



TRIAZ
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Social Report

Fair Wear Foundation Membership 2014

www.triaz-group.com



TRIAZ

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Fair Wear Foundation Membership 2014

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"Trading in times of globalisation makes us all responsible for Social Labour Conditions worldwide."

We are glad, that with the support of the Fair Wear Foundation we can continuously and sustainably work on enhancing workers' lives all over the world."

Ernst Schütz, CEO Triaz Group

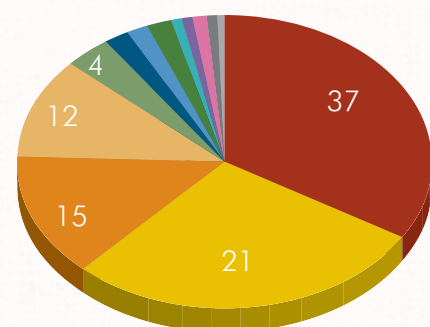
1. Summary: goals & achievements 2014

1.1. Figures of production

2014 was the third year of Fair Wear Foundation membership for the Triaz Group. In 2014 the Triaz Group achieved about 40% of the annual turnover with textiles and shoes. Triaz Group sells their own labels: Waschbär, Enna (Triaz's own brand for basics), Vivanda, Grünheld and Minibär which comprise approx. 44% per cent of the textile

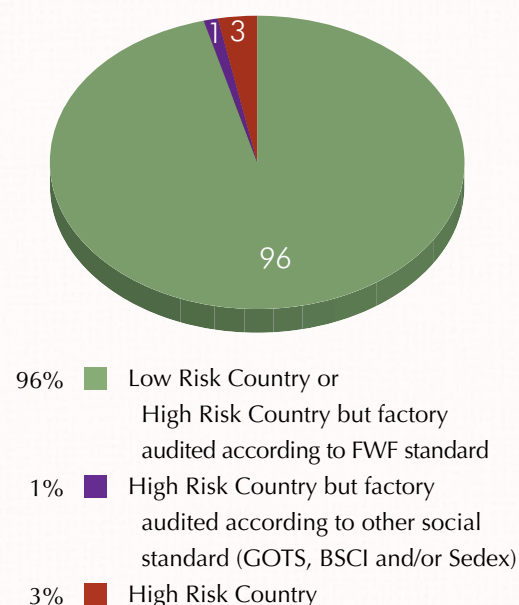
turnover. 56% of textile turnover is achieved with other brands. In 2014 Triaz sourced textiles for their own brands from 23 suppliers at 34 factories. Presently the focus of monitoring lies very much on own label suppliers. Of course external brands also have to commit themselves to the Fair Wear Foundation Code of Conduct and indicate at

Production countries 2014 - TRIAZ own brands (textiles and shoes) (as % of purchasing volume)



37%	Bosnia/Hercegovina
21%	Turkey
15%	Germany
12%	China
4%	Spain
2%	Tunisia
2%	India
2%	Macedonia
1%	Poland
1%	Romania
1%	Ukraine
1%	Switzerland
< 0,5%	Bulgaria
< 0,5%	Czech Republic

Location and social performance of suppliers 2014 - TRIAZ own brands (as % of purchasing volume)

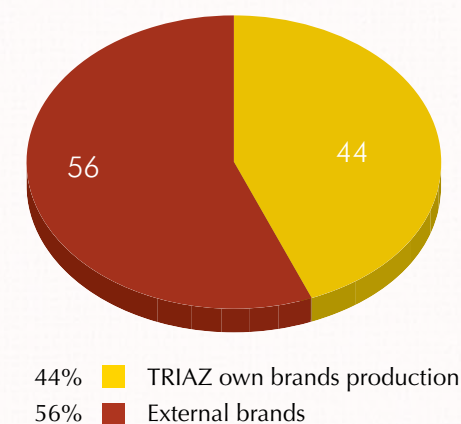


which production sites the textiles for Triaz are produced. On top of that, Triaz started auditing external brands. Triaz sources its own labels mainly from Bosnia, Turkey and China. Further countries of production are: Germany, Tunisia, Spain, India, Romania, Ukraine, Bulgaria, Poland, Switzerland, Czech Republic and Macedonia. In terms of volume, Triaz sources 96% of its own brand products in so called Low-Risk Countries and factories in High-Risk Countries audited to FWF standard and the remaining 4% in High-Risk Countries whereof 3% are audited according to BSCI standards or certified according to the Global Organic Textile Standard.

