

MADNESS THE NATURE TEXTILE COMPANY GmbH



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Start date membership

August, 2014

start: January (01/16)..... end: December (12/16)

Annual Turnover

ca. 1,500,000 euro

MADNESS THE NATURE TEXTILE COMPANY GmbH

Welle

Jahresabschluss zum Geschäftsjahr vom 01.01.2014 bis zum 31.12.2014

Bilanz

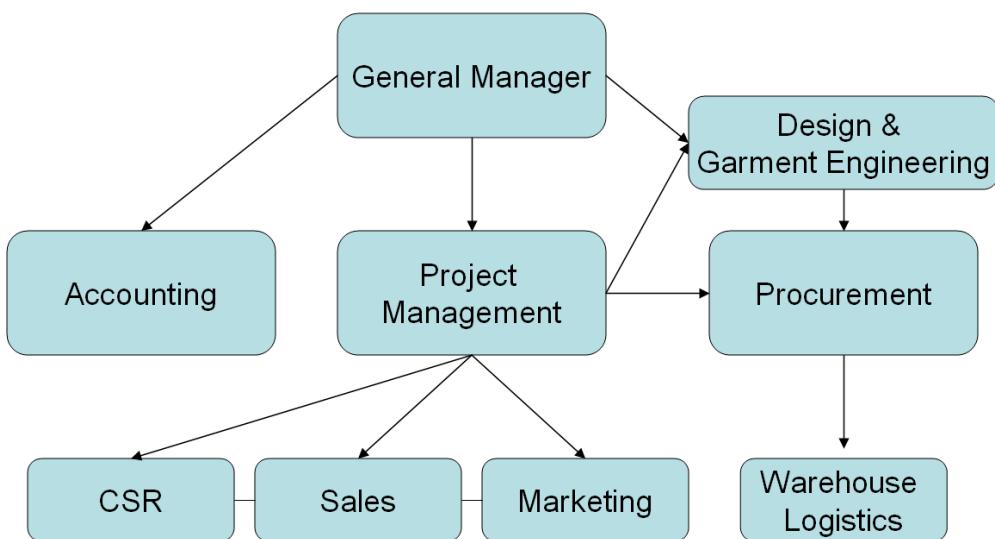
Aktiva

	31.12.2014 EUR	31.12.2013 EUR
A. Anlagevermögen	21.704,76	1.474,62
I. Sachanlagen	21.610,22	1.380,08
II. Finanzanlagen	94,54	94,54
B. Umlaufvermögen	428.853,41	376.742,69
I. Vorräte	280.119,65	276.297,69
II. Forderungen und sonstige Vermögensgegenstände	148.729,32	100.265,10
III. Kassenbestand, Bundesbankguthaben, Guthaben bei Kreditinstituten und Schecks	4,44	179,90
C. Rechnungsabgrenzungsposten	78.119,15	43.572,87
Bilanzsumme, Summe Aktiva	528.677,32	421.790,18

Passiva

	31.12.2014 EUR	31.12.2013 EUR
A. Eigenkapital	164.520,61	145.913,68
I. gezeichnetes Kapital	25.000,00	25.000,00
II. Gewinnvortrag	120.799,15	84.277,97
III. Jahresüberschuss	18.721,46	36.635,71
B. Rückstellungen	52.350,71	25.880,69
C. Verbindlichkeiten	311.806,00	249.995,81
Bilanzsumme, Summe Passiva	528.677,32	421.790,18

Organisational chart



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1. Summary: goals for this work plan period

Describe what you want to achieve in the new work plan period in terms of implementing the FWF Code of Labour Practices along your supply chain.

