

FOND OF

A member of the Fair Wear Foundation Social Report 2020 / 21



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1. Summary: goals & achievements 2020/21

The past year was greatly influenced by the COVID-19 pandemic and has posed great challenges for us, as well as for the entire textile industry. The crisis has shown us once again how immensely important long-term and trusting business relationships with our suppliers are and underlined the significance of strong partners like Fair Wear.

Together, we were able to continue to grow our business despite the pandemic and successfully maintained all business relationships with our suppliers. Especially our kid's brands ergobag, satch and Affenzahn have had a significant impact on this growth. This growth can also be traced back to the expansion of our product portfolio. We have not only developed more shoe and apparel styles, but also hats, caps and jackets

However, with growth also comes new challenges to meet and further develop our standards of sustainability. Expanding the product portfolio means new suppliers and consequently new processes that must meet our sustainability criteria. Our claim is to keep our supplier base and tail-end as small as possible. For example, we were able to win a new supplier in Turkey who produces for both of our lifestyle brands (pinqponq and AEVOR).

In order not to lose the overview of our growing supplier base, we were able to successfully introduce a new transparency tool. This allows us to map the supply chains of our products in detail and to keep track of all important information about the suppliers (such as audit reports, certificates, or trainings). We also relaunched our supplier evaluation tool to further strengthen our supplier relationships. On this basis, an annual supplier meeting will now take place to provide joint feedback.

Despite the pandemic, we were able to carry out almost all planned audits together with Fair Wear and thus further improve our monitoring threshold to almost 98 %.

Unfortunately, due to the COVID-19 crisis, we also had to postpone some important projects. For example, we wanted to start a living wage project with one of our closest suppliers to explore how we can ensure that all our workers receive a living wage in the future. However, as many of our suppliers had enough to deal in the past year with pandemic response, lockdowns, travel restrictions, etc., we have pushed this project to next financial year.

Thus, like every other year, we ask ourselves: what can we do to take the next step on this never-ending path, and have we achieved what we wanted to achieve?

2. Sourcing

For us, sourcing practices lay the groundwork to achieving fair working conditions, environmental sustainability, and highquality products. For any purchasing decisions, we consider social and ecological parameters. As to have the best support for these decisions, we have partnered up with the Global Organic Textile Standard (GOTS), bluesign® technologies, the Green Button and Fair Wear.



2.1 Sourcing strategy & pricing

Despite our rapid growth in recent years, we still rely heavily on long-term business relationships with our suppliers. This is not always easy, as our product portfolio is constantly expanding. New products such as shoes or apparel also require new specialized suppliers. Nevertheless, these suppliers are carefully selected to create the prerequisites for a long-term business relationship.

In the process of choosing a new supplier, we not only systematically consider factors like quality, price, and communication but also social and ecological criteria. This allows us to preview existing audit reports, conduct on-site visits and health and safety checks, or carry out social audits ourselves.

Currently, we work together with suppliers in four European (Portugal, Italy, Bosnia and Herzegovina and Lithuania) and four Asian (Vietnam, China, Turkey and Myanmar) countries. The split can be seen in figure 1 showing that most of our production still takes place in Vietnam and China.

