

**Work in progress: Labour
policies of workwear
companies supplying
public authorities in Europe**

Sanne van der Wal & Bart Slob

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Introduction

This research was commissioned by the European Clean Clothes Campaign (CCC). The Clean Clothes Campaign aims to improve working conditions and to empower workers in the global garment industry, in order to end the oppression, exploitation and abuse of workers in this industry, most of whom are women. It does this by putting pressure on companies to take responsibility to ensure that their garments are produced in decent working conditions; supporting workers, trade unions and NGOs in producer countries; raising awareness among consumers by providing accurate information about working conditions in the global garment and sportswear industry, in order to mobilise citizens to use their power as consumers; and exploring legal possibilities for improving working conditions, such as the CCCommunities project, in which public authorities are pushed to procure their workwear in an ethical way.

The CCC is made up of coalitions of consumer organisations, trade unions, researchers, solidarity groups, world shops, and other organisations. The CCC cooperates with organisations all over the world, especially self-organised groups of garment workers (including workers in factories of all sizes, homeworkers, and migrant workers without valid working papers). For more information, see www.cleanclothes.org.

The main objective of this research was to provide the CCC with detailed information about the workwear sector and selected workwear companies that supply European public authorities. To support their campaign on ethical public procurement, the CCC needs further information on the workwear sector and suppliers.

The main research questions were the following:

- Do the selected work wear companies have a corporate social responsibility (CSR) policy, code of conduct and are they part of a multi stakeholder initiative (MSI) and/or engaged in a stakeholder dialogue?
- What is known publicly (press, other NGO's etc) about the selected companies concerning their CSR performance and their supply chains?

As this part of the CCC work mainly revolves around public authorities, the research focussed as much as possible on information and issues concerning the supply of workwear to governments and local authorities. The research provides short company profiles of the selected workwear companies (e.g. turnover, main products, location and production facilities) and includes a short description of the sector (e.g. size, trends, legal frame work, important issues). This report is based on information from public sources (databases, media), interviews with experts from the sector and surveys with the selected companies.

Executive summary

Market

The workwear market is a large market: between one quarter and one half of all European employees wear workwear. In 2001, the European workwear market was worth \$3.59 billion, the equivalent of 306.2 million pieces. The market is expected to grow by 2.5 per cent yearly to \$4.27 billion in 2008. Average annual spending per capita is estimated to be between 75 and 100 euros.

There are roughly three kinds of workwear: (1) ordinary workwear (overalls, shirts and trousers in ordinary fabrics like (poly)cotton), (2) representative or corporate workwear (ordinary fabrics, but with more emphasis on design and colours than in ordinary workwear) and (3) technical workwear (made of special fabric or specially treated common fabric to protect workers). This report examines all three types of workwear.

Workwear is often bought from local/national workwear companies due to the short delivery times and customisation that are common in this market and the nationalistic bias of buyers. However, the market is becoming increasingly international. Large international workwear suppliers such as Kwintet, Induyco and Snickers have established themselves in many different European countries via take-overs or the opening of sales offices. At the same time, concentration (horizontal integration) in the sector is increasing. In the past, the workwear market was fragmented, with many small workwear suppliers per country. More recently, however, workwear companies are functioning on an increasingly large scale and often operate internationally. While some production still takes place in target-market countries, it is clear that most workwear is now manufactured in low(er) income countries. Many workwear companies have subsidiaries in Eastern Europe, Tunisia, Algeria, Morocco and the Far East. The outsourcing of production to subcontractors, however, is widespread and becoming more popular.

Supply chain

Throughout the course of the research, SOMO found few studies and scant information in the media regarding the social and environmental impact of the supply chain of the European workwear companies selected for the research. According to the Fair Wear Foundation, there are fewer problems with workers' rights in the workwear sector than in the fashion sector. This can be explained by, among other reasons, the long-lasting and close relations with suppliers that are more common in the workwear sector than in the fashion sector. For instance, as already mentioned, production often takes place at subsidiaries, a phenomenon that is not common in the fashion sector. Additionally, workwear companies still do a lot of sourcing from countries like Tunisia, Macedonia and Hungary, where independent union activity is possible and surveillance and observance of the local law is fair.

Nevertheless, in Macedonia as well as in other low(er)-income countries where workwear is produced, particularly in the Far and Near East, the rights of many workers are not respected. Research on working conditions in the fashion sector in garment-producing countries is abundant and shows that violations of labour rights, such as excessive overtime and extremely low wages, are common. As there are many similarities between fashion and workwear production, for example the outsourcing of production and the manufacturing itself, it seems very plausible that similar violations are occurring in the workwear sector as well. Nevertheless, with only one exception specific violations of workers rights at the selected workwear companies and their suppliers could not be found in public sources. Violations of workers' rights have been reported at a Serbian supplier of military and police uniforms

for Induyco. Among other violations, union activity is severely depressed, pay is irregular and sometimes below living wage standards and women workers are not treated equally when it comes to promotion.

Workwear and public procurement

Workwear is often purchased through procurement procedures by public authorities. Experts estimate public procurement to be responsible for 60 percent of total workwear sales in the Netherlands. In most cases in Europe, the Procurement Directives of the European Union apply. In the European Union, workwear companies from all member states must be able to tender for public contracts, regardless of their country of origin. All bids must be evaluated in objective and transparent procedure. In March 2004, the European Parliament and Council adopted a revision of EU procurement legislation: Directive 2004/17/EC (the so-called Utilities Directive) regulates contracting of works, supplies and services by utilities in the water, energy, transport and postal services sectors. Directive 2004/18/EC (the Public Sector Directive) regulates contracting of works, supplies and services by all other public authorities. These new directives should be transposed into national law by January 2006. The Directives regulate large public purchases and define detailed procedures and guidelines for specific requirements, rejecting and selecting tenders and awarding contracts. They also prescribe appropriate advertising of calls for tender and contract notices across all EU Member States and define clear time-frames for procedures. Public authorities can play a key role in improving the sustainability of the workwear sector by including social and environmental criteria in their procurement procedures. The revised Directives have clarified some fundamental principles concerning environmental and, to a lesser degree, social criteria in public purchases. This offers a opportunity for public authorities to purchase socially and environmentally “responsible” workwear. Authorities have the responsibility to spend money wisely and must therefore secure best value for money. The concept of best value requires that purchasing decisions not be based only on the price of offers, but also on their quality and ability to deliver additional benefits. If authorities are willing to award contracts to bids offering best value for money rather than to the “lowest price tender,” they must state from the start that they will use the option of awarding contracts to the “most economically advantageous tender.” The criteria used to determine the most economically advantageous tender must allow for a fair, transparent and objective evaluation.

When including social and environmental criteria in a procurement process, public authorities must consider the following aspects:

1. Any “responsible” requirements must be relevant in terms of the object of the purchase, must relate to the capability of the contracting company to deliver the contract or must enable the contracting authority to deliver or improve its services to the public.
2. Any environmental or social criteria that will be used to evaluate a bidder or a bid must be published together with the contract notice or call for tender.
3. Specifications regarding product performance or performance conditions should make reference to recognised (international) standards, such as eco-labels and standards of working conditions (the ILO conventions for example), but equivalent standards must always be accepted.
4. Contracting authorities can specify conditions for the execution of a contract that embrace its environmental or social policy goals.

Company profiles

The aim of the research was to provide information on large companies supplying local authorities and governments in different European countries. Seven workwear companies that all have public sector clients were selected for closer inspection in this study. Based on information from public sources

(media and corporate websites) and communications between the selected companies and the researchers (questionnaires and correspondence), a short company profile was drafted for each company in this report. These profiles provide general company information (size, production, location(s), customers, etc.) and specific information on their corporate social responsibility (CSR) policies. Additionally, two of the seven companies were (also) selected because of their involvement in the Fair Wear multi-stakeholder initiative (FWF).

All companies were contacted by the researchers and were asked to answer questions (via e-mail or phone). Most companies readily announced their cooperation, but in the end only three actually responded. It should be noted here that the researchers urged those responsible at the companies many times by phone, fax and e-mail to reply. Only two companies (Carhartt and Alsico) eventually stated why they did not want to answer: they do not want to provide information that they deem confidential.

Most companies provide some general company information on their website (products, production locations, size). However, financial company information can only be found on the websites of the three selected workwear companies that are listed on the stock markets .

Except for Havep, Carhartt and Induyco, all selected companies have a short CSR statement on their websites. Alsico, for instance, refers to the Clean Clothes Campaign's (CCC) model code and "the ILO conventions" in one sentence. The other statements refer to workers' rights, such as minimum wages and the ban on child labour, but their definition is not clear nor is there reference to ILO core labour conventions. Moreover most companies do not provide information on their websites about the way these policies are implemented or whether and how compliance with these policies is monitored and verified. Finally only Alexandra, Kwintet and Snickers have a short statement on their environmental policy.

However three companies seem to take CSR more seriously: Havep, Induyco and Snickers. Moreover, or therefore, these companies did answer additional question of the researchers. Havep is a member of the Fair Wear Foundation, which means that they have an adequate code of conduct (COC) and this code's implementation is monitored and independently verified by the FWF. Moreover Havep was the only company that responded to all of the researchers' questions. The CSR policy of Snickers is not as advanced as Havep's. For example the company does not independently verify compliance with its CSR policy nor is it engaged in a multi-stakeholder dialogue. In addition, Snickers' COC only explicitly refers to four of the fundamental ILO labour conventions plus the minimum wage convention. But compared to other selected companies that did not respond this company's code already stands out. Induyco's COC is much more complete than that of Snickers. All eight fundamental ILO labour standards are included, except for the convention on working hours. Although Induyco's code refers to this matter, the company states that working hours have to be in accordance with applicable national legislation. Whereas the working hours convention limits the number of working hours internationally. Also like Havep's and Snickers' COC, Induyco's COC explicitly includes suppliers. Furthermore Induyco's COC includes some provisions on the use of hazardous substances and the conservation and preservation of nature and the environment. However, unfortunately, the company would not answer questions regarding implementation of its CSR policy nor about monitoring and verification of compliance with its code. Also the company refused to disclose information on its suppliers and clients. Part of Kwintet (Lonneker) is also a member of the Fair Wear Foundation, but the company has not answered the questions from SOMO's researchers. Furthermore the CSR policy of the holding is rather limited and it is not clear as to whether it applies to suppliers.

