



# Waschbär

## Social Report 2021



Fair Wear Foundation Membership 2021



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For Waschbär GmbH, social standards are an important part of who we are, since we create products for a sustainable lifestyle. We are proud that we, together with the Fair Wear Foundation, are taking an active part in monitoring and improving working conditions worldwide.

*Katharina Hupfer, CEO of the Waschbär GmbH*



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# Chapter 1 **Introduction**



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### 1. Introduction...

#### ... or more specifically: we had such high hopes

At the End of 2020 we all received the information about the first vaccines against Covid which were supposed to be accessible to the people. Along with that news came a lot of hope. A lot of hope for mankind but also for us. We hoped that our loved ones will be safe, that the people in the supply chain of Waschbär will be safe. We were looking forward to working without having to look after our children simultaneously, we were looking forward to visit our suppliers and work with them on sustainability. But those hopes busted like bubbles when the number of corona cases remained high throughout the year. So here we go and have to report about another year that came not like it was planned. And as much as we pointed out that last year was an unique year for us, we have to realize that the year was not as unique - as 2021 also has to be regarded under the light of the Covid pandemic.

However, we managed something exceptional this past year. With our risk analysis we closely examined our entire supply chain from the raw material to the finished product. This was a great exercise to find out where our strengths within the supply chain are and where we need to improve. For us it is a great tool on improving us. And this is what we thrive on at the sustainability team at Waschbär: Improvements.

*Joscha from the Sustainability Team at Waschbär*

**Our risk analysis was a great exercise to find out where our strengths within the supply chain lay and where we need to improve.**

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# Chapter 2

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## Covid-19

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## 2. Covid-19 and its impact on Waschbär

Managing sustainability within our second year of Covid, we established some sort of routine. We kept our systems alive and stuck to our principles from the previous year, while we continued to work remotely and managed to only conduct one visit at a supplier. All our tools remained in place. We cooperated with other suppliers and we kept to our voluntary commitment from last year. We experienced that nationwide lockdowns within the industry where the exception in 2021 in the producing countries. However locally some of the production facilities closed since a high number of staff members was infected with the Covid virus simultaneously and the management decided to close down the facilities to avoid a spread of the virus.

### 2.1 Our voluntary commitment – year two

In 2020 we created Covid-Health and Safety Guidelines for our suppliers and distributed them. Additionally, we informed them that during the pandemic - meaning from that day onwards - we would not charge for a late delivery, but instead we asked the suppliers to get in touch with us as quickly as they could, to inform us of their situations. So, the 'Guidelines for responsible purchasing in times of Covid-19' ([see next page](#)), which we initiated throughout the Partnership for Sustainable Textiles, and some companies within the Partnership committed to, remained in place for us, since the pandemic did not end within the last year.

Waschbär stuck to the self-commitment. We have not cancelled any order, we pre-financed goods for suppliers in need, we have not charged for late deliveries due to Covid and offered support to our suppliers whenever we could, most importantly to cushion the consequences of the pandemic for our partners and the workers in our supply chain.

Waschbär did not cancel any order nor charge for late deliveries due to Covid. Instead we pre-financed goods for suppliers in need and offered support to our suppliers whenever we could.

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## 2. Covid-19 and its impact on Waschbär



### Guidelines for responsible purchasing practices in times of COVID-19

#### Recommended actions for short-term measures during the COVID 19 outbreak

The recommendations for action reflect the present state of the discussion in the Textile Partnership and are to be further elaborated. The recommendations offer an orientation and are thus not intended to rigidly prescribe what approach each company should adopt in every type of business relationship. Companies can therefore - provided that the above-mentioned principles are respected - choose to act in other ways.

#### Handling of orders and related payments

- Orders that have already been completed are not cancelled and the agreed payment terms are met.
- For orders that are currently in production or for which material has already been purchased, cancellation is avoided as far as possible. If necessary, another use can be found for material that has already been procured.
- Late deliveries that result from the impact of the COVID-19 outbreak will not be sanctioned.
- New order forecasts are communicated to the supplier at an early stage and regularly updated. Lead times and capacities should be closely coordinated with tier 1 and material suppliers. Delays should be anticipated, especially when production starts again after a lockdown.