Sourcing Countries

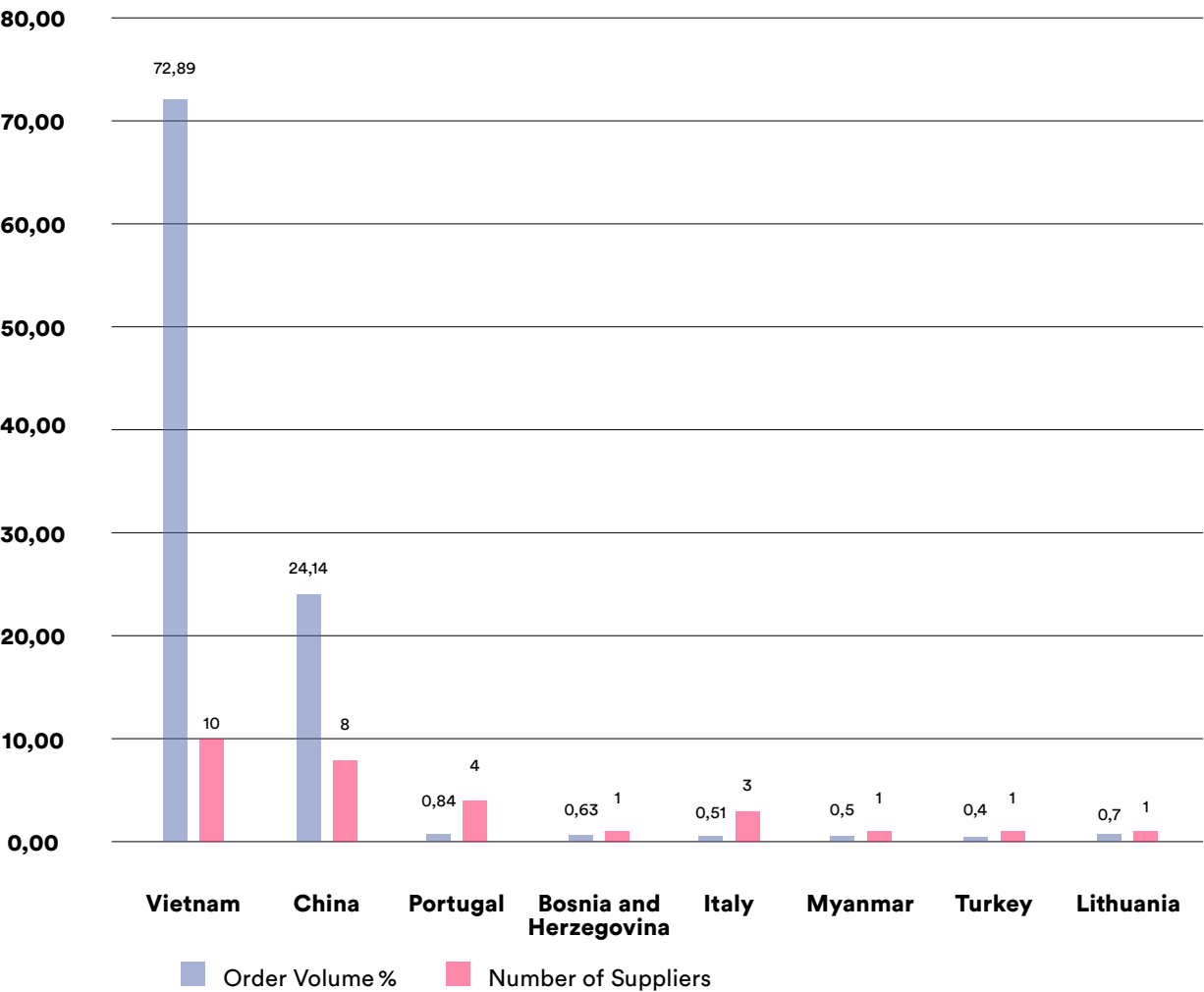


Figure 1: Production countries by percentage of order volume and number of suppliers (Fiscal year 2020 / 21)

2.2 Organization of the sourcing department

Our entire organization is characterized by flat hierarchies. Among other duties, team leaders are responsible for organizing communication and workflows so that the teams can cooperate in the best way possible. Decisions are to be suggested by any team member. This ensures the commitment of every single employee and strengthens the self-responsibility.

While the Corporate Responsibility (CR)-team interacts with many other teams such as marketing, product management, logistics or communication, our main lever lies within the purchasing process. Therefore, we are part of the procurement department consisting of purchasing, quality management, value chain management and CR. In regular meetings, we discuss current issues, conflicts of interest and promote a holistic approach (see figure 2).

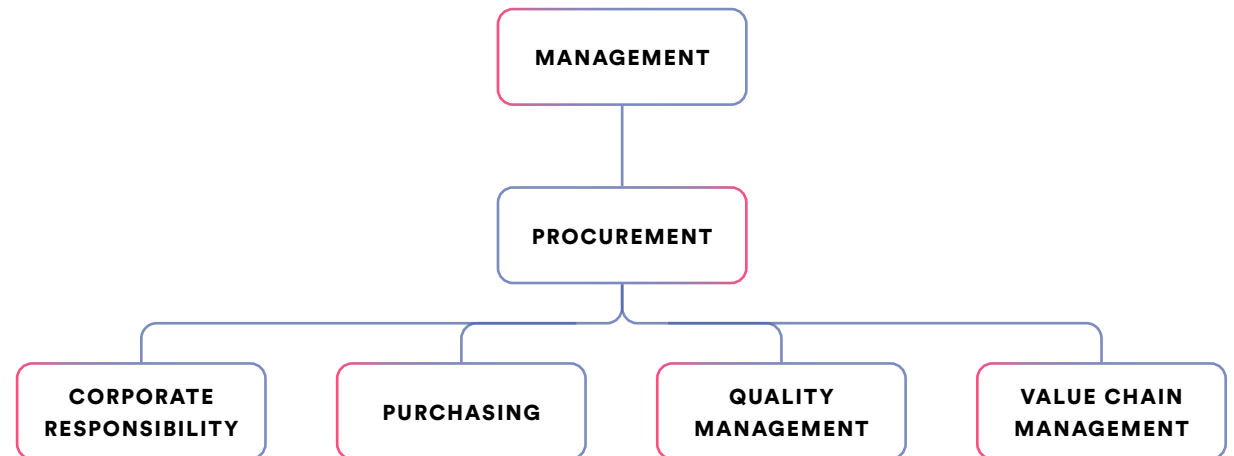


Figure 2: Organizational integration of Corporate Responsibility within procurement department

2.3 Production cycle

Since we combine seven brands under our core brand FOND OF, there are various production cycles, depending on brand and product. Thus, we can only depict one production cycle. Since our main products in terms of sales are still ergobag and satch, we present the production cycle for these two. The overall development and production cycle look as follows (figure 3):

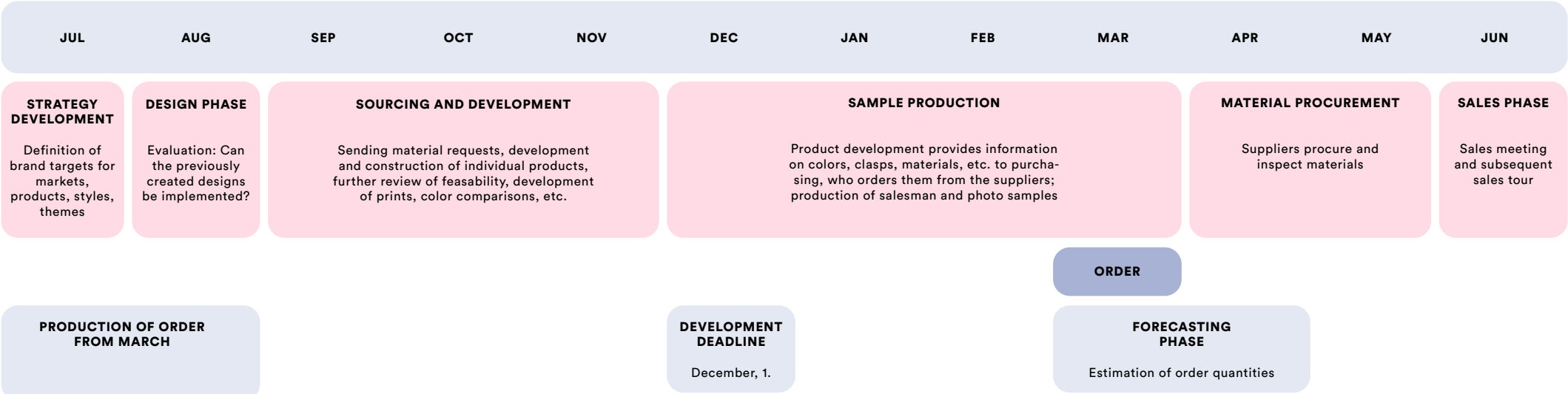


Figure 3: Production cycle

Depending on the brand and collection frequency, this production cycle repeats up to six times per year.

