



**Jack
Wolfskin**

AT HOME OUTDOORS



JACK WOLFSKIN
IS A MEMBER OF
**FAIR
WEAR**
FOUNDATION
WWW.FAIRWEAR.ORG

SOCIAL REPORT 2014 / 2015



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Dear readers,

Last year, we once again worked on our commitment to improving social standards and have been very successful in doing so. As an outdoor company that strives for harmony between humans, nature and the environment, focussed on the professional, international cooperation of manufacturers, development teams and retailers, we have been setting even more milestones and would like to share them with you here. Our continual improvement and willingness to face a range of challenges have proved to be very positive in a variety of areas. We are pleased to be able to continue to contribute to the improvement of fair product quality and work requirements.

We're particularly proud of the following achievements:

1) We were awarded leader status by the Fair Wear Foundation (FWF). We have, therefore, managed to become a frontrunner in improving working conditions in the clothing and textile industry.

- 2) We have enjoyed business relationships lasting six years or longer with 62% of our suppliers – an outstanding record which shows that we have built up a healthy connection and a good, trusting and long-term relationship.
- 3) We have achieved a particularly high level of transparency – customers are able to trace the origin of their Jack Wolfskin products easily by entering the supplier code into our website and getting an overview of the manufacturing conditions for their product.
- 4) As a result of further training initiatives for suppliers in China, Vietnam and Myanmar and permanent support in undertaking improvement measures, our partners have been able to achieve consistently better results in implementing social standards.
- 5) The percentage of suppliers with exemplary audit results has continued to rise, from 43% to 54%, and we are convinced that this figure will increase further.

We have also set high aims for social responsibility for next year, too. I am looking forward to working together to implement these and to witness the results.

A handwritten signature in black ink that reads "Melody Harris-Jensbach". The signature is fluid and cursive.

Melody Harris-Jensbach, CEO

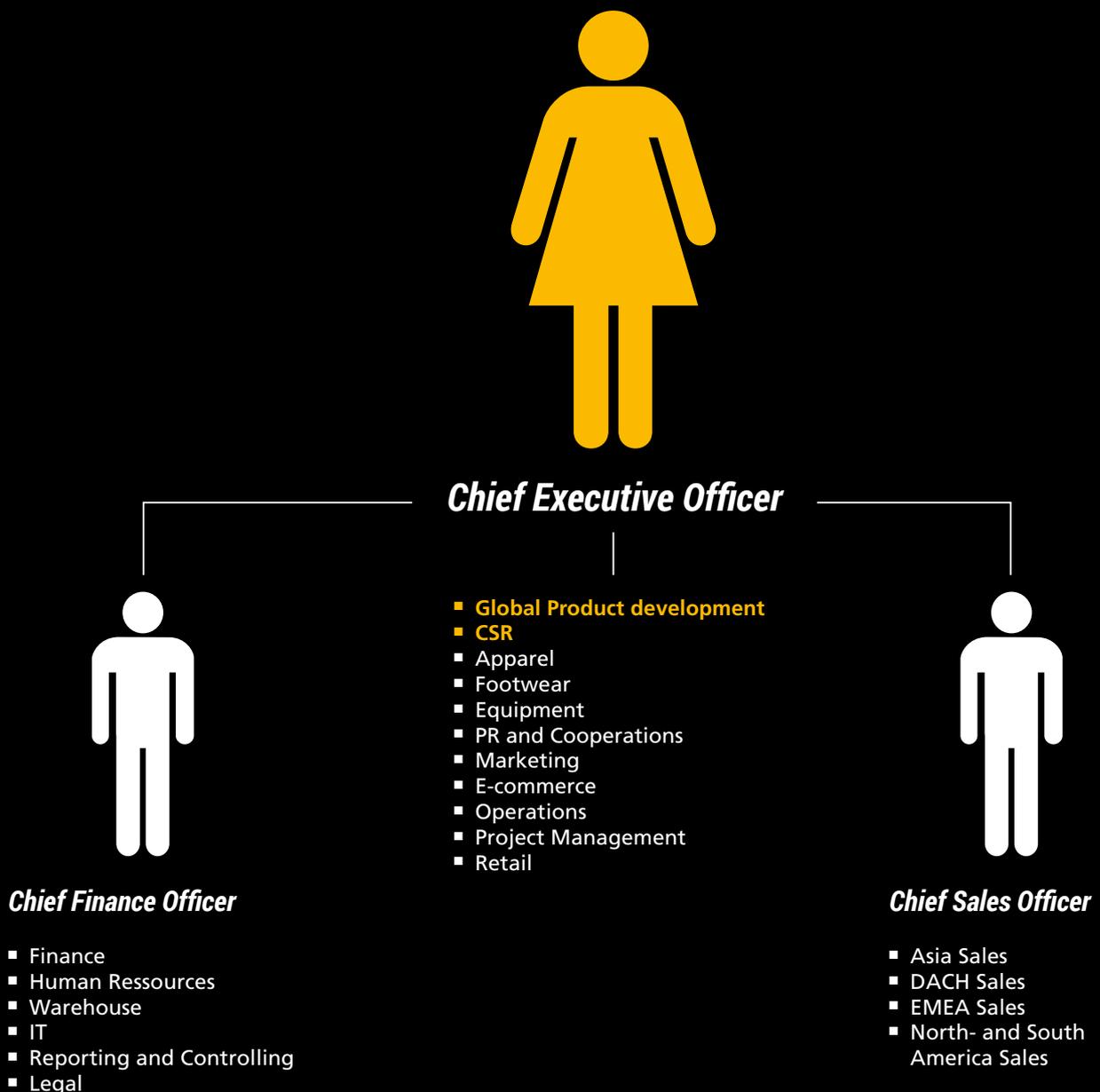


JACK WOLFSKIN SUSTAINABILITY STRATEGY

Sustainability is in our DNA. It has played a significant role since the very beginning and has particular relevance in the outdoor industry as nature is the playground for our outdoor experiences. Preserving and protecting our world concerns us greatly.

It is also important to take a long-term and thus sustainable view to working together with production partners. This can only be achieved through mutual respect and appreciation, and never through exploitation.

Sustainability means acting whilst thinking ahead and always keeping the bigger picture in mind. Sustainability is therefore also a management issue. The Corporate Responsibility (CR) team reports directly to the management and remains in close contact when making decisions in order to integrate sustainability issues into the business strategy over the long term



Companies can decide to take action in almost all areas of business in an attempt to adopt a long-term and sustainable approach.

The key pillars of this are:



the employees



protection of the environment



social responsibility



the economic viability of the company

FACTS AND FIGURES

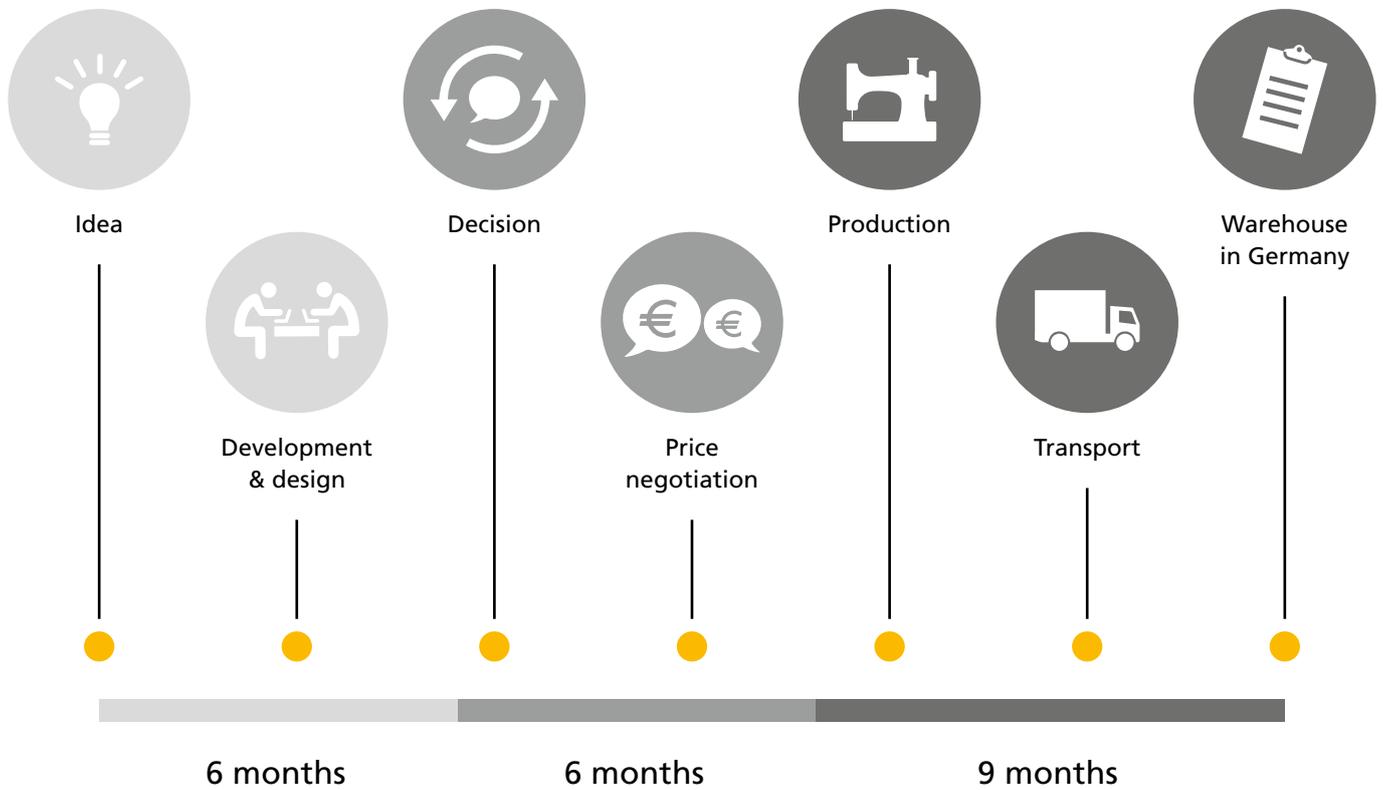
Group management	JACK WOLFSKIN GmbH & Co. KGaA
Headquarters	Idstein im Taunus (since 1997)
Founded in	1981 (in Frankfurt)
Management	Melody Harris-Jensbach (CEO) Axel Mau (CFO) Markus Bötsch (CSO)
Retail partners and outlets	Jack Wolfskin products are currently available in more than 900 franchise stores and at over 4,000 points of sale around the world.
Location of the European central warehouse	Neu Wulmstorf, total area of around 40,000 m ²
Number of employees	Around 1,000
Products	Jack Wolfskin is one of the leading providers of functional outdoor clothing, footwear and equipment in Europe and has focussed on weather protection for over 30 years. Jack Wolfskin products feature a high degree of functionality, user-friendliness and innovation.



THE PROCESS OF PRODUCT DESIGN

Who is directly involved in the product creation process at the Jack Wolfskin headquarters?

Lots of different people are involved in the creation of a single product. In our Idstein headquarters, there are ten departments alone that are directly responsible for product development.



THE DEPARTMENTS INVOLVED

One major department that lays the foundation for product manufacturing is the Sourcing department.

Sourcing staff are responsible for developing new supplier relationships, as well as the ongoing assessment and development of existing ones.

When we speak of suppliers, we mean companies that create a finished product – for example, a jacket – from various fabrics and elements.

The Sourcing department is where we first make contact with potential new suppliers.

Jack Wolfskin introduces itself to the supplier and assesses the local production facilities to see whether it is possible to establish a partnership with the supplier based on its abilities. If the result of this assessment is positive and the manufacturer can comply with our requirements, a carefully regulated introduction process is initiated. It takes about twelve months from selection to the first production order, with testing and introduction processes in between.

The product management and design phases mark the start of any production process. This is where the product's appearance and functions are defined.

Design and Product Management teams determine the type and number of products and make decisions as to the cut, fit, pattern, colours and types of fabric and other elements. Because Jack Wolfskin manufactures outdoor products, they almost always have specific technical features, such as waterproofness, water-repellent properties, breathability or windproofness.

So that products can satisfy the functionality requirements, the fabrics and trimmings used must fulfil a broad range of criteria. Two major departments come into play here, taking care of sourcing fabrics and trimmings.

The Design and Product Management departments are responsible for sourcing the components required in line with their own specifications. They ensure that each individual item complies with our high quality and environmental standards, while also fulfilling the required functionality aspects.

After establishing the appearance and functions of the product, and after selecting the fabrics and trimmings, it is then necessary to work out how the product is to be made. This is where our technical experts and travelling technicians come into play.

Using detailed product documentation containing all fabrics and trimmings, technicians explain to the supplier how the finished product should look and how certain details need to be handled. Jack Wolfskin has a wide range of quality criteria that must be discussed in detail with the supplier to ensure that the result is a high-quality product. Technical experts monitor the development process by testing prototypes, evaluating and providing comments so that they can be approved for production. Our travelling technicians visit the supplier's facility in order to keep an eye on the production process and help with troubleshooting or provide support where necessary.

01

Product-management and design



Design and Product Management teams determine the type and number of products and make decisions as to the cut, fit, pattern, colours and types of fabric and other elements.

02

Sourcing



The Design and Product Management departments are responsible for sourcing the components required in line with their own specifications

04

Pricing



The pricing of every product is discussed and negotiated with the suppliers.

03

Technical experts and travelling technicians



Using detailed product documentation containing all fabrics and trimmings, technicians explain to the supplier how the finished product should look and how certain details need to be handled.

05

Purchasing



The Purchasing team are in close contact with our suppliers. Before products are awarded to a supplier, purchasers speak to them about their capacities. On the basis of this information, the team can plan and establish which products can be manufactured where, and when.

06

Logistics



The Logistics department knows exactly when and where each product is manufactured, and when a product is ready for dispatch to our warehouse in Neu Wulmstorf, Germany.



Vendor Control

The Vendor Control department is involved right from initial contact with the new supplier in order to present and discuss our Code of Conduct, membership of FWF, requirements in terms of hazardous substances and many other topics relating to social and environmental standards.



Independent auditors monitor compliance with requirements on site.

Pricing is done between finalising the product requirements and manufacturing the product.

The pricing of every product is discussed and negotiated with the suppliers. Generally, we work with open calculations, in which the cost elements such as materials, labour costs and profits are established in a transparent manner. In addition, the Product Development department also considers which supplier can manufacture which product the best, and Purchasing is involved in order to assess whether this supplier is able to produce the required quantities with the capacities available.

The Purchasing department is also actively involved at several stages of the process

The Purchasing team are in close contact with our suppliers. Before products are awarded to a supplier, purchasers speak to them about their capacities. On the basis of this information, the team can plan and establish which products can be manufactured where, and when. What's tricky here is making sure that suppliers are given sufficient time for production in order to avoid overtime and overworking employees. Further work takes place during the production phase. Once a week, enquiries are made as to the progress of production in order to be able to react appropriately to delays or unforeseen events. The purchasers are therefore the ones who manage all the relevant data from suppliers in order to ensure straightforward processing.

The Purchasing team exchanges information with the Logistics department.

The Logistics department knows exactly when and where each product is manufactured, and when a product is ready for dispatch to our warehouse in Neu Wulmstorf, Germany. Thanks to the Logistics department, we always know where our products are, ensuring the punctuality of incoming goods.

The Jack Wolfskin CR department, known as Vendor Control, also works alongside all processes. This department is concerned with humane and safe working conditions for the suppliers' employees.

The Vendor Control department is involved right from initial contact with the new supplier in order to present and discuss our Code of Conduct, membership of FWF, requirements in terms of hazardous substances and many other topics relating to social and environmental standards. All suppliers must agree to comply with our Code of Conduct. Their actual compliance is checked regularly through on-site audits. The supplier is rated using the level of compliance determined at the audit. The supplier receives a corrective action plan with points to improve upon (for more details about the process, see Chapter 5, "Production facility audits").

But it's not just the Vendor Control department that works together with suppliers on implementing improvements – all the other departments listed above also assess the supplier in accordance with various criteria in order to achieve a comprehensive picture of its strengths and potential. Read about the process that new and existing suppliers have to go through for every single collection, and how ratings are awarded and used, in Chapter 4 "Jack Wolfskin and its suppliers – a partnership of trust".

We do not have any of our own manufacturing facilities but work together with companies that manufacture our products for us.

A basic requirement for developing a partnership with a supplier is their willingness to work in accordance with our social standards and those of FWF.

How many people are involved in the development of a product?

It's difficult to give an exact figure. Overall, there are many people who participate in the development of every single product. It starts with the development of materials and trimmings, moves on to merchandise planning, creating designs, technical implementation, and ends with production control. Aside from the work that has a direct and clear connection with the products, there are many other departments that ensure that the developed product ultimately becomes a reality.

How long does it take for a product to go from a concept to a finished item in the shops?

In total, it takes one and a half years from the initial concept to the finished product. The majority of the time required is spent on the development of technically sophisticated materials and processing variants in order to create an ideal end product that satisfies the highest technical requirements.

How long does it take for an initial draft to become ready for manufacture?

The development phase comprises many different steps and primarily involves the Product Management team, designers, the Fabric and Trimming department and technical experts. It takes about ten months to move from the initial concept and development of prototypes to the perfect product.

How much time does the supplier have to manufacture an order?

Manufacturers have a time frame of around eleven weeks for production alone. Holidays such as the Chinese New Year are of course already taken into consideration and included. In order to calculate the overall delivery time, the production time is added to the supply times for the raw materials to the manufacturer and the duration of shipping from the production facility to us in Germany.

Are all products manufactured by the same supplier?

No, the products are divided between many different suppliers. This is necessary because there may be a large number of brands that have products manufactured by the same factory, which means that capacities are insufficient for all of the contracts. In addition, a large number of factories specialise in the manufacture of specific types of product, such as trousers, backpacks, footwear or raincoats, in order to remain economically competitive.

JACK WOLFSKIN AND ITS SUPPLIERS – A PARTNERSHIP OF TRUST



Presenting the evaluation system

How are the right suppliers chosen – ones that are a good fit for Jack Wolfskin?