In dialogue with the supplier it is to be examined:

- How costs already incurred are covered when orders cannot be completed. At best, the company placing the order pays for material and wage costs.
- Where goods can be stored temporarily in case they cannot be delivered or accepted at the moment, how costs can be split that may arise and what other alternatives are available to avoid extra costs (e.g. switching to slower means of transport).
- Whether wages can be paid and whether it is possible to make concessions in order to secure wage payments, e.g. by adjusting payment targets. Other alternatives should also be examined, such as the provision of financial emergency aid for workers to cover the loss of wages or layoffs in cooperation with other actors/at country level.
- What alternatives are to avoid cancellations and changes in forecasts. The same applies to the final termination of business relationships.
- In the event of factory closure, workers should receive the wage and compensation payments to which they are entitled (see also the previous point on the provision of financial emergency aid).

#### Dealing with health risks and the risk of infection in production facilities

In dialogue with the supplier, efforts must be made, e.g. by providing support or information/material, to ensure that:

- Suppliers implement adequate protective measures to reduce the risk of infection. This also applies to the transport of workers to and from the production site.
- Workers are informed about these protective measures and their rights and have access to worker/trade union representatives or other effective grievance mechanisms to raise concerns or complaints.
- Suppliers comply with government measures.

as of 22 April 2020

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#### Outlook

In order to avoid negative impacts on all actors involved, and in particular on workers in the supply chain, the current situation requires all parties involved to work in a spirit of mutual understanding and partnership, as well as close communication and flexibility. The COVID-19 crisis can only be overcome together. At the same time, the current situation underlines what must apply now more than ever and in particular for the upcoming future: Fair and cooperative relationships between buyers and suppliers form the basis for stable global supply chains. Against this background, the guidelines outlined here will be further developed by the members of the Textile Partnership to cover actions beyond the immediate time frame of the crisis situation.

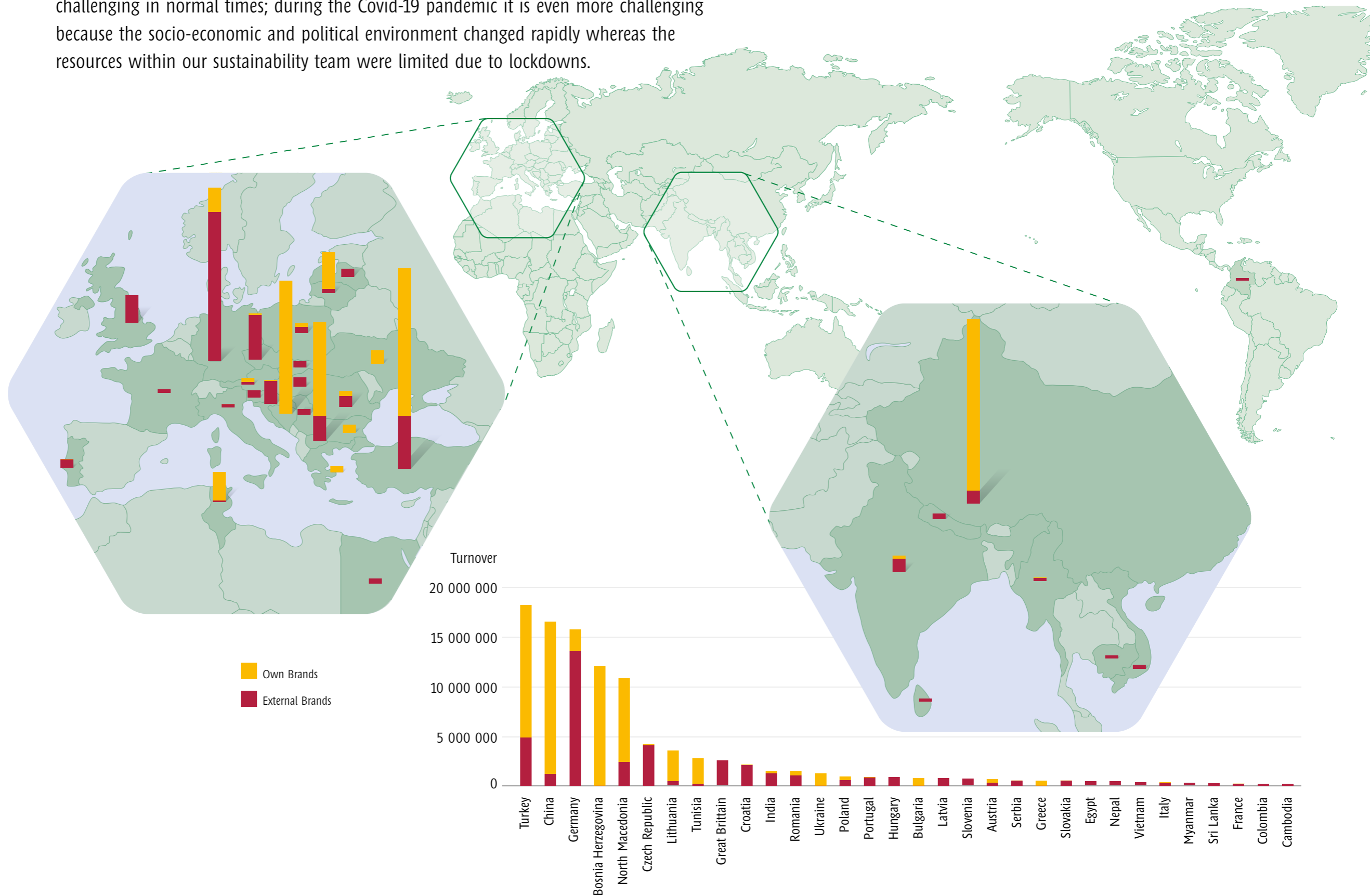
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## 2. Covid-19 and its impact on Waschbär