Low Risk Countries/High Risk Countries

Low Risk Countries in comparison to High Risk Countries are determined by the presence and proper functioning of institutions such as trade unions, worker committees, labour legislation and labour inspection, which can guarantee compliance with basic standards. All present member states of the EU except Bulgaria and Romania are considered to be "Low Risk Countries".

Volumes of TRIAZ own brands and external brands 2014 - all textiles and shoe suppliers (as % of purchasing volume)



Own production/External Production

Own production is the production in all factories that manufacture products which are commissioned by Triaz itself. These products are branded as Triaz's own labels. External production is the production of other brands and where the products are sold under other brand labels.

1.2. Triaz own ecological and social specifications

Triaz Group has its own ecological as well as social product specifications (article pass) for all its brands. The social specifications base upon the ILO Social Labour Standards and the UN Declaration of Human Rights. All suppliers have to commit themselves to producing according to these specifications and sign the article pass for each product they deliver. In addition, the Triaz Group is GOTS certified and the number of GOTS certified textiles increases steadily. Triaz has a clear position and written agreement with suppliers to not use sandblasting in jeans production. Not using the technique of sandblasting is also checked with the article pass. Additionally, every jeans manufacturer handed in a written confirmation.

1.3. Introducing the Fair Wear Foundation Membership

When Triaz became a member of the FWF, the company informed all of its existing suppliers of this step and asked them to endorse the FWF Code of Labour Practice. A detailed questionnaire had to be filled out and signed. In so doing the suppliers confirmed that they accepted the Labour Standards and that they were prepared to work according to them together with Triaz Group. Possible new suppliers have to do this before starting a co-operation.

Questionnaire

Before co-operating with Triaz, every supplier fills out and signs the FWF questionnaire. Via this document Triaz receives basic contact data as well as information on the size, capacity and structure of the company. Furthermore, the document gives information on production facilities, certifications, existing social audits and the endorsement with the Code of Labour Practices. The questionnaire is a good self-assessment tool for suppliers and helps monitoring the social performance.

1.4. Information sheet for workers

In order to inform workers about labour standards and the process of monitoring and remediation, an information sheet must be displayed in the factories. Triaz sent copies of the information sheet in the relevant language to all the factories with the request to make it public for workers and made sure that the sheet is displayed. The information sheet informs the workers not only about social standards but also about their possibilities to complain about problems with working conditions and gives them contact details.

1.5. Audits/Workplace Education Programme

In 2014 social audits were conducted at four further production facilities (one own brand/three external brands): two in India, one in Tunisia and one in Bosnia. Triaz is working jointly with its agents on the resulting Corrective Action Plans. A further re-audit was conducted at the production site in Turkey, to check the implementation of last year's Corrective Action Plan. On top of that The Fair Wear Foundation conducted a verification audit at a facility in China. Workplace Education programmes were conducted at four production sites (two in India, one in Romania, one in Turkey).

Workplace Education Programme

This programme of the Fair Wear Foundation is presently available in Turkey, India, Bangladesh, China and Romania. It is a workshop for factories to raise awareness and to inform workers as well as management about Social Labour Standards. It offers a very good preparation for conducting an audit and aims to help build effective communication and grievance mechanism between workers and management.

Corrective Action Plan (CAP)

After an audit, the Corrective Action Plan (CAP) is used as a controlling instrument between Triaz and the manufacturer. A Corrective Action Plan is a list that specifies the outcomes of an audit. In it, all issues which must be worked on are scheduled with deadlines.