Based on the findings of the study, one can tentatively conclude that, thus far, CSR is not a matter of priority at most selected companies. This seems a more plausible explanation than the argument that the selected companies do take CSR seriously, but just do not want to tell researchers and consumers

much about it via websites and/or interviews. Compared to fashion and sport wear companies, it seems clear that, regarding CSR, workwear companies still have a long way to go. Indeed, many high profile fashion and sport wear companies have more substantial CSR policies. Additionally, many of these companies are monitoring compliance with their CSR policies and have suppliers audited by commercial auditors and sometimes independent auditors. To learn about these policies it often suffices to visit their websites. Many positive changes in the fashion and sportswear sector in this respect are undoubtedly the result of media exposure and pressure from NGOs. The absence of these factors in the workwear sector so far might explain why this sector is lagging behind when it comes to CSR.

1. Short sector profile

The postman, train conductor, judge, nurse, garbage man, flight steward, supermarket employee...workwear is what many people wear to work. Estimates about the number of workwear wearers differ, but probably one quarter to more than one half of all European employees wear what their employer provides them, making workwear a large market. In 2001, it was worth \$3.59 billion, the equivalent of 306.2 million pieces¹. And the market is expected to grow by 2,5% yearly to \$4.27 billion by 2008. Average annual spending per capita is estimated to be between 75 and 100 euros². More recent figures on growth and size are available in expensive market reports by commercial market research organisations. Unfortunately SOMO could not dispose of these reports because of the limited budget for this research. Also information from the international and national industry organisations that sometimes commission such studies is either confidential or expensive. Therefore, more publicly available research into this (sub)sector is needed.

Kinds of workwear

A distinction in three kinds of workwear can be made. Ordinary workwear like overalls, shirts, trousers and hospital clothing is mostly made of the same fabrics (eg. polycotton) that fashion garments are made of. Above all, ordinary workwear needs to be functional, durable and cheap³. This applies to technical or protective workwear as well. Technical workwear, however, is made of special fabrics or ordinary fabrics that are given special treatments to make them fit for special working environments. These are garments that are, for example, acid, water, or bullet proof and/or resistant to heat or chemicals. Finally, there is workwear that is developed to be representative. This kind of workwear, sometimes also called career wear or corporate wear, is made of ordinary fabrics but differs from ordinary workwear because there is more emphasis on design and colour. Representative workwear comprises uniforms for both the public and the private sector. This report examines all three types of workwear.

Growth and image

Whereas the market for ordinary workwear for industry, agriculture and construction has stagnated, sales of representative workwear has shown double-digit growth. Representative workwear now is

¹ E. Smith (Frost & Sullivan) <<http://www.engineeringtalk.com/news/fro/fro157.html>>.

² D. Masson, "L'habit fait l'entreprise, Strategies", 21 March 2003 ; and N. Bayle & M. depagneux, "La bagarre s'intensifie sur le marché du vêtement d'image", Les Echos, 28 September 2004

³ A study undertaken by the multistakeholder consortium (see section 1.4) showed that the main purchasing criteria are first the price then the design, functionality, security, hygienic, comfort and resistance to industrial treatment and washing.

estimated to have a 60% share of the total workwear market⁴. Both corporations and public organisations are increasingly willing to invest in workwear that creates an image for their organisation. Styling and fashion is therefore becoming more important in the workwear sector. Fashion designers have made outfits for local and national authorities in Belgium, France and the Netherlands. However, due to cutbacks in public spending, workwear companies experienced a decline in the market for local authorities in 2004 in many European countries like Denmark and Sweden⁵. Paralleling the downsizing of heavy industry in the developed world, sales of workwear have also been down.

Concentration

“Historically the markets for professional wear were characterised by a high degree of fragmentation in respect of the number of players. This is still the case, but an increasing degree of polarisation is now taking place. The markets are now evolving towards a predominance of major international players and smaller local niche players.” (source Kwintet annual report 2004). Hence, the workwear market is becoming increasingly concentrated (horizontally integrated). Especially during and since the recession at the end of the eighties and beginning of the nineties, many mergers and take-overs have taken place. During this recession many smaller companies went bankrupt. Larger suppliers were affected somewhat later. International workwear companies like Kwintet have taken over producers in countries like the Netherlands to get a share of national markets and to lower costs. For the same reason, others like Induyco and Snickers have opened up sales offices in many countries.

Differences between the fashion and the workwear sector

The workwear sector (still) is less globalised than the fashion sector:

- there are still many local workwear companies (see section above)
- local production is more common
- outsourcing is less common

There are several factors that might explain these differences between the fashion and the workwear sector. For example, experts from the workwear sector that were interviewed for this study stress the fact that workwear suppliers need to be able to guarantee short delivery times and customise garments. In the fashion sector future trends are conceived today: this year's clothes were designed one-and-a-half to three years ago. This means that production of fashion garments can start conveniently early. This is not the case in the workwear sector. When a customer wants to buy workwear, it often needs to be ready in a few months. In addition, workwear often needs to be made according to the specific needs of buyers. These customization requirements comprise, among others, logos, colours, design, fabric and quality. Also, workwear is sometimes literally tailor-made, for instance with uniforms. Therefore, suppliers need to take the measurements of the wearers. These factors have led to proximity of suppliers and buyers and the preference of many workwear companies to have production in their own hands. As a result, outsourcing, which is very common in the fashion sector, is less widespread in the workwear sector and some production still takes places in the countries where workwear is sold. It should be noted here however, that short delivery times are typical of the fashion sector as well. Therefore there might be other factors that have led to the differences between the two sectors. For example, according to the literature, both the private and public sector have a strong preference for *buying* workwear from workwear companies in their own country⁶. Thus international competition was less felt, and the sector could afford to keep on manufacturing at least some of its production locally. Additionally (smaller) local workwear companies could stay in business.

⁴ Masson.

⁵ Annual report 2004, Kwintet.

⁶ M. Newberry, “Global market review of Workwear – forecasts to 2010”, Aroq, March 2005

However it is clear differences between the two sectors are disappearing rapidly: production of workwear is increasingly taking place at subsidiaries or independent suppliers in low-income countries. Many of the largest workwear suppliers like Alsico, Alexandra and Kwintet even have most of their garments produced in the Far East, Maghreb or Eastern Europe. The front offices of these companies take care of development, design, sales, packing and distribution. The actual manufacturing of the workwear takes place overseas and, only in special cases, in target market countries. To illustrate this reallocation of production: between 1995 and 2001 the number of workwear items produced in Belgium decreased from 6 to 3,5 million pieces⁷. In France the number of items produced decreased by 29 % in 2002, 18 % in 2003 and 33 % in the first half of 2004⁸. Some analysts even argue that the large scale manufacturing of workwear in developed countries has ceased to exist⁹.

1.1 Legal framework

Unlike the fashion sector there is specific legislation for the workwear sector that applies to, among others, the quality of workwear. From a CSR perspective this can be considered as a comparative advantage. The workwear sector is accustomed to working according to specific mandatory production standards. Therefore, implementing CSR standards and/or making sure that production takes place under specific working conditions and according to environmental standards could also be easier in workwear than in less regulated sectors. It should be noted however that only technical or protective workwear has to comply with local working conditions acts and European directives. For this type of workwear the directives 89/656/EEC (minimum health and safety requirements for the use by workers of personal protective equipment at the workplace) and 89/686 (provisions for manufacturers) apply. Also, workwear is mandatory for the following professionals (this clothing needs to comply with applicable European standards, the so-called EN standards¹⁰):

- Employees that carry out welding activities (EN 470/1)
- Employees that are exposed to heat (excluding firemen and welders, EN 531)
- Employees that work with chemicals (prEN 13034, legislation forthcoming)
- Employees that work in an environment with explosions hazards (EN 1149-1/2 and EN 1149-3, the latter is forthcoming)
- Employees that need to wear outdoor clothes and are exposed to wind, rain and cold (EN(V) 343)
- Employees that need to wear high visibility clothing (EN 471)

1.2 Public procurement¹¹

The size of the public procurement market is considerable: in total, public authorities in the European Union spend around €1.500 billion on buying supplies, services and works annually – roughly 16% of the total Gross Domestic Product in the European Union. As a consequence of decentralisation processes, responsibilities and budgets have been shifted to regional and local public authorities (incl. utilities) who currently account for around 65% of public procurement expenses.¹²

⁷ CCC Belgium, “de belgische bedrijfs- en werkkledingmarkt”, November 2004.

⁸ Masson.

⁹ Newberry.

¹⁰ Kwintet KLM website, the CE standards (in Dutch), no date, http://www.kwintetklm.nl/industrie.php?p=selectieadvies/page&main_cat_id=5&sub_cat_id=3&id=2&language=NL&col=A (29 August 2005)

¹¹ This paragraph draws heavily on the Carpe Guide to Responsible Procurement, written by Silke Moschitz.

¹² S. Moschitz, The Carpe Guide to Responsible Procurement (Brussels: Eurocities Secretariat, 2005), p. 5.

Workwear is often purchased through public procurement procedures. In most cases in Europe, the Procurement Directives of the European Union apply. European and other international procurement regulations are built on three basic principles:

- **Transparency:** Procedures to award public contracts must be organised transparently and must use objective, accountable criteria.
- **Equal treatment or non-discrimination:** All interested parties must have a fair and equal chance to compete for the contract: calls for tender must be widely advertised; the location of a bidding company may not be used as evaluation criterion.
- **Best value for money:** Purchasing decisions can be based on an assessment of the price of bids alone, but should also take quality criteria such as environmental impact or community benefits into account.¹³

In the European Union, companies from all member states have to be able to tender for public contracts, regardless of their country of origin. Their bids have to be evaluated in an objective and transparent procedure. In March 2004, the European Parliament and Council adopted a revision of EU procurement legislation: Directive 2004/17/EC (the so-called Utilities Directive) regulates contracting of works, supplies and services by utilities in the water, energy, transport and postal services sector. Directive 2004/18/EC (the Public Sector Directive) regulates contracting of works, supplies and services by all other public authorities. These new directives should be transposed into national law by January 2006. The Directives regulate large public purchases and define detailed procedures and guidelines for specific requirements, rejecting and selecting tenders and awarding contracts. They also prescribe appropriate advertising of calls for tenders and contract notices across all EU Member States and define clear timeframes for procedures. All contracts with a total contract value above the following thresholds are regulated by the European Directives (until December 31, 2005):

Public sector

	Supplies	Services	Works
Central government	€ 154,014	€ 154,014	€ 5,923,624
Other levels of government	€ 236,945	€ 236,945	€ 5.923,624

Utilities sector

	Supplies	Services	Works
Water, electricity, urban transport, airports and ports sectors	€ 473,890	€ 473,890	€ 5,923,624
Oil, gas, coal and railway sectors	€ 400,000	€ 400,000	€ 5,000,000
Telecommunication sector	€ 600,000	€ 600,000	€ 5,000,000
Other utilities	€ 473,890	€ 473,890	€ 5.923,624

The above thresholds are equal to those of the Government Procurement Agreement (GPA) of the World Trade Organisation (WTO). Companies from countries outside the European Union that have signed the GPA can also participate in calls for tender in the European Union. This concerns Canada,

¹³ Ibid., p. 13.