### 2.2 Cooperating with Member Brands of the Fair Wear Foundation

For our own brands (Enna, Grünheld, Minibär, Waschbär) we are sourcing textiles from 12 different countries. Keeping an overview of the situation in all these countries is already challenging in normal times; during the Covid-19 pandemic it is even more challenging because the socio-economic and political environment changed rapidly whereas the resources within our sustainability team were limited due to lockdowns.





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## 2. Covid-19 and its impact on Waschbär

But our situation applied to many other textiles companies who are also committed to sustainable production and we were glad that we were able to bundle our forces. Initiated by other Fair Wear Member brands we worked together in cooperation to monitor the current situations in the countries we source from. This means that every brand was responsible for doing research on the respective Covid-related situation in some of their sourcing countries and shared those insides with the other brands. This information was then shared amongst us brands. Initially those updates happened every two weeks until we changed to a monthly update when the pandemic lost its dynamic temporarily in the second half of the year. Waschbär reported on the countries of North Macedonia and Bosnia Hercegovina. We feel fortunate that within the community of the Fair Wear Members, we work together with other brands on improving on our sustainability. However, we realized that in 2021 there were no more Nationwide lockdowns throughout our production countries, but local lockdowns decided by the own factory management, when there were numerous cases within the factory. Therefore, we stopped collecting country wide information within this group of different brands.

### 2.3 Onboarding in Covid Times

Before we start working with a new factory, we closely examine the potential factory to find out if our values and our approach towards sustainability match alongside with the technical requirements from our Quality department and the requirements from our Purchasing department. This leads to a complex process which we call onboarding. Normally this requires a lot of paper work, talks and finally ends with a visit at the production place from a member of the Waschbär staff before starting the business relationship. Since travelling was prohibited to Waschbär staff members due to safety reasons, our initial plan was to keep the onboarding process on hold until the pandemic was over. But in 2021 we could no longer wait with an onboarding process to secure our supply for the Waschbär customers.

### Virtual onboarding process

Since the personal visit at a new production facility was not feasible for us we had to start a virtual onboarding process. To secure our high quality within this onboarding process Waschbär established the following guidelines during the pandemic:

- Waschbär puts a special focus to the geographical location of suppliers and the deeper supply chain. If it involves countries with a structural or high exposed risk in term of human rights. The Sustainability department is allowed to stop the onboarding process due to those concerns.
- Factories need to have GOTS certification, the management is willing to have virtual online meetings with us, in which we can demand pictures of the facilities or where we conduct a virtual tour of the facility, unless a staff member has seen that facility previously (Note: in 2021 we conducted three virtual Tours). Additionally, one of the following criteria's has to be fulfilled:
  - The factory is already producing for a company that is member of the Fair Wear Foundation
  - The factory is not located in a country that is considered to be a high-risk country according to the Fair Wear Foundation or they can deliver credible evidence that the specific country risk is not applicable to the production facility (only applicable for very specific cases)
  - The production facility agrees to have an audit from the Fair Wear Foundation itself or another organization whose audit results are acknowledged by the Fair Wear Foundation prior to the beginning of our business relationship (audit cost would be covered by Waschbär).