There are between two and six delivery dates for an order, depending on the brand, which are spread over 12 months. At the beginning of the order cycle, our suppliers receive a forecast that specifies the respective planned quantities for every delivery date. This enables suppliers to plan their capacity over the long term. These figures are subject to some changes throughout the year.

Through constant discussions with our suppliers, we try to better structure the production planning. However, we have realized that there is no one-fits-all solution to this challenge. Therefore, we do not solely do the planning on our own, but proactively involve them in fixing delivery dates and deadlines. Among other things, we have added more delivery deadlines to allow our suppliers continuous production and thus improve their planning and productivity.

2.4 Supplier relations

In times of the COVID-19 crisis, we have intensified the exchange with our suppliers even further. We usually strengthen our partnerships through regular visits of the factories by our designers, product developers, buyers, logisticians, quality managers and our CR team. Due to COVID-19, we had to find other ways of communicating with our suppliers than our common visits. For us, this meant more video calls and more e-mails to have better and mutual understanding of the situation.

This financial year, we again established business relationships with a total of four new suppliers. Our onboarding process for new suppliers covers the checking of purchasing relevant information such as capacity, minimum order quantities, lead times as well as quality procedures and working conditions. Before adding a new supplier, all involved teams (purchasing, quality, and CR) need to approve. For CR this means collecting information on subcontractors, compliance systems, upstream suppliers, and existing audit reports. In addition, we try to ensure in discussions that the supplier understands our aspirations in terms of sustainability.

Our main production countries, Vietnam and China, have been severely affected by the scale of the pandemic. To better understand the situation, we have intensified our exchanges. Especially during the lockdown, we asked the suppliers to describe their situation with the help of regular questionnaires. Among others, the following questions were answered: What protective measures have been implemented? Is it allowed to continue working in the factories? In which way has the order situation changed? Can wages continue to be paid? Was it possible to apply for financial assistance from the government?

The suppliers told us that they conduct daily temperature measurements, hygiene training, vaccinations and the factory is disinfected weekly. It was also confirmed that wages continued to be paid during the lockdown and that financial assistance from the government would be provided to workers who had stopped working for a longer period.

2.4 Supplier relations

Figure 4 shows an example of how our largest supplier in Vietnam responded to our questionnaire.

1. Do you have active COVID cases in your factory?

We had 2 FO cases but completed treatment already (centralized quarantine from July 15 to July 29). Now they are having good health and staying at home.

2. How many of your workers are already vaccinated (in %)? When do you expect that they will get vaccinated?

2,2% of workers are already vaccinated. According to the Covid-19 vaccination plan of the People's Committee of Long An province, by the end of September, vaccination for all people living and working in the province will be completed.

3. What is the current status at the factory?

- 1) operating as normal
- 2) operating with reduced workers
- 3) closed down
- 4) operating with workers staying inside the factory («3 on-site«)
- 5) operating with workers staying in a separate location («1 road - 2 locations«)

We, wanted to start working with option of 4) or 5) so, submitted proposal sheet to local government but Long An province didn't accepted with our suggestion because of the spreading Covid in Long an is still quite complicated and there many issues from the factory who is already doing« 3on-site«

4. Did you discuss the wages paid during lockdown with e.g. trade union, workers representatives, workers committees?

Yes, we discussed the wages paid during lockdown with trade union.

5. What is the current complaints / grievance procedure? Is there one related to Covid only? Did you receive any worker complaints? If yes, what were the complaints about and how were they resolved?

Currently, workers can send complaints to the company's zalo/facebook account or the union president. We didn't receive any complaints from workers.

6. How much does the company pay per week to workers who were required to stay at home? (% of basic salary, without OT and benefits)

We paid 70 % basic salary for workers during 14 days according to Clause 3, Article 99 of the Labor Code. From the 14th onwards we have agreed with the trade union to take unpaid leave for workers.

7. How much do the worker receive in each week from the government or other institutions? (X % of basic salary, X % of legal minimum wage)?

Employees who stop working from 15 to 30 days: receive 1,855,000dong (82usd) support from the government. Employees who stop working for more than 30 days: receive support 3,710,000 (163usd) from the government.

8. What happens to worker's contracts if the lockdown lasts for more than 4 weeks?

The trade union will represent workers to sign an agreement with the company to temporarily suspend the labor contract from August,1 to August,31 due to the impact of the covid-19 epidemic.