We do not have any of our own manufacturing facilities but work together with companies that manufacture our products for us. This works best when there is a culture of mutual trust and support. In order to assess the strengths and weaknesses of the partnership, we have developed a system that highlights potential improvements for each step of the process, both for us and the supplier.

That is the basis for a good, long-standing working relationship.

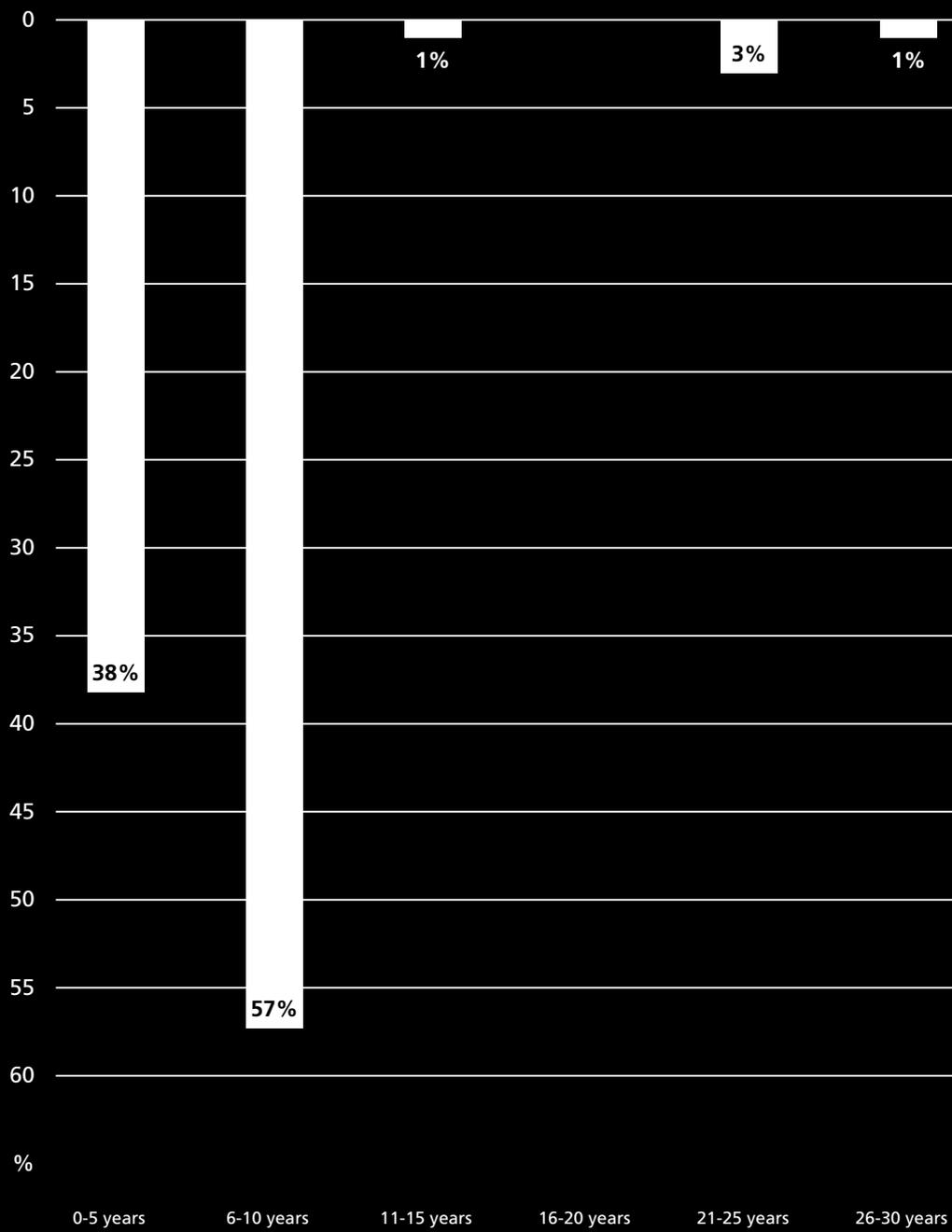
This system encompasses all our suppliers and comes into play as soon as a new supplier is selected for a potential partnership. New suppliers are carefully and intensively managed. During a six- to eight-month induction phase, we continually assess how the partnership is working, whether we are a good fit and whether the supplier is suitable for being added to our pool. As described above, several different departments work together with the suppliers. Each department evaluates the supplier using specific criteria so that an appraisal has already been carried out before the end of the induction phase. All departments get together to discuss whether

the supplier is a potential candidate for a future partnership. If this is the case, the supplier will continue to be evaluated regularly in future. The assessment shows where the supplier has scope for improvement, and in which areas Jack Wolfskin should optimise its own processes. A plan of action is then developed to help both partners secure the future of the cooperation successfully and sustainably over the long term.

What role do social standards play in this evaluation system?

A basic requirement for developing a partnership with a supplier is their willingness to work in accordance with our social standards and those of FWF. In order to get an idea of the extent to which the requirements set out in the Code of Conduct have already been implemented by the supplier, we commission an independent, external company to audit the facility (see also glossary: Audit). The audit is the basis of the decision as to whether a future partnership is tenable.

Since nobody is perfect at the beginning – neither us, nor our suppliers – we give those suppliers who didn't get off to the best start a chance to improve and to aim for compliance with social standards



Purchasing volume in % in relation to the length of business partnership with production partners

JACK WOLFSKIN AND ITS SUPPLIERS – A PARTNERSHIP OF TRUST

Information about countries and suppliers

How long has the partnership with production facilities lasted so far?

Jack Wolfskin attaches great importance to long-lasting supplier relationships. Production partners are selected using an intensive process whereby companies are closely examined to determine whether they would be suitable in the long term. This ideal is not always possible. In the following graphic, you can see clearly that 62% of Jack Wolfskin's purchasing volume comes from suppliers who have been permanent production partners for over six years.

Long-term "relationships" have a variety of advantages for both partners.

Jack Wolfskin can be confident that the level of quality is constantly high, that proactive measures are being taken to continually improve working conditions and that the partnership is characterised by a solid bond of trust and loyalty. The supplier has planning security, does not have to constantly acquire new customers and can concentrate on the optimisation of their company.

For Jack Wolfskin, mutual trust is a fundamental component of a long-term partnership. It makes it possible to find a solution – even in difficult situations in the clothing industry, such as late fabric deliveries, production bottlenecks, etc. – that is based on fairness rather than being advantageous to a particular party.

Why might Jack Wolfskin terminate a partnership with a supplier?

There may be various reasons why a partnership with a supplier is terminated. Through the evaluation system, it is obvious where the supplier stands with regard to certain criteria, what strengths and weaknesses they possess and how they have developed in the individual evaluation areas over the past seasons.

The assessment is discussed at length with suppliers once a year, so that Jack Wolfskin's expectations, as well as reasons for anomalies in terms of results, are clear to both parties.

The partnership may be terminated by either party. In some cases, manufacturers discontinue the business relationship because they can avoid hurdles such as conforming to social or quality standards by working for other customers. In others, Jack Wolfskin decides that there is no sense in continuing a business relationship. This decision is usually taken after a lengthy process in which corrective action plans are developed and proactive support is provided to help eliminate weak spots. It does not matter where these weaknesses lie. It can relate to problems in terms of quality, difficulties with implementing social or environmental standards, ongoing poor delivery performance, or other factors.

Which countries manufacture Jack Wolfskin products?

The main Jack Wolfskin manufacturing countries are Vietnam (48%), Bangladesh (21%) and China (14%).

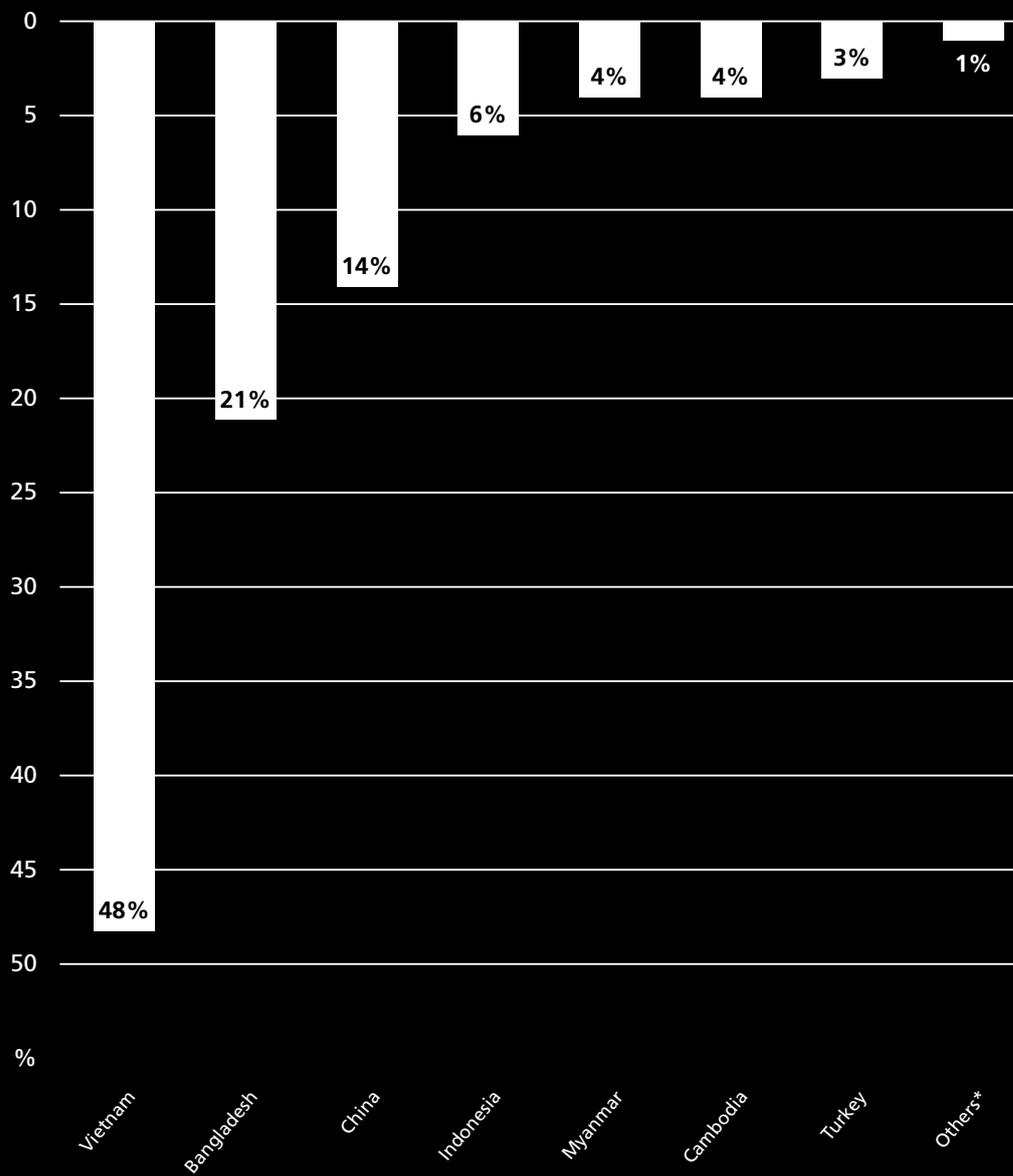
Where are the fabrics and trimmings (such as zips, buttons, etc.) manufactured?

The fabrics and trimmings used to make our products come primarily from Taiwan, South Korea, Japan and China.

Are the manufacturers of fabrics and trimmings also audited?

As a result of the different challenges involved in the production of fabrics and trimmings, they are evaluated using a different system. Here, we primarily use the bluesign® system. bluesign® also governs criteria such as industrial safety and bans on child and forced labour, etc. In addition, it also covers other factors relating to the environment, such as the efficient use of resources, the ban on hazardous chemicals, safe application processes and the imperative to use the best-available technology.

The majority of our fabrics are certified by the bluesign® system. By 2020, all fabrics used by Jack Wolfskin and at least two thirds of all trimmings are to be bluesign-certified.



Production volume by country

AUDITS IN PRODUCTION FACILITIES

Our system of auditing suppliers before we even award them a contract, coupled with regular repeat audits, means that 100% of all our suppliers are subject to audits, and have been for many years. We set great store by being fully aware of the conditions in our production facilities. Only if this is the case are we able to react quickly to mistakes and continue to work with the supplier towards improving processes. The audits are carried out by an independent, external company. You can read more about what is assessed during an audit in the glossary under "Audits". In addition to our own audits, FWF also conducts its own regular verification audits. Whenever we have the opportunity to carry out a joint supplier audit with another company and work towards making improvements together, we make the most of it. When auditing most production partners, we now work together with other clients of the factory to support suppliers in the best way possible in terms of constantly improving working conditions.

In order to obtain a quick and accurate overview of the audit results, we work according to a scale ranging from one (the worst rating) to ten (the best). By fulfilling the requirements of the Code of Conduct, a supplier receives eight points. Nine and ten points are awarded to those who have gone beyond the (best practice) requirements to implement good and safe working conditions.

This scale is used to assess the following nine areas in the audit:

- **Management methods**
- **Working hours**
- **Wages**
- **Child labour**
- **Forced labour**
- **Freedom of association and collective bargaining**
- **Discrimination**
- **Health/safety/working conditions**
- **Environment**

A separate rating is given for each category that shows the level of compliance with the Code of Conduct. The minor and major violations determined in the audit are laid out in a corrective action plan, (CAP), and discussed with the supplier's management team, who then have the option of implementing improvements within a set period of time. Compliance is monitored by the Vendor Control department via visits, video conferences or phone calls, and re-evaluated at the next audit. In addition to these regular audits, factories are also then evaluated if an employee in the production facilities lodges a complaint with Jack Wolfskin or FWF. In this case, we closely look into what exactly has happened, what the current state of affairs is, and what needs to be done in order to improve the situation and remove the cause for complaint.

The suppliers' facilities are visited regularly by Jack Wolfskin employees. In addition to the Vendor Control team, which is responsible for social standards, technicians and purchasers also keep their eyes open and inform us of any violations. However, only auditors have access to documents such as payrolls or time sheets because they are fluent in the local language and have the required expertise, for instance with regard to local laws as well as minimum and customary industry wages, to be able to read and assess the documents correctly.





What happens to the results of the social audit?

The audit results are shared with all key departments at Jack Wolfskin and discussed in detail. This primarily relates to Sourcing, Pricing, Purchasing, Technology and Product Management, as well as Logistics.

All departments in the evaluation committee report on their impressions of, and experiences with, the supplier.

The close cooperation between all departments enables us to get an overall picture of every supplier using the audit results. The root of the problem can often be identified quickly and a solution found.

The supplier is often requested to address certain shortcomings and then the issue is resolved.

With complex challenges, Jack Wolfskin offers needs-based support, which may take the form of tips on how other companies have solved the same problem. Targeted training and support through local partners can also be helpful.

As partnership means a lot to Jack Wolfskin, individual and needs-based discussions are held with each supplier

Does Jack Wolfskin carry out unannounced audits too?

The majority of audits are announced in advance. The reason for this is that certain personnel, such as senior management, human resources, financial accounting and staff from the Social Compliance department, must be present. This is the only way to access internal documents and ensure that the audit is meaningful.

However, in some cases, unannounced audits can also be useful and are arranged for specific purposes, such as to check statements from previous audits.

In addition, conversations with employees away from the factory premises prior to each audit are a vital component of inspections

JACK WOLFSKIN SHOWS TRANSPARENCY

Can anyone view the results of the supplier audits?

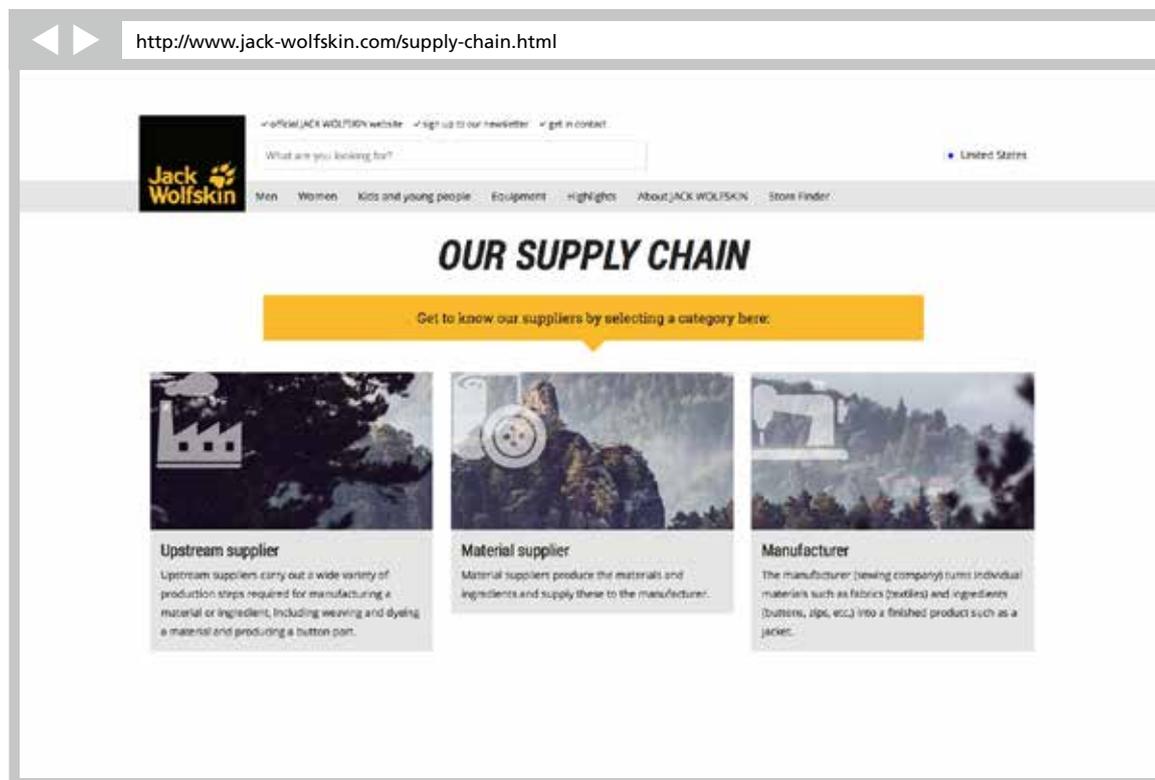
Jack Wolfskin makes the entire supply chain transparent! The supply chains for apparel, equipment and footwear are highly complex. The last link in the production chain is formed by the sewing factories. They bring together all the fabrics and trimmings required to make the finished product. Sewing is a manual process. Consequently, there are many people involved in this production phase, which is why adherence to good, safe working conditions is especially important here. Companies and initiatives that endeavour to improve working conditions in this particular area bring positive change to the greatest number of people. In order to make the results regarding compliance with social standards at supplier factories transparent, we have decided to publish all the data online. All information regarding the sewing factories for

the apparel, equipment and footwear divisions are published and visible on the Jack Wolfskin website along with names, addresses and additional information such as audit data and results.