Hong Kong China, Iceland, Israel, Japan, South Korea, Liechtenstein, Aruba (the Netherlands), Norway, Singapore, Switzerland and the United States.¹⁴

The revised Directives have clarified some fundamental principles concerning environmental and, to a lesser degree, social criteria in public purchases:

- If an authority wants to award a contract to the bid offering best value for money rather than to the “lowest price tender,” it must state from the start that it will use the option of awarding the contract to the “most economically advantageous tender”. The criteria used to determine the most economically advantageous tender must allow for a fair, transparent, and objective evaluation.
- In order to avoid arbitrary decisions, any “responsible” requirements must be relevant in terms of the object of the purchase, must relate to the capability of the contracting company to deliver the contract, or must enable the contracting authority to deliver or improve its services to the public.
- Any environmental or social criteria that will be used to evaluate a bidder or a bid must be published together with the contract notice or call for tender.
- Specifications regarding product performance or performance conditions should make reference to recognised (international) standards such as eco-labels and standards of working conditions, but equivalent standards must always be accepted.
- Contracting authorities can specify conditions for the execution of a contract that embrace its environmental or social policy goals.¹⁵

The new Directives offer an opportunity for public authorities to purchase socially and environmentally “responsible” workwear. Authorities have the responsibility to spend money wisely and must therefore secure best value for money. The concept of best value requires that purchasing decisions not be based solely on the price of offers, but also on their quality and ability to deliver additional benefits. If authorities are willing to award contracts to bids offering best value for money rather than to the “lowest price tender,” they must state from the start that they will use the option of awarding contracts to the “most economically advantageous tender.” The criteria used to determine the most economically advantageous tender must allow for a fair, transparent and objective evaluation.

When including social and environmental criteria in a procurement process, public authorities must consider the following aspects:

1. Any “responsible” requirements must be relevant in terms of the object of the purchase, must relate to the capability of the contracting company to deliver the contract or must enable the contracting authority to deliver or improve its services to the public.
2. Any environmental or social criteria that will be used to evaluate a bidder or a bid must be published together with the contract notice or call for tender.
3. Specifications regarding product performance or performance conditions should make reference to recognised (international) standards, such as eco-labels and standards of working conditions (the ILO conventions, for example), but equivalent standards must always be accepted.
4. Contracting authorities can specify conditions for the execution of a contract that embrace its environmental or social policy goals.

¹⁴ WTO website, Government procurement: the plurilateral agreement, “members and observers”, no date <http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm> (23 September 2005).

¹⁵ S. Moschitz, “The Carpe Guide to Responsible Procurement”, (Brussels: Eurocities Secretariat, 2005), p. 14-15.

1.4 Sector codes and initiatives

Outlined below are the most important codes of conduct and initiatives in the European workwear sector. It should be noted that none of the codes or initiatives are unique to the workwear sector.

Fair Wear Foundation

Fair Wear Foundation (FWF) is an initiative of business associations in the garment sector, trade unions, and NGOs to promote humane labour conditions in the garment industry. The Fair Wear Foundation works with its own code, called the “Code of Labour Practices,” for the Garment Industry. The code of conduct includes the eight core International Labour Organization (ILO) labour standards. Member companies that endorse this code commit themselves to auditing labour conditions in their factories against the provisions of the code and to implementing improvements where necessary. FWF was founded in the Netherlands, but is currently working to join similar initiatives in a Europe-wide platform. There are currently 14 FWF members, most of which are Dutch garment manufacturers or international manufacturers that have offices in the Netherlands. Among the members are nine workwear companies (both producers and trading offices).

CCC model code

In February 1998, the Clean Clothes Campaign (CCC) published the “Code of Labour Practices for the Apparel Industry Including Sportswear.” This code lays down the guiding principles for acceptable working conditions in the garment industry according to the CCC. The code includes the core labour standards of the ILO and several additional standards.

SAI / SA8000

SA 8000 is a worldwide, multi-sector standard for monitoring and certifying labour conditions. SA 8000 stands for 'Social Accountability 8000'. The standard was developed by Social Accountability International (SAI). The SA 8000 is based on the Universal Declaration of Human Rights (UDHR) and fundamental labour conditions and augmented with a number of important ILO conventions regarding safety and health, working hours and a living wage. There are 124 SA 8000 certified apparel manufacturers to date, some of which manufacture workwear.

Euratex and ETUF Code of Conduct

In 1997 the European Apparel and Textile Organisation (EURATEX) and the European Trade Union Federation of Textiles, Clothing and Leather (ETUF:TCL) called on their members to actively encourage the companies and workers of the European textile and clothing industry to comply with the four core ILO Conventions (forced labour, freedom of association/collective bargaining, child labour, non-discrimination). EURATEX represents 30 National associations, 14 Branch associations and 9 associated members in Europe.

Multi Stakeholder Dialogue on Sustainable Growth in Textiles

The ‘Multi Stakeholder Dialogue on Sustainable Growth in Textiles’ was a project led by a consortium including EPE (European Partners for the Environment), ABECE (Belgium Association of Eco-Counsellors), and IIED (International Institute for Environment) that “aimed to speed up the rate of positive change in the workwear sector textile/clothing industry enabling it to improve the sustainable characteristics of its products and the sustainable nature of its companies as well as its image both within and beyond the sector.” The focus of the project, which was concluded in April 2002, was on the

workwear sector. This project is relevant to this study and sustainability/CSR in the workwear sector because it identified many critical issues, conducted interviews with many stakeholders (institutional buyers, producers etc), drafted recommendations and brought different actors in the sector together in a dialogue on CSR and sustainability issues. The website is still up and running and can be found at the following URL: <http://www.epe.be/visionlab/index.html>.

1.5 Critical Issues

The workwear sector is under-researched with respect to social, environmental and economic issues. Throughout the course of the research, SOMO found few studies and scant information in the media regarding the social and environmental impact of the supply chain of the European workwear companies selected for the research. However, a good deal of research has been done on working conditions in the fashion garment sector. While there are differences between the workwear and fashion wear sectors (see section above), there are even more similarities. Most problems that occur in the regular garment sector are bound to be found in the workwear sector as well. This section provides a brief overview of some of these most serious problems. As this study focuses on manufacturing, mostly sustainability issues related to garment assembly will be discussed. However, because workwear companies are often involved in the stages from manufacturing fabrics to distribution, some consideration is given to critical issues at other stages of the life cycle as well.

Workers' rights

According to the FWF, it is easier for workwear suppliers to implement social policies because of their long-lasting and close relations with suppliers. Because production is more constant in the workwear than in the fashion garment sector there are fewer problems with overwork at the workshops. Additionally, workwear companies still do a lot of sourcing from countries like Tunis, Macedonia and Hungary, where surveillance of observance of the law is fair and where unions have some influence. All these factors result in less serious social problems at the workwear workplace than in the fashion sector¹⁶.

Nevertheless, in Macedonia as well as in other low(er)-income countries where workwear is produced, particularly in the Far and Near East, the rights of many workers are not respected. Research on working conditions in the fashion sector in garment-producing countries is abundant and shows that violations of labour rights, such as excessive overtime and extremely low wages, are common (see boxed text). In Turkey for instance, there is a large group of workers that is employed in unregistered garment workshops where the authorities do not monitor compliance with the law and violations of workers' rights are rife. In China, in addition to other poor labour conditions such as inadequate health and safety measures at workshops, workers cannot join a free trade union¹⁷ (see also boxed text). Given the many similarities between fashion and workwear production, for example in the outsourcing of production and the manufacturing itself, it seems very plausible that similar violations are occurring in the workwear sector. Nevertheless, specific violations of workers' rights at the selected workwear companies and their suppliers could not be found in the literature. The exception is Induyco. In a state-owned supplier of military and police uniforms for Induyco in Serbia, workers' rights are not respected. Based on interviews with factory workers, Felicitas, a Serbian NGO and CCC network member, reported in September 2004 that, among other violations, workers get paid irregularly and salaries do

¹⁶ Email FWF, 29 June 2005.

¹⁷ See for instance the background studies that were commissioned by Fair Wear in important garment production countries like China, India, Turkey and Macedonia available for download at their site <<http://www.fairwear.nl/?p=313>>.

not always constitute a living wage¹⁸. In addition, women workers are not treated equally when it comes to promotion and free union activity is severely depressed (see Induyco profile for more details).

Labour conditions in the garment manufacturing industry in China

Young women are the principal employees in the export-oriented garment manufacturing industry in the Guangdong province of China. They may be subject to age discrimination, sexual harassment and may not be entitled to maternity and breast-feeding leave. There is no freedom of association; there is only one union all other unions are illegal. In fact, most private garment manufacturing enterprises do not have a union. Relevant data and an appropriated research methodology to address the issue of living wages in the sector are lacking. Legal minimum wage is not guaranteed in the low season. In private garment manufacturing companies in the Guangdong province, violations of the labour law on overtime are a common occurrence during peak season. Workers sometimes work up to 100 hours a month extra and may not have a mandatory day off for a month. Finally, in addition to the poor working conditions, health and safety measures in workshops are often inadequate (over hours, stress to meet high production quota, no sick leave during peak season, etc.), which can lead to health problems (fatigue, back-problems, injuries, etc.).

