



# CHARTER

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## 1. Introduction

This charter describes Fair Wear Foundation (FWF), its mission and vision, grounding principles, governance, affiliation and ambassadorship, its core activity that is verification and funding of the organisation. The charter is meant to give companies, stakeholders, funders and the general public clarity on the purpose and mandate of FWF. Specific information on what affiliation and ambassadorship entail and what FWF expects from companies can be found in the relevant FWF manuals. At the end of this document, a list of definitions is included.

### *Mission*

Fair Wear Foundation strives for good labour conditions in branches of industry of which the main manufacturing process is sewing, by joining forces of business associations, trade unions and NGOs.

### *Vision*

FWF realises good labour conditions by:

- Verifying the efforts made and results achieved by affiliates and ambassadors towards the implementation of the Code of Labour Practices step-by-step, in the company's internal management system as well as in the factories where their products are manufactured.
- Stimulating sound industrial relations worldwide and, wherever possible, harmonising policies and methods.

## 2. Principles

The underlying principles of the work of FWF are:

- Multi-stakeholder verification
- Supply chain responsibility
- International labour standards
- Process approach to implementation
- Involvement of stakeholders in production countries
- Transparency

### *Multi-stakeholder verification*

Dutch garment supplier and retailer associations, trade unions, and non-governmental organisations (NGOs) founded FWF with the aim to create a neutral space to work on the improvement of labour conditions in the garment industry. Since business associations, trade unions and NGOs are equally represented in the decision-making bodies of FWF and because it engages with stakeholders in countries where production for affiliates takes place, FWF is referred to as a multi-stakeholder initiative. This broad participatory base in society gives FWF the credibility to perform its principal tasks, to verify whether affiliates and ambassadors effectively implement the Code of Labour Practices.



### ***Supply chain responsibility***

Affiliates and ambassadors commit themselves to implement the Code of Labour Practices in their own company and throughout their supply chain, including sub-contractors. To do so affiliates shall develop a coherent programme to systematically monitor workplace conditions in their supply chain. A coherent monitoring programme includes questionnaires filled out by factory management, factory audits on behalf of the affiliates and factory visits by company representatives. Factory audits with a quality level that is acceptable to FWF shall be a central element in the monitoring programme. Based on the audit outcomes the affiliate and the manufacturer agree on a corrective action plan. The FWF member assures that the terms of trade allow the manufacturer to implement the Code of Labour Practices.

From a business ethics point of view, manufacturers at all possible phases of production (for example those who produce yarn or cloth) ought to be included in the code implementation programme. However, for practical reasons, code implementation with verification by FWF is restricted to those phases of production where sewing is the main manufacturing process, because it is in this labour intensive phase of the production process that most labour problems are found.

In the context of FWF, the term "supply chain" is defined as contractors, manufacturers, sub-contractors, licensees, and sub-contractors to licensees, who are engaged in cutting, sewing, embroidering, ironing, marking, packing, or other preparation of finished garments, accessories, shoes, home textiles and other textile or leather products.

### ***International labour standards***

The Code of Labour Practices is based on ILO Conventions, including the core conventions, and the UN's Universal Declaration on Human Rights. Therefore, the labour standards are in line with norms set by the international community.

FWF has adopted the following set of labour standards:

- employment is freely chosen (ILO Conventions 29 and 105)
- no discrimination in employment (ILO Conventions 100 and 111)
- no exploitation of child labour (ILO Conventions 138 and 182)
- freedom of association and the right to collective bargaining (ILO Conventions 87, 98, and 135 and ILO Recommendation 143)
- payment of a "living wage" (ILO Constitution and Declaration of Philadelphia, ILO Conventions 26 and 131 and the Universal Declaration on Human Rights)
- no excessive working hours (ILO Convention 1)
- safe and healthy working conditions (ILO Convention 155)
- a legally-binding employment relationship

The Code of Labour Practices is included in chapter 6 of this document.

