

**WEEKD
AYBRA
NDSAB**



MONKI

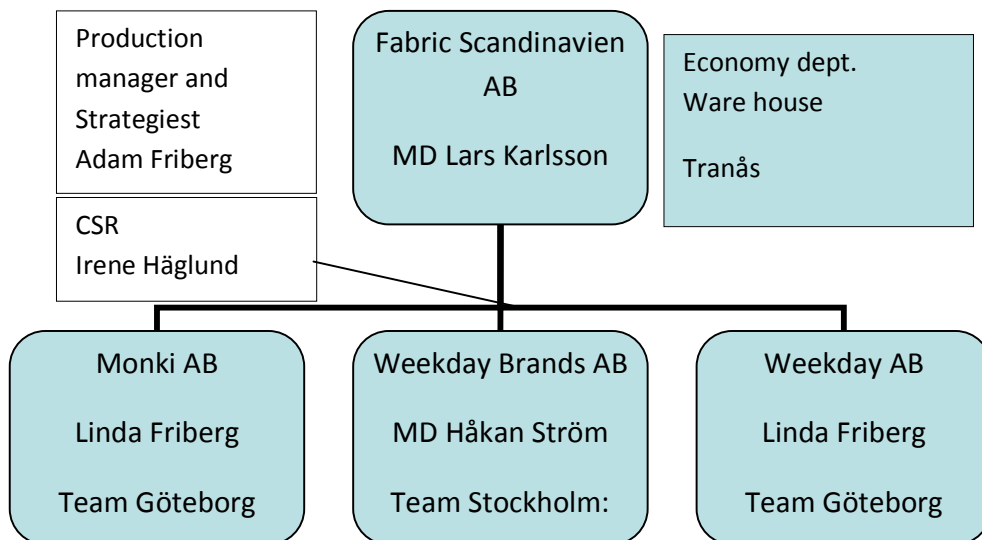


<http://www.weekday.se/> <http://www.cheapmonday.se/> <http://www.monkiworld.se>

Start date membership

September 2007

Organisational chart



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1. Summary: goals & achievements 2009

During 2009, we had the goal to audit 60 % of our factories and that goal is fulfilled based on the suppliers at the beginning of the year.

We changed the work plan in mid of 2009 so instead of continue with audits and CAP we decided to give the supplier management training in especially 4 very important areas where we assessed improvement was needed:

- Transparent and correct attendance record system
- Recruitment routines such as personal files and contracts
- Basic health and safety
- Basic legal knowledge and understanding of these issues

The training program was set up and onsite training on above topics were given to suppliers and factory management. One internal auditor appointed responsible for this also visited these factories several times during the training period to assess the progress. Relevant progress has been made, especially in terms of improved transparency and strengthened knowledge and routines concerning HR (labour law, human resources, recruitment routines etc.).

Our conclusion is that the awareness of the Code of Labour Practices along our supply chain has been improved during the year with this training.

2. Sourcing strategy

2.1. Sourcing strategy & pricing

Our policy is to have a long-term relation with our suppliers.

The planning of the production differs for the involved companies. Weekday Brands have longer period where a sale sample collection will be produced before the orders.

We have through our team in Hong Kong consultation with the important producers, taking into account the production capacity.

The lead-time is in an early stage communicated to our suppliers.

The sourcing policy have not change during the year from start, except that it is communicated more through our team in Hong Kong handling the Asia production.

We do today work with a limited number of suppliers, which means that we from the beginning almost know who will produce a certain style.

2.2. Organisation of the sourcing department

Adam Friberg – Production manager

Linda Friberg – Buying manager Monki AB and Weekday AB - Gothenbourg

Johanna Meuller – Team leader Monki AB

Mija Johnsson – Team Leader Weekday AB

Håkan Ström – MD Weekday Brands AB (2009-08-15) – Stockholm

Maria Landeblad – Team leader Weekday Brands AB

Jens Helmersson – Global responsible for Fabric Scandinavian AB at H&M – Hong Kong

Patricia Yan – Manager Team at Puls trading office Hong Kong (new since 2009-04-01)

There are buyers and buying assistents also involved for the companies described above.

Our team manager at the office in Hong Kong have a major role in sourcing, planning and informing suppliers about the company requirements. The team manager is also in close contact with CSR responsible regarding results from audits.

2.3. Production cycle

Weekday Brands wholesale: 2 collections per year	For example SS10
Planning cycle from design and introduction to the buyers	Autumn 08
Style, sketches and measurement lists	October
Sourcing by the buyers and Hong Kong office	November-January
Sale-samples for introduction of the collection	June order in August
Delivery period	Spring 10 (Dec. 09)
Other brands: 6-8 collections per year	For example.
Planning cycle from design and introduction to the buyers	January end of
Style, sketches and measurement lists	February
Sourcing by the buyers and Hong Kong office	February/March
Delivery period	August/Sept

2.4. Selection of new factories

New suppliers are actually only selected when there is no suitable supplier for producing different articles. New supplies are assessed in terms of compliance with the CSR requirements as well as quality requirements.

New routines are developed and a new supplier cannot get any orders until both assessment and signing of documents are completed. Production cannot begin unless minimum requirements are met. Necessary improvements will also be discussed with supplier.

2.5. Integration monitoring activities and sourcing decisions

We have started to introduce a ranking system, still have very few suppliers and the goal is first of all to have 60 % of them audited. After the training program and coming audits we investigate the grading system.

The training program includes 16 of the suppliers/factories in the southern region of China. We started in autumn 2009 with a first meeting with all suppliers in Hong Kong. The program continued with the training at the factories, visited at least 2 times. The training will continue in 2010 by unannounced onsite follow up at the factories and finally full audit will be done.

A few factories have not been willing to implement the Code of Labour Practices as requested and with those, we have had additional meeting to discuss the matter. Changes in the factory list is unfortunately a consequence of suppliers non-transparency.

We have really tried to push the suppliers to improve instead of terminating the commercial relationship without success with 2 of our suppliers.

3. Coherent system for monitoring and remediation

3.1. Country China

Full audit of 4 factories and totally 7 were assessed during 2009

Main findings: Findings in Code Awareness, OHS, Documentation, FOA, LW. OT, Contracts

Main Problems: Discrepancies were found that they did not inform the workers about FWF Code of Labour Practice any official documentation. Discrepancies were also found in registration of OT had their own system of compensation so the system is set up and not all workers receive legal OT compensation and sufficient insurances.

CAP made by FWF at one factory.

Main findings: Findings in Code Awareness, Documentation, OT, Contracts.

Main : Several registers missing at first audit had now been established. The monthly wages are still not being payed on time. However, workers are now receiving their paid annual leave. Most of the points on health and safety had been improved since the first audit. The working contracts signed contained errors that needed to be corrected. The factory has still not posted FWF code in the factory.

Because of findings and problems not solve we started a training program, see p 2.5

3.2. Country Europe

No audit made during 2009.

3.3. External production

No external production only collaboration but manufactured by ordinary suppliers.

4. Training and capacity building

4.1. Activities to inform staff members

Information of findings and the training program at meeting September 2009

4.2. Activities to inform agents

Meeting at one agent about documentations and CSR in September 2009

4.3. Activities to inform manufacturers and workers

Training program established and communicated to all manufactures in China south region.

5. Transparency & communication

A new web site file with information about our Values and CSR published during spring 2009 and including information about FWF membership and Code of Labour Practices. Contact with consumers can now easily be handled at the CSR e-mail address available at the web site.