Source: Background Study On China, The Fair Wear Foundation (no date, research was conducted in 2003)

Labour conditions in the garment manufacturing industry in Poland

In Poland, institutions that regulate compliance with anti-discrimination laws are weak. In the garment sector some women might experience harassment at the workplace and unequal treatment when applying for a job. Profiting from “professional trainees,” i.e. underpaid young people, is common. Employers are often hostile towards trade unions, which are generally weak. In 2003, for instance, seamstresses from the Hetman company were laid off after having formed a trade union and having demanded overdue wages. Garment workers have to meet very high production quotas resulting in a very intense pace of work. This leads to forced overtime, which can result in below legal minimum wages. Most employers do not respect provisions on overtime. Workers sometimes work up to 14 hours a day. Finally, workers may not get appropriate contracts in the sector. Increasingly workers end up with a civil, part-time or temporary contract whereas in fact they are entitled to regular contract. They are thus worse off when it comes to terms of employment.

Source: Background Study On Poland, The Fair Wear Foundation, April 2004

Environmental impact

When dealing with sustainability and especially when focussing on environmental impacts, a life cycle approach from fibre production to end user is common. The workwear life cycle can be represented as follows¹⁹:

¹⁸ D. Pop-Mitic, Final Report on the Project “Developing a Regional Network of Local Expertise in Monitoring Women’s Labor Rights and Conditions at Work (with a specific focus on the garment industry)” In the East Europe and Turkey (Serbia: Felicitas, September 2004).

¹⁹ <<http://epe.be/tradeportal/>>.

Production	Fabric manufacture		Garment assembly	Distribution & Sales	Use	Disposal
Natural/manmade Fibre production	Spinning, Weaving, Knitting	Dyeing, Printing, Finishing	Garment Make-up	Retail	Use	Disposal

The 'Multi Stakeholder Dialogue on Sustainable Growth in Textiles', described in section 1.4, identified critical issues relating to the environmental impacts of each link in the garment supply chain²⁰. Factors that determine the environmental impact of garment workshops that were identified in this dialogue were: asbestos particles presence in the building air, age of the heating installations, CO₂, NO_x, SO₂... emissions in the air (Kg/an), noise measured in and outside the surroundings of the company (dBA), waste (packaging, workwear (parts) that is (are) disposed of, etc.). In fact, the environmental impact of earlier links in the supply chain is much higher: textile production, for example, entails high energy consumption (fuels and electricity) and pollutants in waste water from dyeing and washing textiles; fibre production requires high water and insecticide consumption as well as pollutants in waste water from bleaching and pesticide applications.

2. Workwear companies

Introduction

The Clean Clothes Campaign (CCC) wants to extend its knowledge about the workwear market, and expand its entry points for the CCCCommunities project (see www.cleanclothes.org/campaign/communities) in which communities are approached to make their public procurement of garments more ethical. The CCC has commissioned SOMO to do research on companies that supply (local and national) governments in Europe.

The companies discussed in this chapter are selected on basis of the information national CCCs have provided. Several national campaigns provided lists of companies that public authorities source from in their country. The seven companies researched were selected on the basis of their European supply coverage. Companies were chosen that produce for cities and governments in several countries, and in that way are shared among the campaigns in Europe. This way, most CCCs can use the outcomes, and the research examines companies that have a common scale. On the other hand, the study also looks into a sort of cross-section of the market, with different kinds of companies represented that supply European public bodies. As it is important for the CCC to be able to compare the results of different steps taken, two companies that are affiliated with the multi-stakeholder initiative Fair Wear Foundation were selected.

Methodology of the research

All selected companies were contacted by the researchers and were asked to provide information about, among other things, their CSR policies, customers, suppliers and size (see annex 1). They could either provide the answers in an interview on the phone or fill out a questionnaire. Based on their answers and information from corporate websites, media and databases, a short company profile was drafted. The profile was sent to them before publication as to allow for correction of factual

²⁰ <http://www.epe.be/tradeportal/>

mistakes and additional comments. Unfortunately the profile could not be sent to Induyco. SOMO received their information just before publication of the study.

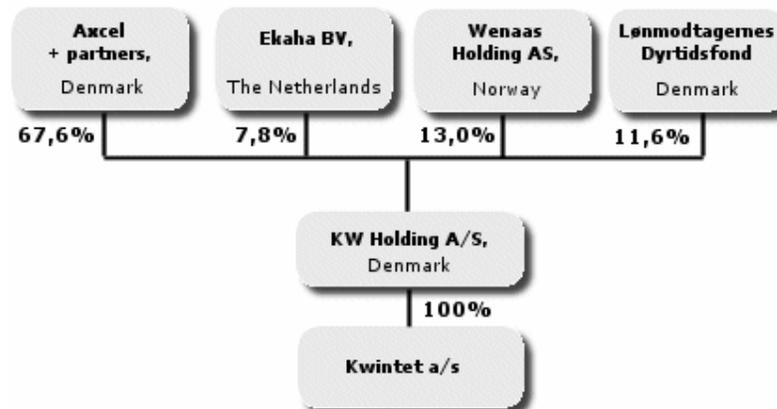
Short company profiles of the selected companies are found below. For reference and to allow for easy comparison, the first two profiles are companies that are entirely or partly a Fair Wear member.

2.1 Kwintet

Profile

Kwintet is the leading workwear company in Europe. Kwintet is a merger of five of Europe's leading national workwear companies, hence the name Kwintet. In 2004, turnover was 375 million euros, operating profit was 43 million and the company had 2,900 employees. Until the summer of 2003, the Kwintet group was called Kansas Wenaas. Kwintet is active in 11 countries: Denmark, Finland, Norway, Sweden, the Netherlands, UK, Germany, Austria, France, Poland and the US²¹.

Kwintet a/s is owned by KW Holding A/S, which is an investment company. The holding has four shareholders: Axcel (Danish investment company), Lønmodtagernes Dyrtdsfond (LD) (Danish pension fund), Wenaas Holding (N) and Ekaha BV (NL) (the later are holding companies owned by the former owners of companies acquired). The division of shares is shown in the figure below.



Source: annual report 2004

Kwintet a/s also owns 40 percent of the shares in the Dutch workwear company SGA Bedrijfskleding B.V. (participant in FWF).

Website and European headquarters

<http://www.kwintet.com>, Kwintet a/s Blangstedgaardsvej 66 5220 DK-Odense SØ Reg. no. 38 53 54
12 Phone: +45 66 61 22 00 Fax: +45 66 61 22 61

²¹ Kwintet website, visited 28 september and annual report 2004

Supply chain

According to their annual report of 2004, Kwintet is increasingly shifting the manufacturing of workwear from production under own management to production at independent suppliers. Consequently, development, design and raw materials stay under control of the company while production is increasingly outsourced. In 2004, for instance, Kwintet outsourced its Lithuanian in-house production and extended its office in Shanghai to increase sourcing from sub-suppliers in China. By the end of 2004, however, the Group still owned four manufacturing centres with a total of 1,360 employees. These four centres are located in Ukraine, Poland, Russia and Tunisia.

Possible product locations²²:

- Wholly owned and consolidated companies: Poland Wenaas Poland Ltd, Kwintet Polska Ltd, The Ukraine Strijtex Ltd., AMC Ltd., Tunisia T.C.E. SA.
- Partly owned: Azerbaijan Wenaas Caspian Ltd.

Products

Kwintet a/s owns some of the leading European brands in workwear and image wear. Major brands of the Kwintet Group are: Fristads (workwear for craftsmen and industry workers), Kansas (inner- and outerwear for craftsmen and workers), Wenaas (workwear: uniforms, profile wear and personal protective equipment including protective footwear), KLM Kleding (including the brand Lonneker), Adolphe Lafont (the leading French brand in image wear and workwear), Hejco (service industry garments) and A-Code (corporate identity wear)²³.

Customers

Among the company's most important customer sectors are the construction industry and tradesmen, the oil and gas industry, the hotel and restaurant sector, industry, local authorities, hospitals and the nursing sector. Kwintet NL²⁴ public sector customers include the Dutch Police and Hospitals in the Netherlands. Adolphe Lafont²⁵ supplies workwear to the following local authorities in France Avignon, Besançon, Béziers, Cannes, Créteil, Lille, Vierzon, Marseille, DDE Hauts de Seine, Ile et Vilaine, Grand Lyon and St Briec. Kwintet Germany supplies uniforms to the Hamburg police²⁶.

Code of conduct and multi-stakeholder involvement

The following statement on CSR can be found on the Kwintet website²⁷:

“Business Ethics

We conduct ourselves in a manner such that we can provide superior quality and service at competitive prices, while seeking fair return on our shareholders investment and acting in accordance with legal and ethic codes.

Child Labour

At Kwintet a/s we strongly distance ourselves from any use of child labour. We do not under any circumstances use child labour, and we demand and control that our suppliers abstain from the use of children in their facilities.

²² Annual report 2004 Kwintet SA, p 38.

²³ Kwintet website, visited 28 September.

²⁴ Kwintet NL website, visited 28 September.

²⁵ Adolphe Lafont website, visited 28 September.

²⁶ “Im Mai geht es los - 13 000 blaue Jacken für die Polizei“, Hamburger Abendblatt, 5 February 2005.

²⁷ Visited 28 september.

Employment Policy

At Kwintet a/s we treat people with respect and honesty regardless of race, religion, sex, age, disability or national origin.

Safety at Work

At Kwintet a/s we know that leadership is obliging. We have therefore agreed to put our intensive research in the field of protective clothing at the disposal of CEN TC 162, the European agency responsible for development of EN-standards for protective clothing in member states. We participate actively in 7 of the 12 CEN TC 162 working groups and hold the chairmanship in one of these groups.

In addition we advise ISO and CENELEC/IEC on their work in developing safety standards for protective clothing.”

Kwintet subsidiary Kwintet KLM has one brand called Lonneker for care workwear that has joined FWF, although the company does not refer to its FWF membership on its site. 95 percent of production for the brand Lonneker is manufactured in the Kwintet production centre in Tunisia. However, because the FWF audit team was not operational, no independent verification took place in this factory in 2004. An audit was scheduled in March this year²⁸.

Cooperation

The company did not cooperate in this research. Therefore, many questions remain unanswered.

2.2 HaVeP

Profile

HaVeP (the initials of founder H. van Puijenbroek) is a family owned Dutch workwear company and the only Dutch company that manufactures workwear from cloth to garment. It is one of the five biggest in terms of Dutch market share. Turnover was 32 million euros in 2004. HaVeP production sites make 1.1 million workwear items a year, and the company has 220 employees. Workwear sales are concentrated in the Netherlands, Belgium and Germany²⁹. Havep has no annual report on its site.