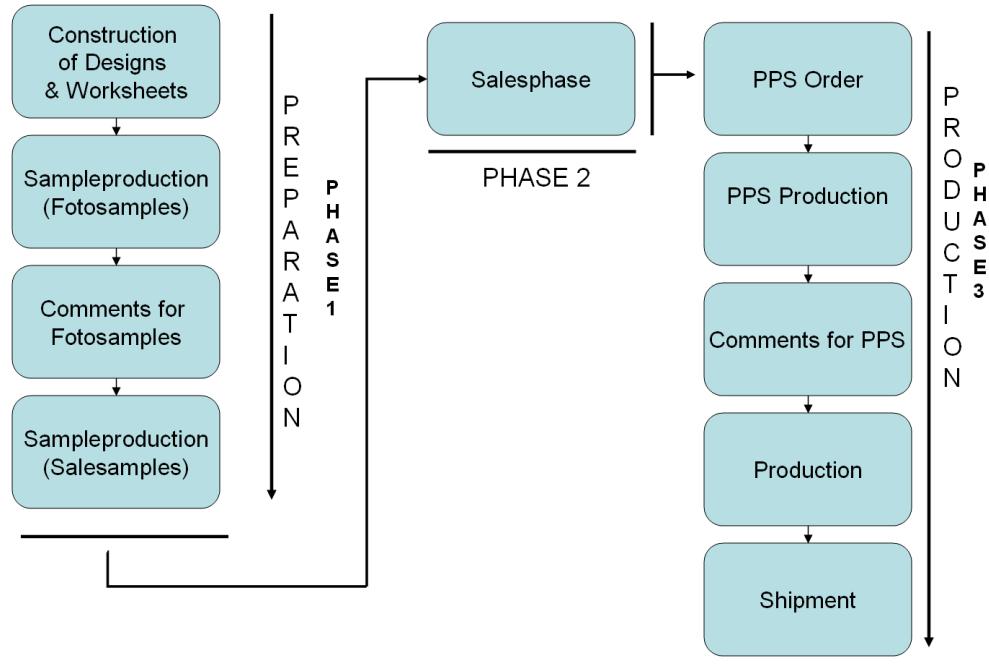
In 2016 we focus on our biggest problem “OVERTIME”. Our goal is to reduce the overtime in our production bases by 5% overall.

And also try to increase the wages for those workers whose wages didn't match the living wage referring to the Asia floor wage by 10% to 20%.

How do we want to reduce the overtime? To explain how we want to reduce the overtime in our production we will use a typical practise of business process optimization. The first step is to illustrate the processes actual state. The second step is to analyse sources of error / trouble of the process. The third step is to state/illustrate the desired/target process operation.

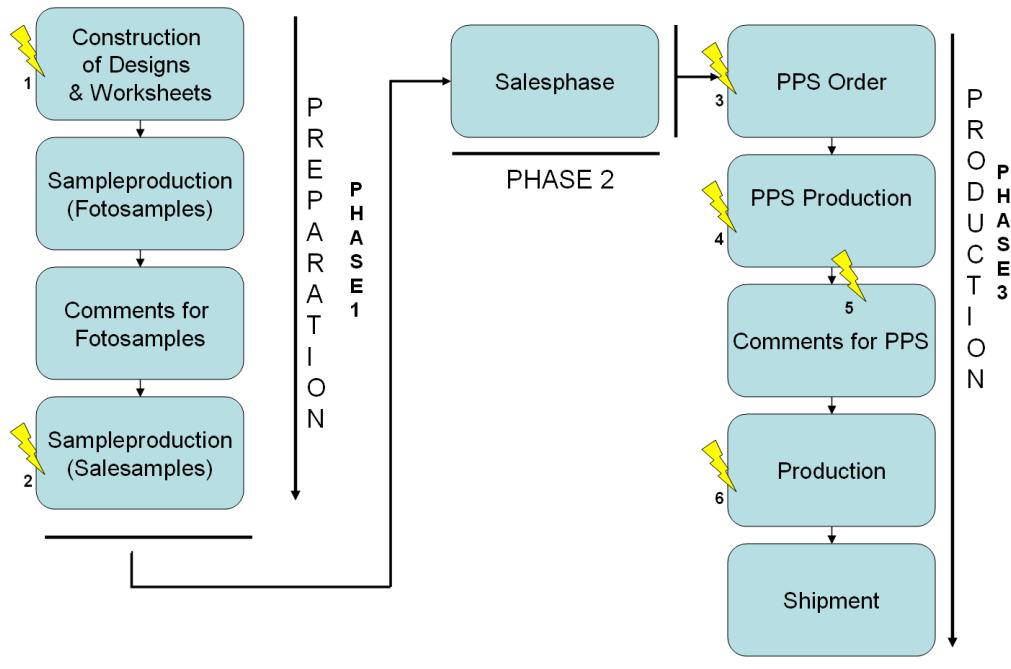
Step 1

The following illustration will show the actual state of our supply chain, and how we are used to handle the cycle of one season. The cycle starts with the construction of the design and ends with the distribution of our garments to the buyer.



Step 2

In Step 2 the sources of error will be highlighted and described.



The error sources are marked with a yellow flash and show exemplarily in which processes of the supply chain the highest potential for improvements can be found.

Error source 1. and 2.:

The main problem in the process of construction of designs and worksheets are little changes in the design of repeat styles for new seasons which are decided by our designer. Those changes are error sources, because they require an adaption of patterns. To produce a new pattern and a new sample we need around one day, but the samples has to be send to Germany to be approved. The adaption of patterns costs a lot of time. A further clue is that those little changed repeat styles need new measurements and a new gradation for sizes, as also new PPS which have to be approved to confirm if a style is ready for production or not. Furthermore a lot of redundant or wrong information and specification is described on our worksheets. More on this later on error source 5.

