

## FWF MEMBERSHIP COSTS 2019

This document details the expenses related to Fair Wear Foundation (FWF) membership in 2019. 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 the 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 2019
€ 2.500.000	€ 5.000.000	€ 3.340,00
€ 2.500.000	€ 5.000.000	€ 4.020,00
€ 5.000.001	€ 10.000.000	€ 4.670,00
€ 10.000.001	€ 15.000.000	€ 5.340,00
€ 15.000.001	€ 20.000.000	€ 6.020,00
€ 20.000.001	€ 25.000.000	€ 6.680,00
€ 25.000.001	€ 30.000.000	€ 7.350,00
€ 30.000.001	€ 35.000.000	€ 8.020,00
€ 35.000.001	€ 40.000.000	€ 8.680,00
€ 40.000.001	€ 45.000.000	€ 9.350,00
€ 45.000.001	€ 50.000.000	€ 0.020,00
€ 50.000.001	€ 60.000.000	€ 11.360,00
€ 60.000.001	€ 70.000.000	€ 12.690,00
€ 70.000.001	€ 80.000.000	€ 14.040,00
€ 80.000.001	€ 90.000.000	€ 15.360,00
€ 90.000.001	€ 100.000.000	€ 16.710,00
€ 100.000.001	€ 125.000.000	€ 20.040,00
€ 125.000.001	€ 150.000.000	€ 23.380,00
€ 150.000.001	€ 175.000.000	€ 26.720,00
€ 175.000.001	€ 200.000.000	€ 30.070,00
€ 200.000.001	€ 250.000.000	€ 36.750,00
€ 250.000.001	€ 300.000.000	€ 43.430,00
€ 300.000.001	€ 350.000.000	€ 50.110,00
€ 350.000.001	€ 400.000.000	€ 56.790,00
€ 400.000.001	€ 450.000.000	€ 64.780,00
€ 450.000.001	€ 500.000.000	€ 70.160,00
€ 500.000.001	€ 750.000.000	€ 83.520,00
€ 750.000.001	€ 1.000.000.000	€ 104.230,00
€ 1 000 000 001	€ 1 500 000 000	€ 130.960,00
€ 1 500 000 001	€ 2 000 000 000	€ 157.660,00
€ 2 000 000 001	€ 2 500 000 000	€ 184.390,00
€ 2 500 000 001	€ 3 000 000 000	€ 211.110,00
€ 3 000 000 001	€ 3 500 000 000	€ 237.820,00
€ 3 500 000 001	€ 4 000 000 000	€ 264.550,00

\* This only applies to companies who have a turnover in this range AND who produce in any of the 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 € 4 020. 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.
- **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

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.

FWF MONITORTING AUDIT FEES 2019					
Country income level	Size of factory (# of workers)				
	5-25	26-50	51-500	501-1000	>1001
<b>Low income</b> Bangladesh, India, Myanmar and Vietnam	1720	2140	2460	2610	3080
<b>Middle income</b> Bulgaria, Macedonia, Romania, Thailand, Indonesia and Tunisia	1890	2310	2830	2830	3350
<b>High income</b> Turkey and China	2040	2510	2930	3080	3660



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.

FWF Member seminar	Fee
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.

Training or workshop	Fee
Half-day training session	€ 410
Full-day training session	€ 820

## FWF WORKPLACE EDUCATION PROGRAMME (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.

At the end of this document, the relevant brand performance indicators are listed briefly. For more information, you can find the brand performance check guide on the member hub, or follow this link: <https://www.fairwear.org/resource/fwf-brand-performance-check-guide-2018/>

### GENERAL MODULES

#### WEP Basic: FWF 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 the *WEP Basic: FWF Introduction to workplace awareness and grievance mechanisms*. This module provides a basic introduction to the FWF 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, Macedonia, Myanmar, Romania, Tunisia, Turkey and Vietnam. In India, in regions *other than* Delhi/NCR, Bengaluru and Tirupur, FWF provides an enhanced WEP Basic module, which includes an extra focus on gender issues.

The following fees apply:

WEP Basic training module			
FWF Introduction to workplace awareness and grievance mechanisms			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0 – 50	1	1	€ 1.030
51 – 500	1	2	€ 1.140
501 – 1000	1	4	€ 1.350
1001 - 1800	1	6	€ 1.560
> 1801	Please contact your brand liaison for the required number of sessions and price details		

**FWF 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 Bahasa Indonesian, English, Turkish and Vietnamese. The Factory Guide is available on the FWF website.

**COUNTRY-SPECIFIC MODULES**

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

**FWF WEP violence and harassment prevention module**

**India and Bangladesh**

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

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

Like the WEP Basic module, this training module also includes information on the FWF Code of Labour Practices and complaint hotline, and therefore 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. Expenses related to the committee follow-up will be covered by FWF.

Training module	Fee
FWF WEP violence and harassment prevention module	€ 1.500

**FWF WEP Communication**

**Indonesia, Myanmar and Vietnam**

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

In this training, management, the general worker population and a small group of up to 30 worker volunteers or representatives (where applicable) will be trained, first in separate sessions, and then together. Then they will engage in dialogue exercises.

The first session (1.5 days) of training will focus on priorities for improvement and constructive engagement, as well as introducing dialogue exercises. The second session (1 day) of training will take



place after several weeks, and will include more exercises on dialogue, interview skills, and other tools which could guide factory improvements.