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# Chapter 3

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## Risk-based Analysis

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### 3. Risk-based Analysis

While the last years we focused on our purchasing practises to improve the social and environmental conditions along our textile supply chains, in 2021 we decided to address our entire supply chain. For this project we analysed all fabrics and production processes which are part of the textile supply chain at Waschbär according to human and environmental risks. This has been a massive endeavour. In total the whole textile supply chain for Waschbär stretches over 44 countries. Therefore, going through our supply chain and analysing all steps of our supply chain with environmental and human rights risk, we had to examine 2940 potential risk hazards. From that we identified 35 goals which includes 83 activities to ideally improve our supply chain within the next two years. This gigantic project will be taken on not only by the sustainability department - its impact and responsibilities stretch across many different departments and staff throughout Waschbär. Our goals and actions range from living wages and the complaint mechanism in the deeper supply chain to the use of recycled cotton - to name only a few examples.

For more information on our risk analysis please refer to

<https://texpert.textilbuendnis.com/member-report/3mrMjVgroZ>

**In 2021 we analyzed all fabrics and production processes of the Waschbär textile supply chain according to human and environmental risks (a total of 2940 potential risk hazards in 44 countries) and identified 35 goals - including 83 activities to ideally improve our supply chain within the next two years.**

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# The year of Transparency – what we achieved



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## 4. The year of Transparency – what we achieved

Last year we announced the year of Transparency, in which we addressed four different aspects that we wanted to focus on:

- Publication of a suppliers list on our website
- Being assessed by our suppliers
- Starting a block chain initiative for a better transparency of our supply chain
- Introducing Open Calculations with our suppliers.

Looking back on last year we have to admit that, although we managed to realize some of the projects for the past year, the circumstances did not allow us to be successful in all of them.

### Supplier List

Waschbär publishes all of its suppliers in the Textile segment on its website (download link): [https://www.waschbaer.de/media/wb-dokumente/fairwear/Lieferantenliste\\_12\\_2021.pdf](https://www.waschbaer.de/media/wb-dokumente/fairwear/Lieferantenliste_12_2021.pdf)

### Assessment by our suppliers

Last year we sent all our suppliers a questionnaire where we asked them anomalously via a tool provided by Act and the Partnership on Sustainable textiles. A majority of our suppliers answered the questionnaire, unfortunately we were not yet being able to deep dive into the results.

### Block chain

Waschbär already signed an MoU with a Block Chain initiative which would have enabled us to work towards a sustainable supply chain. We also already participated in a kick-off workshop, but unfortunately the project partner who was in charge of the programming of the block chain technology had to postpone the project. So currently Waschbär is searching for an alternative solution/option.

### Open Calculations

In September 2021 Waschbär became one of the founding members of the Living Wage Lab of the Partnership for sustainable textiles. The goal of this lab is to increase the wages of the workers in the textiles industry. Within this Lab Waschbär identified four suppliers with whom Waschbär wants to start working on the Living Wages and where open calculations would be an option. Unfortunately, one of the places is in the Ukraine and another one is Turkey that suffers from high inflation therefore it is difficult to forecast if these projects can be realized within next year.



*Knitting Maschine at our factory visit in Italy 2021.*

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## Chapter 5

# Facts and Figures about Audits and Trainings



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## 5. Facts and Figures about Audits and Trainings

In 2021 we conducted a record total of sixteen audits; four in Turkey, three in Ukraine, three in North Macedonia, two in Italy, one in India, Bulgaria, Romania and Tunisia. In general we tried to conduct as many audits as we could during the Covid times which resulted in this high number of sixteen audits which is by far the most audits we ever conducted within a year, but gives us the opportunity to make up for all the audits we could not conduct within the last year. All audits were conducted in companies that produce for our own brands.