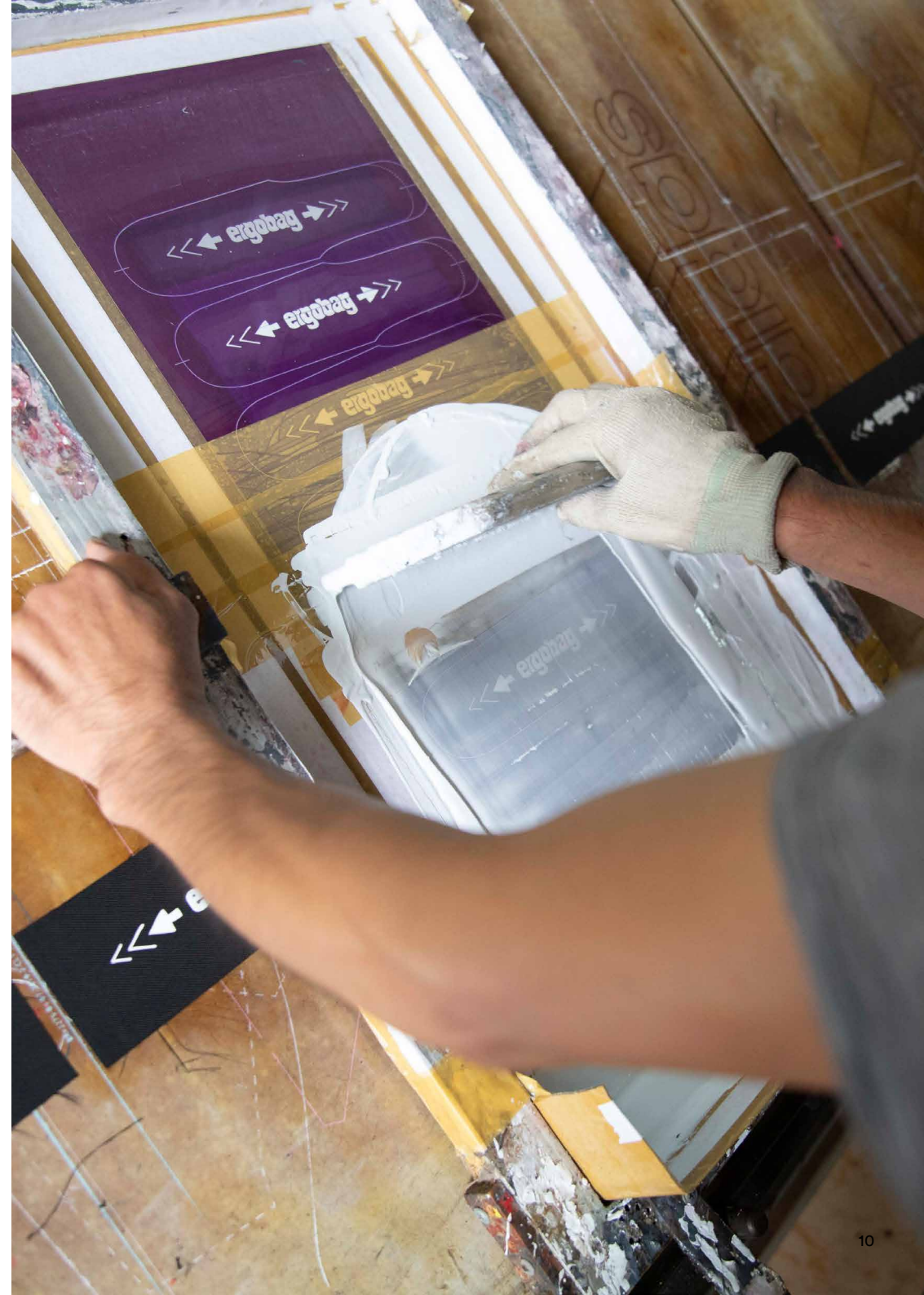
9. Do you expect workforce shortage after lockdown ended?

No. Because our company workers almost are local person so will not affect too much after lockdown ended.

Figure 4: Example answer of COVID-19 questionnaire

2.5 Integration of monitoring activities and sourcing decisions

This year we were able to successfully introduce a new tool that will simplify our monitoring activities enormously. For us, the main prerequisite for proper monitoring is transparency. This is a big challenge for our backpacks, as they sometimes include up to 200 different components, which usually come from different suppliers. This creates rather complex supply chains where it is easy to lose track of what is going on.



2.5 Integration of monitoring activities and sourcing decisions

Our new tool makes it easier to trace and map these complex supply chains and present them to us clearly. We can also use it to handle our entire certificate management by integrating our suppliers into the platform in the future. This way, we and the supplier are automatically reminded as soon as a certificate expires and needs to be renewed. In addition, we are automatically reminded of audits to be carried out and in the future, we will be able to handle the follow-up of an audit via the platform by exchanging the corrective action plans in it. Supplier assessments can also be conducted through the tool. We can define criteria that a supplier has to comply with, and the platform shows us which of these criteria are met and which are not.

Another useful feature of the new transparency tool is the communication of our supply chains to our customers. In future, we will be able to show the journey of our products, including all production processes, certificates and audits, in an easily understandable way on our product detail pages.

In addition, we have revised and simplified our supplier evaluation tool in the last financial year so that we can be even more transparent about our sourcing decisions. It is now easier to add new suppliers and criteria and a report is generated after each evaluation, which is discussed with the entire team (design, product development, quality, purchasing and CR) to derive measures. The evaluation is now only

conducted and discussed every six months. On this basis, an annual supplier discussion is held in which the feedback is reflected to the supplier. The aim of this discussion is to continuously improve the supplier relationships and should also be used for suppliers to give feedback to our processes.

We base our sourcing decisions on the overall rating achieved by our suppliers. Working conditions are thus proactively drawn into this process, and we promote improvement throughout our supply chain over the long term.

3 Coherent system for monitoring and remediation

In times of travel restrictions by COVID-19, visits to our suppliers are hardly possible. This was normally a very important part of our monitoring system, as it allowed us to get a good impression of the factory very quickly. That is why the Fair Wear social audits became even more crucial for us. On this basis, we can work with our suppliers on relevant issues in the form of a corrective action plan (CAP). This allows us to address important remediation points and jointly develop solutions to the findings. We conduct such audits at least every three years at each of our suppliers in a high-risk country to see whether the remediation points discussed have been successfully implemented. If we start a new business relationship, we ask for all existing audit reports at the beginning and follow them up as well. Thereby, audits other than those of Fair Wear are also accepted.



3 Coherent system for monitoring and remediation

In the 20/21 financial year, together with Fair Wear, we were able to conduct five monitoring audits and two verification audits at suppliers and their sewing sub-suppliers in our high-risk countries. Overall, we audited 97,93 % of our order volume and have thus come even closer to our goal to extend our monitoring threshold to the full 100 %.

In addition to the audits, an anonymous complaints hotline is another important pillar of our monitoring system. This mechanism is explained in detail in chapter 4. We also use an own-created checklist to conduct evaluations at sub-contractors, in addition to the regular health and safety checks to get deeper understanding and better possibilities of improvement.