1.6. Workplan for 2015

Triaz will continuously be working on existing Corrective Action Plans. The progress of workplace education programmes and other factory programmes will be followed up on. Triaz plans to involve more and more suppliers in these programmes. Triaz will continue to implement the FWF procedures with new suppliers. With existing suppliers the progress is being monitored. This includes sending out FWF questionnaires to new and existing suppliers to ensure up-to-date data, asking for existing audit reports, etc. Triaz will continue having a closer look at their external brands with a detailed questionnaire, checking improvements on the basis of existing reports from other organisations and of course conducting more audits at their factories.

About 5 social audits will be conducted at own and external brand's factories during 2015: One in Bulgaria, one in Macedonia, two in Turkey and one in Romania. The audits will be conducted with the help of Fair Wear Foundation Audit teams.

Verification Audit

Verification Audits are conducted on behalf of FWF itself as a tool to verify the progress of implementing social standard of its members.



2.About Triaz Group and Brands

TRIAZ

group

The Triaz Group, situated in Freiburg, southern Germany includes the mail order companies Waschbär der Umweltversand, Minibär, Vivanda, PranaHaus and B&W. Triaz has 346 employees. It is a leading company within the natural and ethical trading business. Triaz stands for the harmony of ecological, economic and social responsibility. Core Competence is trading with products that support sustainable living within the everyday lives of the customers. The Triaz Group operates in Germany, Switzerland, Austria and The Netherlands.



With its huge range of products, a twice yearly published catalogue and a highly frequented on-line shop, Waschbär der Umweltversand is one of Europe's largest distributors of ecological products. It was founded in 1987 and is renowned as a pioneer in ecological trading. The product range includes eco fashion made of natural fibres, shoes, natural cosmetics, wooden furniture, home textiles and household products. All our activities have a basis in ethical and ecological principles.



Minibär was founded 2009. This mail order company offers products for babies and children. Everything needed for a natural start in life including organic fashion, natural skin care, pedagogic and durable toys as well as wooden furniture.



The former Panda mail order company is another eco-trader within the Group. Like Waschbär, Vivanda offers products designed for all areas of life of outstanding and long lasting quality. They are produced preferably according to ecological standards. The twice yearly published catalogues offer a range of products including trendy and combinable fashion made of natural and functional/synthetic fibres, plus size fashion, outdoor and sportswear, cosmetics, household products and furniture.

PRANAHAUS®

The purchasing team selects mainly books but also a variety of products from all over the world which are good for body, spirit and soul. All staff members have considerable experience and comprehensive knowledge within esoterics, astrology and spirituality. Prana-Haus developed from the former publisher Hermann Bauer, which was the oldest and most established publishing house for esoterics, spirituality and art of living in Europe. With great enthusiasm a new catalogue is published four times a year, including products that give customers the opportunity to discover and experience the whole world with all their senses. The range of products supports actively shaping life.



B&W is an ecommerce business, selling natural cosmetics. Since their foundation in 1985 B&W treats their customers to a high quality range of selected beauty and wellness products and offers an extraordinary quality of service. Basic conditions for the selection of products are cruelty free and natural ingredients.