Additionally, we were able to have four trainings at suppliers. Two of the trainings were Worker Education Programs conducted by the Fair Wear Foundation which give a general overview to workers about their rights at the workplace. Those trainings were conducted at suppliers in China and Ukraine. One was a Workers Education Program with a special focus on communication and dialog within a factory. This training took place at a supplier in Turkey and finally we managed to have one Workers Education Program with a focus on Violence and Harassment Prevention which mostly focuses gender-based violence. This training was carried out in India. All trainings have been appreciated by the factory management. We were very eager about the feedback to the training in regards to violence and harassment. Unfortunately, prior to the training we conducted an audit at the supply which displayed a big gap between our values and standards in regards to sustainability with the supplier. This gap was fed by the Covid pandemic which led the supplier to conduct measurements in regards to the working condition which we do not want to tolerate. We tried to find a common ground to work together on improvements with this supplier, but unfortunately, we did not succeed and realized that the philosophy of our supplier does not match with ours anymore and therefore we have to terminate this working relationship. When terminating a business relationship with a supplier we follow our responsible Exit Strategy. For further information of the responsible Exit strategy please refer to our Social Report from the previous year.

### Info Box

#### Audits – the Waschbär Way

Audits are external examinations by a third party – to examine to what extent the required standards, (in this case the core standards of the Fair Wear foundation) are complied with and where there may be room for improvement. In addition to the on-site visit, the auditors conduct anonymous workers interviews outside the factory facilities to verify the findings from the on-site visit.

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## 5. Facts and Figures about Audits and Trainings

### 5.1 Monitoring our suppliers

With the high number of audits that we conducted last year we managed to cover a lot of production facilities by audits. As stated in the graph alongside, 95% of the textiles sold by Waschbär are from audited factories or factories located in low risk countries. Low risk countries are countries within the European Union (except Romania, Bulgaria and Italy), Iceland, Switzerland, Lichtenstein and Norway.

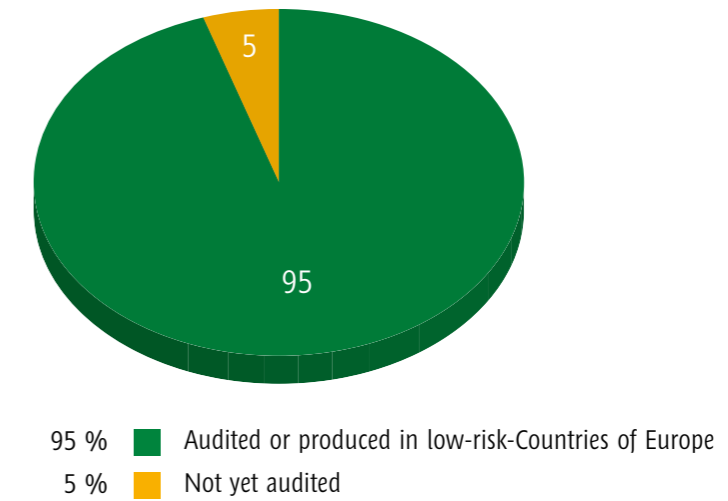
#### Info Box

##### Low risk countries vs. high risk countries

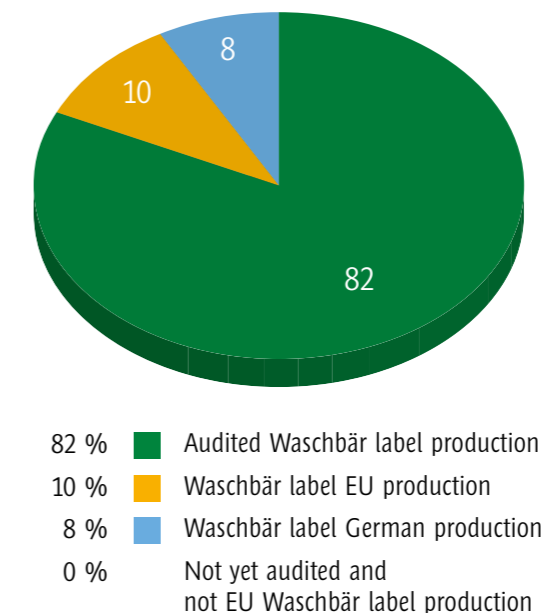
'Low risk countries' in comparison to 'high risk countries' are determined by the presence and proper functioning of institutions such as trade unions, worker committees, labour legislation and labour inspection, which can guarantee compliance with basic standards. All current member states of the EU - except Bulgaria, Italy and Romania - and the European Free Trade Association (EFTA) Iceland, Liechtenstein, Norway and Switzerland are considered to be 'low risk countries'.]

