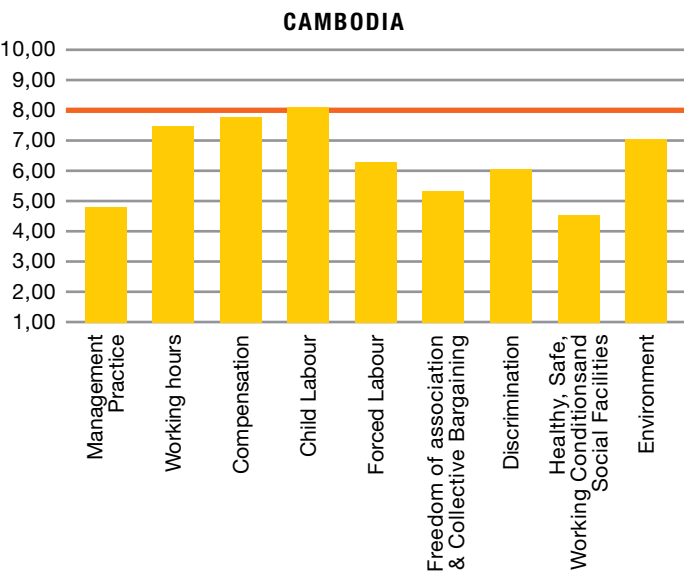
In Bangladesh, textiles are also the most important export good, according to the FWF. The main challenge in Bangladesh remains compliance to building codes - despite significant improvements in recent years. Following the collapse of the Rana Plaza building in 2013, the “Bangladesh Accord” and the “Alliance for Bangladesh Worker Safety” were formed. Both initiatives aim to improve the safety standards of facilities, i.e. buildings, in the textile industry. To this end, experts closely inspect manufacturing facilities on site regarding compliance with building codes and fire safety. Corrective action plans derived from the inspections are publicised; inspections are repeated periodically. As a result, the safety of Bangladesh’s manufacturing facilities in general has significantly improved in recent years. All manufacturing facilities we contract in Bangladesh, have been audited in the past by either of these initiatives, and have implemented the necessary improvement measures. In the meantime, initiative “Bangladesh Accord” has been disbanded; its duties have been transferred back to Bangladesh’s authorities. Unfortunately, harassment and violence, usually directed against women, is still widespread in Bangladesh. We continuously and emphatically address this delicate, highly important issue during the annual audits as well as in the corrective action plans. We insist on forming so-called “Anti Harassment Committees”. These committees provide a point of contact for female workers in the factories who are victims of physical and/or psychological aggression. On a positive note, the adjustment in statutory minimum wages in the textile sector has led to a significant increase in wages. In our contracted facilities, wages already exceed the statutory minimum wage by 40% to 208% (see also page 28). The facility with the highest wages accounts for the largest share of JACK WOLFSKIN’s total revenue by far.



Overall average of audit results for all manufacturing facilities in Bangladesh contracted by JACK WOLFSKIN in fiscal year 2018/2019.

CAMBODIA

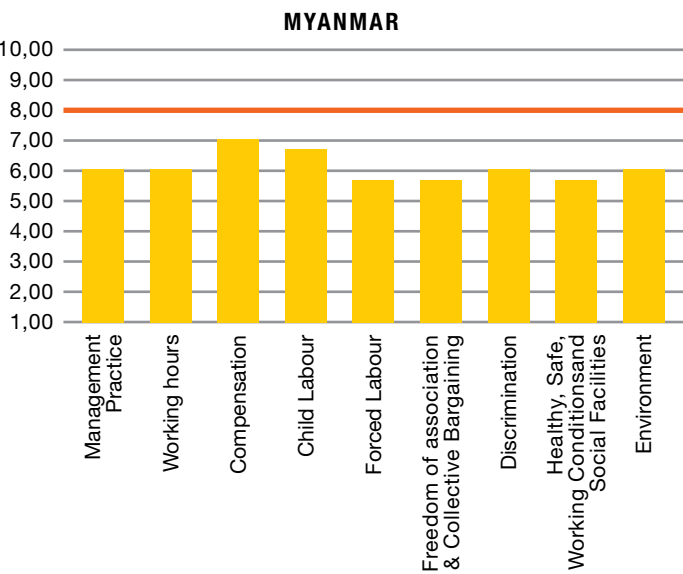
The textile industry is currently considered Cambodia’s fastest growing sector. Compared to neighbouring countries, such as Vietnam, Cambodia is rather structurally weak, though. Both infrastructure and overall living standards are comparatively low. To date, the FWF is not present in Cambodia; however, social audits are conducted on site by an independent team of auditors approved by the FWF. This team also offers many years of experience with our Code of Conduct. Audit results usually still reveal potential for further improvement at the manufacturing facilities we have contracted. For instance, management practices require to be improved. A more sophisticated internal organisation as well as a better understanding of management in general, are essential prerequisites to effectively establish fair and safe working conditions. The manufacturing partners we collaborate with, are generally committed to establishing higher standards. However, their efforts to achieve this goal require our support, which, clearly, we gladly provide. We actively lead the implementation of improvement measures; furthermore, we are in permanent contact with our partners so as to identify issues fast, and react accordingly.