The suppliers are divided into

GOLD	Pioneer
SILVER	Good supplier with potential for improvement
BRONZE	Suppliers who are still in the early stages with regards to social compliance

The transparency tool can be accessed via the following link
<http://www.jack-wolfskin.com/supply-chain.html>



The transparent Jack Wolfskin supply chain

Does Jack Wolfskin achieve transparency throughout the entire supply chain?

Each sewing workshop requires specific fabrics and trimmings in order to manufacture a product. Depending on the type of product (jacket, T-shirt, backpack, shoe) and its intended function, a great number of different materials may be required. For example, a raincoat may be composed of 40 different materials or a backpack may consist of 60 components. For the most part, this is not noticeable to the consumer. The various materials must of course be produced first. This is carried out at a number of different production sites as each excels at something different, such as producing zips or weaving the fabric for a raincoat.

These suppliers – the manufacturers of the individual components – are represented as material suppliers and preliminary suppliers in the supply chain on our website. These steps of the chain are also subject to our assessment. Here, we place particular emphasis on workplace safety, the use of non-toxic chemicals and the conservation of resources. For example, at a production site where a white fabric has to be dyed blue, it must be ensured that only non-harmful dyes are used, as little water is used as possible, waste water treatment facilities are available and that the workers wear suitable protective clothing.

Is it possible to know which products came from which manufacturer?

Yes, it is possible.

All products feature a label that contains the supplier code. This can be found near the care label (which includes the symbols for washing, bleaching, drying, ironing and professional textile cleaning). Using this label, it is possible to look up the manufacturer on the Jack Wolfskin website and access the results of the last social audit, amongst other things.



Supplier code label

And how can Jack Wolfskin ensure clean and safe production?

In order to monitor the suppliers that deliver the materials to the sewing factories, Jack Wolfskin is affiliated with the bluesign® system. The bluesign® system is a comprehensive concept that includes all suppliers in the chain – from the chemicals, right to the finished product. The use of substances that are hazardous to the environment and to health is prevented from the start, and the initiative ensures that resources such as energy and water are used responsibly. Jack Wolfskin has set itself the goal of only obtaining fabrics from bluesign® system partners by 2020. This means that we can ensure clean, safe production at all stages of the supply chain.



EVALUATIONS OF AUDIT RESULTS

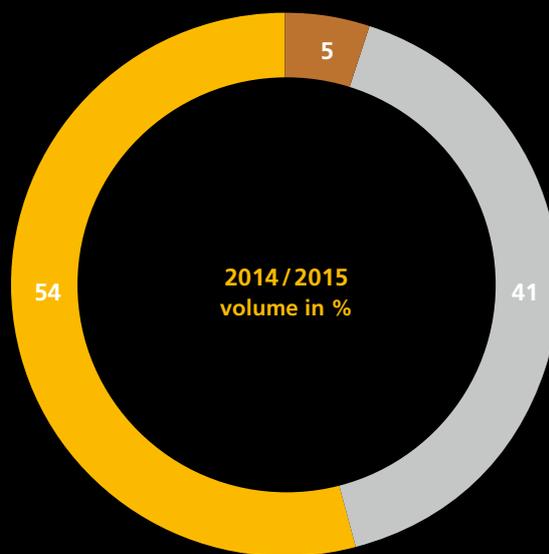
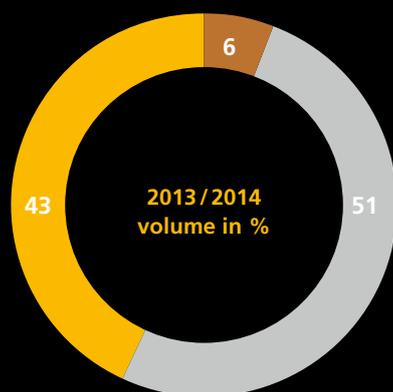
Each supplier has their strengths and weaknesses as regards compliance with social standards in a range of areas. Nevertheless, patterns are often identified that can be linked to country-specific challenges. Once these patterns have been recognised, measures can be developed and offered systematically for each country. The Workplace Education Programme (WEP) from the Fair Wear Foundation, for example, is tailored to the needs of different countries. More information on the training sessions carried out at Jack Wolfskin suppliers can be found in the "Workplace Education Programme" chapter.

Country-specific challenges from the results of the audits are analysed and summarised on the following pages. All direct suppliers as well as their subcontractors authorised by us are included in the overview. In the subsequent summary, we have deliberately avoided distinguishing between subcontractors and main suppliers, since it makes no difference to the monitoring and assessment of social standards.

Our suppliers are listed along with their rating in the GOLD, SILVER and BRONZE categories on the following pages. The overview also contains accurate information about the proportion of suppliers' total purchasing volumes from Jack Wolfskin as well as the date of the last audit. Training measures implemented by the suppliers are also listed.

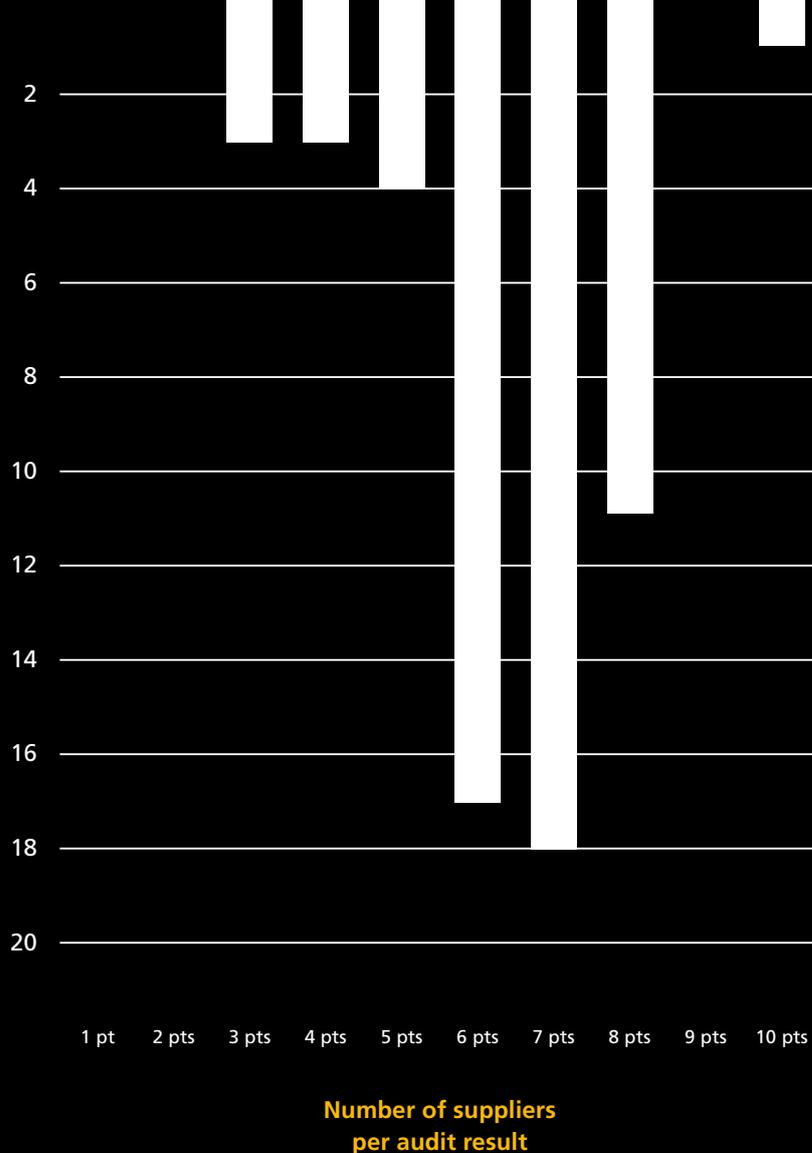
The average result of all suppliers in the respective country is shown on a scale from one to ten (one being the worst and ten being the best). **Suppliers are awarded eight points on the scale for the complete implementation of all requirements of the Code of Conduct. Nine and ten points are awarded for outstanding commitment, otherwise known as "best practice examples"**, meaning a score of eight or higher shows that the supplier has implemented a sustainable and social system ensuring ongoing compliance with social standards.

By the same token, a rating of below eight for child labour, for instance, doesn't mean that children are actually working in a factory. Instead, it means that due to missing procedures and measures, it cannot be completely ruled out that minors, even inadvertently (e.g. due to them presenting forged identification papers), are being employed by the factory.



- Pioneer
- Good with room for improvement
- In the early stages

Audit results separated into GOLD, SILVER, and BRONZE – comparing 2013/2014 and 2014/2015



Overview of results

How many suppliers (level 1) does Jack Wolfskin work with?

In 2013/2014, Jack Wolfskin worked with 79 suppliers. This was consolidated into 59 in 2014/2015. This enabled production facilities to better support the implementation of social and environmental standards and to individually support concrete improvement measures.

How has the overall result of suppliers changed through consolidation?

The proportion of suppliers who are in the early stages of implementing the Code of Conduct has dropped slightly from 6% to 5%. A large number of suppliers have managed to improve further. **Those awarded GOLD as "Pioneers" in terms of implementing social standards now form by far the largest group with 54%.**

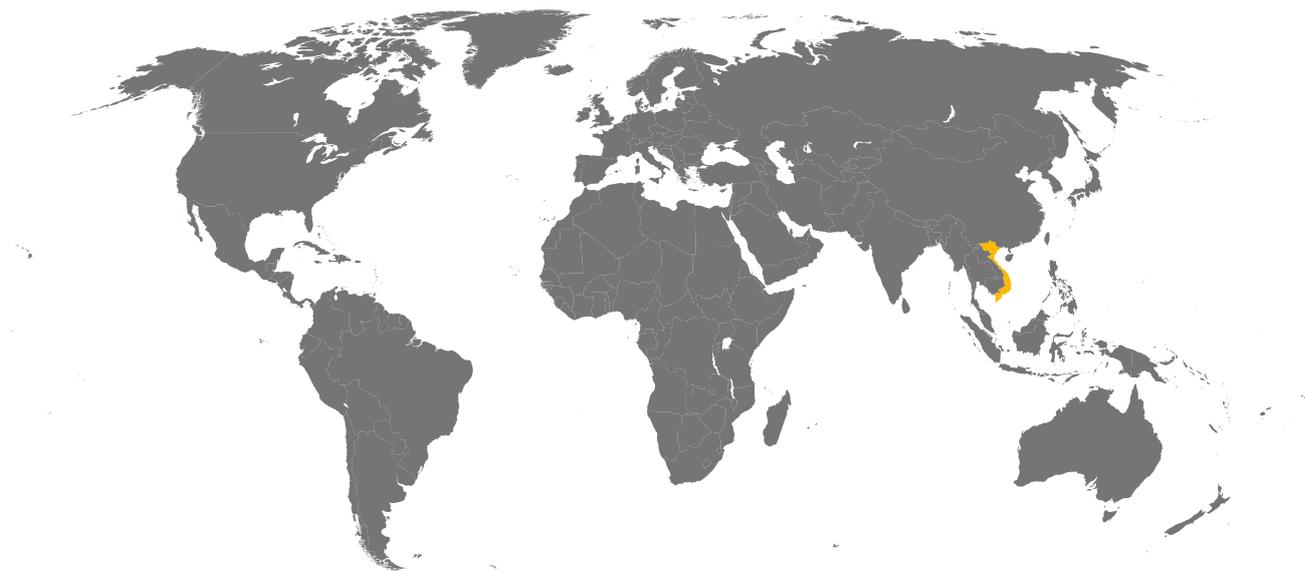
Are all suppliers listed on the Jack Wolfskin website?

All suppliers (as at September 2015) are listed on the Jack Wolfskin website in the "Supplier chain" section.

Taking only the audit results of the suppliers into consideration, it can be observed that most of them (a total of 53%) have between seven and eight points. As already mentioned, **eight points represents 100% fulfilment of the requirements of the Code of Conduct, whilst nine and ten points stand for *best practices*.** For scores of fewer than eight points, a certain number of critical violations of the Code of Conduct have been recognised that the supplier needs to work on. The chart above shows an overview of the number of suppliers in each point category.



VIETNAM



What is the general economic situation in Vietnam?

Vietnam is becoming an increasingly significant player in clothing exports. The textile and clothing industry is one of the biggest in Vietnam and contributes considerably to the country's positive economic development. It is also expected that, in the future, the textile sector will remain an important growth engine for the country.

Which standards in the Code of Conduct does Vietnam have the biggest problems with?

For historical and legal reasons, it is probably the law relating to freedom of association and

collective bargaining. In Vietnam, all trade unions that are operative in a company must also be a member of the state trade union VGCL (Vietnam General Confederation of Labour). This is, of course, not necessarily synonymous with poorly functioning internal organisations. However, in the context of an audit, more attention must be paid to the issue of whether or not the union president adequately represents its members' interests. In some companies, there are now also independent, union-like structures.

Internal weaknesses are becoming all the more noticeable in the consistent implementation of health measures. This can only be counteracted in the long term through consistent guidelines issued by management, coupled with training and awareness amongst staff.

What are the audit results of Jack Wolfskin suppliers in Vietnam?

48% of Jack Wolfskin's entire purchasing volume comes from Vietnam.

What is even more pleasing is that currently almost all suppliers have successfully implemented the high requirements of the Code of Conduct and have achieved "Pioneer" status. Fundamental weaknesses in the implementation of social standards were only noticeable with one manufacturer. This manufacturer is a subcontractor of a direct contract partner, and was introduced to Jack Wolfskin via this direct contract partner.

After intensive discussion with the direct contract partner, it was decided together that work with Hung Yen Jute & Garment Joint Stock Company would be terminated for the time being until significant improvements could be seen in the factory.

On the whole, the development of Jack Wolfskin suppliers in Vietnam has been positive. Jack Wolfskin has long-standing and trusting business relationships with most manufacturers. This situation makes it possible to initiate improvements in the factories, thanks to cooperative dialogue, and to quickly implement corrective aims. Partners can speak openly and find solutions together when problems occur. Another factor that benefits the implementation of social standards significantly is that almost all suppliers deliver to at least one other FWF member company.

Over the past few years, there has been great progress made with regard to joint auditing and a uniform pursuit of corrective measures.

What are the benefits of shared audits?

There are a large number of advantages for suppliers and brand-name companies.

For suppliers:

- (Drastic) reduction in the number of social audits
- Uniform requirements of multiple clients with the same Code of Conduct
- Uniform requirements in the corrective plan
- Unified communication in relation to the implementation of improvement measures and therefore the associated minimisation of administrative expense. The extra time and energy can be channelled into improvement measures
- Implementation support can be broached and joint solutions (such as training) can be found

For Jack Wolfskin:

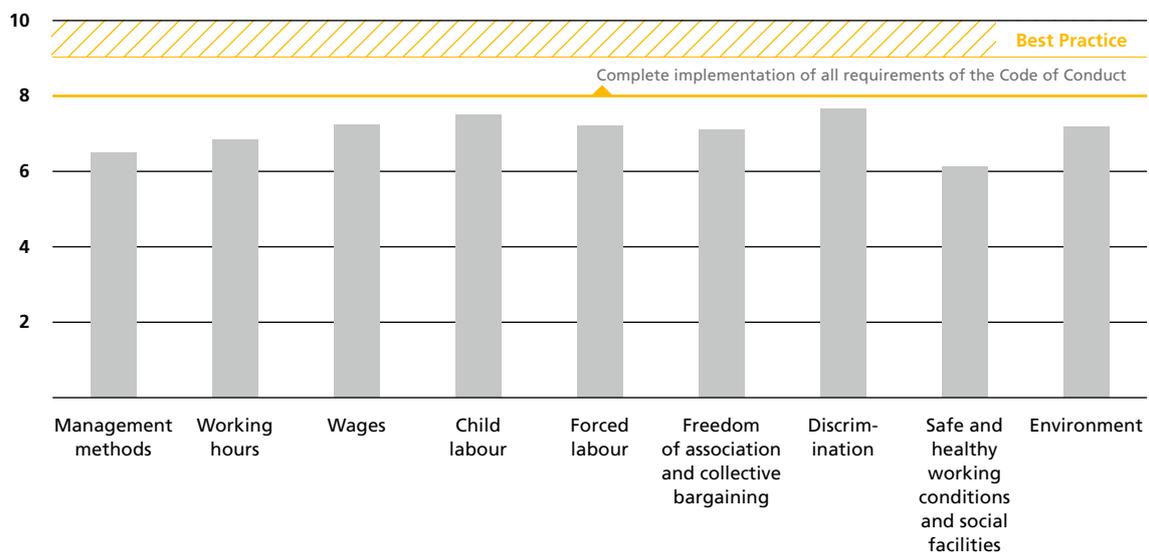
- Reduction in audit costs
- Reduction in the amount of time spent on communication because one spokesperson is chosen among the brand companies in the partnership to manage the communication with regard to corrective action
- Active and constructive exchange between brand-name companies and joint suppliers
- Joint suppliers of multiple FWF member companies are the ideal partners for pilot projects, such as the step-by-step implementation of living wages

In 2014/2015, the FWF WEP was expanded to Vietnam. Five of our current manufacturers in Vietnam have already taken part in the programme.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
3906	• Kido Hanoi Co., LTD	Aug. 15	
5838	Dong Tien Joint Stock Company	Mar. 15	
5309	• Prex Vinh Co., Ltd.	Mar. 15	
3277	Elegant Team Manufacturer Co. Ltd.	Oct. 14	
2937	Northern Textiles and Garment Joint Stock Company - Textaco	Oct. 14	
8454	Hung Yen Jute & Garment Joint Stock Company	Aug. 15	
7588	Maxcore Co., Ltd.	Oct. 14	
3919	• Shints-BVT CO., LTD	Apr. 15	
7371	• Quoc Khanh Factory/SHINTSBVT'S BRAND	Feb. 14	
9353	Gana Vina Co.,Ltd	Mar. 15	
2998	Max Zone (Astro Saigon)	Mar. 15	
2935	Viet Thang Garment Joint Stock Company	Aug. 15	
3005	ASG (Adin Saigon Co., Ltd)	Mar. 15	
9354	Unico Global Vietnam	Aug. 15	
2945	Viva Saigon Co. Ltd.	May 15	
3004	Moland Co Ltd.	July 14	
2976	• Kaiyang Vietnam Co. Ltd.	Apr. 15	
5844	Viet Vuong Co., Ltd.	Aug. 15	

Suppliers in grey: collaboration has already been terminated.