Whereas this is the overview of all textiles products, Waschbär sells products from our own brands (Enna, Grünheld, Minibär, Waschbär) along with products from external brands like VAUDE, Mufflon, Think,..... Overall we cover 100% of our own production with monitoring. If we have a glimpse at the monitoring of all the factories that produce products for us under a label from Waschbär (Enna, Grünheld, Minibär, Waschbär) - without any external brands - we see that 8 % of these products come from Germany, 10% from within the EU (not including high risk countries) and 82% are from outside the EU or high risk countries but audited.

#### Social compliance of all textile products



#### Audits for all textiles sold under a Waschbär label (Enna, Grünheld, Minibär, Waschbär)





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## 5. Facts and Figures about Audits and Trainings

### 5.2 Corrective actions after audit

For us it is important that audits are learning experiences, which give the factory valuable information on how they can improve their working conditions. We, as the business partner, see our role as an advisor and partner, who at the same time monitors improvements. Most of the improvements of the working conditions are in some way or the other cost intensive: Raising wages, organizing trainings, purchasing new equipment. In the second year of the pandemic we experienced that the financial buffer of factory owners shrank due to factory closings, less orders from clients and higher costs for health and safety measures to avoid the spread of Covid infections within the production facility. We do regret that this is the current situation and we would like to see the environment for improving working conditions within this industry would change but there are no improvements in sight. 2022 looks like it will be even more challenging with the rising energy costs. But regardless the circumstances Waschbär will always try to maximize the outcomes for the workers in consideration to the circumstances.

With sixteen audits that have been conducted within one year we have to realize that we reached a peak on the monitoring of audits. Most of the audits that we conducted in 2021 took place within the last months of the year. So that most of the audit reports and corrective action plans reached us only in 2022. Therefore, we decided to not specifically address the experiences from each audit instead we give an overview over the most pressing topics which were relevant for production facilities that produce for Waschbär.

**Health and Safety:** In our experience Health and Safety measures are generally the so called low hanging fruits within the corrective action plans. Usually in this fields the factory has to exchange fire distinguishers, unblock exit routes and make sure the workers standing have antifatigue mats and those sitting are providing with appropriate chairs (Obviously the reality is more complex, but this gives you a first idea on Health and Safety). Last year we experienced that some of our suppliers are in need to have quite complex building renovations, like the instalment of an elevator or a new air circulation system in the ironing station. As indicated in the beginning of this chapter such massive costs as such building renovations are currently hard to cover by some suppliers, yet those renovations are necessary. It is therefore our task to find forms of guarantees and alliances to make such renovations possible.

### Info Box

#### Corrective Action Plan (CAP)

After an audit, the Corrective Action Plan (CAP) is used as a controlling instrument between Waschbär and the manufacturer. A Corrective Action Plan is a list that specifies the outcomes of an audit. All listed corrective actions are scheduled with deadlines.

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## 5. Facts and Figures about Audits and Trainings

**Working Hours:** With temporary factory closings and order shifts from other clients, planning has been difficult for factories which lead to a general increase in overtime for the workers. We are content to see that in the vast majority of supplier's overtime and especially excessive overtime for workers is the absolute exception at Waschbär production places. And whenever Waschbär comes across overtime issues at a factory our Rebuying and Purchasing department seek the dialogue process to improve our purchasing practises. Repeatedly Waschbär informs its suppliers that they should inform us when they struggle with the delivery dates so we can arrange alternatives and avoid overtime.

**Living Wages:** Living Wages are identified as one of our key topics for the past year and we continuously keep addressing this topic. In Turkey we have a supplier who adapts the workers wages at the beginning of each year to the current inflation rate. Another supplier in Turkey and one in Lithuania and Ukraine work internally on a living wages project. We are very happy about those initiatives and continuously offer our support and advice.

### 5.3. Our visit at an Italian supplier

At the end of the summer last year - we as the employees of Waschbär - were allowed to travel again internationally. In consequence the sustainability department planned three trips to suppliers. Two of them were new suppliers where we conducted a virtual on-boarding previously. Additionally we planned a visit at five suppliers in North Macedonia, Greece and Bulgaria The last trip was planned together with the sustainable department of another Fair Wear Foundation member that also sources at the same production facilities. Unfortunately, after planning those trips and completing the first visit to our supplier Stambecco in Italy, the number of covid cases increased again dramatically in Europe so we were forced to cancel the additionally planned trips.