This year we have also started business relations with a new supplier from a so-called low-risk country (Bosnia and Herzegovina). This means that lower monitoring requirements are requested by Fair Wear in these countries. As part of our onboarding process, we usually visit such suppliers before production starts. Unfortunately, we were not able to do this last year due to the pandemic. If this is not possible, we try to gather as much sustainability information as possible about this supplier (e.g. existing audit reports) in order to get a picture of the situation.

Our complete supplier overview for the 2020/21 fiscal year can be seen in figure 4.

SUPPLIER	COUNTRY	FOND OF INVEST	AUDITED	VISITED
ASG Global	Vietnam	37,04 %	✓	✓
ASG Vina	Vietnam	2,08 %	✓	✓
Ahn Thu	Vietnam	0,8 %	✓	
Hong Lam	Vietnam	1,25 %	✓	
Toan Thang	Vietnam	0,42 %	✓	✓
Starry	China	10,29 %	✓	✓
Guangxi Starry	China	1,87 %	✓	
Shengde Bags	China	1,17 %	✓	
Shenyang Bags	China	8,18 %	✓	
Tian Bao Bags	China	1,87 %	✓	
VIVA	Vietnam	13,14 %	✓	✓
Haksan	Vietnam	10,46 %	✓	✓
INS	Vietnam	5,68 %	✓	✓
Pungkook II	Vietnam	1,73 %	✓	✓
Marzim	Portugal	0,13 %	Low Risk Country	✓
Prevent	Bosnia and Herzegovina	0,63 %	Low Risk Country	
Tah Hsin	Myanmar	0,5 %	✓	
Olmac	Portugal	0,49 %	Low Risk Country	
Seyfeli	Turkey	0,4 %	✓	
Jackbeanie	China	0,38 %	✓	
Copy	Italy	0,36 %	Low Risk Country	✓
Doppler	China	0,3 %	✓	
Innolux	Vietnam	0,29 %	✓	
Valerius	Portugal	0,2 %	Low Risk Country	✓
Gioia	Italy	0,11 %	Low Risk Country	✓
P.A.C.	China	0,08 %	✓	
Utenos	Lithuania	0,07 %	Low Risk Country	
Sunflower	Italy	0,04 %	Low Risk Country	
Castro & Silva	Portugal	0,02 %	Low Risk Country	✓

Figure 5: Suppliers overview; main suppliers (bold) and sub-suppliers (non-bold) (Financial year 2020/21)

3.1 Suppliers in Vietnam

From Vietnam, we source our products from 10 different production sites. We have 7 direct business relationships, while the remaining three factories are sub-suppliers. In this financial year, we have achieved 100 % monitoring, which means that we have conducted full audits at all our direct suppliers and sewing sub-suppliers in Vietnam. To maintain this result, we have also conducted an audit at our direct supplier in 2021. Beside the audit, we also conducted a training focusing on Fair Wear labor standards and the grievance system.

In the audits carried out in Vietnam, the labor standards »Health and Safety«, »Reasonable Working Hours« and »Payment of a Living Wage« were particularly challenged. With the help of a continuous follow-up, we can improve most of the findings together step by step. Especially the »Health and safety« findings, such as blocked fire evacuation routes, insufficient firefighting equipment, insufficient ergonomic concepts, or insufficient safety equipment such as masks or gloves, can be solved quickly. To verify the corrective actions, we ask for pictures of the implementation.

Overtime and a living wage are always a big challenge. In Vietnam, our suppliers pay an average of 87 % of the so-called living wage. This is a good basis for this complex issue. However, our aim is to increase this share to 100 % in the next few years. Therefore, we are in constant dialogue with our suppliers and look for causes and solutions together.



3.2 Suppliers in China

In the 20/21 business year, we conducted four Fair Wear monitoring audits and had one verification audit in China. Three audits were carried out at sub-suppliers of our main supplier Starry in China. Improvements were noted at all sub-suppliers compared to last audits. In particular, management and communication with employees were improved. Fair Wear labor standards were communicated and a grievance mechanism has been introduced.

Unfortunately, transparency on working hours and wages could only be partially improved. We are currently working with another Fair Wear member to improve these findings. Together we have planned a meeting with the supplier to reiterate the importance of transparency. Only in this way can we gradually solve the problem of overtime.

In summary, our current monitoring threshold for China is 100 %.

3.3 Suppliers in Myanmar

In 2020, we started a new business relationship with a supplier in Myanmar. The supplier produces jackets and coats for the brands pinqponq and AEVOR. The supplier has maintained a business relationship with another Fair Wear member for several years. Therefore, we were able to get a Fair Wear audit report from September 2018 and after a meeting with the other Fair Wear brand, we decided to do the CAP follow-up together.

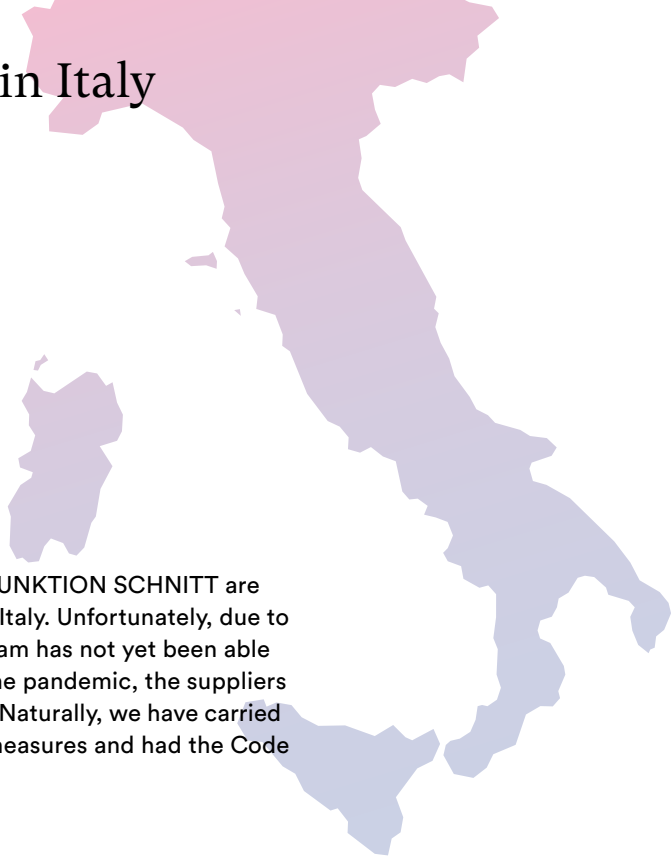
Due to complaints and important findings in the audit, we wanted to conduct a follow-up audit together in the last financial year. But the current political situation in Myanmar did not allow for this audit. Nevertheless, and despite our very low leverage (0.2%), we are in regular contact with the other Fair Wear brand and the supplier and plan a virtual follow-up. We are aware of the critical political situation in the country and pay special attention to the local working conditions.

