



Social Report [April 2018 - March 2019]

KATHARINE HAMNETT LONDON

<https://katharinehamnett.com/>

Start date membership

30th May 2018

Reporting period (financial year)

April 2018 - March 2019



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Summary: goals & achievements 2018/2019

Our first year of membership has been a challenging and rewarding one.

We are a small brand with a unique supply chain. The majority of our first and second tier suppliers are located a short distance from our Production office in Italy. Because of this, our work with suppliers has been built on years of experience, partnership and trust and a deep understanding of the local manufacturing landscape.

While this approach has worked well for us previously, we were keen to shift to a more formal evidence-based approach for monitoring our supply chain standards and change our ways of working to accommodate this.

We have now implemented a shared database between Production, Sourcing, Design and Sustainability teams that holds all information about manufacturing suppliers related to our Fair Wear Foundation membership and overall ethical/environmental credentials. We have also implemented a new process with suppliers where our Code of Conduct must be signed and the Fair Wear questionnaire must be completed before bulk orders can be placed.

We completed our first third party verified supplier audits with FWF affiliated auditors [MOST](#) in February 2018 and audited 25% of our FY2018/2019 suppliers. We have plans to bring the number of audited suppliers we work with to 40%, keeping in-line with our Fair Wear Foundation membership requirements.

Where we focused on changing internal systems this year, next year our focus will be on suppliers and working collaboratively to build their capacity and deepen their understanding of what our Fair Wear Foundation membership can mean for them.

We are proud of our membership and are excited for this new phase of monitoring and transparency as it completely aligned with our brand values.

1. Sourcing strategy

1.1. Sourcing strategy & pricing

Our production unit, Filanda Productions, is based in Veneto, Italy. We work predominately with small, independent, family run suppliers in the area; most of whom are located within a 50-kilometre radius of Filanda Productions.

In the last twenty years, their businesses, like many across Italy, have suffered economically and socially from the shift to outsourcing in lower paid labour markets. With this decline in demand, local heritage, knowledge and skills are being lost. By manufacturing in the Veneto, in line with the latest sustainability developments, we hope to stimulate a thriving local economy once again, based on quality and sustainable local production.

Our production team have over 25 years' experience in local production/sourcing and have long-term relationships with all suppliers who have worked on our core product categories since the Katharine Hamnett London brand re-launch in 2017.



We produce 4 collections a year under the Katharine Hamnett London brand across womens and menswear. We also produce ad hoc collaboration collections with partners that fit our brand values, sustainability, quality and price criteria. We work with between 15 - 20 local manufacturing suppliers for our mainline collections and undertake 1 - 2 collaborations annually.

Our Production team develop cost breakdowns for every item of clothing, outlining costs per input e.g. fabrics and trims (chosen for sustainability credentials, quality and price) and piece rate for sewing as agreed with suppliers (cost in minutes). RRP's are then set by the Director of Production and Commercial Director.

We are always open to reviewing our pricing so that that we can further our commitment to producing clothing ethically, and as environmentally as possible. It is important that people in our supply chain are paid a true living wage.

1.2. Organisation of the sourcing department

The team at Filanda Productions consists of five team members; Head of Production, Production Manager, Technician, Production Assistant and one part-time bookkeeper.

Our team are passionate about manufacturing in Italy and work to support local livelihoods and preserve traditional skills. They have direct relationships with the best local suppliers in specific product categories and visit them regularly throughout the year, pre- and post production to ensure they understand our values and that we understand theirs.

We are committed to supporting our suppliers for the long-run. As we are a small brand with low-volumes, this can prove challenging at times but we are committed to growing our business in-line with the latest sustainability developments and bringing our suppliers with us on the journey. Fair Wear Foundation membership was a first formal commitment to this last year.

Production cycle

We currently work to two seasons across womenswear and menswear. Production orders are based on external orders for wholesale and an internal stock order for our e-commerce platform. Our production lead times are dependent on internal planning with the design, sourcing, commercial and production teams and supplier capacity.

Suppliers are regularly kept up to date with timings and where delays in our internal planning process occur, the Production team work closely with suppliers to minimise the impact on their production schedule.

1.3. Supplier relations

We have predominately worked with the same suppliers since the brand re-launch in late 2017. There has been the occasional addition of a new supplier based on seasonal needs e.g. for lightweights or knitwear.