Website and European headquarters

<http://www.havep.com>, HaVeP bedrijfskleding Nederland, Postbus 11, 5050 AA Goirle/Bergstraat 50, 5051 HC Goirle, t: (+31)13-5313256, f: (+31)13-5313291

Supply chain

HaVeP production takes place at subsidiaries in Tunisia and Macedonia³⁰ and a smaller part of production at independent suppliers in Sri Lanka³¹.

²⁸ "Jaarverslag FWF 2004 kwintet KLM", Fair Wear Foundation, no date
<<http://www.fairwear.nl/tmp/Jaarverslag%20FWF%202004%20Kwintet.pdf>>

²⁹ H. Zetteler, "VAN PUIJENBROEK - Textielbaron blijft tegen de stroom invaren ", De Gelderlander, July 19, 2005

³⁰ Source HaVeP website, visited 30 August and questionnaire.

³¹ Annual report 2004, Fair Wear Foundation and questionnaire.

Products

Basic Workwear, HaVeP@2000, Food Line, Beaver/Winter, Flame-Retardant Clothing, Reflective Clothing, Visibility Line, Painter's Clothing, Builder's Clothing, Construction Line, Hydrowear, HaVep@CombiLine

Customers

Havep has approximately 8,000 customers, 90 percent of which are from the private sector. Important public sector clients are the Dutch army and navy. An important private sector client is Corus.

Code of conduct and multi-stakeholder involvement

HaveP joined the FWF in September 2004, but the company does not refer to this involvement on the company website. Compliance with the FWF code is monitored by the company itself and is verified by the FWF. The Dutch management supports production facilities in improving working conditions on the factory floor. The COC applies to suppliers and is available in Dutch, French and Macedonian. The COC is monitored by the production director of the company, who then delegates this responsibility to the supervisors of production in Macedonia and Tunisia. The company is involved in a multi-stakeholder dialogue via the FWF.

Cooperation

The company answered all the questions that were put to them by the researchers.

2.3 Alsico NV

Profile

ALSICO claims to be the European leader in the sector of professional clothing. The company is mainly administered from its headquarters in Ronse (Belgium)³². The group has 3,000 employees spread out in about fifteen branches and produces more than 7,000,000 garments per year, the majority of which are for export to European countries³³. In 2001, about two hundred employees were stationed in the group's headquarters³⁴. Alsico is a family business. In 2004, its turnover was 70 million euros³⁵. Affiliated companies and/or subsidiaries are: Halbout, Alsico DTC, La Vie en Pro and Proabi (F), Altreva Brnenskà (Cz) and Action Line konfekction (D).

Website and European headquarters

Alsico NV
Zonnestraat 223-229
B-9600 Ronse
België

tel. +32 55 23 71 71
fax +32 55 23 71 79
info@alsico.be
www.alsico.com

³² Alsico website, visited 30 August.

³³ Alsico website, visited 30 August.

³⁴ Leren van overlevers in de modesector, De Financieel-Economische Tijd, 14 August 2001, p. 4.

³⁵ Figure mentioned in a vacancy at Alsico on Jobat <www.jobat.be>, visited 28 September 2005.

Supply chain

ALSICO produces its garments in the various branches of the company outside of Belgium³⁶. Production takes place mainly in Tunisia, the Czech Republic, Slovakia and Morocco³⁷.

Products

The company produces workwear for many sectors including the medical, public and tertiary sector. Brands include: Alsiclean, Alsico, Alsifire, Alsifood, Alsifor, Alsimed, Alsipro, Alsistar, Alsistyle, Alsi-tech and Nordika³⁸.

Customers

ALSICO focuses on industrial and service sector clients. Distribution takes place through, among others, laundries & linen rentals and dealers³⁹ (source: Alsico website). The rental companies are Alsico's most important clients. 70 percent of the company's turnover is realised in this segment. Other important segments for Alsico workwear are industry and hospitals (10 percent of turnover) and the public sector (5 percent). 15 percent of Alsico's workwear is sold via dealers. More than half of Alsico's production is sold in France. Other important target market countries are, in descending order of importance, the United Kingdom, Germany and Belgium. The largest growth in sales, however, is in Eastern Europe⁴⁰.

Code of conduct and multi-stakeholder involvement

Regarding CSR, only the following statement can be found: "Moreover, our production happens in working conditions that meet the standards of the ILO-conventions and the ["Clean Clothes Campaign"](#)".

Cooperation

The company refused to cooperate in this research. Alsico claimed that some of the information that was being asked from them is confidential. The non-confidential information would only be provided on the condition that the Belgium textile industry organisation would be informed about the research. However, before announcing their refusal to cooperate, the company told the researchers that they have tried in vain to find SA8000 certified producers and that they were considering implementing the COC of Marks & Spencer.

2.4 Snickers

Profile

Snickers has more than 300 employees and produces approximately 1,500,000 garments a year. Turnover in 2004 was 55 million euro⁴¹. The Snickers Company is an international workwear company that has grown without mergers, and the founder and family are still the majority shareholder of the company. In the head office in Stockholm, Sweden, product development, finance and accounts, design, expansion, shop fitting, IT, marketing and PR, human resources and logistics take place. The

³⁶ Alsico website, visited 30 August

³⁷ Leren van overlevers in de modesector, De Financieel-Economische Tijd, 14 August 2001, p. 4

³⁸ Source CCC Belgium

³⁹ Alsico website, visited 30 August

⁴⁰ Halbout website, visited 27 september <http://www.halbout.fr/pres_gen/pres_gen.html#alsico>.

⁴¹ Company email to SOMO, 11 August 2005

Central Warehouse is located in the Netherlands. Snickers is active in 19 countries: Austria, Italy, Belgium, Netherlands, Denmark, Norway, Finland, Sweden, France, Switzerland, Germany, United Kingdom, Ireland, USA, Czech Republic, Croatia, Hungary, Poland, Slovenia, and has offices in all European countries except France, Austria and Hungary⁴².

Website and European headquarters

Snickers Europe AB

Box 989
SE-191 29 Sollentuna
Sweden

Phone:

+46 8 35 18 20

Fax:

+46 8 35 07 20

Visiting Address:

Djupdalsvägen 13-15
SE-191 29 Sollentuna Sweden
www.snickers.se

Supply chain

Snickers has production offices around the world – both in Europe and Asia⁴³. Important production locations are Snickers subsidiaries Snickers Production SIA in Tukums (Latvia) and Hoa Tho in Danang (Vietnam). The company estimates that 60 percent of its production is outsourced⁴⁴.

Products

Trousers, Onepiece, Shorts, Jackets, Overalls, Rain wear, Shirts/Sweaters/Fleece, Toolvests, Toolbelts/Pouches, High Visibility, Accessories, Flame Protection, Knee Protection and Fall Arrest Protection

Customers

Snickers has at least 10,000 end-users/customers, but probably many more. Customers are often small and medium-sized private companies. Snickers estimates that about 70 to 80 percent of its clients are private sector clients (the rest are public sector clients). Among its most important clients are the SAS, Schenker Logistics, Flextronics, CAT (Caterpillar) Rental and the British Gas Board⁴⁵.

Code of conduct and multi-stakeholder involvement

The Snickers code of conduct that was sent to us is roughly the same as the statement on CSR that can be found on their website and is as follows:

“CODE OF CONDUCT

A clear strategy with Snickers Workwear states the conduct of our suppliers regarding coercion, minimum wages, working hours, working environment and the right to organize.

⁴² Snickers website, visited 9 August

⁴³ Snickers website, visited 9 August

⁴⁴ Company email to SOMO, 11 August 2005

⁴⁵ Ibid

Snickers Workwear does not co-operate with a supplier who does not pledge themselves to follow UN's children's convention. According to Snickers' Code of Conduct, under-age persons are not allowed to work for any one of Snickers' suppliers. Ref: Suppliers questionnaire (see appendices).

Long term co-operation with known and well reputed suppliers make it easier and more effectively to follow up the demands stated by our company. Through direct contact with all producers, Snickers Workwear get good control over the items produced for our company." Via email the company added to this statement: "We are small company with limited resources but we have very strict rules on our choice of suppliers. They must adhere to all labour and human rights rules and regulations. We have been in business since 1975 and in that time all suppliers we have used have been visited by Snickers management. This is company policy. All companies must fill out a questionnaire (see attached) and have the documentation to prove their answers. We also have long term relationships with most of our suppliers that we have established have good working conditions and treat their employees with respect."

In addition the company has the following environmental policy:

"Environmental Policy for Snickers Europe

It is the policy of Snickers Europe to conduct its business activities in an environmentally responsible manner. That is:

- To comply with National and EU Legislation on the environment
- Develop and deliver products and services in a manner that is not detrimental to the environment or to the health and safety of employees, personnel on and in our premises and the general public.
- Seek to improve environmental performance continuously with respect to minimising waste and emissions and conserving energy and natural resources
- Where possible practice recovery and recycling of waste streams
- Snickers Europe is currently assessing all suppliers on their environmental policies and controls and will grade them accordingly. This assessment will be a very important part of our selection procedure for suppliers.

This Environmental Policy shall be communicated to all employees and shall be displayed throughout the organisation. A copy of the Environmental Policy shall be made available for public inspection upon request. Snickers Europe will provide the necessary training and education to ensure that all employees have the knowledge to implement this policy.

Our guiding principles are to continue to meet our legal obligations and to strive towards continual improvement. We will therefore, review these environmental objectives together with the specific targets that will be set up in the ongoing procedure of implementing a full Environmental Control System as per ISO 14001."

In response to the researchers' questions, the company states that it is not actively involved in a dialogue with stakeholders about its CSR policy. The statement on CSR that was sent to us (see attachment and above) also describes charity projects in which Snickers is involved in Latvia.

Cooperation

The company answered most of the questions that were put to them by the researchers. The company did not answer questions 11, 12, 14, 15 and 17 (see appendix 1 for questions).

2.5 Alexandra plc

Profile

Alexandra is the UK's leading supplier of corporate uniforms and workwear. Alexandra's turnover in 2004 was 70.72 million pounds and operating profit was 5.64 million pounds. Corporate workwear accounts for approximately 25 percent of turnover⁴⁶.

Website and European headquarters

Alexandra plc, Alexandra House, Thornbury, Bristol BS35 2NT, United Kingdom, Telephone +44 (0) 8700 600 200, +44 (0) 8700 600 229, www.alexandra.co.uk

Supply chain

Approximately 95 percent of Alexandra's garments are sourced from overseas suppliers. Alexandra sources from, among others, its Moroccan subsidiary and suppliers in the Far East⁴⁷.