• The supplier has enabled its staff to take part in the FWF "Workplace Education Training".



BANGLADESH



Why does Jack Wolfskin manufacture products in Bangladesh?

Bangladesh has long been discredited for its often dubious working conditions – not least since the collapse of the Rana Plaza building, causing over 1,000 deaths. But it is the same here as it is everywhere else. You cannot tar everyone, in this case factories, with the same brush.

21% of Jack Wolfskin's purchasing volume comes from Bangladesh. 18% of this comes from a single factory, which fulfils the highest standards in terms of implementing social and environmental requirements. Youngone Hi-Tech Sportswear Industries Ltd. has seen its best results in years with social audits (carried out amongst others by FWF and Sumations). Also, the fact that the manufacturer is a member of the Bangladesh Accord for building safety and is completely bluesign®-certified shows the extraordinarily high standards and dedication to implementation they have shown.

Results of the Bangladesh Accord assessment on Youngone Hi-Tech Sportswear Industries Ltd:

- [FIRE SAFETY INSPECTION REPORT](#) (August 2014)
- [ELECTRICAL SAFETY INSPECTION REPORT](#) (August 2014)

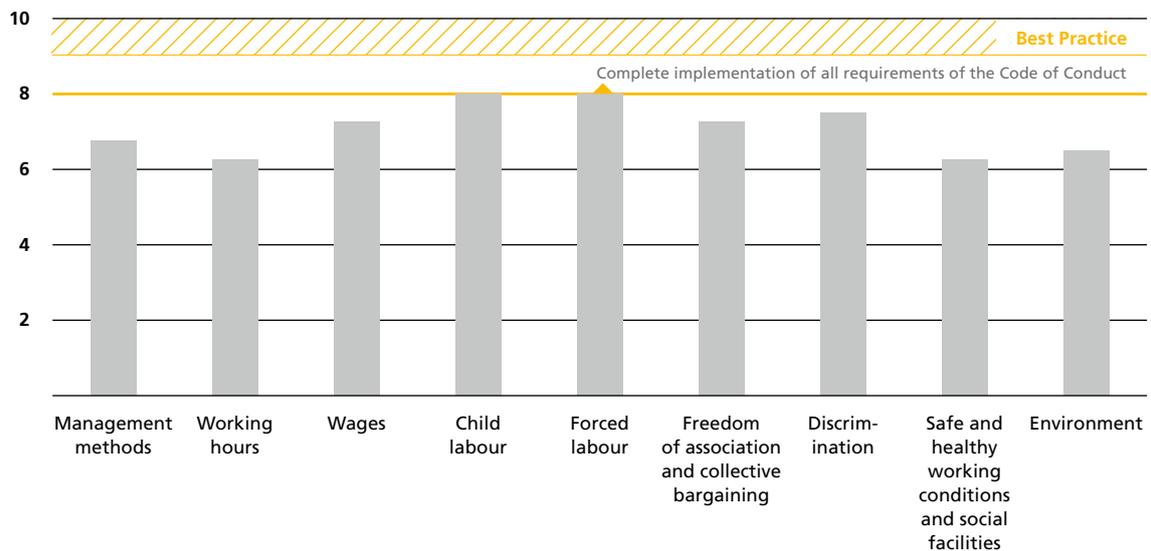
In Bangladesh, as in other countries, business partners must be chosen carefully in order to ensure long-term success and to make a sustainable difference.

The label "Made in Bangladesh" should not mean that a product remains unbought in the store, but instead invoke critical enquiries with the brand companies as to which working conditions and environmental standards the product is produced under. Categorically excluding individual countries from all purchasing decisions is not a good solution, especially for the people in the respective country.

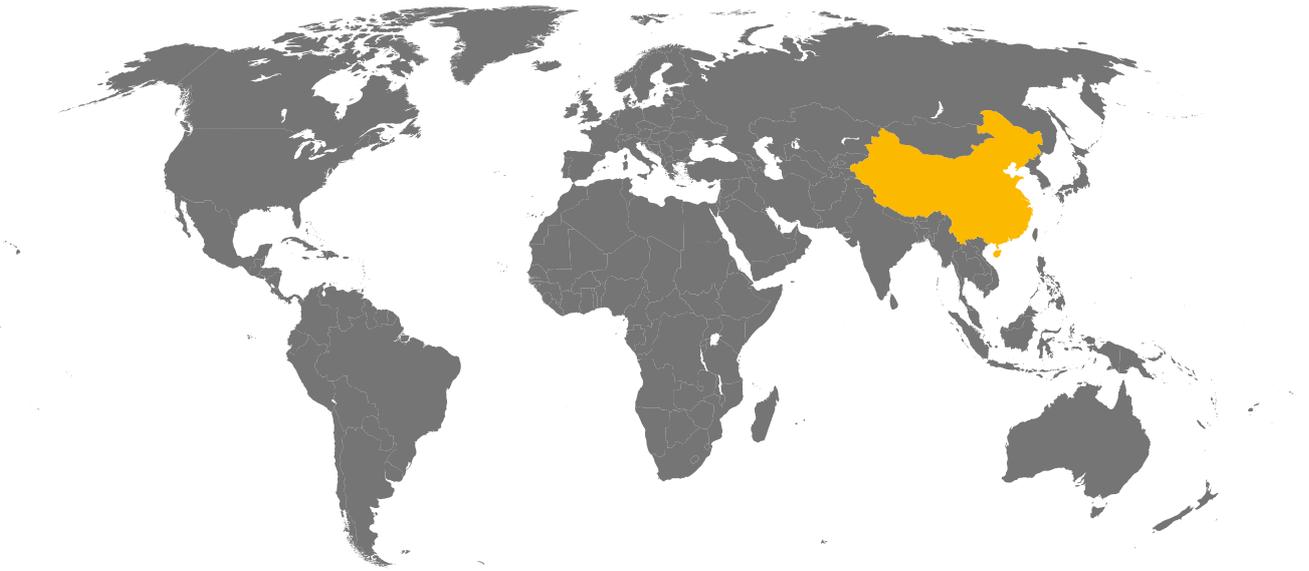
For this reason, Jack Wolfskin products can be traced by their sewn-in label using the website (<http://www.jack-wolfskin.de/supply-chain.html>) right down to the production facility. Customers can view the date and results of the last social audit and there is also a photograph of the factory to give an additional impression

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
5285	CEPZ Ltd. Backpack	Aug. 15	
2910	• Hi-Tech SportswearIndustries Ltd.	Aug. 15	
5843	Kadena Sportswear Ltd.	Aug. 15	

• Audited through "Bangladesh Accord"



CHINA



Which challenges must be overcome in China?

We have observed that the biggest challenges for our suppliers still relate to working hours and salaries. This combination of weaknesses means that documents submitted to auditors are often not completely truthful.

Due to the double bookkeeping, there were instances where it was not possible for the auditors to compare the working hours and wage payments to check whether the pay for overtime at least conformed to statutory requirements. What is even less identifiable is whether living and minimum wages are paid or overtime limits are adhered to.

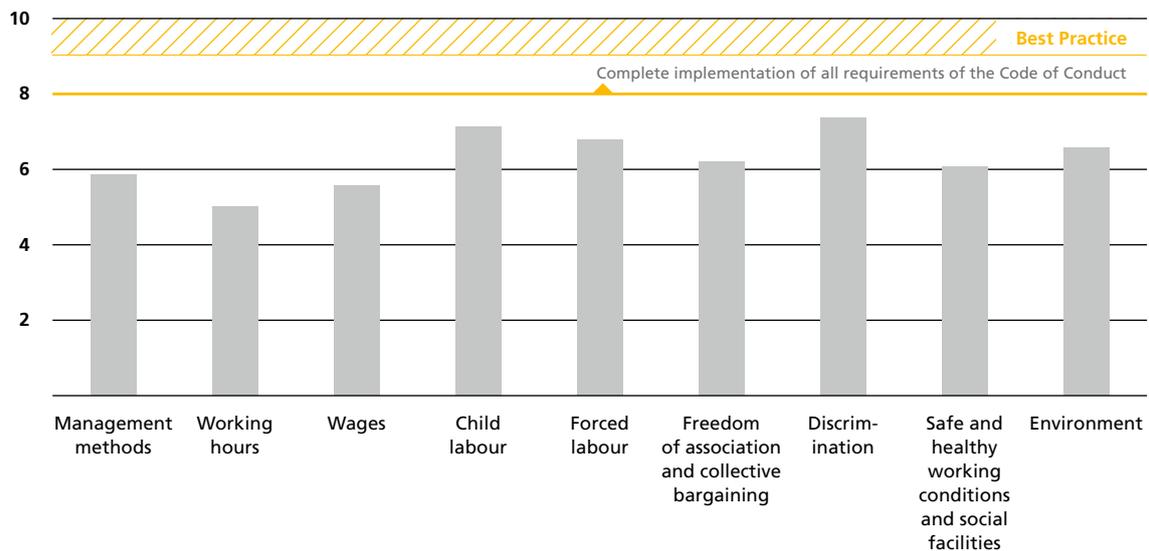
The FWF has developed the Workplace Education Programme (WEP) in order to improve the general working situation in China in the long term. Workers and managers are familiarised with the requirements of the Code of Conduct in detail in separate workshops and are trained in practising meaningful and rewarding communication with each other in order to find an acceptable solution for all parties in the case of a dispute. In addition, the training programme for workers includes a discussion on the complaints system of the FWF.

Five of our production partners in China took the opportunity to take part in WEP and therefore take steps towards making improvements. They also gave staff the chance to get to know the FWF complaints system and to learn how to use it when required.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
2701	• Hsuan Sleeping Bag Fty.	Nov. 15	
2909	Zhanda Clothing co Ltd (Jiujiang)	Apr. 15	
5839	Youngtech (Dongguan) Co., Ltd.	Apr. 15	
3018	• JiangKai Sports Products Co., Ltd	Jan. 15	
4542	• J.F.C. Apparel Ltd. (Guangdong)	July 15	
5833	J.F.C. Apparel Ltd. (Hunan)	Apr. 14	
4575	• Asian Sourcing International MFG.CO.,LTD (Jiangsu)	Nov. 15	
3001	Yangfan Ind.Company Ltd. - Yike tent (Shanghai)	Apr. 15	
3002	Yangfan Ind.Company Ltd. - Sleeping Bag (Shanghai)	Mar. 14	
2987	Ming Rui Footwear Industrial Co. Ltd.	Dec. 14	
5964	Top Eagle Heshan Garment Ltd. (E-One)	Dec. 13	
7372	Victory Footwear Co. Ltd.	Sep. 14	
5896	Hongshi Shoes Development Co., Ltd. (Fujian)	Dec. 14	
3264	• Wai-Wah Skiwear factory Ltd	Nov. 15	

Suppliers in grey: collaboration has already been terminated.

• The supplier has enabled its staff to take part in the FWF "Workplace Education Training".



INDONESIA



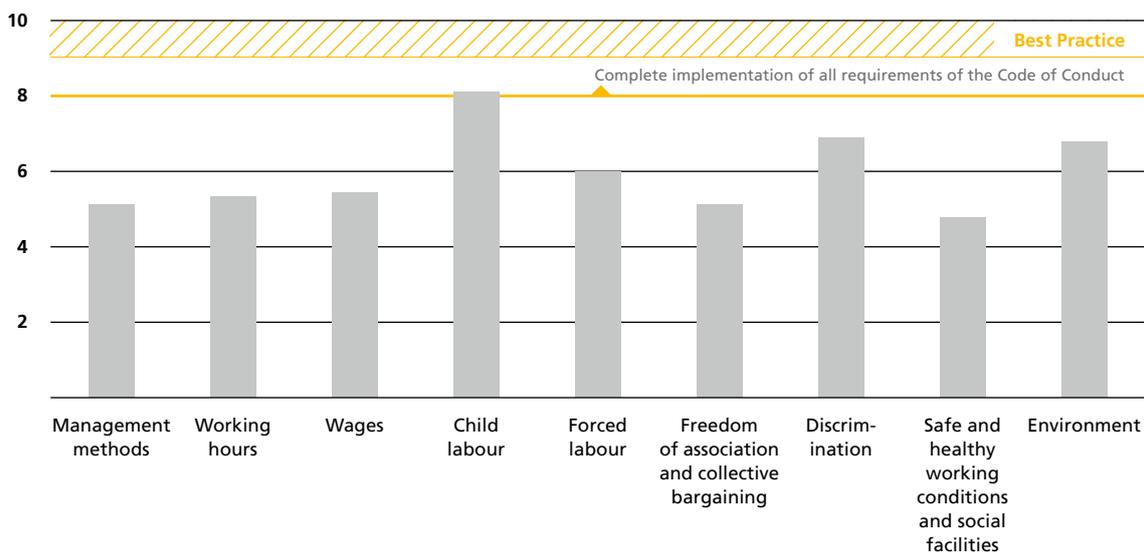
Why does freedom of association have the lowest rating here?

Our partnerships with the majority of companies in Indonesia was terminated in 2015. There was a variety of reasons for this. On the one hand, suppliers with very small order quantities were consolidated where possible. On the other hand,

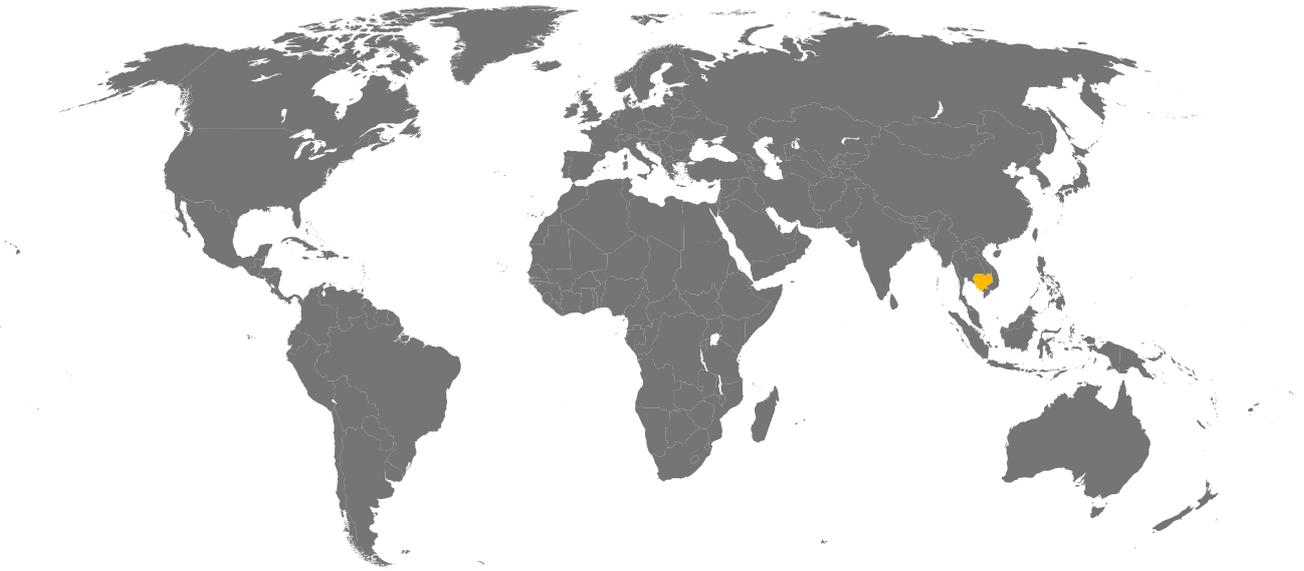
this meant that one business partner had to declare bankruptcy and therefore stop production. This led to staff losing their jobs and not receiving wages upon the closure of the factory and severance pay could not be paid out by liquidators. One of the factory's trade unions filed a complaint. You can find more detail in the "Complaints procedure" chapter of this report.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
3907	Kido Jaya (Kido - PT. Kido Jaya, Factory I)	Aug. 14	
2913	Sioen - PT Sungintex	Jan. 15	
2965	Citra Abadi Sejati (Busana)	Sep. 15	
5840	PT. Morich Indo Fashion	Nov. 13	
2966	Tri Golden Star Wisea	Aug. 15	
2967	PT Ameya Living Style Indonesia	Jan. 16	
5289	PT Pancaprima Ekabrothers	Nov. 12	
2969	PT Asmara Karya Abadi (PT. JabaGarmindo)	May 15	
7424	PT. Citra Cileungsi	Aug. 14	

Suppliers in grey: collaboration has already been terminated.