In addition to the waste of time, which occurs by preparing the patterns, we waste a lot of time, because our print CAD (computer aided design), colours and fabrics have to be checked and confirmed. The check and confirmation is essentially required by our design and garment engineering department, because they have to ensure that the MADNESS collection will look as planned. As the prove CAD's and yarn/colour swatches often do not satisfy the requirements of our specifications, CAD's and swatches often has to be readjusted. The loss of time that arises because of the readjustment of CAD's and swatches leads to a nexus of delays. It starts with a delay of our photo-shooting for the new promo-material. The first sample comments are made based on our photo-samples. If the photo-samples will have delay, the first sample comments will have delay to. The delay of the photo-samples will lead to a delay of the sale-samples for our agents (**error source 2**), and when the agents will get their

samples with delay, we have to extend our sales phase. If we extend our sales phase the production order will be done later than calculated. If our production order will be handed over later, the production is ordering the required yarns and fabrics later than expected, so the production will start later and we won't meet our target deadlines for the delivery here in Europe.

Based on this nexus the conclusion is that wrong and vague information, instructions and workmanship leads to a delay of our distribution, which can lead to overtime or contractual penalties and a termination of cooperation between the label MADNESS and its customers.

Error source 3., 4. and 5.:

Error source 3. the Order of PPS (pre production sample) is an error source because it is done to late at the moment. The state of affairs concerning the PPS order is, that they are ordered around one or two weeks after we send out the production order. The main problem is that the manufactory can only start the production of an explicit fabric group if all styles are ready / approved for production. For example some of the spring summer 2016 styles which shall be distributed to our customers in Europe around February March 2016 have been approved and ready for production in January 2016. This leads to an immense delay of the production start and because of that to overtime.

Error source 4. the PPS production. If the PPS aren't produced as mentioned in our worksheets, the concerned styles won't be approved for production. This is why wrong made PPS will be commented by our garment technician. After the PPS are commented it will be ordered a new PPS which should satisfy the comments for the previous PPS. If the new PPS won't satisfy our requirements again it has to be ordered new PPS. This process will be repeated until the explicit style is approved and ready for production. The wrong manufacturing of the PPS doesn't occurs in any case because of imprecise workmanship, but also because of vague specifications and information as also too much, and redundant information on our worksheets (this error source arises partially out of error source 1. construction of designs and worksheets).

Error source 5. comments for PPS. The process of comments for PPS leads as described before to overtime because the repetition of this process and due to the repetition to a postponement of our production. The reasons for the repetition are as mentioned before, the imprecise workmanship and vague or redundant specifications and information in our worksheets.

Error Source 6.:

The production process is hiding different sources for which we need a more detailed overview to explain the error source.

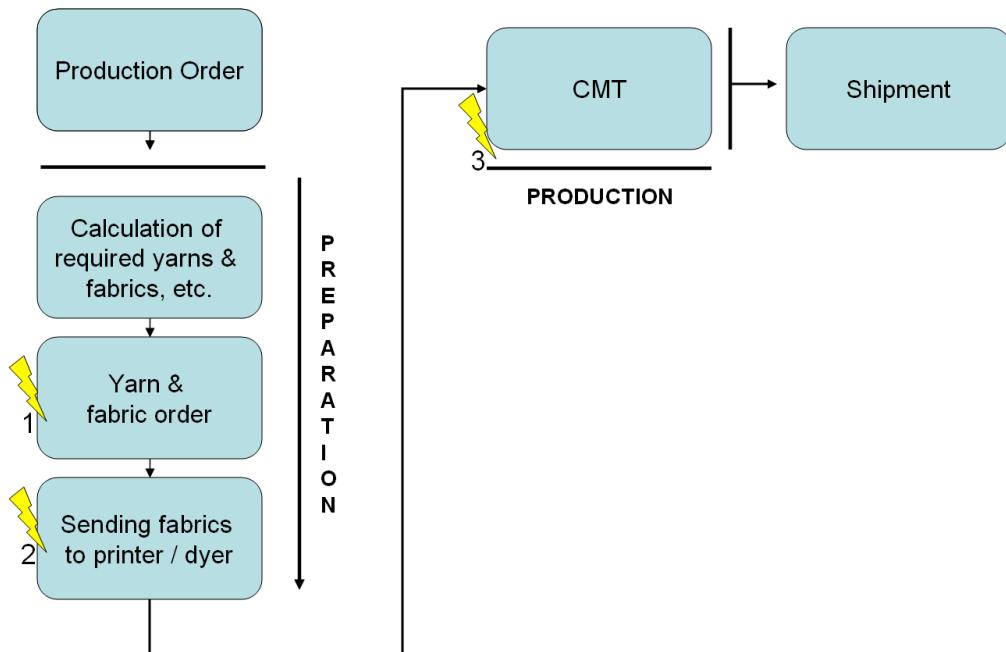
We found two different sources in the production process that are defined as reasons for problems. These sources are on the one hand the supplier of raw materials and on the other hand the subcontractors for printing/dying.