Products

Workwear, Casualwear and Knitwear, Shirts and Blouses, Suiting (Jackets, Skirts, Trousers, Waistcoats), Hospitality (Accessories, Dresses, Headwear, Jackets etc), Healthcare (Tunics, Accessories, Dresses, Headwear, Jackets etc), Accessories (Aprons, Footwear, Tabards, Ties And Scarves), Leisurewear and Safety Signs (Plastic Signs, Vinyl Signs) (Source: Alexandra plc website).

Customers

Alexandra workwear is distributed across a broad range of business sectors including transport, hospitality and catering, health and utilities. Public sector clients include NHS (National Health Service), HM Prisons and the National Grid. Alexandra also supplies many local authorities. A random sample of these is: Comhairle nan Eilean Siar (Western Isles Council), Norfolk County Council, Suffolk County Council, Aberdeenshire County, Aberdeen City and Falkirk. Private sector clients include Shell and McDonalds⁴⁸.

Code of conduct and multi-stakeholder involvement

In Alexandra's annual report 2004/5 the following statement on CSR can be found:

“Corporate and social responsibility

We believe that sound social, ethical and environmental practices make good business sense and have embraced these principles into our general operations. Alexandra plc is committed to providing equal opportunities irrespective of sex, age, marital status, disability, sexual orientation, race, colour, ethnic or national origin or religious belief. Our employment policies provide a structure in which our staff can develop and achieve their ambitions and are regularly reviewed to ensure compliance with current employment legislation and good practice. We recognise that we are part of all the individual communities that we serve as well as of the wider national community. As such, we encourage and support a number of charitable initiatives and sponsor staff fundraising efforts for a variety of causes. The Group's operations are executed at all times in such as way as to ensure, so far as reasonably

⁴⁶Alexandra Plc website, visited 8 August; and annual report 2004/5 and “Far East outsourcing is beginning to work”, Financial Times (London Edition), 9 July 2005

⁴⁷Ibid

⁴⁸Source Alexandra annual report 2005 and email from CCC UK 30 September 2005.

practical, the Health, Safety and Welfare of all of our employees and all other persons who may be affected by our operations. We are committed to the prevention of accidents and regularly review and update procedures and training to ensure that, as far as possible, staff minimise any risks associated with their tasks. All areas of the Group operate in accordance with the Group's Environmental Policy. We recognise the impact of our operations on the environment and our aim is to reduce this impact and to operate in an environmentally responsible manner. The Group and its employees undertake to act whenever necessary to meet the standards of current environmental legislation and continue to review the policies, systems and services to this end. All waste generated is properly disposed of in accordance with current legislation and steps are taken to recycle waste wherever practical. The Group requires its suppliers to comply with the ethical and environmental standards detailed in our quality manual and performs checks on them using our own staff and also employs independent consultants to carry out audits. The Group will only purchase from companies that meet core minimum requirements and are prepared to work towards continuous improvement in their operations."

Cooperation

Alexandra refused to cooperate in this research. Therefore, many aspects of their CSR policy remain unclear. We could not, for instance, access their "quality manual" (see above) in which we assume their "ethical and environmental standards" are laid down.

2.6 Carhartt

Profile

Carhartt Inc. was founded in 1889 by Hamilton Carhartt and is a family-owned and operated company with over 3,000 employees of which 150 work in the Netherlands office in Ommen and the production plant in Poland. The company owns more than 15 sewing plants, two distribution centres and two cutting centres⁴⁹. The company does not disclose any financial information on its website.

Website and European headquarters

Carhartt Workwear
Slagenkampweg 5-9
7731 TK Ommen
The Netherlands
Tel : +31 (0)529 469 910
Fax : +31 (0)529 453 946
info@carhartt.com

Supply chain

One of Carhartt's 15 sewing plants is located in Poland⁵⁰. The company is currently in the process of seeking new manufacturers in India, China and Taiwan⁵¹.

⁴⁹ Carhartt website, visited 25 August

⁵⁰ Ibid

⁵¹ Business in Asia today, Asia Pulse, 17 May 2005

Products

“Products include cotton duck canvas outerwear and bottoms, woven and knit tops, jeans and shorts. Carhartt also offers accessories including gloves, belts, caps, knit hats and socks. Carhartt also offers a protective workwear collection that includes the standard brands of 365 Shield, Aquality, Technicoats, Plunifform and Secufabs. This workwear is certified to meet various European standards from windproof, waterproof and breathable to anti-static, flame-resistant and high visibility.” (source: Carhartt website)

Customers

The company’s products reach approximately 19.6 million end-users. Its customers include carpenters, construction workers, factory workers, farmers, ranchers and outdoor enthusiasts⁵².

Code of conduct and multi-stakeholder involvement

No information on website.

Cooperation

Carhartt refused to cooperate in this study. It claims the nature of much of the requested information is confidential. The company did, however, correct a mistake in the profile that was sent to them for information.

2.7 Induyco SA

Profile

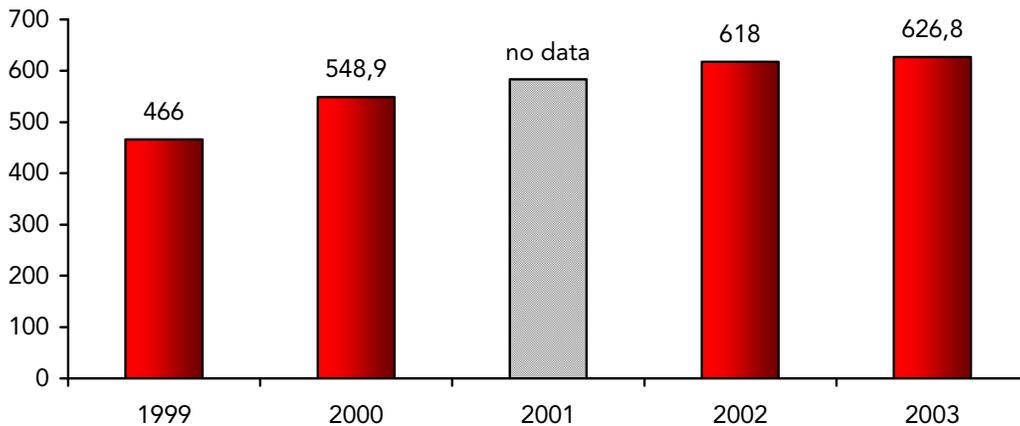
Industria y confecciones SA (Induyco) was founded in 1955 and is, according to the company’s website, “one of the soundest prêt-a-porter companies and the premier supplier of El Corte Inglés” and one of the largest European department store chains. Its equity capital is 100 percent Spanish. Induyco has a workforce of 4,103 employees and maintains facilities with a total productive area of 218,831 m². Its equity capital is € 26,400,400, and its manufacturing volume exceeded 12,500,000 garments in 2001.⁵³ Sales totalled US \$626,800,000 in 2003.⁵⁴

⁵² Carhartt website, visited august 25

⁵³ Induyco website, “What is Induyco?”, no date <<http://www.induyco.com/>> (29 September 2005).

⁵⁴ Company Briefs – Gale Group, *Industrias y Confecciones S.A.* (Gale Group Inc., 1 July 2005).

Total sales in (x million US\$)⁵⁵



Website and European headquarters

Address: Tomas Breton 62, Madrid E-28045, Spain
 Telephone: 34 91 774 82 00
 Fax: 34 91 748 83 08
 URL: www.induyco.es

Supply chain

The materials Induyco uses for the production of garments are bought mainly in Asia.⁵⁶ The company owns four production facilities in Madrid, Seville, Cac eres and Teruel.⁵⁷ Many garments are produced for Induyco by independent companies in Tangier.⁵⁸ Sukno, a Czech textile company, has a long-term contract with Induyco for the supply of fabrics for the production of military uniforms.⁵⁹ In the contracts with its suppliers, Induyco establishes a chapter with so-called "contract conditions" that bear resemblance to requirements in a code of conduct. The Spanish Clean Clothes Campaign has never had access to these contracts. Therefore, the quality of these conditions or requirements cannot be assessed. Induyco follows the recommendation of the Spanish trade unions and the European confederation to comply with the fundamental ILO conventions throughout the supply chain. Compliance with this criterion has never been verified externally. Induyco's quality managers supervise the production process, taking care particularly of product quality and making sure no subcontractors are hired by their suppliers.

Products

Technical products and workwear: military helmets (Madrid factory), fire-resistant work wear, bullet-proof vests and other garments for the military industry. Uniforms for the police. Clothing for men,

⁵⁵ Ibid.

⁵⁶ K. Raworth, M as por menos: el trabajo precario de las mujeres en las cadenas de producci n globalizadas (Oxfam International, 2004), p. 52.

⁵⁷ Moda Espa a website, perfil empresarial <www.fashionfromspain.com/icex/cda/controller/pageGen/0,3346,1559872_3180731_3184720_249783,00.html?infoType=curriculum> (29 September 2005).

⁵⁸ K. Raworth, M as por menos: el trabajo precario de las mujeres en las cadenas de producci n globalizadas (Oxfam International, 2004), p. 52.

⁵⁹ Czech Textile News website, Apparel / garments news <<http://czech.textilenews.org/>> (29 September 2005).

women and children; knitwear and leather clothing. Fashion market brands sold in El Corte Inglés stores are: Fashion Group, Pilar Rueda, Mito, Bus Stop, Tintoretto, Sintesis and Amitié.⁶⁰

Customers

Spanish, French, German, Italian, Dutch and Austrian armies (at least helmets). Non-military customers: Carabinieri (Italy), Guardia Civil (Spain), Finance Police (Italy), National Police (Spain), Local Police Barcelona, Valencia, Seville and some cities in Galicia (Spain), National Police (France), Urban Police in París (France), Post service (Spain), College de la Legion d'Honneur (France), Academia General de policia (Spain), Public transport in Paris (France), Telefónica (Spain) and the town councils of Barcelona and Badalona⁶¹.