3.4 Suppliers in Portugal

FUNKTION SCHNITT produce a big part of their apparel collection in Portugal. Most of them were visited by our staff two years ago. However, due to COVID-19 restrictions, the CR team was not able to visit them so far.

As per our research we found that even though Portugal is ranked as a low-risk country, »Payment of a Living Wage« remains the most challenging labor standard for garment factories to comply with. All factories had to sign our Code of Conduct, fill in a company profile with all relevant CR information and send us a picture of a poster with the eight Fair Wear labour standards, as well as the number of the anonymous complaint hotline.

3.5 Suppliers in Italy



The collections of our brand FUNKTION SCHNITT are produced in three factories in Italy. Unfortunately, due to Corona restrictions, the CR team has not yet been able to visit the suppliers. Before the pandemic, the suppliers were visited by our designers. Naturally, we have carried out the obligatory Fair Wear measures and had the Code of Conduct signed.

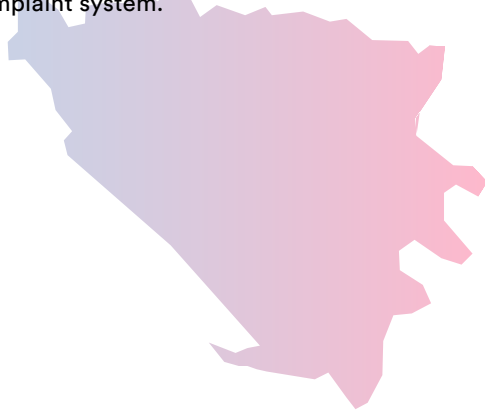
3.6 Suppliers in Lithuania



In Lithuania, we only work with one supplier. This supplier is responsible for a part of our FUNKTION SCHNITT collection. There are another two Fair Wear brands sourcing at that very factory. Since they work with many European brands, they have already gone through a lot of audits and have a SA8000 certificate.

3.7 Suppliers in Bosnia-Herzegovina

This financial year, we have started working with a supplier from Bosnia-Herzegovina. This is where a part of our shoe collection is produced. Due to COVID-19 restrictions, CR staff have not yet been able to visit the supplier. So far, we have carried out our standard CR onboarding process, communicated the Fair Wear labor standards and introduced the complaint system.



3.8 Suppliers in Turkey

Since last year, apparel for our brands pinqponq and AEVOR has been produced in Turkey. A product manager visited the supplier and got to know them personally. Due to COVID-19 restrictions, CR employees have not yet been able to visit the supplier. So far, we have carried out the obligatory measures for new suppliers. Due to the high number of refugees, special caution is required in Turkey in the context of forced labor and child labor. Our supplier is not located in one of the high-risk areas. Nevertheless, we are sensitive to these grievances and plan, together with another Fair Wear member an audit for the coming financial year.



As part of the Fair Wear membership member brands must ensure that workers at their suppliers have the possibility to issue a complaint concerning any kind of violation of a labor standard. For us as a brand this means that we must make sure that all our suppliers hang up a worker information sheet within their factories. This sheet explains, in local language, the essential rights that workers have and further shows the complaint hotline of Fair Wear. Workers can make anonymous reports via this hotline and relate to a local Fair Wear partner to make a complaint.

Bạn có **CÂU HỎI** nào về lương, giờ làm việc hoặc bất kỳ vấn đề nào khác không?

1 việc làm là sự chọn lựa tự do

2 quyền tự do tập thể và thương lượng tập thể

3 không có bất kỳ sự phân biệt đối xử dựa trên lao động

4 không được bóc lột lao động trẻ em

5 trả lương đủ sống

6 giờ làm việc hợp lý

7 điều kiện làm việc an toàn và khỏe mạnh sức khỏe

8 môi trường lao động có ràng buộc về mặt pháp lý

Nếu bạn muốn biết thêm thông tin, hoặc bạn cảm thấy không được đối xử công bằng:

1 Hãy nói chuyện với người quản lý của bạn, nếu có thể được.

2 Hãy nói chuyện với người đại diện công nhân nếu có.

3 Yêu cầu sự trợ giúp của công đoàn hoặc từ một tổ chức xã hội hoặc tổ chức phi chính phủ tại địa phương hoạt động về quyền lao động.

Nếu các cách này không giải quyết được vấn đề, bạn có thể gọi điện thoại cho **Fair Wear Foundation**:

0998 99 67 858

Fair Wear Foundation luôn luôn giữ bí mật cuộc gọi của bạn.

Nhân viên của chúng tôi sẽ trả lời các câu hỏi của bạn bằng tiếng Việt.

Nếu bạn muốn nộp đơn khiếu nại, chúng tôi sẽ điều tra vụ việc. Nếu có thể, chúng tôi sẽ giúp bạn giải quyết vấn đề mà bạn đã nêu ra. Fair Wear Foundation là một tổ chức độc lập, phi lợi nhuận. Bạn có thể tìm hiểu thêm về chúng tôi tại website: www.fairwear.org email: fwvietnam@gmail.com

FOND OF BAGS

JACK WOLF SKIN
SUPPLIERS CODE OF CONDUCT
Status: 01 – 2011 / Version: Vietnamese

Quy tắc ứng xử dành cho nhà cung cấp (Code of Conduct)

Jack Wolf Skin là nhà sản xuất da thuộc và các sản phẩm da thuộc khác. Chúng tôi là một trong những nhà sản xuất da thuộc hàng đầu của Việt Nam.