Overall average of audit results for all manufacturing facilities in Cambodia contracted by JACK WOLFSKIN in fiscal year 2018/2019.

MYANMAR

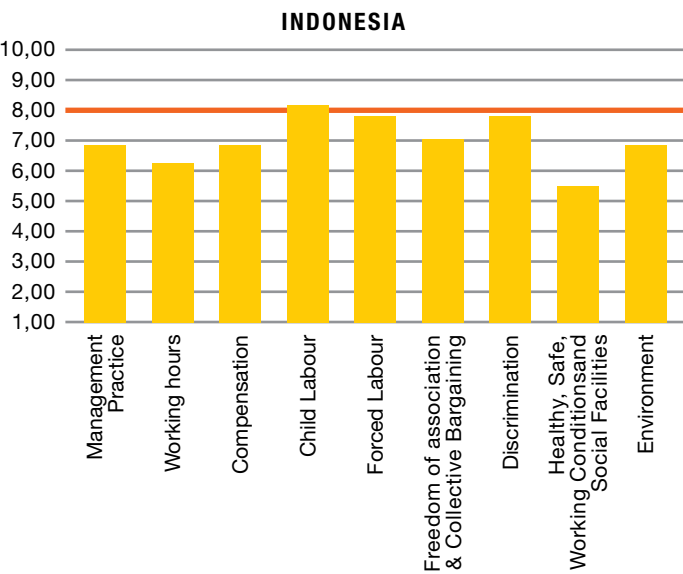
Myanmar’s business environment has undergone fundamental changes since the country’s borders were opened. Labour laws have gradually been revised and approximated more closely to global standards. According to the FWF, the so-called “social dialogue” is not yet well-established in the country, complicating establishment of social standards. Social dialogue involves, for instance, collective bargaining, but also creating an environment for open dialogue as well as actively sharing relevant knowledge. Social dialogue may involve the administration, government, authorities and the industry sector, but it may be restricted to the industry sector itself. Also, the internal dialogue between management and workers or employee representatives within manufacturing facilities qualifies as social dialogue. Unfortunately, in Myanmar the social dialogue is still proving unsatisfactory. To date, processes have hardly been established and all parties involved are uncertain about procedures. To positively change the current status, first and foremost we may help create an environment for open dialogue within the manufacturing facilities. Thus, we have initiated on-site trainings conveying expertise on effective communication channels and tools for both management and workers. Next year, we intend to further expand our training program. For more information on the trainings, please refer to page 28/28.



Overall average of audit results for all manufacturing facilities in Myanmar contracted by JACK WOLFSKIN in fiscal year 2018/2019.

INDONESIA

According to the FWF country study, the textile industry is a relatively small yet significant economic sector that accounts for a substantial share of Indonesian exports. Noteworthy is the high proportion of female employees working with our manufacturing partners; at around 90%, it surpasses most other manufacturing countries. The statutory minimum wage has been increased considerably in recent years, especially in the metropolitan areas. As a result, textile production increasingly shifts to more rural and at the same time more remote regions of Indonesia. The Indonesian share of our total revenue amounts to only about four percent, a comparatively low percentage. Also, our order volumes are comparatively small for the individual manufacturing facilities. Therefore, in Indonesia, we are facing very different challenges as compared to other procurement countries. Also, we too are affected by the above-mentioned development, that manufacturing companies are relocating from urban to more rural regions for cost reasons. Unfortunately, we cannot influence these decisions. In the past, we have at least been able to negotiate with our partners that our production volumes will continue to be manufactured at the existing site. In the event of a complete closure of a site - which we neither demand nor wish - we are faced with the decision to discontinue the cooperation with the company or go along with the move. In Indonesia, as elsewhere, we frequently offer our partners FWF trainings that focus explicitly on free unionization and collective bargaining, or on the general requirements of the Code of Conduct.



Overall average of audit results for all manufacturing facilities in Indonesia contracted by JACK WOLFSKIN in fiscal year 2018/2019.



# MANUFACTURING FACILITIES IN FISCAL YEAR 2018/2019 - OVERVIEW

## GERMANY

1 manufacturing facility

73 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 64 (88%) are female and 9 (12%) male

<1% of our production volume is manufactured in Germany

## SLOVENIA

2 manufacturing facilities

118 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 68 (58%) are female and 50 (42%) male

<1% of our production volume is manufactured in Slovenia

## ITALY

3 manufacturing facilities

69 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 37 (54%) are female and 32 (46%) male

<1% of our production volume is manufactured in Italy

## TURKEY

1 manufacturing facility

530 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 235 (44%) are female and 295 (56%) male

1,67% of our production volume is manufactured in Turkey

## BANGLADESH

5 manufacturing facilities

48.183 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 32.402 (67%) are female and 15.781 (33%) male

21,50% of our production volume is manufactured in Bangladesh

## CHINA

18 manufacturing facilities

9.370 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 7.283 (78%) are female and 2.087 (22%) male