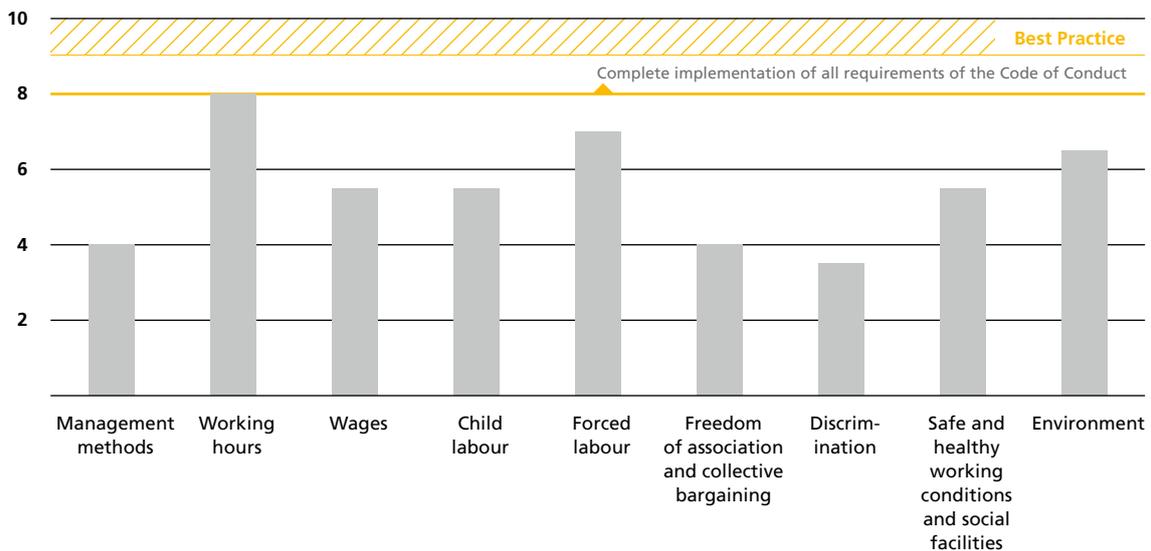
CAMBODIA



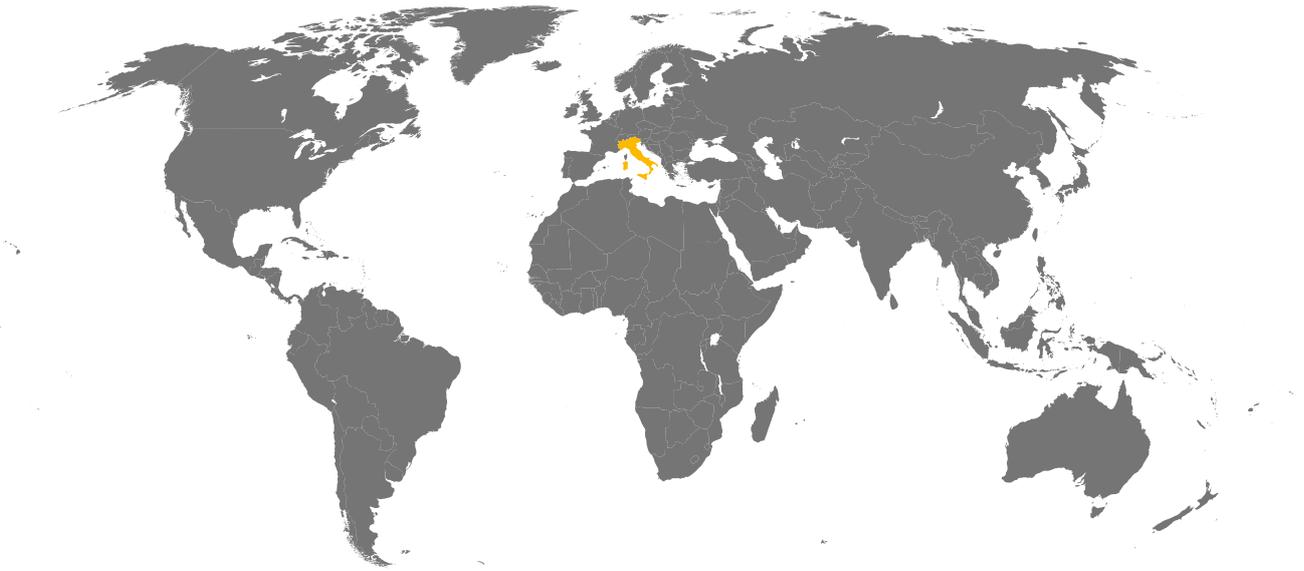
We only work with two suppliers in Cambodia. One of the remaining suppliers is participating in the "Better Factories Cambodia" project and is therefore regularly audited by the ILO (International Labour Organization). Cambodia has a lot

of catching up to do in many areas of implementing the Code. As shown in the graphic, the biggest challenges for manufacturers are in the areas of freedom of association and discrimination which is often associated with it.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
5290	QMI Industrial Co. Ltd. (Succes Index Group)	Dec. 15	
5837	Gartha International Co., Ltd.	Dec. 15	



ITALY

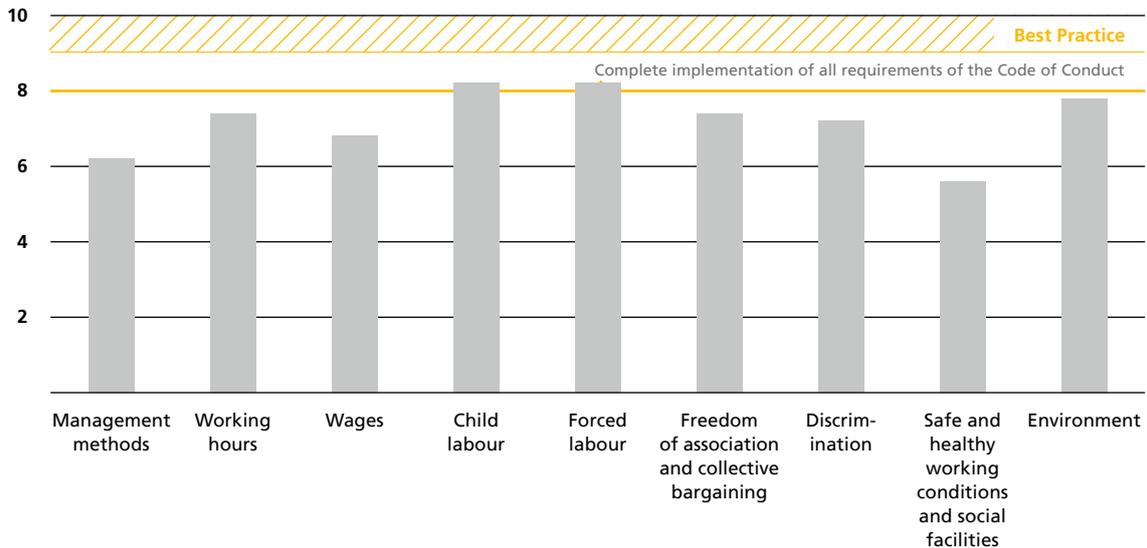


Our suppliers in Italy are small factories, most of which have fewer than 20 employees. On average, they performed well in the audit. Improvements should focus primarily on workplace safety. Regular fire safety and first-aid training is

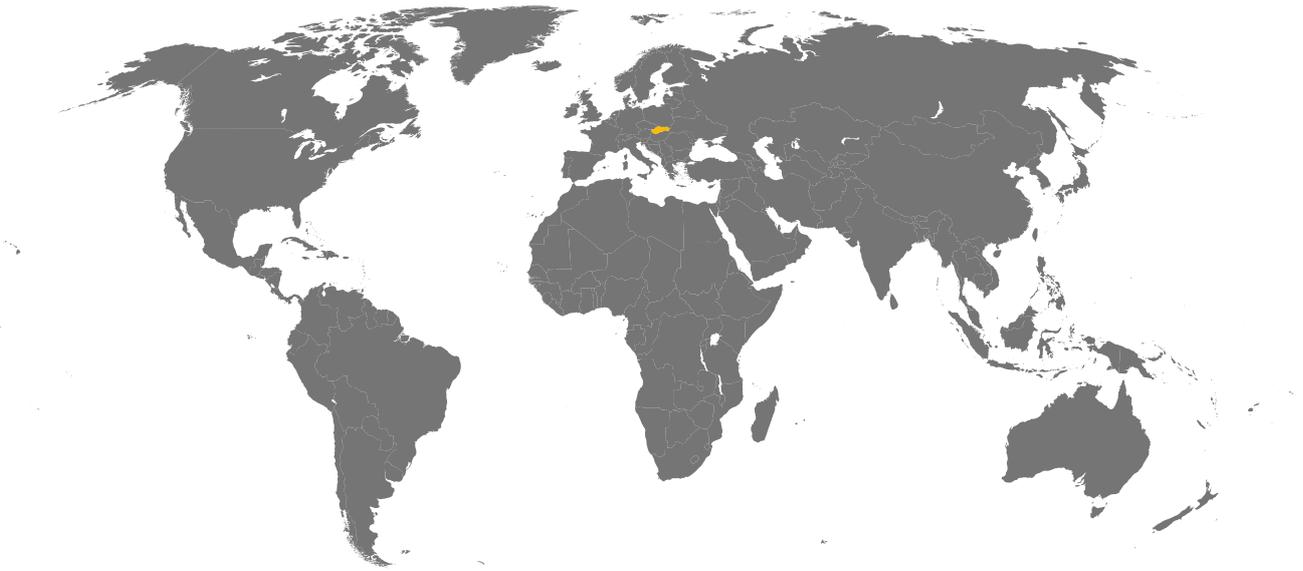
even obligatory in small companies, but is often neglected. Due to missing documents at one of the suppliers, it could not be verified whether payment reflected the number of hours worked, which resulted in a deduction on this point.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
5847	Interknit SRL	May 15	
5846	Insocks	May 15	
5845	New Koko's	June 10	
5842	Trerè Innovation SRL Unipersonale	Aug. 15	
2948	Intermed SAS	May 15	

Suppliers in grey: collaboration has already been terminated.



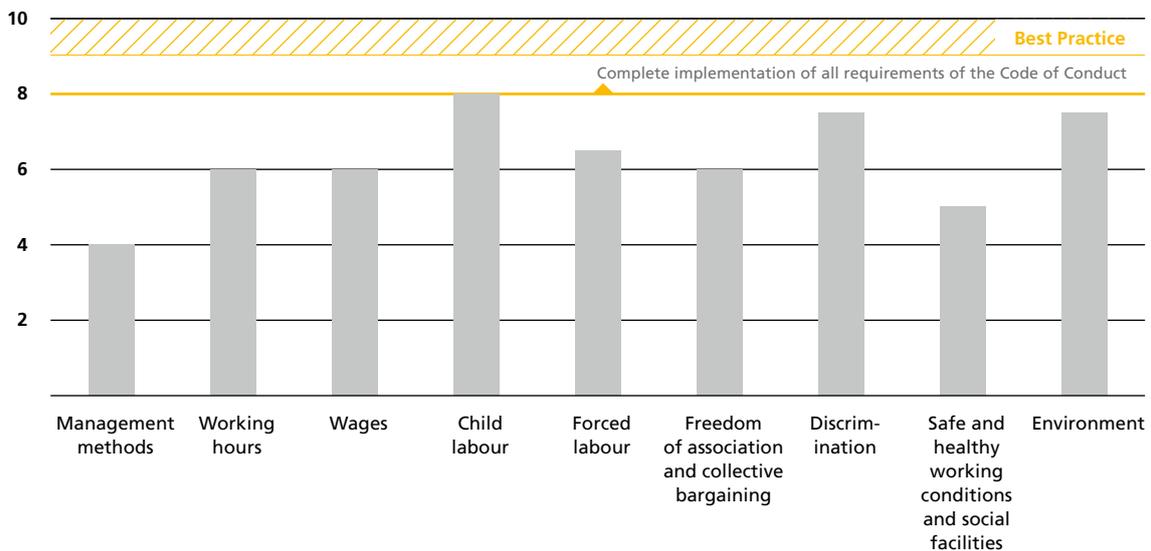
SLOVENIA



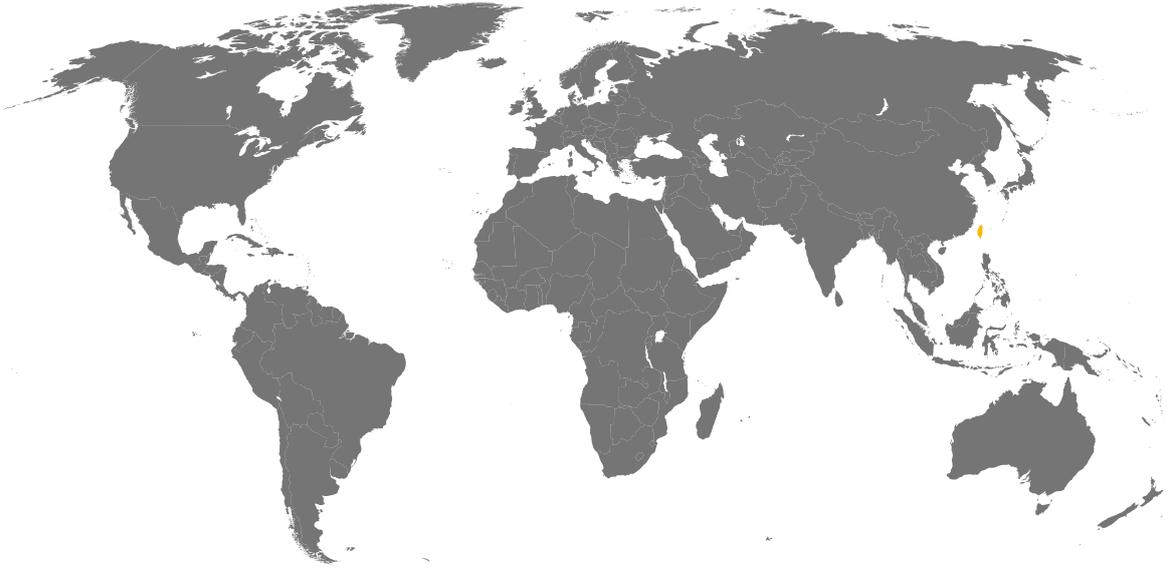
The suppliers in Slovenia are subcontractors of an Italian firm, which is certified according to the SA8000 social standard. Both manufacturers have very few staff. One only has ten and the other has 100, which is very low for a textile company. The great weaknesses in management are a

result of the small size and missing structures. In spite of this, we have agreed comprehensive improvement measures with the suppliers, which primarily relate to structural changes and the implementation of strict standards in relation to staff health and safety.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
5848	Interconf	Feb. 15	
5849	Recinko d.o.o.	Feb. 15	



TAIWAN



The supplier in Taiwan has provided Jack Wolfskin with mats for 15 years. With only around 1% of the sales volume, the supplier is one of Jack Wolfskin's smallest clients.

As part of the communication about audit results and the necessary corrective measures, the supplier mentioned the high burden associated with multiple audits and sometimes hugely different plans of corrective measures for individual customers. Based on this, Jack Wolfskin has now been able to establish a good partnership with seven other customers of the same manufacturer, in which all of them will undergo the same audit

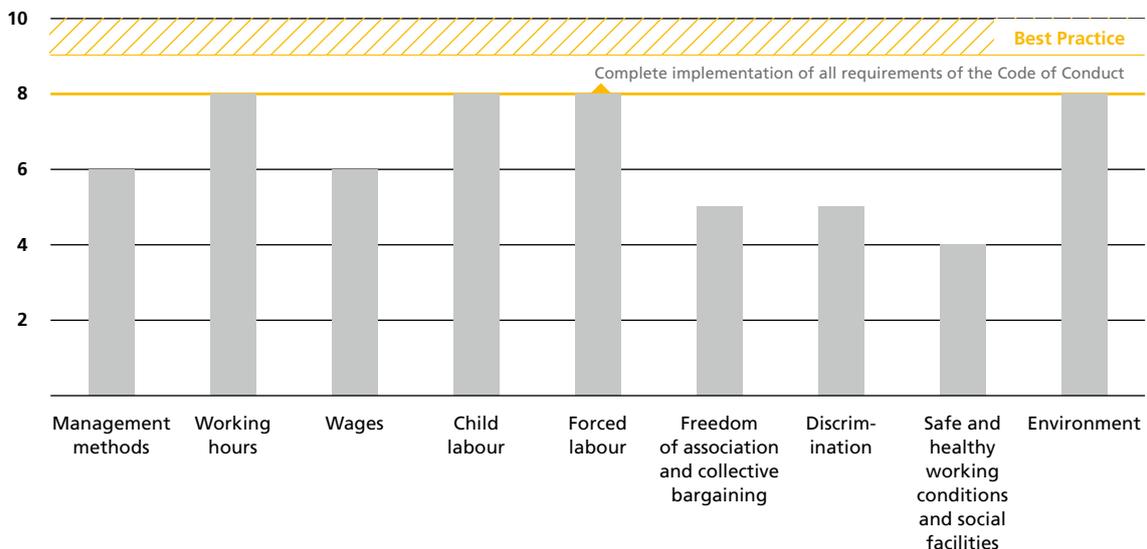
and follow the same respective corrective plan. Improvement measures were also discussed with the suppliers.

The biggest advantage resulting from this for both the supplier and for us as the client is time saving. This extra time can be used effectively to implement improvement measures.

Additionally, the improvement measures satisfy all clients at the same time, thereby strengthening the company.

The staff also benefit from this, as the partnership creates better working conditions.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
2997	Feng Yi Outdoor Leisure Equipment Enterprise (Foam Tex)	Oct. 15	



TURKEY

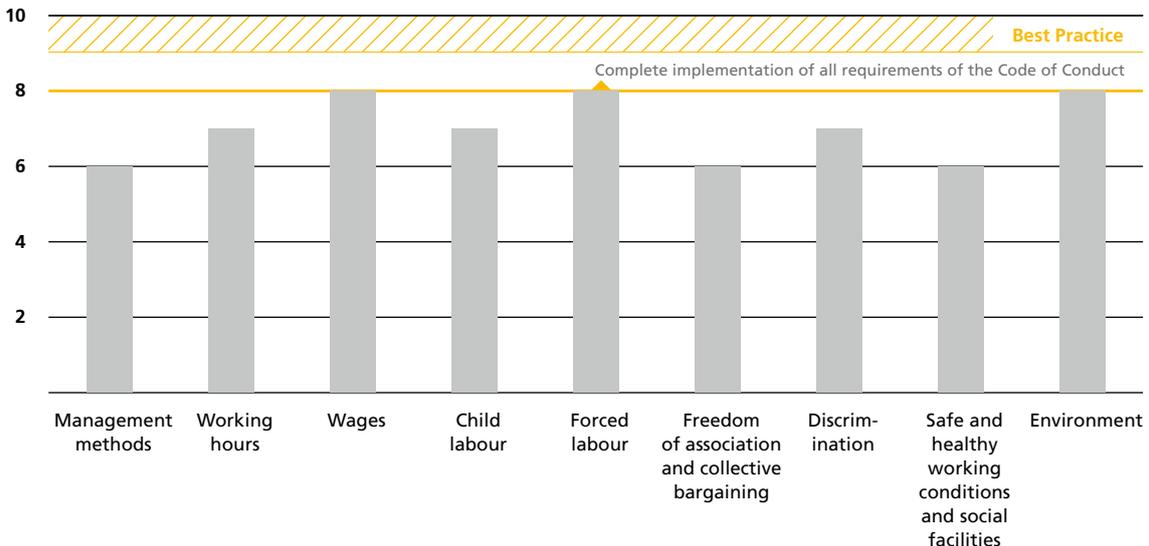


Jack Wolfskin's partnership with the supplier in Turkey began 22 years ago. Turkey faced many challenges in 2014/2015. One of the biggest challenges was, and still is, the arrival of Syrian refugees.

