



## FWF Membership costs 2018

This document details the expenses related to Fair Wear Foundation (FWF) membership in 2018. These include the FWF annual membership fee as well as several additional costs, such as FWF audits, trainings, and services.

Please be aware that your company may have supplementary expenditures, such as additional travel costs, human resources or the development of a CSR department, that are necessary to implement FWF membership.

### 1.1. FWF annual membership fee

- FWF membership is open to European garment companies with a minimum annual turnover of € 2 500 000, more than 50% production<sup>1</sup> in countries where FWF is active and at least 50% own production.
- The membership fee is calculated based on their yearly turnover in products as defined in the scope of FWF membership section of the [Brand Performance Check Guide](#).
- The turnover is determined by the consolidated annual financial report that is provided to FWF, which should be accompanied by an accountant statement. The report should concern the last closed fiscal year. If the turnover has changed drastically with respect to the previous year, the difference is only taken into account if the membership fee would deviate more than 20% from the already invoiced fee, in which case you will receive a final invoice (debit or credit).
- If the accountant statement differentiates turnover between sewn and other products, only the turnover in sewn products will be used to calculate the membership fee.
- The amounts are subject to yearly adjustment based on inflation rates.
- The FWF board reserves the right to adjust the membership fees for the following year.

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<sup>1</sup> Production that takes place in countries where FWF does not require full audits can also count towards the required 50%

Turnover (min) in €	Turnover (max) in €	Membership fee 2018
€ 2.500.000	€ 5.000.000	€ 3.270,00*
€ 2.500.000	€ 5.000.000	€ 3.940,00
€ 5.000.001	€ 10.000.000	€ 4.580,00
€ 10.000.001	€ 15.000.000	€ 5.240,00
€ 15.000.001	€ 20.000.000	€ 5.900,00
€ 20.000.001	€ 25.000.000	€ 6.550,00
€ 25.000.001	€ 30.000.000	€ 7.210,00
€ 30.000.001	€ 35.000.000	€ 7.860,00
€ 35.000.001	€ 40.000.000	€ 8.510,00
€ 40.000.001	€ 45.000.000	€ 9.170,00
€ 45.000.001	€ 50.000.000	€ 9.820,00
€ 50.000.001	€ 60.000.000	€ 11.140,00
€ 60.000.001	€ 70.000.000	€ 12.440,00
€ 70.000.001	€ 80.000.000	€ 13.760,00
€ 80.000.001	€ 90.000.000	€ 15.060,00
€ 90.000.001	€ 100.000.000	€ 16.380,00
€ 100.000.001	€ 125.000.000	€ 19.650,00
€ 125.000.001	€ 150.000.000	€ 22.920,00
€ 150.000.001	€ 175.000.000	€ 26.200,00
€ 175.000.001	€ 200.000.000	€ 29.480,00
€ 200.000.001	€ 250.000.000	€ 36.030,00
€ 250.000.001	€ 300.000.000	€ 42.580,00
€ 300.000.001	€ 350.000.000	€ 49.130,00
€ 350.000.001	€ 400.000.000	€ 55.680,00
€ 400.000.001	€ 450.000.000	€ 63.510,00
€ 450.000.001	€ 500.000.000	€ 68.780,00
€ 500.000.001	€ 750.000.000	€ 81.880,00
€ 750.000.001	€ 1.000.000.000	€ 102.190,00
€ 1 000 000 001	€ 1 500 000 000	€ 128.390,00
€ 1 500 000 001	€ 2 000 000 000	€ 154.570,00
€ 2 000 000 001	€ 2 500 000 000	€ 180.770,00
€ 2 500 000 001	€ 3 000 000 000	€ 206.970,00
€ 3 000 000 001	€ 3 500 000 000	€ 233.160,00
€ 3 500 000 001	€ 4 000 000 000	€ 259.360,00

\* This only applies to companies who have a turnover in this range AND who produce in all present member states of the European Union except for Bulgaria and Romania (that is 25 member states), as well as the member states of the European Free Trade Association EFTA (Iceland, Liechtenstein, Norway and Switzerland).