11,01% of our production volume is manufactured in China

## SOUTH KOREA

1 manufacturing facility

9 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 7 (78%) are female and 2 (22%) male

<1% of our production volume is manufactured in South Korea

## TAIWAN

1 manufacturing facility

164 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 84 (78%) are female and 80 (49%) male

<1% of our production volume is manufactured in Taiwan

## VIETNAM

23 manufacturing facilities

39,749 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 32,410 (82%) are female and 7,339 (18%) male

39,47% of our production volume is manufactured in Vietnam

## CAMBODIA

4 manufacturing facilities

9.869 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 8.512 (86%) are female and 1.357 (14%) male

12,08% of our production volume is manufactured in Cambodia

## MYANMAR

3 manufacturing facilities

5.918 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 5.513 (93%) are female and 405 (7%) male

9,60% of our production volume is manufactured in Myanmar

## INDONESIA

6 manufacturing facilities

8.431 employees work in the manufacturing facilities contracted by JACK WOLFSKIN, of those 7.497 (89%) are female and 934 (11%) male

4,35% of our production volume is manufactured in Indonesia



Table Overview Manufacturing Sites in fiscal year 2018/2019

Manufacturing partner's name	Country	Supplier code	Collaboration since	Number of employees working in the facility at the time of the audit	Average wage of a seamstress including non-performance-related bonuses, excluding overtime, in relation to statutory minimum wage (as percentage) <b>grouping:</b> 100%-125%: 125,1%-140%; 140,1%-170%; 170,1%-200%; >200%; >250%; >300%	share of purchasing volume	Social Audit overall rating	Audited by	Last audit
Kido Hanoi Co., Ltd.	Vietnam	KI	2005	1048	>170,1%	39,47%	8	Sumations	18.–19.08.2017
Kido - Dong Tien Joint Stock Company Factory No. 3	Vietnam	KI	2012	1038	>170,1%		8	FWF	25.–26.10.2019
Kido Vinh Co. Ltd.	Vietnam	KI	2012	4288	140,1%–170%		7	Sumations	22.–23.03.2019
Elegant Team Manufacturer Co., Ltd.	Vietnam	ET	2007	374	140,1%–170%		7	FWF	20.–21.04.2018
Elegant Team Manufacturer - Duc Thang Joint Stock Company	Vietnam	ET	2016	392	100%-125%		6	Sumations	18.–19.03.2019
Shints BVT Co., Ltd.	Vietnam	SH	2006	3635	140,1%–170%		8	FWF	19.–20.05.2017
Shints BVT' BRAND	Vietnam	SH	2014	1280	>200%		8	Sumations	21.–22.08.2017
MAX ZONE - Astro Vinh Long	Vietnam	MZ	2015	991	140,1%–170%		7	Sumations	26.–27.08.2019
MAX ZONE - Astro Saigon Co., Ltd	Vietnam	MZ	2005	773	125,1%-140%		6	Sumations	01.–02.04.2019
MAX ZONE - Hai Anh Hung Co., Ltd.	Vietnam	MZ	2017	36	140,1%–170%		6	Sumations	03.04.2019
MAX ZONE - May Cuong Thinh Co., Ltd	Vietnam	MZ	2019	26	100%-125%		6	Sumations	04.04.2019
ASG Global Co., Ltd.	Vietnam	ASG	2016	1747	>170,1%		7	Sumations	25.–26.03.2019
Unico Global Inc.	Vietnam	UN	2015	2708	>200%		7	Sumations	19.–20.08.2016
Fulgent Sun Footwear Co., Ltd. (Sunshine)	Vietnam	VFS	2016	6657	140,1%–170%		7	FWF	14.–15.03.2019
Dona Biti's Imex Corp., Pte., Ltd.	Vietnam	VDB	2016	3508	>170,1%		5	Sumations	05.–06.04.2019
AJ Solutions - Bethel Vina Co., Ltd.	Vietnam	BE	2016	438	140,1%–170%		6	Sumations	27.–28.03.2019
Kai Yang Vietnam Co., Ltd.	Vietnam	VKY	2008	2408	140,1%–170%		5	Sumations	11.–12.03.2019
Youngtech Viet Nam Co., Ltd.	Vietnam	YT	2017	982	125,1%–140%		7	Sumations	21.–22.03.2019
Youngone - Broadpeak Soc Trang Co., Ltd.	Vietnam	YO	2018	1945	140,1%–170%		7	Sumations	28.–29.08.2019
VMC Royal Co., Ltd. (Tan Bien)	Vietnam	VHC	2017	1218	140,1%–170%	21,50%	7	Sumations	29.–30.03.2019
Sungjin Inc. Vina Co., Ltd.	Vietnam	SJ	2017	2085	140,1%–170%		6	Sumations	11.–12.09.2017
Great Process (Vietnam) Co., Ltd.	Vietnam		2018	1650	140,1%–170%		6	Sumations	20.–21.08.2019
Maxport 4 (88) (Headquarter)	Vietnam	MAX	2017	522	>200%		9	Sumations	11.–12.08.2017
Youngone Hi-Tech Sportswear Ind. Ltd. & Savar Sportswear Company Ltd.	Bangladesch	YO	2008	8718	>300%		8	FWF	13.–14.10.2018
Karnaphuli Shoes Ind., Ltd. (Garments Unit)	Bangladesch	KSI	2016	17137	140,1%–170%	11,01%	6	FWF	14.–15.09.2019
Youngone CEPZ Ltd.	Bangladesch	YO	2011	13780	140,1%–170%		7	FWF	15.–16.02.2016
Haewae Apparel Inc.	Bangladesch	HW	2017	3500	140,1%–170%		7	Sumations	02.12.2017
Kadena Sportswear Ltd.	Bangladesch	KA	2014	5048	140,1%–170%		6	Sumations	13.–14.05.2019
Tseng - Jiujiang Zhanda Clothing Co., Ltd.	China	TL & TS	2009	282	>170,1%	11,01%	7	Sumations	11.–12.11.2016
Youngtech (Dongguan) Co., Ltd.	China	YT	2007	512	140,1%–170%		7	FWF	10.–11-08.2016
ASI - Jiangsu Asian Sourcing Headwear MFG. Co., Ltd.	China	ASI	2008	1249	>170,1%		8	FWF	03.–04.06.2019
ASI - Shanghai Weijie Garment Co., Ltd.	China	ASI	2016	462	>170,1%		8	Sumations	08.–11.06.2018
ASI - Yuan Tong Headwear MFG. Co. Ltd (Huai An)	China	ASI	2017	882	keine Aussage möglich		7	FWF	30.–31.05.2018
Shanghai Yangfan - Shanghai Hongyang Travel Products Co., Ltd.	China	YF	2009	82	140,1%–170%		6	Sumations	21.–22.06.2019
Shanghai Yangfan - Jiangsu Cerato Outdoor Products Co., Ltd.	China	YF	2019	376	140,1%–170%		6	Sumations	19.–20.06.2019
E-one - Heshan Top Eagle Garment Ltd.	China	EON	2013	743	>250%		9	Sumations	08.–09.08.2019
E-one - Hubei Top Eagle Garment Ltd.	China	EON	2016	322	>200%		8	Sumations	05.–06.08.2019