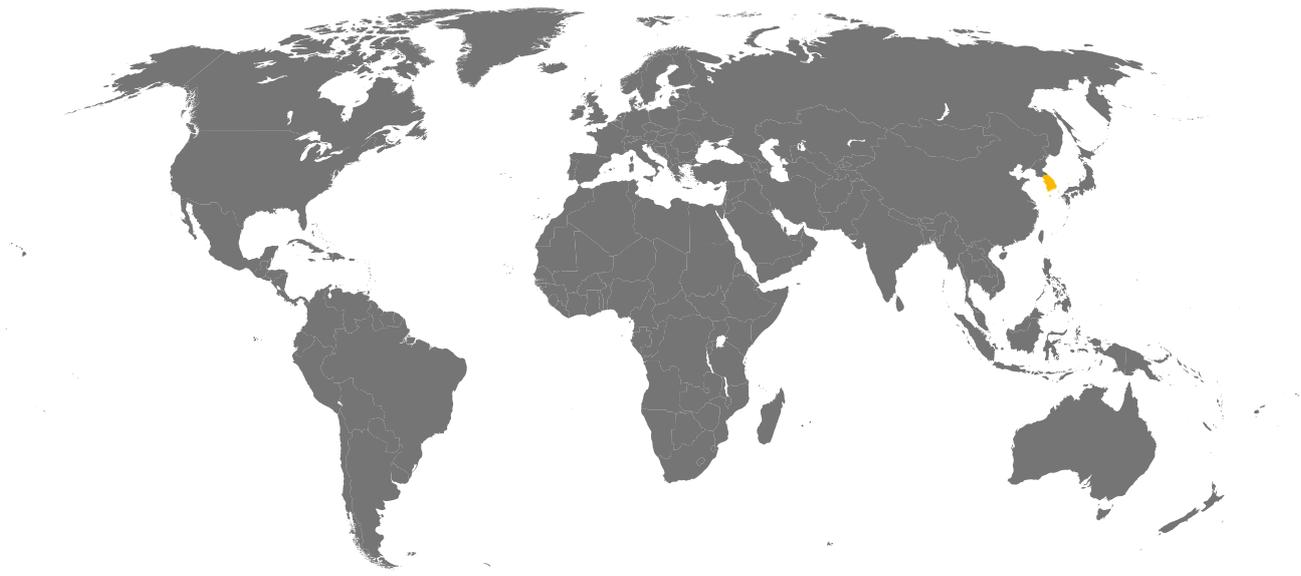
Many factories have enabled Syrian refugees to work there and earn a living, even though, in most cases, they do not have work permits. Our supplier in Turkey has not employed Syrian refugees and is thus not faced with the diffi-

culties of obtaining work permits for migrant workers. Even with a long-standing supplier who has a comprehensive understanding of social standards and generally provides staff with good working conditions, there are still challenges that we face. These primarily include the essential improvement of freedom of association and ensuring the continual working safety of all staff.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
2693	Pantera IC VE DIS TIC Ltd	Sep. 15	



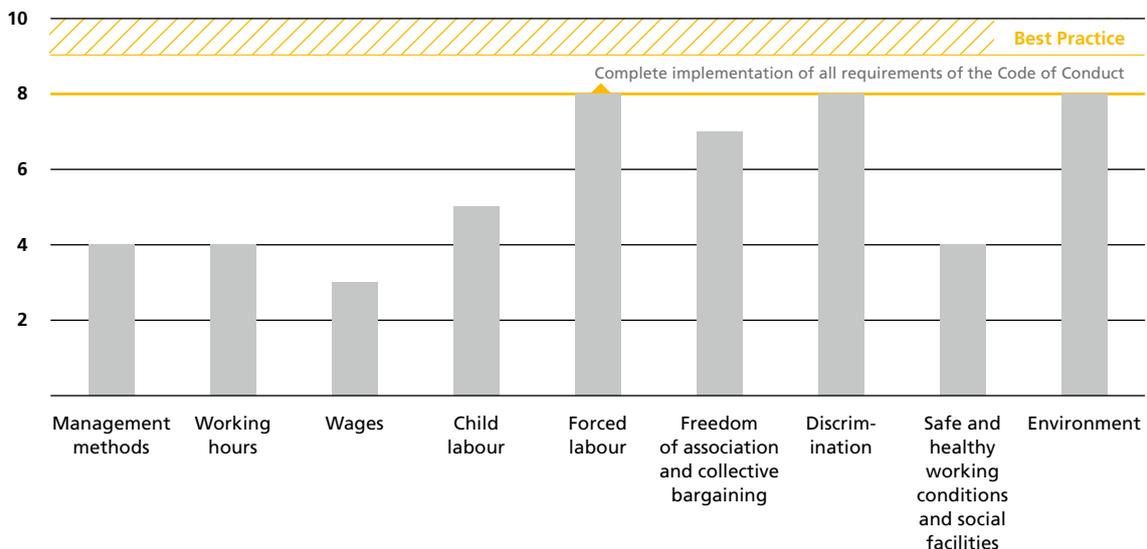
SOUTH KOREA



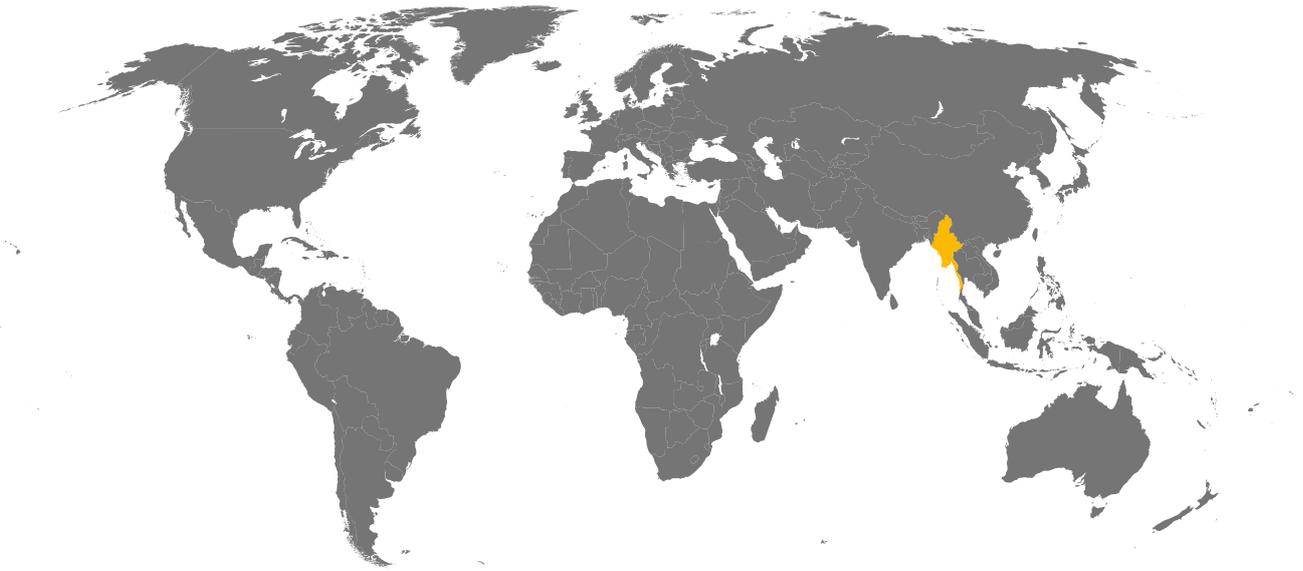
The supplier in South Korea is very small, with a total of just 14 employees. The majority of those who work there are housewives who supplement their household income with sewing work. The workers decide for themselves when and for how long they take breaks, in order to accommodate their work and family obligations. For example, some of the workers go home during lunch breaks in order to cook for their families, whilst others take the shortest break possible in order to finish their working day sooner.

As no time-tracking system has as yet been implemented, it cannot be 100% guaranteed that the workers are adequately paid for the hours they have worked. The company still has a long way to go in terms of implementing social standards. 0.03% of Jack Wolfskin’s purchasing volume is generated by this supplier. In order to support the supplier with the implementation of social standards, a joint audit with other clients has already been agreed.

FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
6033	Naschem Co., Ltd.	Nov. 14	



MYANMAR



Production in Myanmar was strictly forbidden by FWF up until June 2012 due to the military dictatorship at that time. FWF supported the stance of the EU states by adopting this position, as well as both international and local stakeholders.

In June 2012, FWF's position regarding Myanmar was reconsidered due to the elections that took place and the loosening of sanctions imposed by the EU.

Since then, FWF members can carry out production of smaller batch quantities in Myanmar in close consultation with the FWF, and subject to particularly strict requirements.

Since 2013, Jack Wolfskin has used two manufacturers in Myanmar.

Since 2012, the situation has gradually changed for the better. There is now achievable room for improvement in the long-term and fixed implementation of social standards, but it is also clear how policies and factory owners have adapted to continually improve conditions and to learn

gradually. For example, on 1 September 2015, the first statutory minimum wage was introduced in Myanmar. The minimum wage was determined based on intensive consultation between the Burmese government, trade unions and employers associations.

How high is the statutory minimum wage in Myanmar?

The statutory minimum wage was set by the Burmese government with the consent of trade unions and employers associations. It stands at MMK 3,600 (\$3.20) per regular eight-hour day. This amounts to MMK 93,600 (\$83.20) per month, based on a month of 26 working days. In comparison to other Asian countries, this minimum wage is still low. It can be assumed that with growing union activity, the minimum wage will increase over the coming years.

Why does Myanmar still have to be considered a high-risk country that necessitates an increased amount of support and supervision as compared with other Asian countries?

Although the country has now been fully democratised, the situation is still precarious. Comprehensive reform processes have already been initiated. Some of them, such as the statutory minimum wage, have already been put into force, while others are still pending. However, there is still room for improvement with regard to freedom of association and the right to collective bargaining. We feel that we have the opportunity to have a positive impact on our business partners in Myanmar, and on the development of the country itself.

It is, however, very clear that training is still needed, particularly when it comes to social standards. We, along with two other FWF members, took the opportunity to organise and design training for factory management and staff.

We were able to acquire SMART Myanmar as a local cooperation partner (<http://www.smart-myanmar.org/>). SMART Myanmar is a project that has been funded for four years by the European Commission, and is designed to actively promote sustainable clothing production in Myanmar with various activities and training.

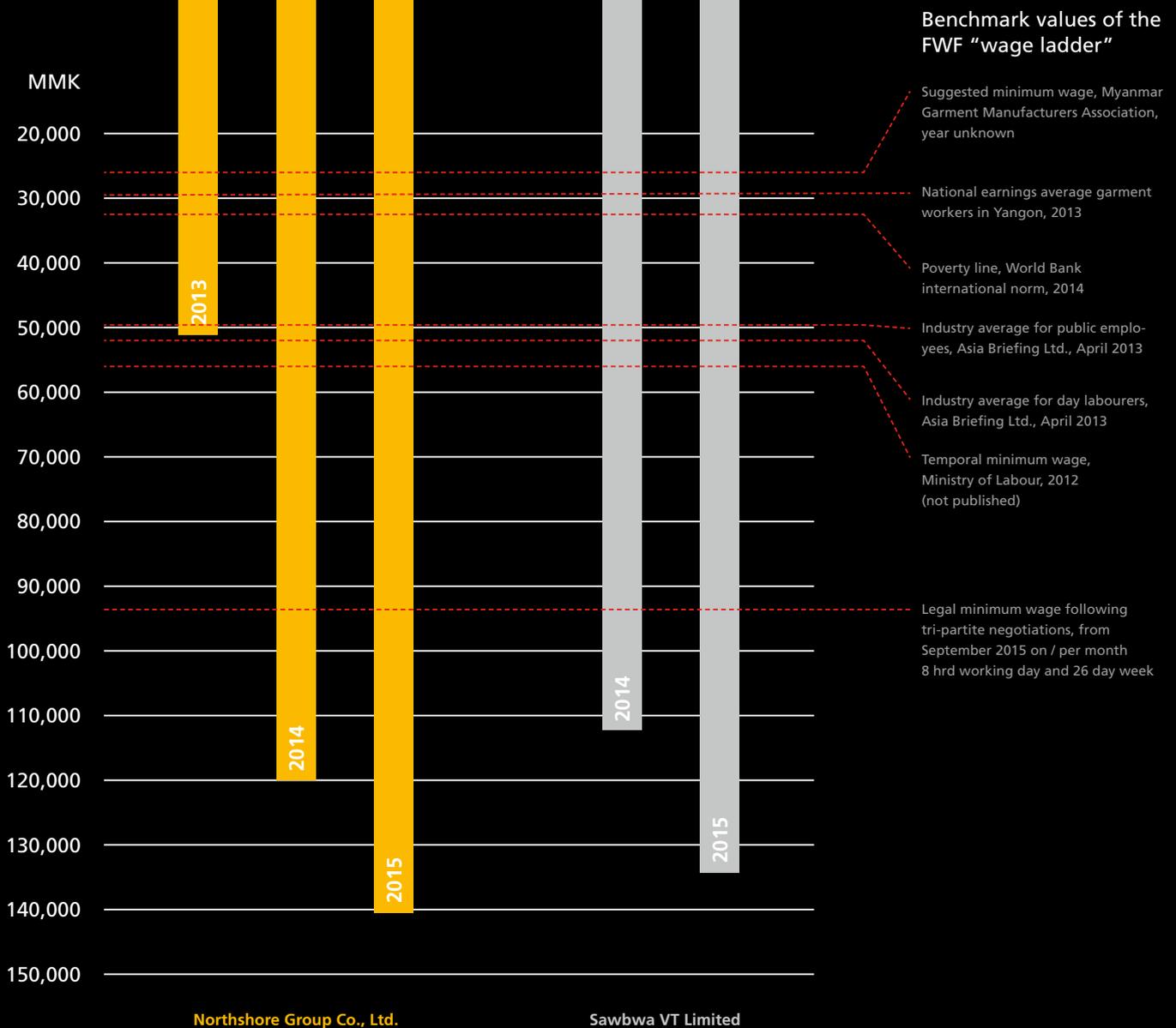
The cross-factory concept was a highlight of the management training, enabling factory managers to share their experiences

Do FWF members have to fulfil certain criteria if they decide to opt for production in Myanmar?

The FWF has defined a range of criteria that companies with contractual partners in Myanmar must fulfil. From Jack Wolfskin's point of view, this is the correct approach, as it means that there is an opportunity to make the country familiar with the minimum social standards before starting.

Examples of additional requirements that apply to Myanmar:

FWF requirements	Implemented by Jack Wolfskin	Requirement fulfilled
Ban on partnerships with factories that have a direct connection to the military	Neither factory has connections with the military	
Publication of names and addresses of factories	Jack Wolfskin publishes the details of all of its manufacturing partners on the website (http://www.jack-wolfskin.de/supply-chain.html) and has allowed the FWF to name production facilities situated in Myanmar.	
Disclosure to FWF of detailed reasons for production in Myanmar and the associated effect on procurement in other countries	Reasons were discussed in detail with the FWF before Myanmar was awarded the contract. 1.97% of Jack Wolfskin's purchasing volume is generated by each of the two factories in Myanmar. Comparing this with other countries, Myanmar is significantly behind other production countries.	
An audit must be conducted and the audit report, as well as the resulting corrective action plan, must be submitted to FWF	Audits are carried out at regular intervals. In Myanmar, this has been every year. In addition to our audits, the FWF carried out a certification audit on our supplier North Shore Group on 7 and 8 November 2014. The degree to which the corrective plan has been implemented is regularly addressed with the suppliers. For implementation problems, contacts from Jack Wolfskin and FWF are available to answer any questions. Audits and training carried out by North Shore Group: 17–18/09/2014 (independent third party audit) 07–08/11/2014 (FWF audit) 23–24/11/2015 (independent third party audit) 23/11/2015 – management training (SMART) 25/11/2015 – staff training (SMART) Audits and training carried out by Sawbwa VT Limited: 20–21/10/2014 (independent third party audit) 25 and 27/11/2015 (independent third party audit) 23/11/2015 – management training (SMART) 27/11/2015 – staff training (SMART)	
Implementation of measures to promote social dialogue between employees and management, with the aim of strengthening existing trade unions	Training measures for staff and factory management have been implemented at all production facilities in Myanmar. Follow-up projects will be audited, including those by SMART Myanmar, for example. From May 2016, a local FWF contact in Myanmar will also promote better cooperation and support social dialogue.	
Publication of remuneration at all factories in Myanmar and comparison with available comparative studies	This report contains extensive information on the salary structure of both production facilities in Myanmar that Jack Wolfskin works with.	



Salary development in production facilities in Myanmar

Wages at suppliers in Myanmar



What are the salaries for the factories in Myanmar that work for Jack Wolfskin?

Since 1 September 2015, Myanmar has had a legal minimum wage. It is an important step towards improved working conditions. In comparison to the statutory minimum wage in other countries, MMK 3,600 (\$3.20) for a regular eight-hour working day, is still very low. However, this is a start and we can work with it.

As we have already been carrying out audits in Myanmar for many years, we are able to outline salary development.