The Production team visit all new suppliers, inspect the location, discuss our needs in terms of sustainability, price and quality. They introduce our Code of Conduct, our commitment to Fair Wear Foundation and ways of working together to meet the requirements of membership. They also request any relevant Codes of Conduct/certifications that facility maintains and past audit reports held by the supplier.



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New suppliers are asked to sign our Code of Conduct and complete the Fair Wear questionnaire before bulk orders can be placed.

1.4. Integration monitoring activities and sourcing decisions

We have shifted from an informal system for monitoring labour standards based on nurturing supplier relationships and trust to a more formal evidence based process. This took time to roll-out for several reasons; small team numbers, work schedules, language barrier and our brand leverage with suppliers.

We have now implemented a shared database between Production, Sourcing, Design and Sustainability teams that holds all information about manufacturing suppliers related to our Fair Wear Foundation membership, Code of Conduct status, Fair Wear Foundation questionnaire status, sustainability certifications and whether suppliers have been signed off for Production. The database is now reviewed and updated on a weekly basis by the Sustainability Manager.

As with our process for working with new suppliers, all manufacturing suppliers are required sign our Code of Conduct and complete the Fair Wear questionnaire before bulk orders can be placed. In the past, we only Codes of Conduct were signed before or during the production cycle.

We completed our first third party verified supplier audits with FWF affiliated auditors [MOST](#) in February 2018. We audited 25% of our FY2018/2019 suppliers and have plans to bring the number of audited suppliers we work with to 40%, keeping in-line with our Fair Wear Foundation membership requirements.

This new way of working gives rigor to our supplier relationship building experience and allows us to verify our supply chain monitoring with hard data which is something that we lacked prior to our Fair Wear Foundation membership.

The focus for the year ahead is now on deepening supplier understanding of our membership, how they can embed processes of their own and how we can work together on living wages.

2. Coherent system for monitoring and remediation

100% of our production is carried out in Italy. In FY2018/2019, we worked with 19 manufacturing suppliers across our womens and mens collections. All manufacturing suppliers are required sign our Code of Conduct and complete the Fair Wear questionnaire before bulk orders can be placed.

When the production schedule is confirmed, we prioritise suppliers to audit based on the volume of production and the nature of our relationship with them; strategic, long-term suppliers are considered for audit first and any high-risk exceptions that we have been notified of, or where worker complaints have arisen. In FY2018/2019, we audited 5 out of 19 suppliers this year.

We benefitted hugely from the sustainability expertise of our third-party auditors, MOST in navigating the auditing process in Italy. All audited suppliers were open to making improvements recommended in their Corrective Action Plans and have been working closely with our Production team to implement them.

As Italy is shifting from a low-risk to a high-risk country, we have sought the support of the Fair Wear Foundation on understanding the manufacturing landscape in Italy more



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broadly. We connected with the Italy Working Group, a multi-brand group set up by both FWF and ETI members working in Italy who regularly consult on and support each other with ongoing challenges and developments.

We are hoping to join the group in a more formal capacity in 2020 when our brand growth brings us more in-line with their areas of focus.

3. Complaints handling

Traditionally our complaints handling procedure has been informal and based on in-person conversations between our Head of Production/Production Manager and the supplier owners, whom our team have long-term relationships with.

Our first step to formalising the process, was to provide the Fair Wear Foundation worker information sheet (with contact details for complaints) to every supplier and request that they display it at their facility, in an area most visible to workers. We check that this request is met through email where a photo is attached for evidence, through audit visits and more informal visits from our Production team.

Our focus on complaints handling this year is to ensure that all workers in our supplier facilities are aware of the details of our Fair Wear Foundation membership and complaints procedure, as at audits in February 2019 some suppliers were found not to be displaying the information sheet. This was in the first few months of our membership and has been remedied since.

We will also work on implementing a data-collection tool for recording all complaints and steps taken to remedy them with our internal team.

4. Training and capacity building

4.1. Activities to inform staff members

We are a small team who communicate daily, sustainability is at the core of our business values. Updates on Fair Wear Foundation membership are discussed in a bi-weekly team meeting as part of a general sustainability update so that everyone across the business is aware of the latest developments and membership requirement timelines.

Training on our Fair Wear Foundation membership, commitments/requirements and expectations of suppliers was provided to the Production team in Italy.

One-to-one training was provided to team members in Design, Commercial and Marketing teams based in London to ensure that we are aligned across every department.