Manufacturing partner's name	Country	Supplier code	Collaboration since	Number of employees working in the facility at the time of the audit	Average wage of a seamstress including non-performance-related bonuses, excluding overtime, in relation to statutory minimum wage (as percentage) <b>grouping:</b> 100%-125%: 125,1%-140%; 140,1%-170%; 170,1%-200%; >200%; >250%; >300%	share of purchasing volume	Social Audit overall rating	Audited by	Last audit
Sunicon Apparel Ltd. - HuiZhou Li Jia Garment Limited	China	SUN	2017	158	>200%	11,01%	6	Sumations	03.–04.06.2019
Youngone - Qingdao Youngone Sports-wear Co., Ltd.	China	YO	2018	957	140,1%–170%		8	Sumations	17.–18.05.2018
QMI Industrial (Jiangsu) Co., Ltd.	China	QMI	2018	309	>170,1%		7	FWF	12.–13.08.2019
QMI Shanghai Co., Ltd.	China	QMI	2018	792	100%–125%		8	Sumations	11.–12.10.2019
Dongguan Xingtailai Sports Products Co., Ltd.	China		2019	106	>170,1%		5	Sumations	13.06.2019
Zhongshan Ju Bang Technology Group Co., Ltd.	China		2019	521	>170,1%		7	Sumations	14.–15.06. 2019
Ascent Global Limited	China	AGL	2018	39	keine Aussage möglich		-		-
Jiangyin City Shencheng International Trade Co., Ltd.	China		2018	557	keine Aussage möglich		7	FWF	18.–19.03-2019
LPV Sports Hubei Co., Ltd.	China	LPV	2018	1021	keine Aussage möglich		6	Sumations	26.–27.06.2019
Asmara - PT. Greentex Indonesia Utama	Indonesien	AKA	2016	1082	100%–125%	4,35%	7	Sumations	11.–12.03.2019
Asmara - PT. Morich Indo Fashion	Indonesien	AKA	2013	2255	100%–125%		7	Sumations	26.–27.02.2018
Agility - PT. Cipta Karya Buana	Indonesien		2019	718	100%–125%		-	Sedex	06.–08.08.2019
PT. Trigoldenstar Wisesa	Indonesien	TSG	2010	1088	100%–125%		7	FWF	27–28.08.2018
PT. Ameya - PT. Ameya Livingstyle Indonesia	Indonesien	AMA	2010	2127	100%–125%		7	FWF	02.–03.08.2018
PT. Ameya - PT. Anggun Kreasi Garment	Indonesien	ANG	2018	1161	100%–125%	12,08%	7	Sumations	28.02.–01.03.2018
QMI Co., Ltd. (Succes Index Group)	Kambodscha	QMI	2010	4118	125,1%–140%		6	Sumations	01.–02.07.2019
Jaw Co Ltd.	Kambodscha	QMI	2019	1044	125,1%–140%		6	Sumations	22.–23.8.2019
Pontus Footwear Ltd.	Kambodscha		2018	3934	100%–125%		7	Sumations	19.–20.03. 2018
Tseng - Gartha International Co., Ltd.	Kambodscha	KH & TS	2014	773	140,1%–170%		6	Sumations	28.02.–29.03.2018
Intersocks - Interknit S.R.L.	Italien	ISO	2004	24	keine Aussage möglich	0,11%	7	SAI	23.–24.07.2019
Intersocks - Insocks S.R.L.	Italien	ISO	2010	24	keine Aussage möglich		7	SAI	23.–24.07.2019
Intersocks - New Koko's S.R.L.	Italien	ISO	2000	21	keine Aussage möglich		10	Sedex	21.09.2016
Intersocks - Intersocks Confection	Slowenien	ISO	2004	11	100%–125%	0,11%	6	Sedex	13.06.2016
Intersocks - Recinko d.o.o.	Slowenien	ISO	2008	107	100%–125%		6	Sedex	26.–27.09.2016
Pantera Ic ve Dis Tic A.S.	Türkei	PA	1993	530	125,1%–140%	1,67%	7	FWF	02.–03.10.2017
P.A.C. GmbH	Deutschland	PAC	2016	73	keine Aussage möglich	0,06%	8		-
Eslite Garment Co., Ltd.	Myanmar	EAM	2017	3161	100%–125%	9,60%	6	FWF	17.–18.07.2018
V.T. Garment - Sawbwa VT Co., Ltd.	Myanmar	VTG	2014	837	125,1%–140%		6	FWF	10.–13.08.2019
Kido Yangon Co., Ltd.	Myanmar	KI	2018	1920	125,1%–140%		6	FWF	17.–18.12.2018
Feng Yi Outdoor Leisure Equipment	Taiwan	FY	2000	164	keine Aussage möglich	0,01%	6	Sumations	13.–14.10.2015
Naschem Co., Ltd.	Südkorea	NS	2004	9	keine Aussage möglich	0,04%	6	Sumations	30.11.–01.12.2016