Một trong những mục tiêu của chúng tôi là đảm bảo rằng tất cả các nhà cung cấp của chúng tôi đều tuân thủ các quy định về quyền lao động và các quy định khác.

Những quy định này được áp dụng cho tất cả các nhà cung cấp của chúng tôi, bất kể họ có phải là nhà cung cấp trực tiếp hay không.

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4 Complaints handling

This complaint will then be checked by Fair Wear and, if admitted, it will be handed over to us.

In our annual company update, we ask our suppliers to send us a new photo of the poster in their factory each time. In addition, during our site visits, we regularly check that worker information sheets are posted and visible to all employees. We also encourage our suppliers to include information on Fair Wear and the complaint hotline during the orientation programs for new employees.

Within the 2020/21 financial year, we received three complaints from workers at our factory in Myanmar. Two of the complaints have already been completely resolved. One complaint has almost been resolved - however, the final review of the measures is still pending. Due to the unstable political situation within Myanmar, we are particularly fortunate to be able to implement the complaint mechanism there.

The first complaint was about a new rule introduced by the factory as a preventive measure to spread COVID-19. According to the new rule, any worker who was absent from work for a day, whether authorized or unauthorized, was not allowed to come to work for 14 days and was not paid during that time. Thereupon, the workers pointed out that the rule did not make any sense since the workers can go anywhere on Sunday as well, so the new rule will not

diminish the risk of the virus spreading. Further, it could even be counterproductive, as workers with symptoms are now coming to work to avoid missing 14 days of pay. After consultation with Fair Wear, the factory management was approached and suggested to reconsider this rule and to follow the instructions of the Ministry of Health. As a result, the rule was abolished and the complaint was thus resolved.

The second complaint was received from a pregnant worker who claimed that she did not receive Social Security Allowance (SBB) during the factory closure due to COVID-19. Although the Ministry of Labor, Immigration and Population announced that all workers would be entitled to 40 % of the June 2020 salary. After this was raised with HR by the pregnant worker, she was told that the SBB benefits had already been received during the first lockdown. After a thorough investigation by Fair Wear and consultation with the Social Security Bureau it was determined that pregnant workers are entitled to this, except for the pregnant workers who are already on maternity leave during the factory closure. As a result, factory management confirmed that they submitted subsidy application for all the employees.

The third complaint concerned four security guards whose contracts were terminated after they refused to sign a revised employment contract. According to the complainant, the factory management refused to pay the same as the former contract, and they informed the security guards they

would be proceeding with the third-party security company. The factory management stated that the security guards complained to the Department of Labor about the lack of severance payment, not the company's contracts. Therefore, they did not discuss the issue of resuming work from the beginning until they finally asked for two severance payments, but the chairman of the Labor Department rejected the request at the meeting. The security guards then wanted to continue working. After providing advice during the negotiations between the security guards and the factory management, the complainants informed us that they decided to take the severance pay and look for another job. The complainants confirmed that they had received the severance pay and expressed their gratitude for the support they had received from Fair Wear and its member brands.

5 Training and capacity building

Making change happen requires everyone to pull together. That is why we see it as our task to communicate our CR activities to the entire company and to all our suppliers to raise awareness of the issue. Our aim is that the motivation for social and environmental improvements comes from within the individual teams and suppliers and not from us. We want to achieve this through regular communication and training.



5.1 Activities to inform staff

We have the ambition that every employee is informed about our CR activities and philosophy. Therefore, a CR presentation has been implemented into the onboarding process of every new employee. The intention is to raise the awareness of all employees to the relevance of sustainability within FOND OF to spread the thought of sustainability into all other areas of the organization.

For employees who work directly with our suppliers (product and quality management, design, purchasing), there are extra onboarding sessions and the daily exchange with the CR team is very close to keep everyone up to date on current issues.

Moreover, the CR team developed a workshop especially for sales staff explaining the approach and cooperation with Fair Wear. Contents are for example the meaning of the Fair Wear Leader status or the Fair Wear audit procedure. This enables our sales staff to promote Fair Wear issues to our retailers and customers in the correct way.