Labour conditions shall at least comply with the relevant minimum standards set by the International Labour Organisation (ILO), the UN's Universal Declaration on Human Rights and with local laws and regulations. Where there are differences or conflicts between the ILO standards and laws and regulations in production countries, the higher standard shall prevail.

### ***Process approach***

In many countries where production for FWF members takes place, labour conditions are far below FWF standards. Often it will be impossible to require that affiliates achieve immediate compliance with FWF labour standards. FWF expects affiliates and manufacturers to start a process of improvements by drawing up a corrective action plan. Affiliates and manufacturers shall demonstrate that they make sufficient effort and work effectively to bring labour conditions up to the level of FWF labour standards. Intermediate goals set within a specific timeframe shall be specified in all corrective action plans. Whether the pace of improvement at a specific factory is acceptable for FWF, will depend amongst others on the leverage of the member over the manufacturer, depending on the volume of goods purchased by the affiliate as compared to the manufacturer's total volume of production. Non-compliance with the labour standards shall not be a reason for an affiliate to terminate its relationship with a manufacturer unless, after serious attempts to come to agreement on a corrective action plan, the manufacturer refuses to make necessary improvements.

### ***Involvement of stakeholders in production countries***

FWF believes that labour conditions can only be brought up to the level of the ILO standards in cooperation with institutions and organisations that have a direct responsibility for, or impact and influence on the labour conditions and industrial relations in the respective country. FWF therefore seeks to co-operate with these stakeholders in production countries and aims to strengthen the local legislative and institutional structures in the specific country. Cooperation with stakeholders in production countries is most feasible where it meets mutual benefits. FWF engages with stakeholders in production countries that are professional, independent and not corrupt.

FWF has identified the following categories of stakeholders that it will seek to engage with in any country where it has activities:

- Business associations and manufacturers;
- Trade Unions and workers (company-level unions, union federations (sectoral unions) and confederations);
- NGOs that play important roles in civil society and can contribute to change in the field of labour, the position of women and communities;
- Governmental and semi-governmental organisations (labour inspectorate, ILO, chamber of commerce).

### ***Transparency***

Transparency is a governing principle of FWF, without prejudice to legitimate commercial confidentiality. For FWF this implies transparency about FWF's policies, country strategies, activities and methods, the receipt of complaints and the key elements of their outcomes and about affiliates and ambassadors' performance.

FWF verifies whether a company has implemented the Code of Labour Practices, and is putting sufficient effort into effectively bringing labour conditions in factories where their manufacturing takes place in line with Code of Labour Practices.

Affiliates and ambassadors are required to publish a social report annually to give insight in the achievements with regard to the implementation of the Code of Labour Practices.



FWF shares experiences regarding implementation of its Code of Labour Practices and outcomes of its verification activities with stakeholders in production countries and with organisations, which endorse the objectives of the foundation. However:

FWF respects the confidentiality of business data such as the supplier register. Business data obtained in the process of verification other than those mentioned above will be kept confidential and will only be accessible to FWF staff.

FWF respects the confidentiality of information obtained from and about workers, through audit interviews and otherwise, and will under no circumstances jeopardise their anonymity. Interview reports and other data will not be made public.

Representatives in the governing bodies of FWF have access to strategy and policy documents. They have no access to company specific business data, as mentioned above.

### **3. Governance**

FWF is an independent, not-for-profit organisation. FWF's legal form is a foundation. This chapter explains the foundation's organisational structure and decision-making process, the functions, which FWF performs in the process of improving labour conditions, and the role of stakeholders in production countries. An overview of the current composition of the governing bodies, i.e. the board and the committee of experts, can be viewed at [www.fairwear.org](http://www.fairwear.org).

#### ***Board***

The following stakeholders in the garment sector in the Netherlands founded FWF:<sup>1</sup> (1) a business association for retailers, (2) a business association for garment manufacturers, (3) trade union organisations, and (4) NGOs. The board is composed of four categories of members, representing the four stakeholder categories listed above and has an independent chair. The foundation's board is its highest decision-making body. Each category has equal voting rights. The board defines general policies and is responsible for the work executed by the foundation's committee of experts and staff. The staff executes the policy that is set by the board and reports back to the board and the committee of experts (see below).