As our production in India is a small manufactory, we can not compete with bigger companies regarding the demand of raw materials. In fact our manufactory has to wait in a queue to be provided with the required raw materials for our production.

A similar issue but in more intense situation appears while the fabrics shall be printed/dyed. The typical scenario is that the yarn/fabric is supplied with delay, but still has to be imprinted/dyed. As our quantities are also too small for most of the dyer/printer to compete with bigger labels in the fight for capacities, the manufactory also has to wait at this point of their supply chain to be supplied with their printed/dyed fabrics. As we are bound to the strict standard of GOTS, to satisfy our sustainable, especially ecological, and qualitative requirements for our products and the production of them, the range of qualified subcontractors is small. Due to the small range of qualified subcontractors for printing and dying we are forced to wait for free capacities of those subcontractors.

As we do not only order yarn dyed or fabric dyed goods, but also garment dyed goods, competition problem for dying capacities also appears while the cut make trim phase.

Those stated problems combined exceed the generously calculated production time, and lead to delays and due to those delays also to overtime for the staff (incl. workers and managerial staff) of the manufactory in peak times.



Summary of step 2:

In general most of the problems can be separated in two different groups. The first group are problems that occur due to a wrong planning and execution of the preparation phase (Sample production and construction of worksheets and designs), as also in the

planning and the execution of some parts from the production phase, here especially in the parts PPS order, production and commentation. The conclusion is that unorganized and not optimized processes from MADNESS lead to a lot of overtime in the production of our goods.

The second group are mainly problems which occur due to uncontrollable happenings as delays because of waiting for free capacities of subcontractors (spinning mills and dyer, as also printer).

Step 3

Suggestions for optimization:

To solve the above mentioned problems and reduce the overtime it is **planned to reorganise the structure of our design- and worksheets, to implement basic measurements for all our basic styles, and more important to reorganize the structure of our collection for the next season**. At the moment our collection can be described as a Prêt-à-porter collection. Parts of it shall be transformed into a basic collection to simplify the sales and production process. The simplification and standardization as a result of our reorganisation can lead to different automations of the technical and the planning processes. An automation will reduce the error sources in the production because of the avoidance from misunderstandings. Less error sources imply less reprocessing. The consequence of less reprocessing is less overtime.

Another process optimization is to **shift the PPS order into our sales phase**. The PPS order has taken place after we did the purchase order. We want to change this process and start to evaluate our sales in between our sales phase to start the PPS order estimably one to two month earlier than before. If we order the PPS earlier, we earlier give comments on them. The result of this reorganisation will be that the manufactories can start earlier with the production process of our goods. If the production of our goods will start earlier, we can avoid overtime in the production.

Our biggest and time-robbing problem is as already explained **the supply chain of the garment production, especially the printing and dying process**. It is planned to implement the printing process in the same production location as for the CMT processes. To control the printing process means a lot of efforts, increasing costs and a very exhausting learning process. The benefit of controlling the printing process is that we can spare a lot of time, as we don't need to wait for capacities of the printer. Furthermore we can control the output of the printing process as we want it to. The control of the printing process is a win-win situation, as we can spare a lot of time and reduce the wastage, respectively rejections of garments because of misprints.

By assuming that we will reduce the overtime throughout all above mentioned reorganisations, we are convinced that we can increase the concentrativeness of the staff while the peak times of our production. Why is this important for us? If a worker can focus his/her mind on the work and is concentrated while working, he/she won't do a lot of mistakes. Mistakes while working on a garment often lead to a rejection of the goods in the quality control. Rejected goods lead to higher costs in the production. If the rejection rate of the production can be reduced, this money can be used to increase the wages of the worker and managerial staff working for the manufactories.