5.2 Activities to inform suppliers

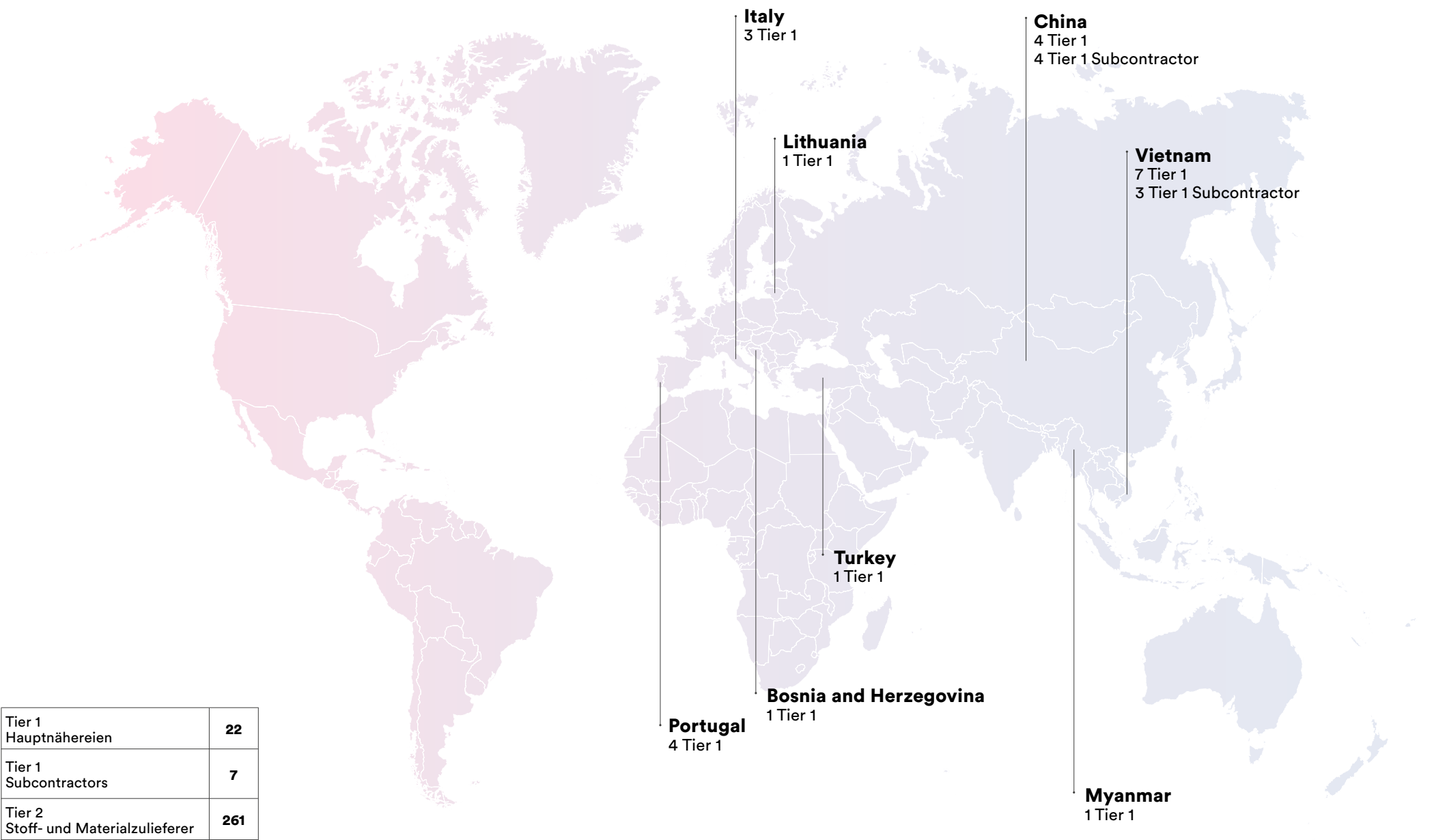
We send the Fair Wear Code of Labor Practices (CoLP) to all suppliers before the start of a new business relationship so that they are aware of the standards we work with. In this way we inform them about our membership in Fair Wear and communicate that that we expect to work according to these labor standards.

To further deepen these standards in the factories, we also conduct regular training. Thereby, we largely rely on the Fair Wear's workplace education programs (WEP) and other training when communicating with workers. This financial year, for the first time, we trained the responsible person for CSR at our main supplier in China so that he can conduct such WEP training himself. This is particularly helpful in this case, as the company works with subcontractors, and he can therefore carry out this training directly in several factories. To do so, he took part in a Fair Wear »train the trainer« program and is now authorized to conduct trainings officially recognized by Fair Wear. Already in this business year, he has conducted the training twice at sub-suppliers and thus trained both factory managers and workers on possible improvement measures of working conditions.


Normally, we check during regular supplier visits whether factory management understands our requirements and aspirations and whether the worker information sheet is hung up. Further, we provide them with more exact information on the eight labor standards and the Fair Wear approach.



6 Transparency & communication



6 Transparency & communication



Latest since the achievement of the Fair Wear Leader status in 2018 we proudly communicate our corporate responsibility efforts through many different channels.

Our seven brands mainly use their websites and social media to inform the public about our sustainability strategy and current achievements, such as the regaining of the Leader status in 2020. Each brand has its own sustainability section on their website, where they for instance describe our cooperation with Fair Wear. Moreover, we introduced a new transparency tool this year, which will enable us to communicate even more transparently and concisely about our sustainability activities along our supply chains directly on the product detail page from the coming financial year onwards. In addition, all brands frequently communicate through their Instagram and Facebook channels with sustainability Q&As.

FOND OF mainly communicates via press releases or the corporate responsibility section of the website. We disclose not only our direct suppliers but also all our subcontractors and suppliers of single components such as fabrics, zippers and buckles (so called tier 2 suppliers). In addition, we are continuing to professionalize our corporate responsibility report, which is also available for the public online on our website and as a print version in our partner shops. It is our ambition to design the report in an easily understandable and appealing way to give our customers an insight into our daily work.

This is also the reason why we publish the complaints from our factories that we received over the Fair Wear complaint helpline. We communicate openly on what happens at our factories and how problems can be solved in cooperation with Fair Wear. By communicating things that still need to be improved upon, we thus motivate ourselves to work on the best solutions for workers at our suppliers.

7 Stakeholder engagement

Through our membership with Fair Wear, we have the chance to meet multiple stakeholders. This has enabled us to establish contact with the Clean Clothes Campaign as well as the International Labor Organization (ILO) and the Dutch Trade Union CNVI. Although, we are not a member, we are also in regular contact with German Textiles Partnership and the German Society for International Cooperation to stay up to date regarding news and developments in the political field.

In addition, we have been able to gain a new strong partner since last year: the Green Button. The Green Button is a meta label for sustainable textiles of the German government. The Green Button establishes binding requirements to protect people and the environment. A total of 46 demanding social and environmental standards must be met. Among other things, our Fair Wear Leader status enables us to label certain products with the Green Button and thus build consumer trust. The prerequisite for the Green Button is to carry out a comprehensive risk analysis of our supply chain. For the identification of country-specific risks, Fair Wear's country studies provided valuable assistance. In addition, we gathered information on possible risks through external sources like OECD, ITUC or Textile Exchange. This enabled us to have a thorough overview of possible human rights risks in our sourcing countries.



We are happy to receive questions
on the report via email: cr@fondof.de

FOND OF CR Team



Maike Vierkötter
FOND OF CR



Hannes Weber
FOND OF CR



Philipp Schumacher
FOND OF CR

FOND OF GmbH
Vitalisstraße 67
50827 Köln