Induyco supplier in Belgrade, Serbia

A company in Belgrade produces military and police uniforms for Induyco. Comprehensive field research carried out in 2004 revealed that, in this particular company, there were some serious issues regarding gender discrimination, freedom of association, collective bargaining and occupational health and safety. Conditions at this factory were surely not in accordance with Induyco's code of conduct. Workers in the Belgrade supplier company had to put up with, among others, the following problems:

- Pensions and disability insurance payments were interrupted for almost 13 years. The insurance payments have now been reinstated.
- Women have significantly less opportunities than their male peers. Women are not promoted because the management feels that "women must be obedient".
- Power positions may be used for sexual harassment considering the fact that some of the women workers are blackmailed with the threat of transfer to an inferior working place with a lower salary
- Workers are not allowed to choose between trade unions. The company's management gives special privileges to the members of one particular trade union to the detriment of the workers belonging to other trade unions.
- The factory's roof leaks, and water drops on the heads and shoulders of the workers.⁶²

Code of conduct and multi-stakeholder involvement

Induyco has a corporate code of conduct that also applies to its supplier companies. The code of conduct includes provisions on:

- **Legal aspects:**
 - Strict compliance on the part of its suppliers with the national legislations of all the countries where its contracted companies are based.

⁶⁰ Information provided by the Spanish Clean Clothes Campaign.

⁶¹ Ibid.

⁶² D. Pop-Mitic, Final Report on the Project "Developing a Regional Network of Local Expertise in Monitoring Women's Labor Rights and Conditions at Work (with a specific focus on the garment industry)" In the East Europe and Turkey (Serbia, 2004).

- Suppliers shall abide by the agreements of the International Labour Organisation (ILO), the United Nations Environment Programme (UNEP), the United Nations Convention on the Rights of the Child and the EU Directives on any matters referred to in their contractual agreements. It is not clear whether Induyco requires its suppliers to comply with only the core ILO conventions or all ILO conventions.
 - Induyco's suppliers have to provide "reliable guarantees" that the products and materials used in the execution of their work "comply with the regulations, specifications and recommendations of the EU Directives and international agreements."
- **The prohibition on child labour:**
 - Producers have to provide documentary evidence to Induyco that they do not employ or oblige children under the age of 16 to work at any stage of their production process, "except for the limited exceptions in this respect by the national legislations of the countries where the contacted companies are based." Although not specifically mentioned in the code, this provision refers to ILO Conventions 138 and 182. It must be said that the actual phrasing of in this provision makes children in countries with weak laws on child labour (countries that have not ratified the conventions on the abolition of child labour) more vulnerable.
 - Induyco recommends that, when the majority of contracted personnel are female, its suppliers provide the services of a day-care centre for children below school age.
- **Abolition of forced labour:**
 - Induyco's suppliers have to "guarantee" that none of the staff contracted shall be subject to any type of slavery or forced, obligatory, or humiliating work nor are obliged to work as payment of debt (although not mentioned in the code of conduct, this provision refers to ILO Conventions 29 and 105).
- **Disciplinary measures:**
 - Under no circumstances whatsoever should Induyco's suppliers impose on their workers any type of physical or psychological punishment nor any form of sexual harassment.
- **Trade union rights and collective bargaining:**
 - Induyco's supplier companies have to ensure that all their workers have the right to free association and to be represented in collective bargaining proceedings by means of such instruments as they may establish for themselves. Induyco does not tolerate any reprisal whatsoever on the part of the supplier companies against employees exercising trade union rights or their rights to associate (equivalent to ILO Conventions 87, 98 and 135).
- **Non-discrimination:**
 - The company does not tolerate any type of discrimination on the grounds of race, sex, religion, culture or political ideology. Induyco's suppliers are required to submit to the principle of non-discrimination and they have to adhere to the principle of equal treatment in hiring and rewarding employees on equal working conditions, pursuant to the legislation in force in each country (equivalent to ILO Conventions 100 and 111).
 - In countries where there is no positive legislation with respect to the exercise of the rights of the physically or mentally disabled to obtain employment, Induyco will view favourably the fact that its supplier companies contract such individuals.
- **Working hours:**
 - Under no circumstances whatsoever should the working hours in supplier companies exceed the maximum limits established by "applicable national legislation in force" in the country of residence of each of the suppliers. No reference is made to the international standard established by the ILO of 48 working hours plus 12 hours of overwork per week.

- The employees of Induyco's supplier companies are entitled to a minimum of one free day per week without work, a period of annual holiday (in accordance with national legislation) and "sufficient and necessary" sick leave in the event of illness (also in accordance with the national legislation of the country in question).
 - Employees of Induyco's supplier companies have the opportunity to work overtime in the company voluntarily and this will not exceed the maximum limits established by the legislation in force in the country of residence of the supplier company or, if appropriate, established under the respective collective bargaining agreement.
- **Hiring of personnel:**
 - All employees of Induyco's supplier companies have the right to a work contract as determined by the legislation of the country where the company is based.
 - Induyco does not allow, under any circumstances whatsoever, the dismissal of personnel on the grounds of pregnancy.
- **Remuneration:**
 - Induyco's supplier companies have to pay their employees a "fair and just wage" in a regular and timely manner in such a way as to allow them, at least, to satisfy their fundamental needs and those of their direct family and dependants.
 - Under no circumstances shall the wages of the employees of Induyco's suppliers be lower than those stipulated by the applicable legislation in force in the countries of residence of each of the companies.
- **Health and safety:**
 - In countries where there is no public health-care system, an agreed regime for health and hygiene in the workplace or an equivalent system, Induyco "strongly recommends" that its suppliers seriously evaluate the inclusion of their employees in a health care and social welfare system.
 - Induyco's supplier companies have to guarantee that their employees are able to work in adequate working conditions which are in line with the pertinent legislation of the countries where the suppliers are based.

Induyco's code of conduct further includes provisions on environment, materials and end-products, analyses and testing methods, enforcement of the code of conduct, adaptation and updating, breaches and anti-corruption. It is available in English, Spanish and French.

Although Induyco's code of conduct seems to be one of the most comprehensive and ambitious codes in the workwear sector, it is not available on the company's website. Induyco has translated the code to English and French. It is not clear if there are monitoring and verification systems in place.

According to Intermón Oxfam, Induyco's most important stakeholders – its workers – receive higher salaries than those defined in collective trade union agreements. The dialogue between trade unions and Induyco is well-established, while trade union contact with El Corte Inglés is "difficult".⁶³

Induyco has recently created a specific CSR department, but it seems to be reluctant to make this fact public. According to the Spanish Clean Clothes Campaign, the company is usually not transparent about its CSR policies.⁶⁴

⁶³ Intermón Oxfam, "La moda que aprieta" (Madrid: Intermón Oxfam, 2004), p. 9.

⁶⁴ E. Kreisler, secretary of the SETEM Federation, Campaña Ropa Limpia, e-mail 20 July 2005.

Cooperation

Induyco did not respond to the questions in questionnaire, which was sent to the company's CSR department by SOMO researchers. Induyco states that it cannot provide such detailed information on its providers and its clients, since this would reveal too much of the company's commercial strategy.

Most Spanish textile firms refuse to negotiate fair prices with third world suppliers

According to a survey by non-government organisation Intermón Oxfam, published in August 2005, 88 percent of Spanish textile firms refuse to negotiate sustainable and acceptable prices with their suppliers in Morocco and Asia. The survey revealed, however, that 33 percent of Spanish textiles firm "would be prepared" to enter into such negotiations, while another 33 percent had a fixed-price policy.

Intermón Oxfam survey also showed that Spanish companies are increasingly aware of their corporate social responsibilities and their obligation to comply with ethical standards. According to the report, leading Spanish textile firms such as Inditex-Zara, Induyco and Mango have taken the first steps, having drafted a code of ethics and formed a corporate social responsibilities department, among other measures.

Conclusion

Transparency

All companies were contacted by the researchers and were asked to answer questions (via e-mail or phone). Most companies readily announced their cooperation, but in the end only three responded. It should be noted that the researchers urged those responsible at the company many times by phone, fax and e-mail to reply. Only two companies (Carhartt and Alsico) eventually stated why they did not want to answer: they do not want to provide information that they deem confidential. Providing information on request is referred to as “passive transparency”. Since cooperation from the selected companies on this research was limited, it can be concluded that passive transparency was low among these companies.

Active transparency, which, in this case, means providing information via company publications and websites, is somewhat better among the selected companies. Most companies provide some general company information on their websites (products, production locations, size). However, financial company information can only be found on the websites of the three selected workwear companies that are listed on stock markets. In general, information about suppliers and customers is scant. In addition, except for Havep, Carhartt and Induyco, all selected companies have a short CSR statement on their website. Because, as already mentioned, most companies did not want to answer questions that were posed by SOMO researchers, it is not possible to conclusively state that active transparency is low. It is, after all, possible that the CSR statements on the companies' websites are representative of their CSR policies. In other words, “what you see is what you get.” Some companies, however, like Alexandra refer to documents in which assumingly additional CSR policies are laid down (in this case their quality manual). Unfortunately this document cannot be found on their website nor was it provided by the company on request.

CSR policies

It is difficult to make any definite conclusions regarding the quality of the CSR policies of the selected companies as information about these policies might not be complete. Based on the findings of the study, one can tentatively conclude that, thus far, CSR is not a matter of priority at most of the selected companies. This seems a more plausible explanation than the argument that the selected companies do take CSR seriously, but just do not want to tell researchers and consumers much about it via websites and/or interviews.

The impression that CSR is not a matter of utmost importance becomes clear when visiting the websites of the selected companies. As mentioned above, most companies have a short statement on CSR. Alsico, for instance, mentions on its website that, “Production happens in working conditions that meet the standards of the ILO conventions and the Clean Clothes Campaign.” But one is not informed how this is verified nor to which ILO conventions the company is referring to. Statements from other companies are more extended and refer to workers' rights, such as minimum wages and the ban on child labour. However, the definition of these rights is not clear nor is there any reference to ILO core labour conventions. Furthermore, it is unclear whether compliance with these rights on the factory floor is monitored and/or (independently) verified. In addition, only Alexandra, Kwintet and Snickers have a short statement on their environmental policy. Carhartt does not provide any information whatsoever on CSR.