Companies with a turnover between € 2.500 000 and € 5. 000 000 producing in countries outside the EU 25 + Switzerland, pay a membership fee of € 3940. The fees mentioned above are excluding VAT.



***What services are included in FWF's annual membership fee?***

- FWF **verifies and supports** your activities as you work towards making improvement in the labour conditions in factories you source from. Through external, independent verification, FWF membership adds credibility to your efforts.
- FWF **provides feedback** on your annual work plan and the annual social report, in order to enhance the quality of the documents, both of which are intended to provide insight into your (planned) activities concerning the improvement of labour conditions, and enhance transparency of your efforts and results.
- Once your work plan has been approved and monitoring activities have taken place, FWF **performs a number of verification audits**. The results will help you to further improve labour conditions in the factories you source from. The cost of these audits is included in the membership fee.
- FWF **gives advice** on your internal management system, including the annual Brand Performance Check. This allows you to perfect your management system by making step-by-step progress.
- FWF **has a complaints handling procedure** designed to protect workers and provide access to remedy. If a complaint is filed by a factory worker or a local organisation where FWF is active—and there is no existing effective grievance mechanism—FWF and the member who sources from that factory will jointly follow up on the complaint. This allows for concrete contributions to the implementation of good labour conditions in the factories.
- FWF **produces a range of informational material**. This includes, for example, country studies and risk assessments that can be used to establish what is required in order to implement the Code of Labour Practices in a factory in a specific country. They also provide a source of information to perform due diligence throughout your supply chain.
- FWF **collaborates with other organisations** in order to harmonise the efforts being made towards the improvement of labour conditions. This allows us to compile and expand knowledge on local labour conditions.
- FWF **organises an annual conference** for all its members. During the event, participants can share experiences and find inspiration for new ideas.
- FWF occasionally organises thematic (training) activities at the request of member companies. These can range from a CSR awareness training to a training for purchasers. First-year members get 30 support hours to cover these trainings, and from the second year of membership onwards, 10 hours of support are made available to members.



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- **FWF informs consumers** on sustainable purchasing and on the progress made by members by posting relevant material on our website and social media channels—including your Brand Performance Check and social report, as well as regular highlights on members who have done exceptional work on specific topics, such as living wages.

## **1.2. What are additional costs related to FWF membership?**

### ***FWF monitoring audits***

FWF selects and trains audit teams. These audit teams can be hired (for a supplementary fee) to perform your social audits, saving you the cost and trouble of training your own team or finding external audit teams.

At the request of several FWF members, FWF has decided to implement a flat fee system for the monitoring audits, which will enter into force on 1 January 2017. The use of a flat fee system will ensure predictability of the costs for FWF monitoring audits as well as a more effective and timely invoicing system for the audits.

### ***Country-specific fee structure***

The flat fee depends on the country and several other factors:

- The standard daily fees of the audit team members, which is based on the income categories of the production countries.
- Travel and accommodation costs which are based on historical data of invoices submitted by FWF auditors.

Further, several other factors were taken into consideration when developing the flat fee structure. These include:

- The number of workers in the audited factory, which determines the time spent by the audit team on an audit.
- Handling costs of FWF headquarter staff for time spent on the audit and for the costs of bank transfers.

Please refer also to the [FWF financial terms for service providers](#), which sets out the classification of countries, daily working fees for members of the audit team and the necessary time investment of the audit team based on factory size.



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The following flat fees are based on the factors mentioned above. FWF has assigned the eleven active countries to three categories: low, middle and high income.

<b>FWF monitoring audit fee 2018</b>					
Size factory -workers	5-25	26-50	51-500	501-1000	>1000
Low income <i>Bangladesh, India, Myanmar and Vietnam</i>	€ 1690	€2100	€2410	€2560	€3020
Middle income <i>Bulgaria, Macedonia, Romania, Thailand, Indonesia and Tunisia</i>	€1850	€2260	€2770	€2770	€3280
High income <i>Turkey and China</i>	€2000	€2460	€2870	€3020	€3590

Sometimes FWF is asked to conduct an audit in a country other than those mentioned above, mostly in countries which are in close proximity to the FWF active countries. In the event that FWF conducts an audit in a non-active country, the costs would need to be determined on a case-by-case basis.