#### ***Executive council***

The executive council consists of the chair of the board, one member of the business section, and one member of either the trade union or NGO sections. Preferably, the treasurer of the board is member of the executive council. The executive council reports to the board. The executive council is responsible for personnel matters regarding the director, important financial matters within the mandate of the budget and working plan, emergencies and calamities and to support the director.

#### ***Committee of experts***

The committee of experts is composed of the same four categories of organisations as the board. The representatives of these categories are experts with relevant experience in manufacturing and trade, labour rights, or social development. The committee gives policy advice to the board regarding code implementation and verification, cooperation

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<sup>1</sup>The founding organisations were Mitex (retail association) and predecessors of today's Modint (garment suppliers association), FNV Bondgenoten and FNV (trade union organisations), the Dutch Clean Clothes Campaign, Oxfam-Novib, and the Zuid-Noord Federatie (NGOs).



with other organisations and the termination of affiliation or ambassadorship and any other policy issues. Advice can be solicited and unsolicited.

### ***The role of stakeholders in production countries***

Cooperation with stakeholders in production countries is aimed at improving labour conditions in the countries where production for affiliates takes place. FWF cooperates with stakeholders in production countries particularly for consultation on FWF policies and on local labour conditions. Thus, the stakeholders FWF works with are organisations that have a role in influencing or shaping the social dialogue in a production country. FWF publishes country studies that include information derived from stakeholder consultations in order to support affiliates in monitoring labour conditions and making improvements and to give guidance to FWF audit teams.

Stakeholders in production countries can perform several tasks:

- Stakeholders in production countries can provide policy advice to FWF. Advice can be solicited and unsolicited. FWF will consult the stakeholders in production countries on important issues within their field of competence.
- Stakeholders in production countries can suggest candidates for FWF audit teams who carry out factory audits on behalf of affiliates or on behalf of FWF.
- Stakeholders in production countries can suggest candidates for the position of complaints handler at the local level.
- Stakeholders in production countries can be involved in capacity building programmes of FWF, such as training for manufacturers and workers and seminars.

FWF is responsive to questions on how the advice of stakeholders in production countries has been used. For example, questions or comments on the use of advice requested in relation to general FWF policies. The confidentiality regarding outcomes of individual audits will be respected.

Experts, academics, consultants, auditors, local staff of international organisations or others working on related issues can all potentially make important contributions to the work of FWF. They can be consulted or involved as service providers, but can not be described as stakeholders in the sense as outlined above.

FWF encourages affiliates to make use of such resources. Contact information for such services is available from FWF. The party who requests them, e.g., FWF, an affiliate, or a manufacturer, pays for activities of service providers.

Tasks to be executed by service providers can include:

- Work as part of the audit team. Teams are composed of different experts with the following tasks: supervise the audit team, worker interviews, health and safety inspections, management interviews, inspection of the company's accounts, and consultation with public authorities, trade unions, and NGOs.
- Execute audit trainings or assist FWF in training auditors.
- Work as complaints handler.
- Provide support to manufacturers in the implementation of the Code of Labour Practices and corrective action plans.
- Provide training and education to workers and management of manufacturing companies.





- Translation.
- Contribute to country studies.
- Arranging meetings, trainings, visits etc.

#### ***Cooperation with similar initiatives***

FWF favours the unification of verification practices. Therefore, FWF seeks cooperation and harmonisation with other multi-stakeholder initiatives. With that aim, FWF is a member of the Jo-In forum.<sup>2</sup> The Jo-In forum seeks common agreement among members on standards and good practice concerning the implementation of codes of conduct and promote this widely; be a catalyst for the sharing of learning and good practice between member organisations; enable members to exchange advice and information about code implementation issues; and identify common issues or projects that members wish to collaborate on in order to increase their effectiveness. The scope of activities of the Jo-In forum includes revising and promoting the Jo-In Code within member organisations and beyond.