It is evident that all benchmark values of the FWF "wage ladder" are significantly lower than the wages actually paid from both factories. What is also striking is the enormous development in salaries between 2013 and 2015 in favour of staff from both suppliers.

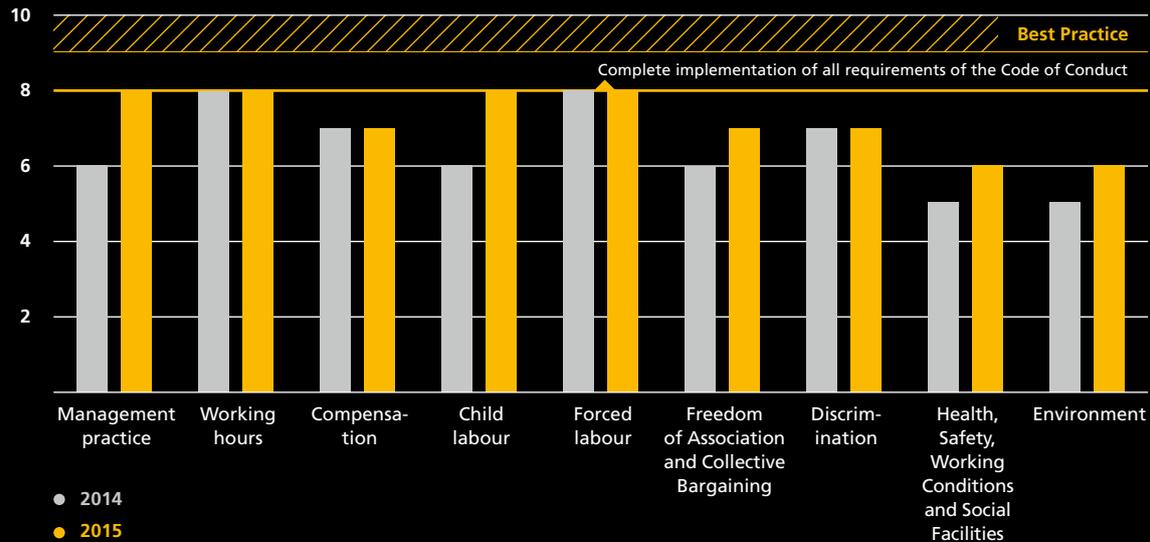
What are the detailed results of the audits on both suppliers, and what are the strengths and weaknesses of each of the suppliers?

Sawbwa VT Limited

No. 131, Yangon Industry Zone,
Mingaladon Garden City, Mingaladon Township
Yangon
Myanmar

Comparing the audits of our supplier Sawbwa VT Limited for 2014 and 2015, results in all areas

have either improved or remained the same. The weakest areas are currently health protection and occupational safety, as well as environmental protection. In the areas marked critical for Myanmar, freedom of association and salaries are already at a good level and have almost succeeded with the complete implementation of the requirements stated in the Code of Conduct.

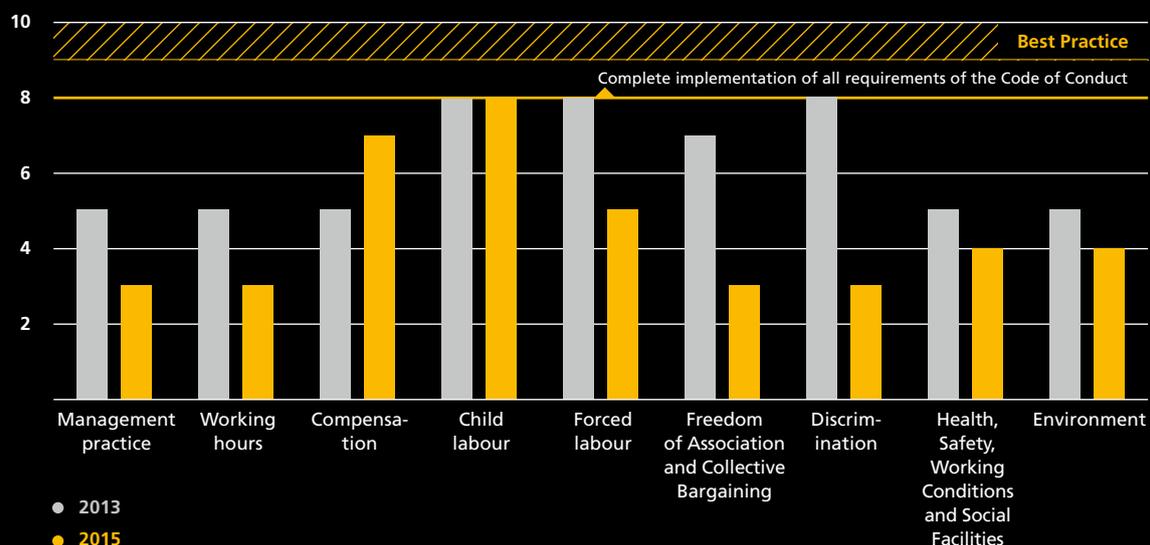


Northshore Group Co., Ltd.

16-18 Myawaddy Min Gyi Road
Industrial Zone (4), Hlaing Thar Yar T/S
Yangon
Myanmar

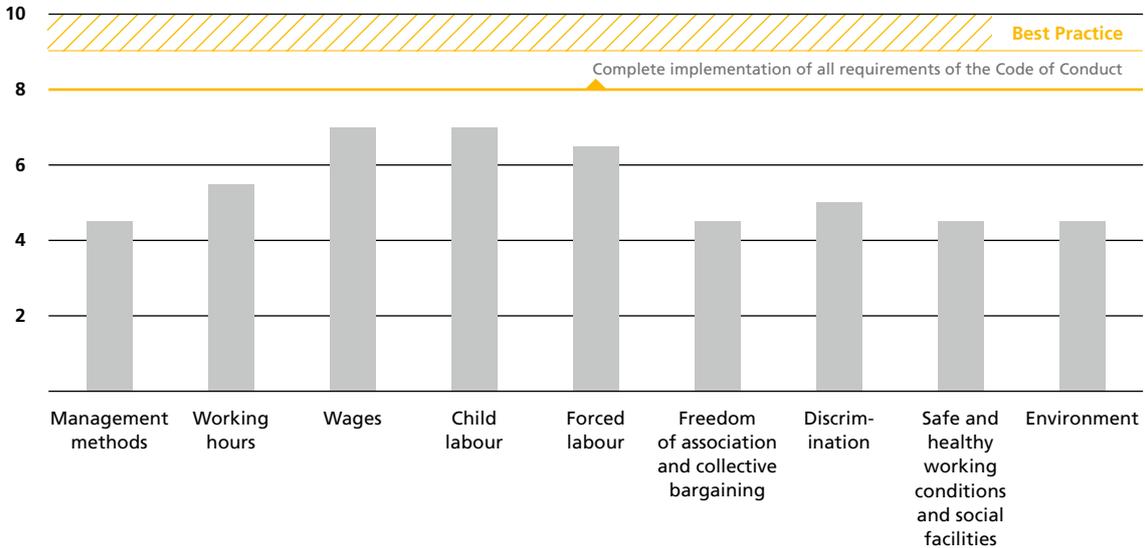
In the case of North Shore Group, comparing 2013 and 2015, we have an increasingly difficult situation. The very positive staff salary development is encouraging in spite of everything.

In this instance, Jack Wolfskin is working closely with other customers of the company in order to achieve a positive development of the whole situation regarding the implementation of social standards, including cooperating with the manufacturer. The foundations have been laid in the form of training. An extension of this is to specifically stimulate communication with the trade union.



FWF number	Name of manufacturer	Last Audit	Rating in our transparency tool
7583	• Sawbwa VT Limited	Nov. 15	
5311	• Northshore Group Co., Ltd.	Nov. 15	

• The supplier has enabled staff to take part in training (initiated by Jack Wolfskin) on social standards and the complaints mechanism.



SMART trainers at the staff training in Myanmar

As a manufacturing country, Myanmar is still very young. There are still many opportunities to have an active influence, especially for employees and manufacturers, but also for companies who buy their goods there. Attitudes that have been established are very likely to continue over the coming years. We have therefore taken the initiative to

establish our own training programmes in cooperation with other companies and an EU-financed project, and have also set up a complaints hotline. From our point of view, this step was absolutely necessary (at least as an interim solution), because until the end of 2014, the FWF was not able to carry out audits in Myanmar or provide employees with a complaints hotline.

This will change as of May 2016. The FWF was able to use 2015 to make initial contacts with local organisations in Myanmar. As Myanmar has been selected as one of the priority countries in the organisation, it will also have a local FWF representative as of 2016. With this support, we hope for the further intensification of local and international dialogue and a further, continuous improvement of working conditions.

COMPLAINTS PROCEDURE

Why do the companies affiliated with the FWF require a complaints procedure?

At first, the term “complaints procedure” can seem very negative. In fact, it describes a positive and progressive process. Only companies who have the courage to deal with the concerns and hardships of their employees want to and are able to transform these processes into positives. And that doesn’t “only” benefit the employees – it ultimately contributes to the success of the entire company. Overall, it is clear that staff complaints are steadily increasing. For us, this fact is a positive sign. It shows that by now, employees in production facilities have so much trust in the system that they can tell us about their concerns and hardships without being scared of negative consequences. This enables us, as a brand company, to actively intervene and to help to spark an active and positive dialogue together with our production partners, including at the level of worker/supplier.

How does the complaints procedure work exactly?

Jack Wolfskin expects all manufacturing partners to display a detailed description of the complaints procedure in all factories in the language of the employees concerned. This notice contains information on the Jack Wolfskin Code of Conduct and the complaints offices. Factory employees can contact the following offices if they are unable to resolve their problems with their respective superiors themselves:

- Local employees of FWF (where available)
- Local employees of the Sumations auditing company
- FWF headquarters in Amsterdam
- Headquarters of Jack Wolfskin

All the above named contact points can be reached by phone, email or post.

Complaints can be submitted anonymously or with the addition of personal details.

After receiving a complaint, Jack Wolfskin checks the situation on-site, and where possible, together with the FWF.

In every case, the person filing the complaint, as well as the factory concerned, are both asked

questions. If there are any outstanding, unresolved questions, local partners, independent auditors from the FWF or other organisations, such as local trade unions, can be consulted. Every complaint is different, and so every case should be treated differently with the right resources and contact partners.

What happens if Jack Wolfskin is only one of the factory’s minor clients and has little influence?

If the complaint is justified, although the influence of Jack Wolfskin on the supplier is very limited, we try to contact another client in order to go through the complaint together, and ideally, to solve it. A striking example is the one described in this report from Indonesia, whereby Jack Wolfskin only represented 2% of the supplier’s sales volume, and was able to achieve outstanding successes for its staff by working with other customers.

Are there any examples of how Jack Wolfskin has dealt with specific complaints?

All complaints are published on the FWF website under the reason for the complaint, the views of all parties to the dispute and, of course, the ultimate solution to the conflict. Jack Wolfskin produces an extensive annual social report concerning particularly large or interesting complaints.

Why are problems not discovered during the audit?

In some cases, the first indications of problematic situations which could lead to complaints at a later time are identified as part of the audit and are directly addressed with the management of the manufacturer. In these cases, suppliers are encouraged to work towards effective solutions quickly. The implementation of improvement measures is supervised by Jack Wolfskin. This way, complaints are often unnecessary and active dialogue is promoted between the staff and employers.



COMPLAINTS IN 2015

The following pages list employee complaints we received during the past year. The complaint report can be viewed on the FWF website.

China

- 1) Complaint received: 25 March 2015
Joint supplier of the following FWF members: Acne Studios, Jack Wolfskin, Kjus, Odlo, Schöffel, Vaude
The complaint regarded: Free choice of work place and working hours
FWF complaint report:
<http://www.fairwear.org/lull/cms/fck-uploaded/documents/complaints/2015/ComplaintChinaAcneStudiosJackWolfskinKjusOdloSchoeffelVaudemarch20152.pdf>
The complaint case was closed by the FWF

Indonesia

- 1) Complaint received: 16 November 2015
The complaint regarded: Payment of a living wage as well as the right to a legally binding employment contract
FWF complaint report: <http://www.fairwear.org/lull/cms/fck-uploaded/documents/complaints/2015/JackWolfskinIndonesiacomplaintreport2016conclusions.pdf>
FWF has not yet resolved the complaint. The whole process, which involves numerous NGOs and stakeholders, is in the advanced stages of negotiation and is nearing completion.

Background:

The factory supplied T-shirts for Jack Wolfskin between 2011 and 2015.
Even before the decision was made to work with the manufacturer – in accordance with the established process – a social audit was arranged. Due to the positive results of the audit, all the signs pointed towards creating a new and long-term supplier relationship. The results of the first audit showed a very well-organised and structured company. There was a training programme for staff and an active and well-functioning trade union, which regularly met with the factory management and had also negotiated a wage agreement.
One of the few points of criticism from the audit was the very high number of fixed-term contracts, which made up more than 50% of the staff.

As usual after each audit, a corrective plan was set out with the factory and the partnership with the manufacturer was established on this basis.

Especially for new suppliers with their own challenges – in this case, lots of fixed-term contracts – Jack Wolfskin creates a more detailed audit plan with yearly inspections.

Unfortunately, results from the audits are becoming more critical year on year:

Audit	Audit date	Assessment results from the audit
First audit	November 2011	6,44 points
Second audit	November 2012	5,33 points
Third audit	November 2013	4,55 points
Fourth audit	January 2015	3,44 points

Trotz der negativen spite of the negative development, it was decided that the contracts would not simply be withdrawn, which would mean we would thereby avoid taking responsibility, but instead we would actively help in the implementation of better working conditions.

In cooperation with a local partner in Indonesia, we attempted to have a positive influence in various different ways, despite Jack Wolfskin's low quantity of orders from the manufacturer. Efforts were deemed a partial success. For example, one achievement is that permanent contracts, and thus better security for individuals, has been secured. However, working conditions in the factory have deteriorated on the whole.

The first complaint:

The first official complaint was filed on 12/07/2014 by the Workers' Rights Consortium (WRC) to Jack Wolfskin. Essentially, the following points were put forward by the non-governmental organisation:

- For many years, the GSBI trade union was active at the factory and nearly all employees were members. Over the course of 2012 and 2013, the number of members dropped considerably.
- The second trade union (FSPMI) was officially founded at the factory in October 2013. A significant number of staff decided to become members of the new trade union.
- Shortly after the new trade union was founded, factory management decided to take action:
 - Nine employees, who were all members of the new trade union, were transferred from the facility in Cikupa to another factory within the company in Sawah Lio, around 40 km away from their original workplace.
 - The official labour authority that presented this case decided that this transfer was unacceptable and that the employees must be transferred to another facility in Karawaci, only 13 km away from their original workplace.
 - After another six months, the warehouse was closed and eight of the nine employees were transferred back to the factory in Sawah Lio, 40 km away. The FSPMI union leader was dismissed.

Our procedure:

Following the complaint, WRC statements were compared with those made by the factory management. The number of orders made by Jack Wolfskin with the manufacturer was also reconsidered. As this only amounted to 2% of total sales, the scope for this measure to have a positive influence was limited. The active involvement of other customers helped to increase opportunities to influence positive development. Another, far larger customer >

- > of the factory decided to cooperate with Jack Wolfskin on this matter.

At the end of July 2014, and just two weeks after the official WRC complaint was received, a meeting was arranged between the factory management, the local representative office for other customers and Jack Wolfskin. As a neutral party, the company Sumations was asked to moderate the discussion.

Other individual talks with the local WRC representative office in Indonesia and factory management were arranged in order to get a better image of the respective viewpoints, arguments and evidence.

Following the personal conversations and after carefully considering the facts, Jack Wolfskin and other customers of the factory decided to write a joint letter to the factory owner with the following requirements:

- To transfer the eight workers back to their original workplace in Cikupa
- To reinstate the dismissed trade union leader
- To receive express permission from the factory management to freely establish trade unions and to organise collective bargaining
- To conduct training for staff and management on the topic of freedom of association and collective bargaining – ideally in cooperation with an NGO.
- To ensure the timely implementation of all requirements

The outcome of this case:

Das The factory management reacted positively towards the collective action of its customers and immediately began to take action. A statement regarding freedom of association was drafted with help from the WRC and was publicly announced by factory management. Freedom of association and collective bargaining training was also organised for staff. As one of the most important corrective measures, the factory transferred the eight employees back into their original workplaces, with all of their original rights and responsibilities.

Due to allegations of inappropriate behaviour, the reinstatement of the trade union leader fell through and went to court.

Due to the factory management's willingness to cooperate, the complaint was resolved at the beginning of November 2014 with exceptional success and to the satisfaction of (almost) all parties.

The second complaint:

Im Februar In February 2015, Jack Wolfskin witnessed the impending insolvency of the manufacturer in Indonesia.

The imminent insolvency of the factory meant that the suppliers and employees could no longer be paid (in full). In June 2015, insolvency came into force and a trustee was appointed, having authority over the factory's finances and their use.

Jack Wolfskin immediately made enquiries into the impending insolvency in order to get a clearer picture of the actual situation. Contact was re-established with customers of the factory that Jack Wolfskin was already familiar with in order to demand, again with joint pressure, that they pay outstanding wages to employees.

The FWF became involved and verified that Jack Wolfskin was not to blame for the supplier's insolvency. Firstly, the number of orders was very low (around 2% of the factory's turnover) and Jack Wolfskin's business practices were faultless (Jack Wolfskin paid all invoices to the factory on time).

Upon the insolvency coming into force, the factory owed its workers their salaries from April 2015 to 21 June 2015, plus severance payments and holiday bonuses.

The case is currently still being handled by local courts and trustees. It will probably still take years until staff receive money from the factory. The WRC is expecting that the amount of money the employees will receive will still be less than they are actually entitled to.

Due to its influence, Jack Wolfskin is responsible for ensuring that the factory goes into administration. Specifically because Jack Wolfskin has always been active in improving working conditions, and also encouraging other customers to do so – including in previous complaints at this factory – no instances of non-compliance can be determined.