***Cancellation or reschedule of FWF verification audits, monitoring audits and WEP trainings***

In the event that a member cancels or reschedules the audit/training up to one month prior to the scheduled audit date, the member will be invoiced 33% of the audit fee. In the event that a member cancels or reschedules the audit/training 10 or less workdays before the audit, the member will be invoiced 66% of the audit fee.



### 1.3. What are costs related to additional FWF services?

#### ***FWF Member seminar***

FWF frequently organises two-day FWF member seminars. These seminars are designed for members who are working on implementing the FWF Code of Labour Practices in their supply chain. During the seminars, FWF showcases its wide range of implementation tools, and shows how to best apply the FWF Code of Labour Practices. The cost for a FWF member seminar is € 510 for members and € 820 for prospective members.

<b>FWF Member seminar</b>	<b>Fee</b>
FWF Members	€ 510
Prospective members	€ 820

#### ***Training or workshop***

FWF provides workshops and trainings when requested by members. Workshops and trainings are invoiced per half or full day. The cost for a full-day training is € 820. First-year members get 30 support hours to cover these trainings, and from the second year of membership onwards, 10 hours of support are made available to members.

<b>Training or workshop</b>	<b>Fee</b>
Half-day training session	€ 410
Full-day training session	€ 820



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### ***FWF Workplace Education Program (WEP)***

The FWF Workplace Education Programme (WEP) aims to move companies beyond auditing and corrective action, and towards workplaces where issues are raised and resolved through open communication.

The WEP aims to provide factory managers and workers with the tools they need to start an open dialogue about issues and opportunities in the workplace and about how to improve working conditions in the factory. Increased awareness about labour standards, together with functioning grievance systems, can contribute to improve working conditions.

Fair Wear Foundation provides both general and country specific modules.

### **General modules**

#### ***WEP Basic: FWF's Introduction to workplace awareness and grievance mechanisms.***

To support brands and factories in fulfilling their basic responsibility to inform workers about their rights and access to grievance systems, FWF has designed WEP Basic: FWF's Introduction to workplace awareness and grievance mechanisms.

This module provides a basic introduction to FWF's Code of Labour Practices as well as the FWF complaints hotline and other grievance mechanisms. Management, supervisors and workers are trained separately in two-hour sessions. At least 10% of production workers must receive training in order to meet performance check requirements (indicator 3.3). This means that several worker training sessions might be needed, depending on the size of the factory.

The module is available in Bulgaria, China, Indonesia, Macedonia, Myanmar, Romania, Tunisia, Turkey and Vietnam. <sup>2</sup>

The following fees apply:

<b>WEP Basic training module FWF's Introduction to workplace awareness and grievance mechanisms</b>			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0-50	1	1	€ 1.010
51-500	1	2	€ 1.120

<sup>2</sup> In areas where the violence prevention capacity building module is not available



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501-1000	1	4	€ 1.320
More than 1000	1	6	€ 1.530

**Factory Guide: online tool**

All factories supplying FWF members can make use of the FWF Factory Guide. This online training tool, designed for factory managers, explains FWF's approach and gives them the information they need to enhance their collaboration with members on improving labour conditions in their factories.

The tool is currently available in English and Turkish. Additional languages will be added in 2018. The Factory Guide is available on FWF's website.

**Country-specific modules**

FWF has designed a number of modules aimed at supporting brands and factories in tackling country-specific challenges.

**India and Bangladesh**

Brands with suppliers in Bangladesh and India (Delhi/NCR, Bengaluru, Tirupur) can make use of FWF's **WEP violence prevention capacity building module**.

The training focuses on establishing and supporting anti-harassment committees. Management, supervisors and workers are trained in separate five-hour sessions. In addition, anti-harassment committee members are trained in a half-day session. Regular follow-up is provided afterwards to the committee, to assist them in the development and running of the anti-harassment committee.