## **4. Affiliation and ambassadorship**

Companies that manufacture and/or sell garments, accessories, shoes, home textiles or other textile or leather products can join FWF with the constraint that only those manufacturers with production facilities in countries where FWF is active can join. Joining FWF implies the endorsement of the Code of Labour Practices and acceptance of verification by FWF of code implementation. Affiliation to or ambassadorship of FWF guarantees to the public that the company makes sufficient effort and achieves sufficient results in improving labour conditions in all of the factories where their product range is produced. Over time, conditions in all workplaces will be brought up to the level of the labour standards outlined in the Code of Labour Practices.

In order to enhance the value of affiliation/ambassadorship, FWF:

- raises public awareness about labour conditions in production countries and generates public support for good labour conditions worldwide;
- promotes endorsement of the Code of Labour Practices by the European industry;
- provides companies with information and advice on implementing the Code of Labour Practices;
- encourages consultants (including business associations) to offer support programmes.

#### ***Eligibility for affiliation or ambassadorship***

Joining FWF is open to companies in the branches of industry of which the main manufacturing process is sewing. Companies that operate in the European market, such as producers, distributors, wholesalers, and retailers can join FWF. Manufacturers in producing countries where FWF is active can also join.

There are two distinct kinds of members: those who do direct business with suppliers or agents in production countries (including the manufacturers themselves), and those who

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<sup>2</sup> The following international organisations partake in the Jo-In Forum: Clean Clothes Campaign, Ethical Trading Initiative, Fair Labour Association, FWF, Social Accountability International and Workers Rights Consortium.





contribute to better labour conditions through their choice of partners and their active recruitment on behalf of FWF. To reflect the way in which these members work towards fair labour conditions throughout their supply chain, the first category are called FWF affiliates, while companies falling in the second category are called FWF ambassadors. The obligations (and membership fees) for affiliates and ambassadors are not the same and are described in detail in the relevant manuals.

### ***Management system requirements***

Affiliates and ambassadors of FWF are required to adjust their management systems in order to allow effective implementation of the Code of Labour practices.

In broad terms, this entails that:

- The Code of Labour Practices is actively integrated into corporate policy through all levels of the organisation, supported by internal education, training, and documentation.
- A factory register, listing all factories that produce for the company, including all production facilities and sub-contractors, shall be set up, kept up-to-date, and submitted to FWF.
- A coherent monitoring programme and improvement of labour conditions in factories shall be effective and documented (for example, in the form of monitoring reports and corrective action plans).
- The sourcing practices of the affiliate shall explicitly take into account that the terms of trade offered to manufacturers will not impede the implementation of the Code of Labour Practices.
- The management system shall be structured and maintained in such a way that FWF can verify its effectiveness.

The management system requirements that shall be met are:

1. Sourcing practices
  - 1.1. Sourcing practices support effective implementation of the Code of Labour Practices
  - 1.2. Working conditions and the willingness of suppliers to cooperate on improvements are important criteria in the selection of new suppliers and the continuation of business relationships
  - 1.3. Delivery times and the pricing policy do not lead to excessive overtime and contribute to a systematic approach towards a living wage for workers
2. Coherent system for monitoring and remediation
  - 2.1. The percentage of the member's turnover that has been audited corresponds to the required percentage based on the duration of FWF affiliation
  - 2.2. The corrective action plans resulting from conducted audits are systematically agreed upon, followed up and reported on
  - 2.3. The affiliate cooperates with other customers of manufacturers regarding monitoring and the execution of Corrective Action Plans
3. Complaints procedure
  - 3.1. The affiliate has a designated person to handle complaints of workers
  - 3.2. The affiliate responds adequately to complaints submitted by workers
4. Improvement of labour conditions