The trip to Italy was important to us for several reasons. It was the first time that we sourced from Italy and also the first factory that we visited after only having inspected it virtually. We were very pleased to see that our good impressions from the online visit could be validated. Additionally, we visited the washing facility.



*Circular Knitting Maschine used for combining knittwear pieces from our factory visit in Italy 2021.*

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## 5. Facts and Figures about Audits and Trainings

### 5.4 Complaints

In 2021 we received a complaint from a worker within a Turkish factory that produces for us.

Complaints can be filed by workers that produce for Waschbär through a complaint mechanism by the Fair Wear Foundation whose accessibility is provided by Waschbär to all workers along the textile factories where our products are sewn. If a worker files a complaint Fair Wear monitors that Waschbär and the factory management solve the complaint accordingly.

The complaint addressed two issues. On one hand the worker complained that he received a wage increase but the increase was - although higher than the legal minimum wage - not high enough to meet the living wage. The second part of the complaint addressed the closed cafeteria of the production facility during Covid times. The workers did receive voluntary lunch money as a compensation from factory management but it was stated that the money didn't cover food costs and that the facility is too far from restaurants to order take away food.

We addressed this issue with the management bearing in mind that we are continuously working on improving the wages for the worker and that the factory pays an inflation compensation for their workers. Secondly the Lunch in pre-Covid times is a voluntary service by the factory management and was continued after the Covid restrictions were lifted in Turkey, and additionally the management provided the staff with extra microwaves and a fridge to store and heat up their lunch they bring from home in case the cafeteria is shut. Waschbär is glad that the complaint could be solved and that the management of the factory worked engaged on the solution of this complaint.

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## Chapter 6

# The Sustainability Team and its role within Waschbär



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## 6. The Sustainability Team and its role within Waschbär

The Waschbär GmbH 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 does the environmental impact matter within textile production, but also the improvement of social standards. That is the reason why Waschbär joined the FWF. The membership encourages Waschbär to actively pursue further improvements. Waschbär is GOTS certified and uses only energy from renewable sources in all their offices. The whole company is carbon neutral (certified through Soil and More). To compensate its CO2 emissions Waschbär launched, together with Soil and More, its own compost project with its silk supplier in China, where all emissions are compensated by the farms that grow the mulberry plants which provide the food for the silkworms.

The Sustainability Department at Waschbär is responsible for both the social standards, (including co-operation with the Fair Wear Foundation) and the environmental standards (compliance with the ecological specifications and the GOTS certification).