Responsibilities

Policy formulation & work plan	Peer Meyer, Project Manager
Sourcing policy	M. Warnke, General Director
Monitoring & execution of corrective action plans	Peer Meyer, Project Manager
Complaints procedure	Peer Meyer, Project Manager
Training & capacity building	Peer Meyer, Project Manager
External communication	Peer Meyer, Project Manager
Factories register & information management	Peer Meyer, Project Manager
Evaluation & social report	Peer Meyer, Project Manager

Budget

The budget that is reserved for the execution of the work plan, including audits, staff time and investments in the internal management system

Membership:	-Fee costs	3,549.00 €
Staff time:	-FWF Bureaucracy 2.5 Hours per week	2,328.00 €
	-Discussing and Supervising / How to implement FWF standards at the factory	
(Workload / trip expenses)		8,000.00 €
	-FWF Meetings (Workload / trip expenses)	0.00 €
Marketing:	Implementation and communication	422.50 €
Seminar:		0.00 €
Attendant costs: Journey and staff time		0.00 €
Total:		14,299.50 €

Sourcing strategy & pricing

Describe the sourcing strategy of your company.

MADNESS's product portfolio consists of nature textile products. Mostly women's wear, but also men's wear and accessories like scarves. MADNESS changed its sourcing strategy for the year 2016 from a single sourcing strategy to a dual sourcing strategy. MADNESS is now sourcing from two manufacturing bases located in two different countries. MADNESS main production Unit is based in India and the second one is located in Turkey.

Involved in sourcing decisions are the General director Matthias Warnke and the Project Manager Peer Meyer.

MADNESS is using criterias for choosing a supplier as followed:

- The manufacturer needs to be a GOTS certified manufacturer
- The manufacturer acts in compliance to the ILO convention and agree to improve its labour conditions and if this did not already happen the worker and managerial staff at this company have to be trained to accept and use the FWF standards.

The evaluation of a manufacturers performance will be firstly checked through checking which customers the manufacturer already is supplying (references). After checking the



Fair Wear Foundation - Work Plan [01.16 – 12.16]

references MADNESS is asking for the latest audit reports, which must satisfy the needs of the GOTS and the FWF. Furthermore MADNESS is purchasing quality samples which the manufacturer has to produce. Also MADNESS is interested in lead times, production capacities, the price per 100 pcs. and the labour conditions. While our first visit at the factory we are checking the health and safety guide of the FWF and are interviewing some workers and the middle managerial staff regarding the 8 labour standards (Freely chosen employment / no discrimination in employment / the right to collective bargaining / payment of a living wage / excessive working hours / safe and healthy working conditions / legally binding employment relationship).

When we decide to cooperate with an explicit manufacturer, we are asking the manufacturer to sign the code of labour practises, which is required from us to start the cooperation.

Due to our experience that we made while our membership in the FWF, we got to know that it is hard to correctly evaluate respectively check the compliance to our sustainable requirements of an explicit manufacturer. We learned that an audit in combination with a personal visit is the most valuable way to evaluate the compliance of manufacturers to our sustainable requirements.

Summarized criterias: We are looking for sustainable manufacturer
→ecological sustainability (guaranteed through GOTS)

→social sustainability (either guaranteed through foregone FWF or similar audits or the will to improve the labour conditions in the factory (referred to ILO)

As pricing strategy MADNESS is following a cost plus pricing strategy to pay fair prices (based on an official listing of the earned wages we can evaluate improvements in the wage structure of the manufacturers payed wages). That means, if the manufacturer is stating a price MADNESS is using this price for their calculation and is adding an extra margin to work cost-covering. If we should reach 400 pcs. per item variety in an order (for instance a regular yellow striped v-neck cotton t-shirt) we are negotiating with the manufacturer to receive discount for this item. For the pricing we are discussing everything with our liaison from the manufacturer. Therefore we cooperate for a longer time with manufacturers the pricing is a conjunction of circumstances. The negotiated deductibles depend on the quantity we produce in every enquired quality. Sometimes we have to pay what the manufacturer wants us to pay and if we are able to purchase high quantities per order they will grant us a discount on special varieties.

As a part of our dual sourcing strategy we have long lasting business relations to our manufacturers. In general we visit them 3-4 times a year.

MADNESS is not working with agents or intermediaries.

Organisation of the sourcing department

Describe the sourcing department.

The sourcing department insists of two people. Peer Meyer the Project Manager of MADNESS is narrowing down the choice to a minimum of qualified potential new manufacturers while this first sourcing he is covering up the sourcing policy as mentioned above. Peer Meyer is the first person of MADNESS that is getting into touch with potential new manufacturers and discussing topics like the FWF standards with

them to make clear if it makes sense to start a cooperation with the potential manufacturer. Afterwards we are introducing the FWF standards and are having a first look what we can improve and what has to be adopted immediately before we start the business.