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- 4.1. Corrective Action Plans are executed and have led to verifiable improvements
5. Training and capacity building
  - 5.1. Staff of both affiliates and ambassadors is sufficiently informed about FWF and the implementation of the Code of Labour Practices
  - 5.2. Agents are systematically informed about FWF and the implementation of the Code of Labour Practices
  - 5.3. Manufacturers and their workers are systematically informed about FWF and the implementation of the Code of Labour Practices
6. Information management
  - 6.1. There is a clear procedure to keep the supplier register updated
  - 6.2. There is a system in place to effectively integrate information regarding sourcing and the implementation of the Code of Labour practices
7. Transparency
  - 7.1. The company informs the public about its FWF affiliation or ambassadorship.
  - 7.2. The social report of the previous year has been received in time by FWF and placed on the company website
  - 7.3. Information about FWF affiliation and ambassadorship is posted on the company website in correct wording
8. Management system evaluation and improvement
  - 8.1. The affiliate or ambassador annually evaluates in a systematic manner to what extent goals related to FWF are achieved
  - 8.2. The company uses feedback from agents and manufacturers to evaluate the implementation of the Code of Labour practices
9. Basic requirements of FWF affiliation/ambassadorship
  - 9.1. Work plan for the current year has been received in time by FWF
  - 9.2. Membership fee for the previous year has been paid

### ***Companies without direct sourcing***

Companies who do not directly buy or outsource production in countries where the actual manufacturing takes place, may not be able to implement the Code of Labour Practices, monitor compliance and improve labour conditions throughout their supply chain. Such companies can however become member of FWF if they take the following steps:

- Endorse the Code of Labour Practices.
- Set up a register of all their suppliers and disclose this information to FWF.
- Inform their suppliers that they prefer to buy from FWF members.
- Develop a sourcing plan, which steadily brings sales of those companies that are not FWF members down to a maximum of 15% (of total turnover) in five years.
- Accept verification by FWF.



### ***Manufacturers in producing countries***

Though it is the philosophy of FWF that it takes the involvement of both the manufacturer and the company that sells the product to improve factory conditions, manufacturers in production countries where FWF is active can become member if they take the following steps:

- Endorse the Code of Labour Practices.
- Submit a self-assessment to FWF about the status of the FWF labour standards in the factory.
- Inform their employees about the Code of Labour Practices, establish a grievance mechanism in the factory and inform employees about the FWF complaints procedure.
- Set up a register of their sub-contractors and disclose this information to FWF.
- Inform their sub-contractors about the Code of Labour Practices and develop a coherent programme to systematically monitor workplace conditions in their supply chain.
- Accept verification by FWF.

### ***Application period***

When a company decides that it wants to become a member of FWF, an application period starts. During this period, the company is expected to review its management system and to draft a work plan, including a complete factory register. FWF assesses the accuracy of the work plan and gives feedback on its contents. It is not expected that all management system requirements are met immediately but the company shall describe a coherent process to meet the foundation's requirements step-by-step. Once the work plan has been submitted, the Code of Labour Practices can be signed and the company can publish that it has joined FWF.

### ***Membership fee***

FWF charges companies a membership fee, which is based on the company's turnover.

Other costs for a company that joins FWF are implementation of the management system requirements, monitoring of factories and assisting manufacturers with implementation of FWF labour standards.

### ***FWF and publicity***

FWF guarantees to the public that a company makes sufficient effort and achieves sufficient results in the implementation of the Code of Labour Practices throughout its supply chain. FWF encourages companies to publish information regarding their affiliation or ambassadorship. Since affiliation/ambassadorship to FWF is a characteristic of the company, and not a feature of the product, affiliates and ambassadors shall observe the following guidelines concerning publicity:

- FWF affiliation or ambassadorship can be announced in company publications;
- the company cannot make claims about the 'fairness' of the product;
- in external communication and packaging, FWF affiliation/ambassadorship can only be mentioned in relation to the company's policies, not as a characteristic of its products;



- affiliation can be announced in shops, but only with reference to the (parent) company, e.g., "this company has implemented a policy to improve labour conditions, which is verified by FWF";
- the utilisation of the name "Fair Wear" and "FWF" and its logo is subject to approval by FWF.