# 04

## ***EDUCATIONAL MEASURES TO IMPROVE SOCIAL SUSTAINABILITY IN THE SUPPLY CHAIN***

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Sustainability in manufacturing facilities may not be achieved overnight; instead, it is the result of a dedicated cooperation at a global level. Fair working conditions may only be established when all those involved are committed to the same objectives. All parties have to be willing to assume responsibility and to take action - while also possessing the necessary knowledge and the appropriate resources. In this regard, continuous training is a key factor - which is why we routinely support local manufacturing facilities with comprehensive training measures on-site.



# EFFECTIVE TRAINING ON-SITE AT MANUFACTURING FACILITIES



**FWF WORKPLACE EDUCATION PROGRAMS (WEP)**

At the manufacturing facilities, we offer on-site trainings within the scope of the FWF Workplace Education Programs (WEP). To this end, we send experienced FWF employees who are well acquainted with the local language, culture and characteristics of that particular country.

Trainings are not intended for management only. Primarily we wish to address employees. The objective is to create awareness towards safe and fair working conditions. Also conveyed are the rights and obligations of all parties involved; as quite often employees and management lack sufficient according knowledge. Additional training focuses on the means and possibilities of constructive communication when encountering issues in the workplace as well as on FWF's complaints management system (for complaints, also refer to page 53 et seqq). As a whole, training as well as expertise should help improve internal communication and dialogue within the manufacturing facilities. After all, sound social dialogue is the basis for establishing high social standards at any manufacturing facility.

## SHARING RESPONSIBILITY

First and foremost, it is the manufacturing facilities' responsibility to implement our Code of Conduct as well as FWF social standards. We consider it our role to encourage and support our partners in their efforts to improve working conditions. We do not expect them to fully succeed straight from the very beginning of a collaboration. Sometimes, necessary knowledge or the required resources are lacking. Therefore, we support our partners with trainings, tailored to individual requirements on site. After all, only those relying on proper qualification may assume responsibility for fair and safe working conditions.

**FWF WORKER INFORMATION SHEETS**

We verify that FWF “Worker Information Sheets” are on display in every manufacturing facility in the respective local language. These provide important information on fair and safe working conditions. Also, contact details for any enquiries or complaints.



## OTHER TRAINING TOPICS

If required, we support our manufacturing partners with additional trainings and seminars regarding further requirements or country-specific topics. For Myanmar, e.g., the FWF - in cooperation with several FWF members, including JACK WOLFSKIN - designed a training applicable to the HR departments. The objective was to enable HR employees to determine the actual age of job applicants. In Myanmar, many locals possess either none or forged identity documents, which, for instance, is crucial in preventing child labour. Applying this training's expertise, HR employees may better fulfil their responsibilities. The FWF also offers support regarding manufacturing facilities' pricing. Specific trainings have been designed that help to factor in living wages when calculating prices. As a member of the FWF, we encourage our partners to participate in such training. From a facility in Turkey we have received a complaint concerning the lack of free unionization. Thus, we have conducted comprehensive trainings on this topic in that particular facility. Trainings on free unionization were also offered for Indonesia.