The second person and higher instance respectively decision maker in this case is the General Director Matthias Warnke. He is visiting the new manufacturer before MADNESS is starting to business with the manufacturer. After this visit we clarify when it will be possible let an FWF audit take place at this factory (the audit will only take place if it is required / if there has already another audit from another FWF member taken place which can be used for our purpose we don't require another audit for this particular manufacturer).

Production cycle

Describe the production cycle and the project planning.

MADNESS is producing two collections per year

MADNESS is presenting two different collections per year – Spring/Summer and Autumn/Winter. Currently both of our collections pull about approximately 50% of our total turnover. In general our customers order in a pre-order period, in this period they order about 95% of their goods for the next season. MADNESS Customers can be separated in two parts. Both parts are generating ca 50% of our turnover: Part1 - The mail order companies; Part2 – The boutiques and other smaller retailer. The mail order companies are the first that see our sample collections and the first customers that order. For them we have 3-4 months lead time. Referring to Part2 we have 4-5 months lead time. Our order exceeds the concrete ordered quantities from our customers by 10-15%. The costs for the overproduction are covered by MADNESS, because most of the Part2 customers are used to do additional orders.

The order of our Spring Summer collection is placed in mid September.

The order of our Autumn Winter collection is placed mid of March.

Selection of new factories

Describe the selection process of new factories.

MADNESS is used to work with the INCOTERMS FOB and CIF.

We are looking for high value products and quality for the money we pay.

A new supplier should have the ability to produce smaller quantities of a huge range of products and able to reach the timeline (the timelines are set for the fotosample, salesample and goods production. A timeline is discussed before every season and handed out to every responsible person). In general we have lead times of 4 or 3 months. 4 months when ordering for our small customers and 3 months for the production of our mail order companies.

Mr. Warnke the founder and General Director of MADNESS implied a sustainable philosophy to MADNESS. MADNESS is on a good way to achieve integrated sustainability for the company MADNESS. Therefore it is necessary for us to satisfy our requirements of sustainability including its three pillars. The three pillars of sustainability are a powerful tool for defining the complete sustainability problem. This consists of at least (1) the economic, (2) the social, and (3) the environmental pillars. If any one pillar is weak then the system as a whole is unsustainable.

The first pillar – economic sustainability – has a unique status in the business methods of MADNESS. MADNESS never used its earnings to pay out dividends or for personal gains of its shareholders. The earnings have always been used to pay the higher costs that occur, as the purchase of goods is increasing from year to year. MADNESS is also supporting the organisation “Rightway Social Welfare” from India.

The satisfaction of the second pillar / social equity is interpreted by MADNESS as followed. MADNESS prefers to cooperate with manufacturers that also believe in social equity. If producers/potential cooperation partner aren't producing their goods in compliance to the ILO standards, we will help them to improve their labour conditions to satisfy the ILO standards, as also work in compliance to the laws of their particular country.

To satisfy the requirements of the third – environmental – pillar MADNESS goods are produced in an eco-friendly way. The ecology of our production satisfies the strict standards of the GOTS and is also controlled, and verified by it. The minimum requirement from us is that a new manufacturer definitely is GOTS certified as also all of his subcontractors.

That means: If we are looking for a new supplier, we look for a supplier that is already working with social and ecological standards, which are satisfying our standards and already certified through reliable NGO's.

The final decision regarding the selection of new suppliers is made by M. Warnke, the General Director of MADNESS.

There are several criteria when choosing a new supplier. Main criteria are:

- The capability of the supplier to produce the ordered goods.
- The capability to produce the goods in a sustainable way.
 - Respect of labour standards (ILO)
 - Ecological (GOTS conform and certified) production
- The proficiency to satisfy our quality standards or an outperformance referring to the topic of quality.
- Efficient intern processes and an appropriate and especially fluid working communication between us and the manufacturer (for instance unrequested reports regarding upcoming issues).

Integration monitoring activities and sourcing decisions

Describe the way in which (the outcomes of) your monitoring activities influence your sourcing decisions.

The FWF membership already influenced our sourcing policy and the cooperation with the manufacturer.

-Referring to our sourcing policies please find the above stated points.

If a manufacturer will not accept the FWF standards and don't want to cooperate with us to improve the given labour conditions after discussing this with the manufacturer we see our self forced to shift the production step by step to another manufacturer.

If major issues are found during an audit or are reported within the complaint procedure we will discuss the points with the manufacturer and tell him to take an immediate action or that we otherwise see ourselves forced to shift the production step by step.