However, Jack Wolfskin has decided to set up a help fund for the now unemployed factory staff that reflects the number of orders that was placed with the factory. As the weakest link in the chain, other customers have been invited to pay into this fund in order to support the staff financially.

The FWF will oversee the setting up of the fund and the payment schedule and will report transparently on further progress.

The detailed complaint report is available of the FWF website.

What is the biggest challenge with complaints cases?

Every complaint is different and requires its own, individual measures.

Sometimes cooperation with the manufacturer's other customers is the key to success, and it is sometimes more important to encourage constructive dialogue between the parties to the dispute. In other cases, the biggest challenge is to keep the countless NGOs involved in the case up to date and to find out who is actually in close contact with the complainant and who represents their interests.

As a brand company, we are generally not an active party to the dispute and not directly involved in the problem. It is often difficult, and requires stamina and sensitivity to discover the

actual facts of the matter and to explain them to all parties in a balanced way.

Our experience shows us that both sides have personal interests that make the facts appear true from a subjective point of view, but which lead to an incorrect conclusion when the problem is viewed as a whole. For this reason, the truth usually lies somewhere in the middle.

The difference is, however, that the employer often has the upper hand and it is possible that they use this powerful position to achieve their aim.

How long does it take to solve a complaint with Jack Wolfskin's help?

Das It varies a lot. In some cases, problems can be solved quickly. In others, it can take several years until an agreement can be made.

Generally, the more parties that are involved in a conflict, the more difficult it is to solve problems to everyone's satisfaction. This does not just apply to active parties to the dispute, but also when many NGOs support one of the parties. In cases where several NGOs are involved, we typically ask the complainant to define an NGO that will take over the role as advocate, with or for them.



The staff training participants in Myanmar; Sawbwa VT Limited



Do you have **QUESTIONS** about your salary, working hours or any of these other issues?



<p>1 employment is freely chosen</p>	<p>2 freedom of association and the right to collective bargaining</p>	<p>3 no discrimination in employment</p>	<p>4 no exploitation of child labour</p>
<p>5 payment of a living wage</p>	<p>6 reasonable hours of work</p>	<p>7 safe and healthy working conditions</p>	<p>8 a legally binding employment relationship</p>

If you want more information, or feel you have not been treated correctly:

- 1** Talk to your supervisor, if possible
- 2** Talk to your representative if there is a worker committee
- 3** Get advice from your union or from a charity

If these don't work, you can e-mail **Fair Wear Foundation**:

@ complaints@fairwear.org

Fair Wear Foundation will always treat your call confidentially. Our employees will answer your questions in [languages]. If you wish to file a complaint, we will investigate the issue. If possible, we will help you to solve the issue you have raised. Fair Wear Foundation is an independent, nonprofit organisation. You can learn more at www.fairwear.org

Information Card

WORKPLACE EDUCATION PROGRAMME (WEP)

The WEP is one training measure initiated by FWF for workers and managers at production sites. Effective methods for meaningful communication about problems in the workplace are developed with the help of experienced coaches. The programme is supported by the Dutch government and is currently offered in India, Bangladesh, Turkey, China and Vietnam. Myanmar and Indonesia are other countries that are FWF priorities and should follow in the next few years.

The FWF complaints procedure plays an important role in the WEP. Production facility employees are shown how they can make use of external assistance if a problem cannot be resolved internally. To do this, small information cards are distributed in the relevant national language, listing the procedure, the key points of the Code of Conduct, contact partners and a telephone number. A corresponding poster will also be displayed at the factory:

In which countries has Jack Wolfskin already offered WEP training?

In cooperation with the FWF, Jack Wolfskin has already been able to offer WEP training for five manufacturers in China and Vietnam. We have also offered training measures based on WEP in Myanmar in cooperation with two other FWF member companies and local partner SMART (<http://www.smartmyanmar.org/>).

It was important for us to educate suppliers in Myanmar in order to integrate an extensive knowledge of social standards and complaint mechanisms in young production countries.

CHINA (carried out by FWF)

- Hsuan Sleeping Bag Factory 31/07/2013
- J.F.C. Apparel Ltd. (Guangdong) 28/10/2013
- Wai-Wah Skiwear factory Ltd. 19/11/2013
- Asian Sourcing International MFG. Co., Ltd. (Jiangsu). 25/08/2014
- JiangKai Sports Products Co., Ltd. 09/01/2015

VIETNAM (carried out by FWF)

- Kaiyang Vietnam Co., Ltd. 22/08/2015
- Kido Hanoi Co., Ltd. 17/09/2015
- Prex Vinh Co. Ltd. (Kido) 30/09/2015
- Quoc Khanh Factory/ SHINTSBVT'S BRAND 12/12/2015
- Shints-BVT Co., Ltd. 12/12/2015

MYANMAR (carried out by SMART)

- Sawbwa VT Limited 27/11/2015
- North Shore 25/11/2015

Are there noticeable effects of using WEP?

A highly noticeable effect of the WEP training courses is usually the rise in the number of complaints. This is not due to working conditions suddenly deteriorating; rather, the increase in the number of complaints demonstrates the heightened sense of confidence of the workers in the system.

Not all complaints that are received are actually relevant in relation to the implementation of the Code of Conduct. Employers in factories often simply have questions that they want to ask a third party, such as an FWF employee, in order to get a neutral opinion based on the situation. Especially with regard to WEP training, there is also an increased number of "test calls" that factory staff make to see whether the system works and whether it is trustworthy.

How does the WEP benefit the workers in a factory?

As part of the WEP, workers from the factories are told about the content of the Code of Conduct. They are provided with details regarding their rights and obligations and a contact person if direct communication with their superiors fails. Furthermore, the coaches discuss how communication works best with the workers and how a diplomatic approach without accusations can contribute to the constructive resolution of conflicts.

How is this useful for the factory owners?

It is clear that in factories where constructive dialogue has been established with the employers, job satisfaction is significantly higher and staff turnover is lower. This means that highly qualified employees can be retained whilst improving productivity and quality. These are unequivocal competitive advantages for which it is worth releasing participants from their duties during the training period.

Naturally, the management is also trained in constructive communication in cases of conflict. The increased willingness to accept staff's constructive criticism generally leads to positive changes in the work environment and therefore results in improvements for employees as well as employers.



Apakah Anda memiliki **PERTANYAAN** tentang gaji, jam kerja, atau berbagai persoalan di bawah ini?



<p>1 bidang pekerjaan diplit dengan bebas</p>	<p>2 kebebasan berserikat dan hak untuk melakukan tawar-menawar secara bersama-sama</p>	<p>3 tidak ada diskriminasi dalam pekerjaan</p>	<p>4 tidak ada eksploitasi berupa buruh anak</p>
<p>5 pembayaran upah yang memadai</p>	<p>6 jam kerja yang masuk akal</p>	<p>7 kondisi kerja yang aman dan sehat</p>	<p>8 hubungan ketenagakerjaan yang mengikat secara hukum</p>

Jika Anda menginginkan lebih banyak informasi, atau merasa bahwa Anda tidak diperlakukan secara benar:

- 1 Bicaralah dengan pengawas Anda, jika mungkin.
- 2 Bicaralah dengan perwakilan Anda jika terdapat komite pekerja
- 3 Mintalah saran dari serikat buruh Anda atau dari lembaga amal

Jika tindakan-tindakan di atas tidak berhasil, Anda dapat mengirim email ke Fair Wear Foundation:

@ [complaints@fairwear](mailto:complaints@fairwear.org)

Fair Wear Foundation akan selalu merahasiakan kontak telepon. Karjawannya kami akan menjawab pertanyaan Anda dalam bahasa. Jika Anda ingin mengajukan keluhan, kami akan menyelidiki. Jika mungkin, kami akan membantu Anda mengatasi persoalan yang Fair Wear Foundation adalah organisasi nirlaba yang independen. Anda dapat mempelajari organisasi kami di www.fairwear.org

Indonesia



Bạn có **CÂU HỎI** nào về lương, giờ làm việc hoặc bất kỳ vấn đề nào khác không?



<p>1 việc làm tự do lựa chọn</p>	<p>2 quyền tự do tập thể và thương lượng tập thể</p>	<p>3 không có phân biệt chủng tộc, giới tính, tôn giáo, hoặc khác</p>	<p>4 không được bóc lột như lao động trẻ em</p>
<p>5 trả lương đủ sống</p>	<p>6 giờ làm việc hợp lý</p>	<p>7 điều kiện làm việc an toàn và khỏe mạnh</p>	<p>8 mối quan hệ lao động được pháp luật bảo vệ</p>

Nếu bạn muốn biết thêm thông tin, hoặc bạn cảm thấy không được đối xử đúng:

- 1 Hãy nói chuyện với người quản lý của bạn, nếu có thể được.
- 2 Hãy nói chuyện với người đại diện của bạn nếu có ủy ban công nhân.
- 3 Yêu cầu sự trợ giúp của công đoàn hoặc từ một tổ chức từ thiện.

Nếu các cách này không giải quyết được vấn đề, bạn có thể gọi điện thoại cho Fair Wear Foundation:

098 99 67 858

Fair Wear Foundation luôn luôn giữ bí mật cuộc gọi của bạn. Nhân viên của chúng tôi sẽ trả lời các câu hỏi của bạn bằng Tiếng Việt. Nếu bạn muốn nộp đơn khiếu nại, chúng tôi sẽ điều tra vụ việc. Nếu có thể, chúng tôi sẽ giúp bạn giải quyết vấn đề mà bạn đã nêu ra. Fair Wear Foundation là một tổ chức độc lập, phi lợi nhuận. Bạn có thể tìm hiểu thêm về chúng tôi tại website: www.fairwear.org

Vietnam



Maaşınız, çalışma saatleriniz veya aşağıdaki konulardan biriyle ilgili **SORUNUZ** var mı?



<p>1 çalışmayı seçme özgür iradeye bağlı</p>	<p>2 örgütlenme özgürlüğü ve toplu sözleşme hakkı</p>	<p>3 istihdamda ayrımcılık yapılamaz</p>	<p>4 çocuk işgücü istismar edilemez</p>
<p>5 geçindirebilecek ücret ödenmesi</p>	<p>6 makul çalışma saatleri</p>	<p>7 güvenli ve sağlıklı çalışma saatleri</p>	<p>8 yasal olarak bağlayıcı işçi-işveren ilişkisi</p>

Daha fazla bilgi almak istiyor veya size doğru davranıldığını düşünmüyorsanız:

- 1 Mümkünse amirinizle görüşün
- 2 Bir işçi komitesi varsa, temsilcinizle görüşün
- 3 Sendikanız veya bir yardım kuruluşundan tavsiye alın.

Bunlar işe yaramazsa, Adil Giyim Vakfı'nı arayabilirsiniz:



0541 590 16 15

Adil Giyim Vakfı, aramanızı her zaman gizli tutacaktır. Çalışanlarımız sizi Türkçe olarak yanıtlayacaktır. Bir şikayet dosyası oluşturmak isterseniz, konuyu araştıracağız. Mümkün olduğu takdirde, dile getirdiğiniz sorunu çözmenize yardım edeceğiz. Adil Giyim Vakfı bağımsız ve kâr amacı gütmeyen bir kuruluştur. Daha fazla bilgi için: www.fairwear.org

Turkey

TARGETS AND TARGET ATTAINMENT

Targets set for 2013/2014	Measures carried out to attain targets	Status
Launching a social standards project in Myanmar	<p>n Myanmar, employee and management training sessions on social standards are carried out with both suppliers. The training programme was developed in cooperation with other FWF members, approved by the FWF and implemented by SMART Myanmar.</p> <p>With the aid of SMART Myanmar, an independent complaints mechanism was designed, replacing the missing FWF complaints structures in Myanmar. (From May 2016, the FWF will start preparing Myanmar for audits and a complaints hotline.)</p>	✓
Support a living wage project together with the Bundesverband der Deutschen Sportartikel-Industrie e.V (Association of the German Sporting Goods Industry) and the FWF	Attaining living wages in factories is a task that the entire clothing industry will get involved in. Projects are in the planning stage. In 2014/2015, preparations were made but the BSI/FWF project has not yet been completed.	In the planning stage
Implement more steps towards the traceability of responsible trading through Jack Wolfskin using our transparency tool.	All Jack Wolfskin products can be assigned to a particular production facility thanks to the sewn-in supplier code label that is attached behind the care label.	✓
		By searching for the abbreviation on the website http://www.jack-wolfskin.de/supply-chain.html#manufacturer (in this case, ET), you can view the audit results, date of the last social audit, classification of suppliers as gold, silver, or bronze, as well as a photograph of the factory.
Involve more suppliers in the Workplace Education Programme from FWF.	More suppliers were taught about the FWF by WEP. Additionally, a similar training programme to the WEP training was arranged for Myanmar, which at the time, was as yet "untapped" by the FWF as a country.	✓
Supplier selection and prioritisation for order placement by means of inter-divisional supplier ratings.	Suppliers with excellent results in the supplier evaluation can continue to expect good order volumes. Suppliers with large quantities of orders, such as Hi-Tech Sportswear Industries Ltd., (almost 18% of Jack Wolfskin's purchasing volume) also have excellent results when it comes to the overall evaluation of their performance.	✓
Guarantee health and safety measures in the upstream supply chain.	A steadily increasing number of preliminary suppliers (weaving, dyeing, finishing, etc.) are bluesign®-certified. This has positively influenced working conditions, amongst other things, but specifically through improved chemical safety, but also by ensuring that escape routes are unobstructed, that child labour doesn't exist and that statutory conditions regarding wages or working hours are adhered to.	✓

OUR AIMS FOR 2015 / 2016

What have we resolved to do in the next financial year?

- Further cooperation with the production partner's other customers in order to actively minimise the number of audits in companies and to focus on improvement measures
- Further improvement of transparency in the supply chain
- Implementation of more WEP training amongst suppliers
- More measures to improve working conditions in Myanmar
- More work towards the implementation of a living wage

GLOSSARY

Accord

ACCORD is a legally binding agreement for fire protection and building safety which was signed by over 150 clothing companies from 20 countries, two globally active trade unions and various Bengali trade unions in 2013. The ACCORD agreement was signed as a reaction to the factory collapse in Bangladesh in 2013 where over 1,100 people died. It is an independent agreement to guarantee that all clothing factories in Bangladesh can offer safe workplaces. Independent safety inspections in the factories and a public report on the inspection results are included in the programme.

The International Labour Organisation (ILO) independently presides over ACCORD.
<http://bangladeshaccord.org/>

Alliance

The Alliance was founded by a group of North American clothing companies and retailers with the aim of guaranteeing workplace safety in Bangladesh. The parties concerned have compiled a five-year plan, which should be transparent, results-oriented, quantifiable and verifiable in order to improve the safety in Bangladesh's clothing factories in the long term.

<http://www.bangladeshworkersafety.org/>

Audit/social audit

An audit consists of checking that various standards are complied with at a production site. Jack Wolfskin carries out social audits of its manufacturers regularly. The manufacturers receive a visit from independent auditors who check that the social standards described in the Code of Conduct are being observed.

Auditing includes checking documents such as payrolls and timesheets, as well as making tours of the factory to inspect safety-related factors. In addition, meetings with the management and the workers are conducted in order to identify and verify weak spots.

A social audit is generally used to check and assess observance of the Code of Conduct. If there is need for improvement, the manufacturer will receive a corrective action plan, which must be implemented within a given period of time. An audit lasts one to three days, depending on the size of the supplier, and is carried out by two or three auditors. At least one of the auditors is fluent in the national language.

The bluesign®system

The bluesign® system is the solution for a sustainable textile production. It eliminates harmful substances right from the beginning of the manufacturing process and sets and controls standards for an environmentally friendly and safe production. This not only ensures that the final textile product meets very stringent consumer safety requirements worldwide but also provides confidence to the consumer to acquire a sustainable product.

Source: <http://www.bluesign.com>, last updated 25/04/2016

Corrective Action Plan (CAP)

CAP stands for Corrective Action Plan. Manufacturers always receive a corrective action plan after an audit if certain points from the Code of Conduct are not complied with fully or in part within the factory. Initiatives and time frames in which the failings found must be resolved are discussed with the manufacturer as part of the audit's final meeting.

The implementation of corrective action plans is supervised by Jack Wolfskin at regular intervals.

Multi-Stakeholder-Initiative (MSI)

Multi-stakeholder initiatives are comprised of several interest groups, mostly from the state, business, non-governmental organisations and civil society. Together, they help to solve complex problems using their individual expertise and bring new issues to the agenda in an attempt to find a feasible compromise for all parties. The FWF is a multi-stakeholder initiative involving companies, trade associations, NGOs and trade unions.

NGO

NGO stands for non-governmental organisation. NGOs are organisations or associations that represent non-governmental interests. With regard to textiles, the Clean Clothes Campaign (CCC) is probably the best-known NGO, with a number of supporting organisations worldwide. It organises campaign work and is represented in the multi-stakeholder organisation, the Fair Wear Foundation.

Fair Wear Foundation (FWF)

Fair Wear Foundation (FWF) is an independent, non-profit organisation that works with companies and their suppliers to improve labour conditions for workers in the textile, apparel and footwear industry. The FWF checks the progress of its member companies in the implementation of social standards. The FWF supports member companies with the aim of establishing efficient, sustainable systems for their members through an exchange of expertise, the construction of networks and by establishing a social dialogue within the industry.

Level 1

Direct suppliers in a contractual relationship with Jack Wolfskin. These are generally companies that manufacture finished products, such as sewing together a jacket, backpack or shoes. Due to this direct contractual relationship, Jack Wolfskin has the biggest possible influence on these suppliers. This first level usually includes the most work-intensive part of manufacturing, which employs the most staff. It is therefore in level 1 that we must pay the most careful attention to working conditions.

Level 2

Suppliers in level 2 are suppliers to the final assembly stage. A fabric manufacturer that provides dyes, coatings, etc., is a level 2 supplier. In most cases, fabrics including coatings and dyes are chosen by us, however, the financial transaction exists between the suppliers in the first and second levels. Even at this stage of the supply chain, hardly any people are needed as the majority of the work is done by machines.

Level 3

Level 3 generally comprises all the steps that happen before the manufacturing of a fabric. This could include weaving, for example. Machines are primarily also used here. The number of employees is very low.

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