We react specific to existing challenges; and when necessary, we develop new approaches, either independently or in close cooperation with the FWF, to address the needs of the people working in the manufacturing facilities.

## OVERVIEW FISCAL YEAR 2018/2019

In fiscal year 2018/2019, we conducted a total of 9 WEPs in Vietnam and Myanmar. Further individual training measures were offered for our partner in Turkey. With these trainings we reached 29,021 employees, which corresponds to about a quarter of all employees working for our manufacturing partners. It is our objective to repeat trainings at manufacturing sites at regular intervals. Furthermore, we wish to broaden the scope of the trainings to further topics, as to continuously expand the expertise of the people working in manufacturing facilities.



# CONTINUOUSLY RAISING AWARENESS AMONG OUR OWN EMPLOYEES

At JACK WOLFSKIN headquarters in Idstein, we also encourage all colleagues to be aware of the importance of fair and safe working conditions at our manufacturing partners. Each employee should have the right knowledge and understanding regarding social standards, corresponding to his or her range of responsibilities. All new employees receive introductory trainings on social standards, our Code of Conduct and the requirements of the FWF. Our internal newsletter frequently reports on various topics and updates relevant to our supply chain. Colleagues working more closely with our manufacturing partners and thus bearing responsibility for a fair collaboration receive extensive additional training, according to their specific role. In particular, travelling technicians, who are primarily responsible for securing product quality on-site, receive specific training on occupational safety. Also, they are provided a checklist in order to monitor the most important safety requirements in the manufacturing sites, complementary to the independent audits that are conducted anyway.

Brand coaches, sales team and product trainers also frequently receive reports and detailed information on our efforts to establish fair working conditions in our supply chain.

Vendor Control Team members, who closely work with manufacturing sites and supervise local compliance with social standards, frequently participate in social audits themselves. This helps developing a feel for a country, its people and their specific culture - also, on site, they may personally familiarize themselves with manufacturing facilities and workers. The resulting personal association enables us to better attend to individual needs of the workers.

A personal account by Anja Heinemann, CSR team member







# 05

## ***JACK WOLFSKIN RESPONDS TO COMPLAINTS COMING FROM MANUFACTURING FACILITIES***

The complaints system is an organised process that allows employees of our manufacturing partners to file complaints relating to non-compliance with one or several of the requirements of our Code of Conduct.





## THE MECHANISM IN THE COMPLAINTS PROCEDURE: OPEN DIALOGUE WITH ALL STAKEHOLDERS

Via the FWF, employees of manufacturing facilities collaborating with FWF member companies, are given the opportunity to directly consult an outside authority, should they encounter difficulties. Thus, they may be reassured that their concerns will be treated with absolute confidentiality, if so desired. FWF member companies are obliged to consider each individual complaint in detail. They bear the responsibility that each issue will be addressed with all parties involved and, if possible, resolved. This system is a key element for implementing sound, social and fair working conditions. In particular, the system provides a voice for every single worker and is therefore the foundation of the Code of Conduct.

## ***WHY IS A “COMPLAINTS SYSTEM” NECESSARY IF COMPLIANCE WITH SOCIAL STANDARDS IS MONITORED?***

The term complaints system may sound negative at first. However, it actually indicates a positive as well as progressive process. Only companies having the courage to address the concerns and needs of their employees, are willing and able to change operations for the better. This usually does not “only” benefit the workers, but ultimately serves towards the prosperity of the entire company.

Overall, it is evident that the number of complaints is steadily increasing. This we regard as a positive sign. It demonstrates that the workers in the manufacturing facilities by now have such confidence in the system, that they are sharing their worries and distress without fearing any negative repercussions. This in turn allows us, as the client of the manufacturing facilities, to intervene and participate in an active and positive dialogue with our manufacturing partner - even as an intermediary between management and workers.

## ***HOW EXACTLY DOES THE COMPLAINTS SYSTEM WORK?***

Should workers in a manufacturing facility face an issue they cannot resolve via standard approach - i.e. by speaking to their superiors or management - they may contact JACK WOLFSKIN or the FWF, or use Combox.com, a complaints system we have specifically set up for this purpose. If desired, this may also be done anonymously. We will investigate each complaint and, if necessary, also involve local FWF employees or other stakeholders. We attempt to understand the issue in detail, also considering the perspectives of all parties involved. This helps to avoid exposing, accusing or prejudging individual people. Instead, we are aiming to identify a fair and legally compliant solution. We believe it is crucial that those concerned, if at all possible, engage in personal dialogue. In some cases, a mediator must be involved so as to establish a suitable and fair atmosphere for the dialogue. The mediator role may be assumed by FWF employees or even by JACK WOLFSKIN.



COMPLAINT, THAT MAY BE RESOLVED WITHIN THE COMPANY

A worker complains about an issue to her immediate supervisor, employee representative or management, seeking to resolve the specific issue. The respective contact person reacts appropriately and supports the worker in resolving the issue.