After receiving the CAP we are discussing all the mentioned points with the manufacturer and support the manufacturer while the process of improvement. Also we are requesting pictures and documents that can prove the requested improvements. The next step is a control of declared improvements while a visit of the factory. In serious cases we will use another FWF audit to make clear that the improvements really have taken place.

Regarding influence:

We have a high leverage on our main production unit, because our purchase makes up to 90% of the turnover from this production unit. But we recognized that the economic influence isn't the only thing which has to be used to persuade people from other cultures and as a consequence thereof another mentality. This is why we try to let the cooperation grow on a foundation of trust. We try to build a sustainable and due to that longstanding cooperation with Parvati Fashion to ensure the realization of an integrated sustainable production of our goods.

2. Coherent system for monitoring and remediation

Coherence of the programme

Describe the coherence between different monitoring activities.

Every visit of a factory also includes a check of the sustainable requirements from MADNESS and its NGOs. Obvious and urgent issues will be discussed immediately, as also requested to be remediated as soon as possible.

To ensure our opinion and receive valid data, respectively a deeper insight into the proceedings of a factory, we let audits take place. After every audit we receive a corrective action plan and get to know about different issues, as also what should be done to receive compliance to our sustainability requirements.

How are we going to remediate after an audit?

- The 1st step is to discuss the CAP and audit report with the manufacturer
- The 2nd step is to clarify mentioned / unclear points of the CAP with the manufacturer from face to face at a visit of the factory (urgent things will be discussed immediately via telephone and email)
- The 3rd step is that the manufacturer has to send us pictures and/or documents which ensure the improvements
- The 4th step is that the manufacturer is ensuring is to improve on the CAP mentioned issues
- The 5th step is that we will encourage the manufacturer to let the management and the workers participate at a workplace education program

-To ensure if improvements have been implemented a verification audit will take place.

MADNESS is visiting its manufacturers up to 4 times a year. While this visits we take minimum one day to discuss the labour standards and other things referring to given standards from NGO's to ensure a sustainable production of our goods.

Informing manufacturers about the Code of Labour Practices

Describe how and by whom manufacturers are informed about the Code of Labour Practices.

The FWF code is posted (will be posted at new factories) in all appropriate / local languages at the factory.

The managerial staff will firstly get an introduction via email and is constrained to inform the workers of their rights and duties due to the particular laws of the country and the code of labour practices. Furthermore the management of a factory is constrained to inform their workers of their cooperation with MADNESS. MADNESS as brand and FWF member will stand up for the workers rights, but also for duties and the rights of the manufacturer.

The workers and the management of a cooperation partner (manufacturer) shall participate at a workplace education program to be trained and aware of all their rights and duties referring to the international labour standards and a FWF standard satisfying situation. If they have already attended to one, MADNESS will discuss further trainings if required.

During all of our visits our sustainability requirements are a standard topic, which has already been stated above.

All manufacturers producing for MADNESS are aware of the Code of Labour practices and have already signed it. Also they agreed to work on complaints / the improvement of labour conditions.

Role of staff and agents

What is the role of staff members and agents in the execution of monitoring activities?

MADNESS is not used to work with any kinds of purchase agents. As mentioned above MADNESS is visiting a factory 3-4 times a year and discussing as also checking improvements and issues regarding the sustainability requirements of MADNESS.

Also MADNESS is planning Audits to verify improvements and the actual state of the sustainability implementations.

While a visit to a factory some worker and manager are interviewed regarding the improvements, and the actual state of affairs referring to the implementation of sustainability.

Complaints of factory staff will whether be told us directly or through a complaint handler from the FWF.

Changes and requirements of MADNESS and their cooperating NGOs are committed throughout managerial staff of a factory and through a worker representative.

Furthermore MADNESS is communicating changes as also issues while visiting the factories.

Describe whether and how you support manufacturers in the execution of corrective action plans.

The process to clarify if improvements have taken place and the realisation/reaction to a CAP/audit as followed:

- The 1st step is to discuss the CAP and audit report to the manufacturer
- The 2nd step is to clarify mentioned / unclear points of the CAP with the manufacturer from face to face at a visit of the factory (urgent things will be

discussed immediately via telephone and email) and also to formulate corrective actions for the supplier.

- The 3rd step is that the manufacturer is ensuring to improve on the CAP mentioned issues
- The 4th step is that the manufacturer has to send us pictures and/or documents which ensure the improvements
- The 5th step is that we will encourage the manufacturer to let the management and the workers participate at a workplace education program
- To keep out of harms way we will let a further audit take place on our instructions.

We use the CAP to discuss the listed issues and mark the single points, if improvements have taken place to have an overview which points already have been processed or still need to be processed.