3.Sourcing Strategy

3.1. Sourcing strategy & pricing

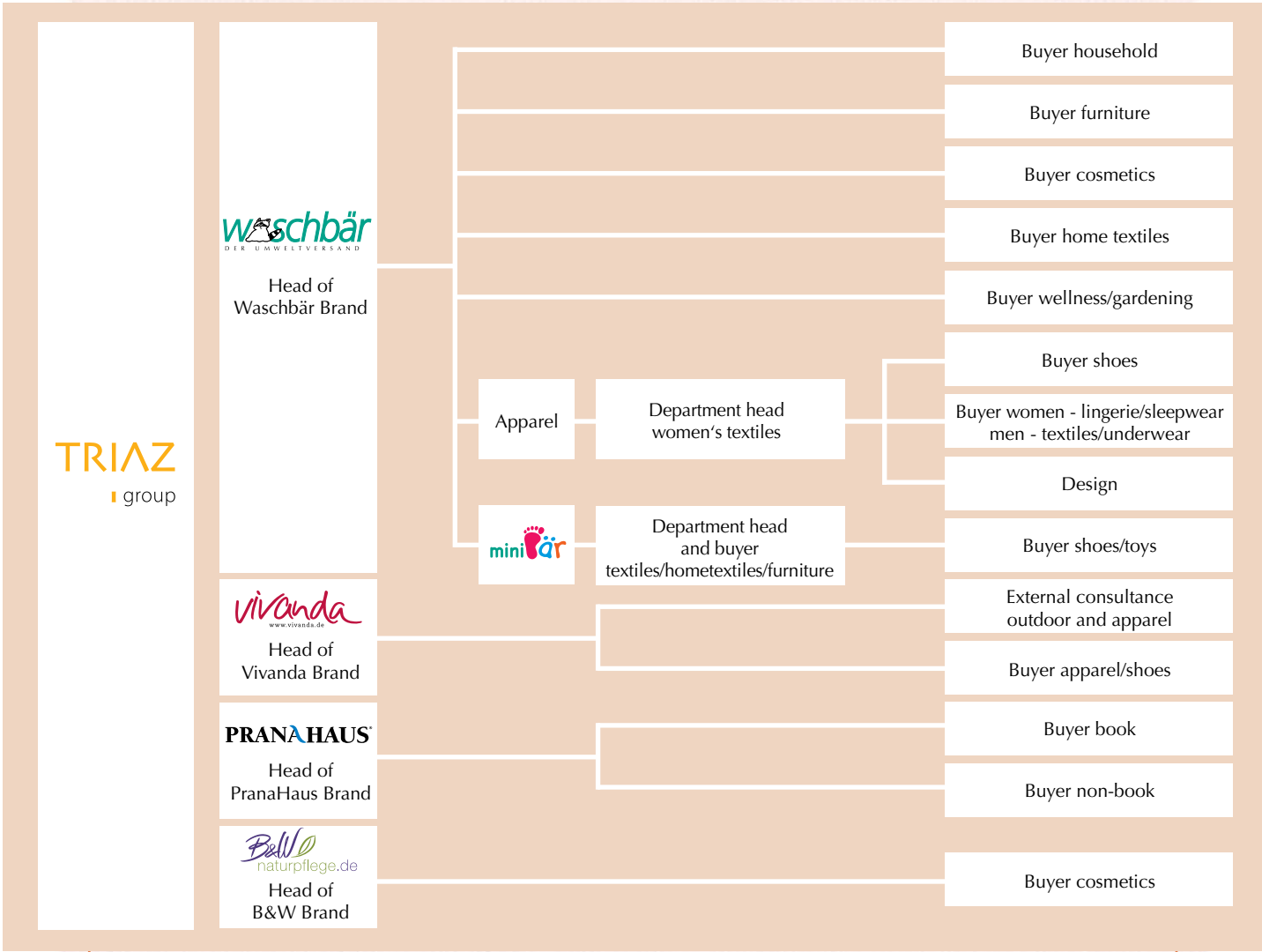
Each brand of the Triaz Group has its own Textile Sourcing Department. Triaz works mainly with agents or intermediaries. New agents/intermediaries are selected by the head of the Sourcing Department in co-operation with the Sustainability Department. The factories are then selected by the agents/intermediaries according to Triaz specifications. Changes of factories have to be discussed with Triaz.

The central criteria when choosing a new supplier are: commitment to ecological and social specifications and to the FWF Code of Labour

Practice, availability of required technologies/machines, capability of the supplier to produce the product, quality standards, capacity for the forecasted quantities, ability to fulfil benchmarks and deadlines, and target prices. Prices are discussed individually with the suppliers.

New Suppliers must commit themselves to the specifications and sign them. At the conclusion of each contract the supplier has to sign three forms: the purchasing conditions, product specifications (article pass) and the FWF requirements (questionnaire).