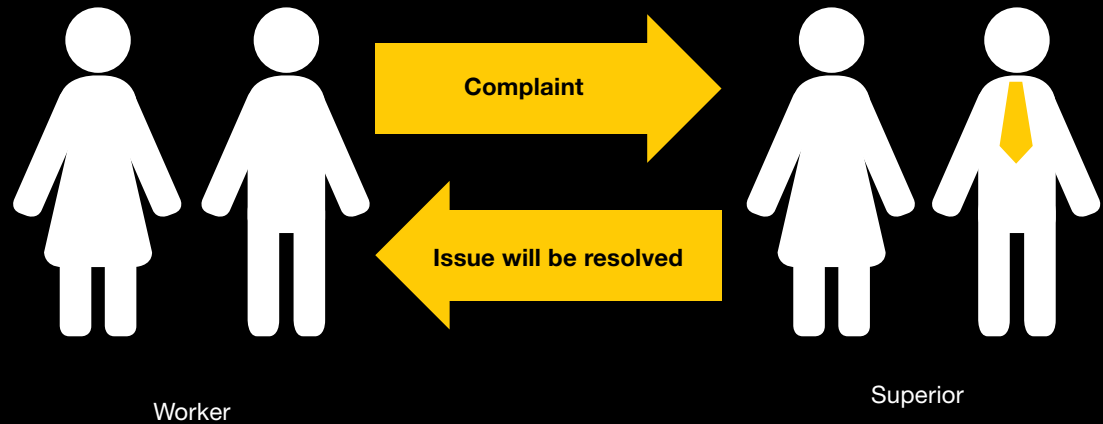


Chart exemplary process for resolving complaints

SUCCESSFULLY RESOLVING COMPLAINTS

In almost all cases, open dialogue about a specific issue is the key to resolving the conflict. Often complaints are caused due management’s or workers’ false expectations and neither addresses the problem until it escalates. However, nearly all complaints may be taken care of with relative ease, if all parties involved are open to consider the other party’s perspective. In our experience, very valuable as well, is a personal meeting, in which an impartial observer, who is not involved in the conflict, is present. This role is often assumed by FWF employees, external mediators or JACK WOLFSKIN employees.

COMPLAINT FOR WHICH THE COMPLAINT HOTLINE MAY BE ADDRESSED

It may be the case, that the worker’s concern cannot be resolved within the manufacturing facility, because she or he does not receive any support from immediate superiors, employee representatives or management. Possibly one of the parties implicated in the complaints system may even be the cause of the complaint.

Chart external process for resolving complaints





# OVERVIEW OF COMPLAINT CASES IN FISCAL YEAR 2018/2019

## COMPLAINT NO. 786

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**China**

A total of eight FWF member companies commission their products at this manufacturing facility.

**The complaint relates to the following claims:**  
Free choice of workplace; no discrimination; salary; legally binding employment contract

**Complaint status:**

**The FWF confirms that complaint has been resolved.** All case details re published on FWF's website.

## COMPLAINT NO. 296

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**Turkey**

The case was handled in cooperation by an FWF member and a member of the Fair Labour Association (FLA)

**The complaint relates to the following claims:**

Free unionization

**Complaint status:**

**The FWF confirms that complaint has been resolved.** All case details are published on FWF's website.

## COMPLAINT NO. 616

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**Indonesia**

The case was handled by JACK WOLFSKIN

**The complaint relates to the following claims:**  
No discrimination; salary; legally binding employment contract

**Complaint status:**

**The FWF confirms that the issue cannot be resolved by JACK WOLFSKIN. The case was closed, the issue could not be resolved satisfactorily for the submitting individual.** All case details are published on FWF's website.

## COMPLAINT NO. 790

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**China**

The case was handled by JACK WOLFSKIN

**The complaint relates to the following claims:**  
legally binding employment contract

**Complaint status:**

**The FWF confirms that complaint has been resolved.** All case details are published on FWF's website.

## COMPLAINT NO. 807

(Case numbers assigned by FWF)

**Country where complaint originates: Vietnam**

The case was handled by JACK WOLFSKIN and two further FWF members.

**The complaint relates to the following claims:**  
Salary; legally binding employment contract

**Complaint status:**

All parties involved are currently still working to resolve the issue; the FWF was on site to mediate between the conflicting parties and has also provided legal advice. The complaint is still being processed; the FWF will publish case details on its website as soon as possible.

## COMPLAINT NO. 778

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**China**

The case was handled by JACK WOLFSKIN

**The complaint relates to the following claims:**  
Salary; legally binding employment contract

**Complaint status:**

**The FWF has closed the case, as it was not possible to reach a proper conclusion regarding the issue.** All case details are published on FWF's website.

## Complaint NO. 749

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**Vietnam**

The case was handled by JACK WOLFSKIN and one further FWF member

**The complaint relates to the following claims:**  
Work hours; safe and healthy working conditions; legally binding employment contract

**Complaint status:**

**The FWF has closed the case as the person who submitted the complaint could no longer be reached. Furthermore, work hours are closely monitored by the companies that commission products at the manufacturer.** All case details are published on FWF's website.