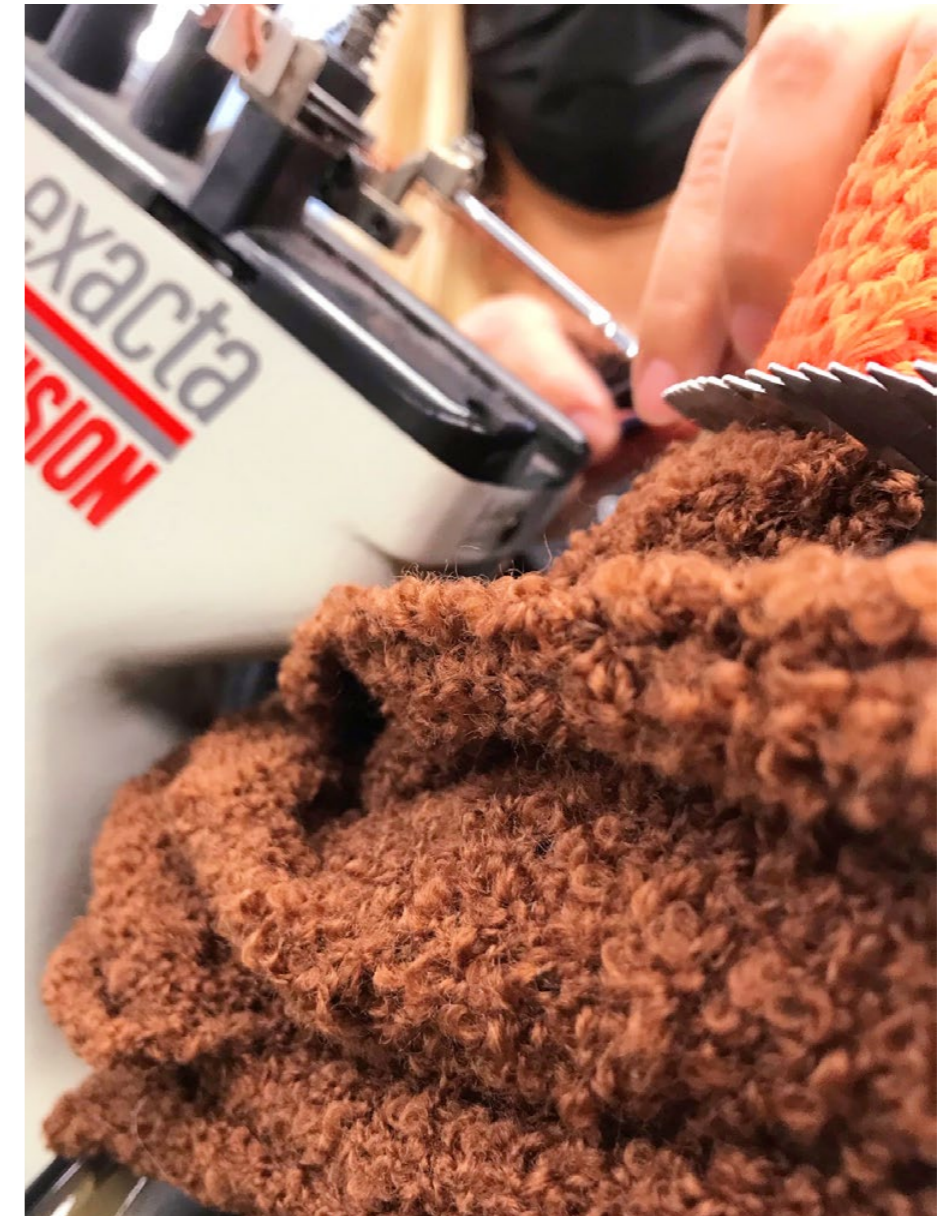
### 6.1. Purposeful Work – Waschbär the Purpose Company

Since 2017 Waschbär is a Purpose Company. Through this form of business organisation, Waschbär can never end up in the hands of an investor; it will always belong to itself. Therefore, it is out of reach of financial interest, since all profits that the company earns remain within the company and can only be reinvested within the company for its own use. This way it is guaranteed that Waschbär will remain an eco-business with a strong focus on sustainability.

### 6.2. Sustainability at Waschbär

Sustainability is a core element for Waschbär; the sustainability department has the right to veto any business relationship with suppliers. Along with our engagement in ecological sustainability, all Waschbär staff-members are informed about FWF membership and related news via the Intranet. Any new staff members involved in monitoring activities are 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 Waschbär are trained on the latest collections and their specifics. Employees are also given training about the ecological and social principles of the company.



**The reason Waschbär joined the Fair Wear Foundation is the conviction that with textile production social standards matter as much as the environmental impact.**

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## 6. The Sustainability Team and its role within Waschbär

### 6.3. The Team introduces itself

Within the Sustainability Team at Waschbär those responsible for Textiles are Theresa, Jonas, Luisa and Joscha. Theresa is responsible for all ecological questions around textiles, Jonas is in charge of all the data and statistics, and Luisa and Joscha work hand-in-hand on any social issues regarding the textile supply chain, assuring the Waschbär social standards and even developing them further.



**Jonas**  
*Datamanager*



**Luisa**  
*Sustainability Coordinator*



**Joscha**  
*Senior Sustainability Coordinator*



**Theresa**  
*Senior Sustainability Coordinator*



### **Key data for Waschbär:**

#### **Address**

Wöhlerstraße 4, 79108 Freiburg im Breisgau

#### **Brand**

Waschbär GmbH (founded 1987)

#### **Homepage**

waschbaer.de

#### **Product Range**

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

#### **Sales Markets**

Germany, Switzerland, Austria, Netherlands

#### **Distribution Channels**

Mail Order, E-Commerce, shops

#### **Shops (Outlet Stores)**

Freiburg, Karlsruhe, Göttingen

#### **Owner**

Katharina Hupfer, Purpose Stiftung

#### **CEO**

Katharina Hupfer

#### **Number of Employees**

411

#### **Number of Trainees**

11

#### **Turnover**

€ 79 million 2020; Turnover Textiles and Shoes: € 48,2 million