3.2. Organisation of the sourcing department



Organisational Chart

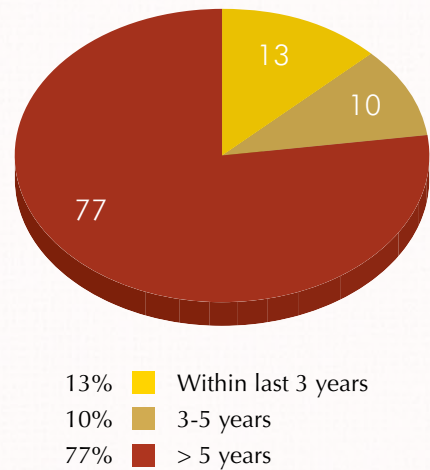
3.3. Production cycle

As a group mail order house, Triaz produces catalogues with a new collection for each brand at least twice a year: one for spring/summer and one for autumn/winter. Eight months before catalogue delivery, the buyers begin visiting the suppliers and building up the new collection. Three months before catalogue delivery the suppliers receive their first order. For established products, Triaz plans long term. This allows the suppliers to buy the yarns and fabrics well in advance. In some cases, Triaz even prefinances this step. Triaz does not have fixed lead times.

3.4. Supplier relations

Visits between Triaz and its suppliers take place at least twice a year. Triaz maintains long term relationships with its suppliers. This is especially necessary and common within the fair and eco fashion business. There are not that many opportunities to find suppliers willing to accept these strict specifications.

Duration of relationships with all textile and shoe suppliers 2014 (as % of purchasing volume)



3.5. Integration monitoring activities and sourcing decisions

If a **new** manufacturer (own brand or external brand) does not accept the FWF standards, Triaz Group does not start working with the factory. Triaz will discontinue placing orders at **existing** suppliers, if the supplier strictly and after several attempts to convince him, will still not accept the FWF standards. If major issues are found during an audit, or major issues are reported within the complaint procedure, Triaz will urge the garment maker to take immediate action. As a first warning Triaz would consider reducing the order to get the supplier to take action. In case of non-performance or unwillingness to improve labour conditions, Triaz would stop placing orders immediately. Triaz collects and evaluates results of audits that have already been carried out at factories and in co-operation with the supplier works on corrective actions based on the audit reports.



4. Coherent system for monitoring and remediation

In 2014 Triaz focused on production sites in China, India, Bosnia, Turkey and Tunesia, beginning with monitoring and evaluating existing audits and conducting its own audits in co-operation with the Fair Wear Foundation or other organisations. When conducting an audit, the Labour Standards which are monitored are:

- Employment is freely chosen
- No discrimination in employment
- No exploitation of child labour
- Freedom of association and the right of collective bargaining
- Payment of a living wage
- Reasonable hours of work
- Safe and healthy working conditions
- A legally binding employment relationship

4.1. China

Currently 11% of Triaz own label production is made in China. Almost all of it in one factory. Mainly for textiles made specifically from silk and hemp Triaz works with producers in China, as that country has a very long tradition in producing these fibres. With one of the factories Triaz has worked together for over 10 years and co-operates closely with it. The factory specialises in silk and introduced the first organic silk production worldwide.

Number of factories manufacturing for Triaz's own labels in 2014:	2
Thereof audited by FWF:	2
Thereof audited by other social auditing organisations:	1
Thereof certified according to Global Organic Textile Standard:	2

Both factories take part in the FWF Workplace Education Programme.

The Corrective Action Plans resulting from of the audits in China point out mainly three topics where deficiencies need to be worked on: Living Wages, Overtime and Health and Safety.

The main factory in China has been audited several times by a Fair Wear Foundation audit team, the last time in August 2014 with a very good result. Remediation of the findings was implemented in the majority of cases. Still there are some points that need work. Overtime in High Season must be reduced. Wages have already reached a high level at this factory and the steadily increase of them towards a living wage continues. During the last years the factory management invested a lot of effort into reaching this goal.