## COMPLAINT NO. 693

(Case numbers assigned by FWF)

**Country where complaint originates:**  
**Myanmar**

The case was handled by JACK WOLFSKIN and one further FWF member

**The complaint relates to the following claims:**  
legally binding employment contract; salary; safe and healthy working conditions

**Complaint status:**

**The FWF has closed the case as the person who submitted the complaint could no longer be reached. The FWF can confirm, however, that management of the manufacturing facility has adequately investigated the issue. The FWF recommended a WEP training (which was already conducted in November 2019).** All case details are published on FWF's website.





# 06

## ***JACK WOLFSKIN'S COMMITMENT BEYOND ITS COMMERCIAL OPERATIONS***

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To us, building trust is very important. Therefore, we wish to establish maximum transparency in all processes. Since 2014 we have been listing all our manufacturing partners and their respective facilities on our website. Furthermore, we always provide up-to-date information regarding the implementation of social and ecological standards.



# JACK WOLFSKIN TRANSPARENTLY DISCLOSES ITS SUPPLY CHAIN

## SUPPLY CHAINS DISCLOSED ONLINE

Our products' supply chains are very complex. The majority of our products are assembled from many individual components. This includes fabrics, as well as zippers, buttons, etc., each supplied by different manufacturers from different countries. The assembly of all these fabrics and components into a finished product is the final step in the manufacturing process. This so-called finishing takes place in the manufacturing facilities we commission. This is mostly done by hand and requires a lot of manpower. Therefore, a large number of individuals are involved in this process, which is why compliance with social standards and the implementation of fair and safe working conditions are particularly important. We believe that the practical implementation of social standards is reflected by transparency and disclosure of detailed specifics. Consequently, we have been disclosing our manufacturing partners' and their facilities' addresses as well as the respective outcomes of the latest social audits as early as 2014.

All manufacturing facilities are listed here:  
<https://www.jack-wolfskin.com/supply-chain.html#manufacturer>

## RATING OF MANUFACTURING FACILITIES

To provide an easy overview, we have organized manufacturing facilities into three categories. "Pioneers" we decorate with the "Gold" label. Manufacturing facilities that already perform well, but still offer potential for improvement, are awarded "Silver". Those manufacturing facilities that are still at an early stage regarding fair and safe working conditions, but also demonstrate a commitment to improve, are awarded the "Bronze" label.



In fiscal year 2018/2019, we were able to award forty manufacturing facilities with "Gold" and twenty-six with the "Silver" label. None of the manufacturing facilities received the "Bronze" award. However, there are two manufacturing facilities that have not yet been rated.

## WHERE DOES MY PRODUCT ORIGINATE?

Each manufacturing partner has a so-called supplier code, which we also list on the transparency page. This supplier code may be found on each of our apparel and equipment products on the market.

Thus, referring to this code, all our customers may identify the respective manufacturing partner who has made this particular product, and via our transparency page obtain detailed knowledge on the conditions at that specific manufacturing facility.



## PROACTIVE AND OPEN DIALOGUE WITH OUR STAKEHOLDERS

JACK WOLFSKIN actively seeks to engage with various stakeholders (e.g. NGOs, consumers, trade associations, trade unions) to promote fair and safe working conditions in manufacturing facilities and in the supply chain. After all, only by actively exchanging ideas, we will be able to make progress. In particular, we attend the annual FWF stakeholder meetings and conferences; actively support NGOs in their queries and projects, and furthermore engage in active dialogue with our customers, addressing sustainability topics. At trade fairs, conferences, lectures as well as panel discussions, we value and also promote the open exchange of ideas with all interest groups. This stakeholder dialogue provides us with valuable external input and provides us with new inspiration.

## COMMITMENT TO SOCIAL RESPONSIBILITY AT JACK WOLFSKIN HEADQUARTERS

We are active at our main location, as well. We support Vitos Behindertenhilfe in Idstein. Vitos Behindertenhilfe enables children and adolescents with learning or mental disabilities, starting from the age of six years, to live in small living groups. In these groups they are individually mentored by trained caregivers and therapists who help them strengthen their personalities, capabilities and talents. The objective is to enable the protégés to lead as self-determined a life as possible when they reach adulthood. We consider the commitment of this charity to be particularly valuable and have been supportive in many ways since 2014. Frequently, we donate for the work with the disabled and organise an annual "Wolf's Run", a cross-country event for everybody, the proceeds of which also go to Vitos. Furthermore, we assign tasks and small jobs to the teenagers in care, for instance gardening on our campus.



# GOALS

# 2020

# 2020



GOALS FOR 2020?

When attempting to implement higher social standards, we constantly set the bar higher and thus work hard to continuously and sustainably further improve the collaboration with our partners. We will continue to frequently visit our suppliers so as to actively support them on site with the implementation of our Code of Conduct.

Currently, we are working to stabilize the supplier base for product category footwear and further qualify our suppliers through training measures. We continue to focus on establishing living wages at our partners’ facilities. Also we continue to motivate our partners to gradually establish the target wages. To this end, we will use the anchor method mentioned above as a basis for calculating living wages.



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