Decisions about affiliation/ambassadorship are published on FWF's website, and can appear in other media. For every affiliate and ambassador, FWF will publish and keep updated:

- the name and brands of the company;
- the number of the company's manufacturers and the countries in which they are located;
- the number of manufacturers submitted to factory audits by FWF;
- results of management system audits.

## 5. The verification process

### *Country studies*

For every country where FWF conducts verification activities, a country study with key indicators regarding the industry, labour law, the state of labour conditions and industrial relations is published.

### *Factory audits*

FWF conducts factory audits at its members' manufacturing companies. In the course of three years, factory audits are conducted on behalf of FWF at factories that together represent 10% of the production of the affiliate. The purpose of these factory audits is to assess working conditions at factories in order to check whether the monitoring activities are effective and whether corrective action plans are executed. In addition, factory audits are a tool to check whether the terms and conditions of trade between the affiliate and a manufacturer are conducive to implementation of the standards.

Factory audits on behalf of FWF take place at factories that are selected randomly or selected as follow up on complaints of non-compliance with the Code of Labour Practices. A factory can also be selected if it is a major supplier to an affiliate or several affiliates or if the affiliate itself makes a request to do so.

### *The FWF complaints procedure*

FWF has a complaints procedure, which can be used by workers and their representatives to file complaints about their working conditions and the way the Code of Labour Practices is implemented in factories, which supply members of FWF, if the internal grievance mechanism of the factory failed or is absent. Unions, NGOs, local authorities, companies, employers' organisations, and others who are concerned with the implementation of FWF labour standards also have access to this procedure. Complaints can be filed directly with FWF or with a local complaints handler. FWF will identify the appropriate person for handling complaints by consulting the stakeholders in production countries. The local complaints handler reports complaints to FWF. If investigation of a complaint proves that the complaint is justified, the affiliate and the accused party shall formulate a corrective action plan. Plaintiffs and/or their appointed



representatives must not only be informed, but also be involved in the formulation of the corrective actions as much as possible.

The FWF complaints procedure shall not undermine grievance mechanisms in factories or the state institutions, particularly judicial mechanisms. It is meant to offer additional opportunities for recourse and redress. The procedure shall provide sufficient transparency of process and outcome to meet the public interest concerns at stake and shall presume transparency wherever possible. In particular, it shall be transparent about the receipt of complaints and the key elements of their outcomes. FWF will never, however, jeopardise the anonymity of the plaintiff.

### ***Management system audits***

FWF requires that affiliates and ambassadors adapt their management system in such a way that effective implementation of the Code of Labour Practices is possible. Annually FWF conducts a management system audit at each company that has been an FWF member for at least one year, to verify whether the company implements the management system requirements. Based on this audit, FWF writes a report with requirements and recommendations for improvements.

### ***Reporting***

FWF's policies, country strategies, activities and methods, the receipt of complaints and the key elements of their outcomes, companies' social reports and assessments of companies' performance are published on the website and summarised in the annual report.

### ***Funding***

Membership fees are FWF's basic financial resource, and are calculated to cover the costs of verification described above. FWF can also seek funding from business associations, other civil organisations, and public authorities, especially for innovation and cooperation with similar initiatives.

## **6. The Fair Wear Code of Labour Practices**

The Code of Labour Practices is a public agreement between a company and FWF. By joining FWF, a company undertakes to only trade in products that have been manufactured under dignified working conditions. To that end, the company agrees to adjust its management system, allowing it to effectively implement FWF labour standards along its supply chain. The company agrees to put sufficient and effective efforts<sup>3</sup> into ensuring that this code is followed by its contractors, sub-contractors, manufacturers, and licensees.

Companies shall stipulate that contractors, sub-contractors, manufacturers, or licensees who demonstrably fail to comply with one or more of the standards laid down in the Code of Labour Practices, take appropriate measures to ensure that the situation is improved. If necessary, the offending party shall be sanctioned by cancellation of its contract, thus prohibiting it from producing or organising the production for the FWF member.