4.2. Turkey

Turkey is an important supplier of textiles for Triaz Group and for Germany in general. In 2014 21% of Triaz own label production was made in Turkey, mainly by two factories. One big advantage of Turkey is its geographical proximity to Germany, which makes visiting suppliers much easier and allows close co-operation.

Number of factories manufacturing for Triaz's own labels in 2014:	7
Thereof audited by FWF:	3
Thereof audited by other social auditing organisations:	6
Thereof certified according to Global Organic Textile Standard:	5

Three of the factories took part within the FWF Workplace Education Programme.

The FWF Corrective Action Plans resulting from the audits in Turkey showed similar results to the ones in China. The main labour standards where deficiencies need improving are: Living Wages, Overtime and Health and Safety.

Many requirements concerning Health and Safety deficiencies could be implemented. Other deficiencies necessitated workshops for management and workers in order to get a better understanding for all the relevant issues of social labour standards. These workshops were organised by Triaz together with the Fair Wear Foundation. The better the understanding the better the remediation.



4.3. Bosnia

37% of Triaz own label production is currently made in Bosnia at one production site. Triaz has a very long lasting relationship with this production site - for more than 8 years now.

Number of factories manufacturing for Triaz's own labels in 2014:	1
Thereof audited to FWF standards:	1
Thereof certified according to Global Organic Textile Standard:	1

The Corrective Action Plan resulting from the audit in Bosnia showed that the main labour standards where deficiencies need improving are once more: Living Wages and Health and Safety.

In this factory more than a third of Triaz own label production is made. The first audit was conducted in July 2013 with a very good result. Until now the Health and Safety deficiencies could be solved to a major extent. The wages, already higher than minimum wage, are still being worked on to increase them step by step to a living wage.



4.4. India

Only 2 % of Triaz own label production is made in India at two production sites. The majority of the production in one factory which was audited in May 2013.

Number of factories manufacturing for Triaz's own labels in 2014:	2
Thereof audited to FWF standards:	1
Thereof certified according to Global Organic Textile Standard:	2

The Corrective Action Plan resulting from the audit in India showed that the main labour standards where deficiencies need improving are again: Living Wages and Health and Safety.

Since the audit in May 2013 with a very good result, Triaz has been working with the factory to improve on the deficiencies found. For example a crèche was built, and a policy regarding HIV and people with disabilities was established.



4.5. Tunisia

2 % of Triaz own label production is made in Tunisia at one production site.

Number of factories manufacturing for Triaz's own labels in 2014:	1
Thereof audited to FWF standards:	1
Thereof certified according to Global Organic Textile Standard:	1 in process

The Corrective Action Plan resulting from the audit in Tunisia showed that the main labour standards where deficiencies need improving are again: Living Wages, Overtime and Health and Safety.

Following up the audit in 2014, Triaz has continuously worked together with the factory on improvements. Issues concerning Health and Safety matters could already be solved. Increasing the wages step by step will be the challenge for the next while, as Triaz production counts only 10% of the factories production.



4.6. External production

Of course all suppliers of external brands have also been informed that Triaz has adopted the FWF Code of Labour Practices and what the implications of this step are for them. This was done via a letter and a copy of the Code of Labour Practices, accompanied by a first questionnaire which asked to endorse the Code of Labour Practices. In 2013 Triaz started increasing its focus on its external brands and sent out an even more detailed questionnaire to get the basis for monitoring these brands as closely as own brands. In 2014 Triaz also conducted audits at three factories of external brands. Two in India and one in Bosnia. Together with the external brands, Triaz is now working on the remediation of findings. First steps towards improvements could already be taken.

5. Complaints procedure

Employees at factories working for FWF members have the possibility to lodge a complaint about non-compliance with a FWF complaints handler in their country. The Fair Wear Foundation subsequently contacts the FWF member, cooperating with the factory and asks the member to handle the complaint.