The training includes information on FWF's Code of Labour Practices and the complaint hotline, similar to the WEP Basic module, and counts toward performance check indicators 3.3 and 4.4.

Thanks to funding by the Dutch Ministry of Foreign Affairs, the module is offered, subject to availability, at a reduced rate of 1.500 Euro in 2018. Expenses related to the committee follow-up will be covered by FWF.

<b>Training module</b>	<b>Fee</b>
FWF's WEP violence prevention capacity building module	€ 1.500



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Suppliers in India may also participate in FWF's **WEP supervisor training**. The training is focused on improving working relations between line supervisors and workers, and on training women workers with skills to become supervisor.

As part of the training, women workers with potential to become supervisors will work on their technical skills and human resource management. At the same time, current male line supervisors will be trained on supervisory skills and working relationships with workers.

Each training session includes five consecutive full-day sessions on-site and will be followed up with five full-day sessions every two weeks. The module counts toward performance check indicator 4.4.

This training will start from April 2018 onward and the fee depends on the amount of participants.

<b>Training module</b>	<b>Fee</b>
FWF's WEP supervisor training	fee depends on the amount of participants

***Indonesia, Myanmar, Vietnam, China***

***WEP Communication***

This two day module focuses on improving worker-management interaction by developing their communication skills, with an emphasis on collaborative problem-solving.

Management, a wider group of workers as well as a group of up to 30 worker volunteers or representatives (where applicable) will be trained and engage in dialogue sessions.

The first day of training will focus on priorities for improvement and constructive engagement. The second day of training will take place after several weeks, and will include exercises on interview skills, survey techniques and other tools which could guide factory improvements.

Pilots in Indonesia and Myanmar have started in 2017 and pilots will start in Vietnam and China in the first half of 2018.

The WEP Communication can be requested immediately after the pilot phase. Members will receive regular updates about progress. This module counts toward indicator 4.4 of the performance check.

Thanks to funding by the Dutch Ministry of Foreign Affairs and Brot für Alle, the module will be offered, subject to availability, at a reduced rate in 2018.



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The following fees apply for 2018:

<b>Training: WEP Communication module per country</b>	<b>Fee</b>
Indonesia	€ 1 400
Myanmar	€ 1 300
Vietnam	€ 1 300
China	€ 1 550

### **Turkey**

FWF member brands sourcing from Turkey are currently facing **additional risks** related to large numbers of **Syrian refugees** that are being employed in the garment industry, often in conditions that would violate elements of the FWF Code of Labour Practices.

FWF members encountering Syrian refugee workers in their supply chain, or who would like to know more about the legal issues surrounding Syrian refugees, can now enroll their supplier in a WEP Basic module tailored to this specific situation. This module is available both for factories that have already participated in the WEP Basic or factories that have not yet received training.

FWF will offer the training module in Arabic (for Syrian refugee workers) and Turkish. Where possible, trainers will facilitate an exchange of the two worker groups during the training.

At least 10% of the production workers must receive training in order to meet performance check requirements (indicator 3.3). This means that several worker training sessions might be needed, depending on the size of the factory. The same fees as for the WEP Basic module apply.

As verification activities in Turkish factories often highlight a need for improved worker-management dialogue, FWF has designed **WEP Communication - Turkey**

This one day module provides a basic introduction to effective communication as a tool for problem-solving. Management, supervisors and workers are trained in separate, two-hour sessions.

This module counts toward indicators 4.4 and 2.7 of the performance check.

FWF is continuously working on improving this module and will integrate learnings from the WEP Communication pilots in other countries during 2018.



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The following fees apply:

<b>Training: WEP Communication - Turkey</b>			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0-50	1	1	€ 1.010
51-500	1	2	€ 1.120
501-1000	1	4	€ 1.320
More than 1000	1	6	€ 1.530

Your FWF contact person can give you more information about the trainings. To schedule participation of a supplier, please order the training through the FWF information system ([secure.fairwear.org](https://secure.fairwear.org)). FWF advises you to first to discuss possible training with factory management.

Invitations for each module and country as well as additional information on the WEP are available on the member login area of the FWF website.