In 2019, FWF will finish the piloting stage in Indonesia, Myanmar and Vietnam. In mid-2019, FWF will begin to offer the course to suppliers in Indonesia, Myanmar and Vietnam. 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 2019.

The following fees apply for 2019:

Training: WEP Communication module	Fee
Indonesia	€ 1.400
Myanmar	€ 1.300
Vietnam	€ 1.300

### **FWF WEP Basic** **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 enrol 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 following fees apply:

<b>WEP Basic training module - Turkey</b> <b>FWF introduction to workplace awareness and grievance mechanisms and the additional guidance for Turkey</b>			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0 – 50	1	1	€ 1.030
51 – 500	1	2	€ 1.140
501 – 1000	1	4	€ 1.350
More than 1000	1	6	€ 1.560

**FWF WEP Communication**  
**Turkey**

As verification activities in Turkish factories often highlight a need for improved worker-management dialogue, FWF has designed a specific module: 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.

The following fees apply:

<b>WEP Communication - Turkey</b>			
# Workers	Management session (2 hours)	Worker session (2 hours)	Fee
0 – 50	1	1	€ 1.030
51 – 500	1	2	€ 1.140
501 – 1000	1	4	€ 1.350
More than 1000	1	6	€ 1.560



*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.*

## RELEVANT BRAND PERFORMANCE CHECK INDICATORS

### 2.7 Compliance with FWF risk policies

Relevance of indicator:

FWF regularly creates and revises policies on situations that pose high risks for workers as research becomes available and as situations develop. Such policies require member companies to take additional steps to address and remediate the specific risks. These can be found in FWF policy documents.

This indicator assesses member implementation of these policy requirements. It captures

- 1) whether a given policy is relevant within a given member's supply chain and
- 2) FWF's assessment of member implementation of relevant policies as advanced, intermediate or insufficient.

This indicator serves to consolidate the assessment of member implementation of these various FWF policy requirements (some may recognise this as a cluster indicator).

Performance for all applicable policies will lead to one overall scoring for this indicator, with a maximum score of 6 ('advanced' for all applicable policies), and a minimal score of 0 ('insufficient performance' for all applicable policies). Each specific policy is weighed equally and the average score for implementation of all relevant policies is rounded up.

Any new policies including additional requirements for member companies will first be reviewed by the FWF Committee of Experts and approved by the FWF Board. They will be subsequently communicated to members before being included in this indicator.

### 3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline

Relevance of indicator:

Whereas indicator 3.2 requires the member brand to ensure Worker Information Sheet is posted at all suppliers (including tail-end production locations, all subcontractors and locations in low-risk countries), indicator 3.3 measures how active the member company is in raising awareness about the CoLP and the complaints hotlines. This applies to CMT suppliers, CMT subcontractors and subcontractors where there is a direct business relationship, excluding production in low-risk countries.

At an advanced level, FWF members have ensured good quality systematic training of workers and management on the FWF CoLP and complaint hotline. To this end members can either use the FWF Workplace Education Programme (WEP) basic module, or implement training related to the FWF CoLP and complaint hotline through service providers, brand staff or factory management, enrol factory management in the FWF Factory Guide or make use of alternative training methods.

The advanced level involves training requirements that exclude low-risk production locations and those locations at the tail-end when the required monitoring threshold is met.

Training must meet FWF quality standards to receive credit for this indicator. The training must be a first step in raising awareness on basic human/labour rights and cover all code elements (whereas indicator 4.4 looks at in-depth training programmes for the purposes of remediation and building capacity on one or more of the code elements). The Gender Based Violence module that FWF offers in India and Bangladesh specifically covers the WEP Basic and will therefore count towards this indicator.

The validity of training activities not designed by FWF depends on the design and demonstrated impact. Member companies should contact FWF regarding quality standards before beginning training. FWF will continue to release guidance to support members in systematically training workers and management on the FWF CoLP and complaints hotline.

For this indicator, a training session is considered valid for three years, to account for worker turnover. Alternative methods for raising awareness of labour rights through for instance the factory guide or other (online) programmes may need to be continuous – the validity should be discussed with FWF in advance. Documentation related to factory participation in the WEP basic module includes: training reports, FWF's data on factories enrolled in the WEP basic module.

Documentation on factory participation in alternative training activities includes: curriculum, other documentation of training content, participation and outcomes.

#### **4.4 Factory participation in training programmes that support transformative processes related to human rights**

Relevance of indicator:

Training programmes can play an important role in improving working conditions, especially for more complex issues such as freedom of association or gender-based violence where factory-level transformation is needed.

Within its Workplace Education Programme (WEP), FWF offers different modules to support such transformation processes for issues that are more strongly linked to the factories responsibility and where single factories can achieve relevant changes.

Currently the FWF WEP modules 'violence and harassment prevention' and 'communication' as well as the ILO Better Work programme are automatically counted towards this indicator.

FWF will continue to develop modules that support factory-level transformative processes related to human rights. A current list of all available modules can be found in the WEP overview on the FWF member hub.

Members may arrange trainings on their own or with other initiatives/ local organisations. Trainings must meet quality standards to receive credit for this indicator; member companies should contact FWF regarding the quality before beginning training.

For this indicator, a training session is considered valid for three years to account for worker turnover. Documentation: Documentation related to factory participation includes: training reports, FWF's data on factories enrolled in training programmes. N/A (not applicable conditions): Only when member produces solely in low-risk countries.