Triaz received two complaints from factories in India in 2014. Both cases were closed within the year and with the agreement of the plaintiffs. On one of the complaints - pertaining to payment of a living wage in connection with a dismissal - Triaz worked together with another Fair Wear Foundation Affiliate sourcing at this facility. The other complaint pertained to safe and healthy working conditions as well as legally binding employment. It was also connected to a dismissal.

6. Training and capacity building

6.1. Activities to inform staff members

All Triaz staff-members are informed about FWF membership and related news via the Intranet. New staff members involved in the execution of monitoring activities will be trained in a workshop about FWF and the Code of Labour Practices. Reports within sales meetings continuously inform about the social performance of suppliers.

In addition, every season employees at Triaz Group are trained about the latest collection and its specifics. Employees are also trained about the ecological and social principles of the company. "Triaz Cinema" is open to every employee and shows documentaries about ecological and social topics.



6.2. Activities to inform agents

Working with agents is a common practice within the garment industry in many countries. Triaz sourcing department visits their agents (often accompanied by the sustainability department) at least twice a year. Social Standards are an important subject during these visits. Agents jointly work with Triaz Group on the implementation of the FWF Code of Labour Practices. Audits are planned together and reports are jointly worked on. In 2014 Triaz organised a FWF workshop for agents at their headquarter in Freiburg. Many agents took part and together a lot of topics could be discussed to make cooperation toward social labour standards even more efficient.

6.3. Activities to inform manufacturers and workers

In order to inform workers about labour standards and the process of monitoring and remediation, an information sheet must be displayed in the factories. Triaz sends copies of the information sheet in the relevant language to all the factories with the request to make it public for workers. The information sheet informs the workers not only about social standards but also about their possibilities to complain about problems with working conditions and lists contact details. Triaz makes sure that the information sheet is posted in all the supplying factories and is handed out to the workers during audits. Triaz encourages their suppliers to be part of the Workplace Education Programme and also to become a member of the FWF.



7. Transparency & communication

Working with the suppliers on social labour standards involves intense communication with all of them. Discussing the Code of Labour Practice improves the awareness of these important topics all the time. Besides informing its suppli-

ers and staff, Triaz also informs the public about the FWF membership on its homepage, with press releases, newsletters, fairs, in the mail order catalogues and with the annual social report. The Fair Wear Foundation Membership is a topic at all public events.

8. Corporate Social Responsibility

The Triaz Group originated as an Eco Business. The company started with products to reduce our ecological impact on the environment and it still stands by this basic philosophy when sourcing its products. Not only the environmental impact matters within textile production but also the improvement of social standards. That is the reason why Triaz joined the FWF. The membership is an active involvement in further improvements. The Triaz Group is GOTS certified. Triaz uses only

energy from renewable sources in all their offices. The whole company is carbon neutral (certified through Carbon Neutral/London).

The Sustainability Department at Triaz Group is Responsible for Social Standards and the co-operation with the Fair Wear Foundation. The compliance to the ecological specifications and the GOTS certification is their responsibility as well.



Monika Rothböck, Hannah Leicht, Barbara Engel (Head of Department), Linda Enghauser

TRIAZ

group

Address

Wöhlerstraße 4, 79108 Freiburg im Breisgau

Brands

Triaz GmbH Waschbär der Umweltversand
(founded 1987)

Vivanda

Minibär

PranaHaus

B&W

Homepages

www.triaz-group.com

www.waschbaer.de

www.vivanda.de

www.minbaer.com

www.pranaha.us.de

www.naturpflege.de

Product Range

Fashion, shoes, cosmetics, furniture,
home textiles, bedding, household,
goods, toys, books, food.

Sales Markets

Germany, Switzerland, Austria, The Netherlands

Distribution Channels

Mail Order, E-Commerce, shops

Shops (Outlet Stores)

Stuttgart, Freiburg, Karlsruhe, Göttingen

Owner

Ernst Schütz

CEOs

Ernst Schütz, Katharina Hupfer,

Tobias Jerg, Rolf Andersen

Number of Employees

330

Number of Trainees

16

Turnover

€ 75 million 2014 (Turnover Textiles: € 40 million)

TRIAZ

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