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<sup>3</sup> The expression "sufficient and effective efforts" implies that, depending on the circumstances in which the company operates, full compliance with the Code of Labour Practices will not always be required for membership. Rather, the company will be judged against the completeness and the intensity of the efforts it has undertaken to achieve full compliance.



The company finally declares that it agrees to independent verification of its compliance with the Code of Labour Practices and in that regard undertakes to follow the instructions of FWF.

Disputes regarding the interpretation of this Code of Labour Practices will be handled according to procedures established by FWF.

### ***Labour Standards***

The Code of Labour Practices is based on the conventions of the International Labour Organisation (ILO) and the Universal Declaration on Human Rights. In the text below, references are made to specific conventions. Where clarifications of ILO Conventions are required, FWF follows ILO Recommendations and existing jurisprudence.

#### ***Employment is freely chosen***

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

#### ***There is no discrimination in employment***

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

#### ***No exploitation of child labour***

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention 138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)

#### ***Freedom of association and the right to collective bargaining***

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

#### ***Payment of a living wage***

Wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

#### ***No excessive working hours***

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week



and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

***Safe and healthy working conditions***

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

***Legally-binding employment relationship***

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.





## 7. Definitions

Code of Labour Practices	FWF code of conduct, which has to be accepted by affiliates and ambassadors. The code contains the management principles for affiliates and ambassadors and the Code of Labour Practices.
Complaints procedure	A mechanism operated by FWF and a local complaints handler, which allows workers or their representatives in factories, which supply members of FWF to make complaints about their working conditions, and about the way the code of conduct, is implemented in these factories. Stakeholders in production countries and others who are concerned with the implementation of good labour standards also have access to this procedure.
Corrective action plan	A plan drawn up by the affiliate and the manufacturer after every audit, with the aim of defining corrective action that shall be taken in order to achieve compliance with the Code of Labour Practices.
Factory register	A listing, prepared by a affiliate, of all the supplier companies they do business with, which allows FWF to identify those suppliers where the Code of Labour Practices shall be implemented.
Labour standards	Minimum standards with regard to labour conditions based on ILO Conventions and the Universal Declaration on Human Rights, which FWF seeks to have implemented at the facilities of affiliates and their manufacturers.
Living wage	A wage which provides for the basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare, transportation, and savings) of an average family unit in a country divided by the average number of adult wage earners in the family unit.
Management system requirements	Requirements set by FWF with regard to the management system of affiliates and ambassadors that allow effective monitoring and improvement of labour conditions at manufacturing companies.
Manufacturer	A company that is engaged in the production process, including cutting, sewing, assembling and packaging and supplies products to an affiliate of FWF and is listed in its factory register.
Monitoring	Systematic inspection of factories (commissioned) by the affiliate on labour standards implementation. The factory audit is the most important instrument for this inspection.
Social report	Every year affiliates and ambassadors submit a report on the achievements made with regard to implementation of the Code of Labour Practices. The social reports are published both on the member's website as well as on the website of FWF.
Stakeholders in production countries	Institutions and organisations that have a direct responsibility for, or impact and influence on the labour conditions and industrial relations in a country, including trade unions, employer organisations, public authorities and NGO's.



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Supply chain	The network of contractors, sub-contractors, manufacturers, and licensees of companies.
Supply chain responsibility	The responsibility of affiliates and ambassadors to implement the labour standards and to monitor labour conditions at manufacturing companies that supply them, including sub-contractors.
Verification	Inspection performed by FWF to measure a company's compliance with the Code of Labour Practices. The foundation's most important tools for verifying compliance are management system audits, factory audits, and the complaints procedure.
Work plan	Each company annually submits a work plan, which is central to the working relationship between the company and FWF. The plan describes the process to implement the management system requirements, including the company's sourcing practices, monitoring programme, activities to inform and train its staff and a complete factory register. The work plan is a confidential document.