Three companies seem to take CSR more seriously: Havep, Induyco and Snickers. These companies did answer SOMO researchers' additional questions. Havep is a member of the Fair Wear Foundation, which means that they have an adequate code of conduct (COC) and this code's implementation is monitored and independently verified by the FWF. Moreover, Havep was the only company that responded to all of the researchers' questions. Snickers' CSR policy is not as advanced as Havep's. For example, the company does not independently verify compliance with its CSR policy nor is it engaged in a multi-stakeholder dialogue. In addition, Snickers' COC refers explicitly to only four of the fundamental ILO labour conventions, plus the minimum wage convention. Nevertheless, compared to other selected companies that did not respond, Snickers' COC already stands out. Induyco's COC is much more complete than that of Snickers. All eight fundamental ILO labour standards are included, except for the convention on working hours. Although Induyco's code refers to this matter, the company states that working hours have to be in accordance with applicable national legislation. The ILO working hours convention, in contrast, limits the number of working hours internationally. Also, similar to Havep's and Snickers' COC, Induyco's COC explicitly includes suppliers. Furthermore, Induyco's COC includes some provisions on the use of hazardous substances and the conservation and preservation of nature and the environment. Unfortunately, however, the company would not answer questions regarding implementation of its CSR policy nor about monitoring and verification of compliance with its code. Also the company refused to disclose information on its suppliers and clients. Part of Kwintet (Lonneker) is also a member of the Fair Wear Foundation, but the company did not answer the questions from SOMO researchers. Furthermore, the CSR policy of the holding is rather limited, and it is not clear as to whether it applies to suppliers. One would expect a better code of conduct and more cooperation from a company that is, at least partly, a member of a multi-stakeholder initiative focused on improving working conditions in the garment sector.

Compared to fashion and sportswear companies, it seems clear that workwear companies still have a long way to go regarding CSR. Indeed, many high profile fashion and sportswear companies have more substantial CSR policies. Additionally, many of these companies are monitoring compliance with their CSR policies and have suppliers audited by commercial and sometimes independent auditors. To learn about these policies it often suffices to visit their websites. Many positive changes in the fashion and sportswear sector in this respect are undoubtedly the result of media exposure and pressure from NGOs. The absence of these factors so far in the workwear sector might explain why this sector is lagging behind when it comes to CSR.

In general, one can conclude that the sector is rather opaque. SOMO found recent information about the turnover of the sector, the number of employees, the number of companies and the largest companies in the sector impossible to obtain. Some of this information is available in the form of expensive reports by commercial research organisations. It was also found that international and national industry organisations collect some of this information but will not share it with non-members (although in some instances one can become member after paying membership fee). One should note, however, that it can be difficult to find this kind of (recent) information for other sectors as well. Nevertheless, to get a clear picture of this sector, additional research should be done, especially research that looks into the social and environmental impact of the workwear supply chain of the large workwear companies, but also general information about workwear companies and their clients and suppliers. When publicly available, this kind of research might lead to the sector becoming more transparent and more focused on CSR. The sector is already more regulated than the fashion sector with respect to quality and functionality of its products. Since it is already accustomed to implementing and monitoring technical norms in the production process, it might be a smaller step for workwear to implement CSR standards than for other sectors. The public sector could play a key role in facilitating this process with sustainable procurement practices.

Authorities have the responsibility to spend money wisely and must therefore secure the best value for taxpayer money. The concept of best value requires that purchasing decisions not be based solely on

the price of offers, but also on their quality and their ability to deliver additional benefits. If authorities are willing to award contracts to bids offering best value for money rather than to the “lowest price tender,” they must state from the start that they will use the option of awarding contracts to the “most economically advantageous tender.” The criteria used to determine the most economically advantageous tender must allow for a fair, transparent and objective evaluation. Specifications regarding product performance or performance conditions can make reference to recognised (international) standards, such as eco-labels and standards of working conditions (for example, the ILO conventions), while equivalent standards must always be accepted. Many public authorities in Europe already have sustainable procurement policies. It is recommendable that specific criteria be developed for sustainable public purchases of workwear.

Annexes

Annex 1: Questionnaire

Workwear sector questionnaire

Questionnaire on company CSR policy and general company information

Company name:

Address:

Name of undersigned:

Function of undersigned:

Please fill out the following questionnaire. We would much appreciate if you would send us documents were indicated. If you are not able to reply to all questions we kindly ask you to focus on the questions most vital to this research which are printed in *italic*.

- 1) How many garments do you produce yearly, what is your turnover and net profit in Europe?
- 2) Please describe the structure of your company (part of which holding, which subsidiaries etc)?
- 3) Approximately how many customers (companies buying workwear) do you have in Europe?
- 4) If you have both clients in public as in the private sector please give an estimation of their proportion?
- 5) *Please name your (most important) clients (we are especially interested in public sector clients: local authorities and governments) in the countries in which you are active?*
- 6) How much of your workwear garment production is outsourced (%)?
- 7) *Please name your (most important) garment suppliers and garment production facilities (company name, country, address)?*

Questions on company CSR (corporate social responsibility) policy. With CSR we mean all policies affecting the environmental, social and economic impact of your company.

- 8) *Do you have a CSR policy (please enclose)? If not why not?*
- 9) *Do you have a CSR code of conduct (COC)(please enclose)? If not why not?*

If you have a CSR policy (including COC):

- 10) How is it implemented (what kind of actions are being taken)(please elaborate)?
- 11) How is compliance with it monitored (please elaborate)?
- 12) How is compliance with it audited/verified (do you have independent third parties verify compliance)(please elaborate)?
- 13) Does it's scope include suppliers or does it apply to your own employees only? If not why not?
- 14) If you have international subsidiaries and suppliers: in which languages is your CSR policy available?
- 15) *Who is responsible for implementing the company's CSR policy (including code of conduct) (please elaborate)?*
- 16) *Is your company involved in a dialogue with stakeholders about CSR in your company (please elaborate with whom)?*
- 17) *Are you familiar with codes of conduct in the workwear sector like the Clean Clothes model code, Fair Wear initiative code and SA8000? If so would you consider implementing such a code (please elaborate)?*

Annex 2: Snickers CSR statement

Corporate Social Responsibility

CODE OF CONDUCT

A clear strategy with Snickers Workwear states the conduct of our suppliers regarding coercion, minimum wages, working hours, working environment and the right to organize. Snickers Workwear does not co-operate with a supplier who does not pledge themselves to follow UN's children's convention. According to Snickers' Code of Conduct, under-age persons are not allowed to work for any one of Snickers' suppliers. Ref: Suppliers questionnaire.

Long term co-operation with known and well reputed suppliers make it easier and more effectively to follow up the demands stated by our company. Through direct contact with all producers, Snickers Workwear get good control over the items produced for our company.

Snickers co-operation with Livslust Foundation

The Livslust Foundation was founded in Stockholm in 1994, the same year as their Latvian partner organization, Asociacija Dzivesprieks (dzivesprieks='Livslust', zest for life). The objective is to give children at risk a chance to learn an occupation and thereby get help to create a meaningful life for themselves. Social rehabilitation and vocational training are therefore the backbone of Livslust's activities.

Snickers Workwear has participated and contributed with equipment, material and service for the school's sewing course from the very beginning of Livslust. In Livslust's sewing workshop, second-year pupils are given practical industrial training by sewing special orders for different companies. Snickers Production Latvia SIA in Tukums, some 60 km from the Livslust's school at Aizupe, has contributed with teachers/instructors and with sewing machines, fabric and other material. During their last year in this course, the sewing pupils get work practice at Snickers' production unit and thereby they get an opportunity to apply for employment as a seamstress.

Since many years, Snickers Workwear has contributed financially, also by purchasing Christmas cards and presents produced by the youngsters at Livslust. Snickers sales companies in different European countries have organized study tours to the school for their employees. Matti Viio, founder and owner of Snickers, is personally involved and interested in the Livslust activities.

Environmental Policy for Snickers Europe

It is the policy of Snickers Europe to conduct its business activities in an environmentally responsible manner. That is:

- To comply with National and EU Legislation on the environment
- Develop and deliver products and services in a manner that is not detrimental to the environment or to the health and safety of employees, personnel on and in our premises and the general public.
- Seek to improve environmental performance continuously with respect to minimising waste and emissions and conserving energy and natural resources
- Where possible practice recovery and recycling of waste streams
- Snickers Europe is currently assessing all suppliers on their environmental policies and controls and will grade them accordingly. This assessment will be a very important part of our selection procedure for suppliers.

This Environmental Policy shall be communicated to all employees and shall be displayed throughout the organisation. A copy of the Environmental Policy shall be made available for public inspection upon request. Snickers Europe will provide the necessary training and education to ensure that all employees have the knowledge to implement this policy.

Our guiding principles are to continue to meet our legal obligations and to strive towards continual improvement. We will therefore, review these environmental objectives together with the specific targets that will be set up in the ongoing procedure of implementing a full Environmental Control System as per ISO 14001.

Annex 3: Snickers suppliers questionnaire

Please supply the following information:

Company Name:

Phone:

Fax number:

List items manufactured for Snickers Europe AB:

Contacts: Phone fax and email address:

Who is the Quality contact in your Company:

Who is the contact for Customer Complaints:

Who is the contact for Technical matters:

Quality Standards:

Is your Company certified to any Quality Standards:

If yes state which one or more than one:

Please send us a copy of the Certificate and your documented customer complaints routine.

Environmental Standards:

Has your Company an Environmental Policy?

If yes please send us a copy.

Is your Company certified to ISO 14001?

If yes please send us a copy of the Certificate.

Has your Company registered to Oko-Tex 100?

If so specify which materials and to what class.

If yes please send us a copy of the Certificate.

Has your Company registered to the EU Eco- Label?

If yes please send us a copy of the Certificate.

1 2

Labour Regulations:

Please confirm that all plants who manufacture Snickers products for your Company adhere to the following conventions of the International Labour Organisation (ILO) as well as all relevant applicable national and local laws in each specific country.

Minimum Wage (C138)

Worst Forms of Child Labour (C182)

Forced Labour (C29) and Abolition of Forced Labour (C105)

Equal Remuneration (C100)

Discrimination (Employment and Occupation) (C111)

Freedom of Association and Protection of the Right to Organise (C87) and Right to Organise and Collective Bargaining (C98)

Please send us signed declarations from each relevant plant.

Date: _____

Please add any other information that you think might be helpful.

Thank you for your help in this matter.

Please return to:

Mr. Breffni Mac Namara

Snickers Production Limited

Work in progress



Sragh Industrial Estate
Tullamore
Co. Offaly
Ireland
Phone: +353 506 41404
Fax: +353 506 21271
Mobile: +353 (0)87 2245 963
Email: breffni.macnamara@snickers-workwear.com