A worker representative, as also responsible person for sustainable belongings will get all updates referring to FWF standards and required improvements for satisfying the FWF standards.

Sandblasting

We don't have any sandblasting designs in our portfolio, and we won't have.

Co-operation with other clients

Do you plan to cooperate with other clients of manufacturers with regard to monitoring and execution of corrective action plans?

If another FWF member is producing at a particular factory we are willing to cooperate with that member / members.

External production

If applicable, describe which monitoring activities are conducted at suppliers of "external production".

External production = when your company sources from agents, intermediaries and/or other brands and does not have direct contacts with/or does not know the factories in which these products are manufactured.

No external production is done for MADNESS.

3. Complaints procedure

State the name and position of the staff member who is responsible for dealing with complaints.

Peer Meyer and Matthias Warnke are responsible for dealing with complaints.

Describe the internal procedure/strategy for dealing with potential complaints.

How to handle a complaint.

- 1.) Complaint received whether direct or through a complaint handler. The complaint will be discussed intern.
- 2.) The complaint will be discussed (anonymously if required) with the factory, as also with MADNESS's contact person from the FWF.

- 3.) If the complaint can be solved, the complaint will be closed.
- 4.) If the complaint can not be solved and we won't have an adequate insight into the process we discuss the use of a complaint handler from the FWF.
- 5.) The complaint handler from the FWF will investigate more detailed and give us a handling suggestion. Furthermore the factory will be requested to react to the proposal.
- 6.) If the complaint is closed the factory will be requested to prepare an improvement plan in cooperation with MADNESS to avoid complaints of the same kind again.

4. Training and capacity building

Activities to inform staff members

Describe in what way and by what means staff is informed about FWF membership.

Already mentioned above.

Describe what training is provided to staff members who are involved in the execution of monitoring activities.

The responsible person of MADNESS attended to an affiliate seminar and is refreshing its knowledge on stakeholder meetings every year. The responsible person is briefing the rest of the staff concerning changes and news regarding our sustainability requirements.

Activities to inform agents/intermediaries

Describe what training is provided to agents/intermediaries who are involved in the execution of monitoring activities.

N.B. This is not applicable if you do not have any agents or intermediaries.

Activities to inform manufacturers and workers

Describe in what way manufacturers and workers are informed about the Code of Labour Practices. Which suppliers will participate in the Workplace Education Programme (China, India, Bangladesh, Turkey), what other training activities will be conducted?

We will hang out the code of labour practices everywhere good visible in the factory and hand out information brochures to every new hired worker. No factories producing for MADNESS will attend to a training in 2016,

Describe activities undertaken to inform and train manufacturers and workers. In case you have participated in any of the trainings FWF offered, please describe the process and results.

The main production unit of MADNESS in India attended to workplace education program (training) "Anti-harassment Committee and Violence Prevention Capacity Building" in 2015.

We got to know that this training was useful and worked, because we received a complaint from a worker after the training.a

5. Information management

Please describe the procedure to keep the supplier register updated.

Peer Meyer is responsible for keeping the supplier register updated and will update this as soon as he is aware of any new supplier. The supplier register will be updated once a year.

Please describe the system for keeping track of progress on the implementation of the Code of Labour practices.

Mr Meyer is in contact with the factories and informing about updates referring to improvements and / or implementations of the stated things in the CAP.

Mr Warnke is controlling the improvements locally while his visits of Parvati Fashion. Also we encourage those three persons, to send us pictures and copies of documents which refer to any improvements.

6. Transparency & communication

Describe how the general public will be informed about FWF membership and the outcomes of the activities in the work plan.

As part of website we informs about certifications and the activities of our work plan. The general public is informed on a special part of our Website, which is called FWF. Here we also post our social report and the work plan.

7. Management system evaluation and improvement

Describe by whom and when the effectiveness of the work plan and the available resources are evaluated.

How are the views and feedback of manufacturers and agents taken into account?

Plans for improvements will be discussed before we prepare the work plan. The efforts and developments are evaluated at the end of our financial year.

Also we try to persuade the supplier of the positive effects of the FWF standards and try to still their fears with changes.

Views and feedback of suppliers are discussed as soon as they appear. Those feedbacks are essential for further happenings, and discussions.

8. Corporate Social Responsibility

If applicable, describe other activities in the field of corporate social responsibility.

MADNESS is GOTS certified since winter 2012.

Also we are certificated by the NOVENTIZ GmbH for climate protection.

And we are supporting the Organisation Rightway – Scoial Welfare with its “Education for undepriviliged children”.