4.2. Activities to inform manufacturers and workers

Our priority this year was formalising our data collection and monitoring processes internally and raising initial awareness of our Fair Wear membership with our suppliers.

We are now focused on deepening supplier understanding of our membership and working more collaboratively on embedding processes that help us all to meet membership requirements.

5. Information management

We have implemented a shared database between Production, Sourcing, Design and Sustainability teams that holds all information about manufacturing suppliers related to our Fair Wear Foundation membership, Code of Conduct status, Fair Wear Foundation questionnaire status, sustainability certifications and whether suppliers have been signed off for Production. The database is now reviewed and updated on a weekly basis by the Sustainability Manager.

We have mapped our Tier 1 and 2 suppliers and for two of our fabrics, organic cotton and mohair, can be traced back to Tier 3/4 suppliers.

6. Transparency & communication

We are proud of our Fair Wear Foundation membership and despite the challenges in implementing more formal tools and processes this year, we are excited for this new phase of monitoring and transparency as it completely aligned with our brand values.

We have made a public commitment to being completely traceable and transparent by 2020 and will further our progress with our SS20 collection, where we will include the names of all manufacturing, fabric and trim suppliers in the production descriptions of each garment online and note where they have been audited to FWF standards.

To date, details of our Fair Wear Foundation membership has been included in the following external communication channels:

- Press release announcing membership
- KHL website - listed in our [Sustainability Manifesto](#)
- KHL social media channels e.g. [Instagram](#)
- Speeches and panel discussions e.g. Fashion Revolution and Copenhagen Fashion Summit
- Print and broadcast interviews

7. Stakeholder Engagement

We value the guidance of the Fair Wear Foundation team enormously, around our own supply chain and the manufacturing landscape in Italy. The team connected us with the Italy Working Group, who regularly consult on and support each other with ongoing challenges and developments in Italian manufacturing. Our Production team has a wealth of experience in local manufacturing/sourcing in Italy, we use the Italy country study (2013) for reference but are waiting on the updated version to become available.

We also work with MOST, CSR experts on monitoring and auditing our suppliers.

We have begun working on a high-level campaign calling for new legislation that only allows clothing, footwear and textiles into our Economic Blocs that are made to the same Labour, Human Rights, Health and Safety and Environmental standards, outside as inside. We have begun engaging NGOs on drafting wording for what the legislation could be and want to partner with trade unions to drive this legislation forward.

We support Fashion Revolution and partner with them on events and content to raise awareness of '[radically changing the way our clothes are sourced, produced and consumed, so that our clothing is made in a safe, clean and fair way](#)'.

8. Corporate Social Responsibility

Our [Sustainability Manifesto](#) lists all our sustainability commitments across our brand.

As with our labour standards monitoring, in the second-half of this year we shifted from an informal way of working to a more formal, strategic approach across our wider sustainability work. We developed an internal sustainability strategy and updated our policies in line with the latest sustainability developments:

- KHL Responsible Sourcing Policy - sets out our standards for all raw material sourcing.
- KHL Environmental Policy - sets out our environmental standards linked to processes used in the production of our clothing.
- KHL Labour Code of Conduct - updated to reflect the Fair Wear Foundation Code of Labour Practices.

One of our key commitments is to be completely traceable and transparent by the end of 2020. As of July 2019, we have mapped all Tier 1 and Tier 2 suppliers and begun tracing two of our materials down to Tier 4. We will list all fabric, trim and manufacturing suppliers for all products from our Spring Summer 2020 collection onwards.

Our Activism work covers two areas; our activist t-shirt campaigns and our call for industry legislation.

Our activist t-shirts are created pro-bono for charities and grassroots campaigns that we support. The t-shirts are designed by Katharine and produced by the multi award winning Rapanui Clothing. They are printed using environmentally certified printing inks on GOTS certified organic cotton. This year we ran the following activist t-shirt campaigns:

- Second Referendum Now supporting Open Britain
- Fashion Hates Brexit supporting The Grenfell Foundation
- Vote Trump Out supporting Colibri
- Free Ahd supporting Colibri

On the industry side, Katharine contributed to the Environmental Audit Committee inquiry into the sustainability of the fashion industry. We have also started work on a high-level campaign calling for new legislation that only allows clothing, footwear and textiles into our Economic Blocs that are made to the same Labour, Human Rights, Health and Safety and Environmental standards, outside as inside.