

**WEEKD
AY BRA
NDS AB**



MONKI



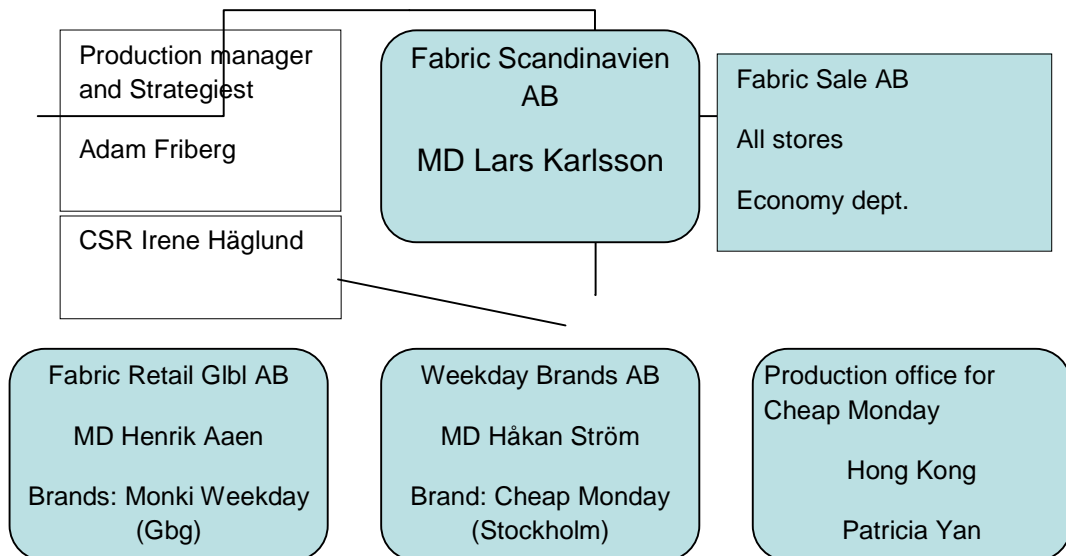
<http://www.weekday.se/> <http://www.cheapmonday.se/> <http://www.monkiworld.se>

Start date membership

September 2007

Organisational chart

2010



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Social report 2010

Summary: goals & achievements 2010

During 2010, we had the goal to audit 100 % of our factories and that goal is fulfilled.

We changed the work plan in mid of 2009 we decided to give the supplier management training and this was finalized in mid of 2010. All factories have after training been audited during the year and we found that relevant progress has been made especially in terms of improved transparency and strengthened knowledge and routines concerning HR (labour law, human resources, recruitment routines etc.).

Our conclusion is that the awareness of the Code of Labour Practices along our supply chain has been improved during the year with this training.

1. Sourcing strategy

1.1. Sourcing strategy & pricing

Our policy is to have a long-term relation with our suppliers.

The planning of the production differs for the involved companies. In this report the outcome from factories are not included if they already are included in scope of FLA (H&M membership with FLA).

Weekday Brands have longer period where a sale sample collection will be produced before the orders. We have through our team in Hong Kong consultation with the important producers, taking into account the production capacity. We do today work with a limited number of suppliers

The lead-time is in an early stage communicated to our suppliers.

The sourcing policy have not change during the year from start, except that it is communicated more through our team in Hong Kong handling the Asia production.

1.2. Organisation of the sourcing department

Adam Friberg – Production manager, COE

Henrik Aaen – MD Fabric Retail Glbl AB including the brands Monki and Weekday

Linda Friberg – Buying manager Monki

David Thorequist – Buying manager Weekday

Håkan Ström – MD Weekday Brands AB – Stockholm

Maria Landeblad – Team leader Cheap Monday

Patricia Yan – Team Manager at Puls trading office Hong Kong

- the merchandisers working in the team are those who source among the suppliers stated.

Robert Ornerfors – Service provider for CSR education and audit locally behalfe of CSR manager

Our team manager at the office in Hong Kong have a major role in sourcing, planning and informing suppliers about the company requirements. The team manager is also in close contact with CSR responsible regarding results from audits.

1.3. Production cycle

Weekday Brands: 4 collections per year	For example AW11
Planning cycle from design and introduction to the buyers	May 2010
Style, sketches and measurement lists	June 2010
Sourcing by the buyers and Hong Kong office	July to October
Sale-samples for introduction of the collection	December order in March 2011
Delivery period	May to July 2011

Some additional so called “express orders” or repeat orders are placed as complement to the seasonal collections. This will make the production more continually and will reduce the production peaks from the ordinary collection. The lead time differ depending on if it’s a new style or repeated orders.

1.4. Selection of new factories

New suppliers are actually only selected when there is no suitable supplier for producing different articles. New supplies are assessed in terms of compliance with the CSR requirements as well as quality requirements.

A new supplier cannot get any orders until both assessment and signing of documents are completed. At the assessment we investigate if the basic requirements are met. This includes a ban on child labour, compliance of the ILO's core conventions, minimum wages and written contracts for all employees and fundamental safety at the factory.

Necessary improvements will also be discussed with supplier.

1.5. Integration monitoring activities and sourcing decisions

We have started to introduce a ranking system, still have very few suppliers and the goal was first of all to have 100 % of them audited.

The training program includes 16 of the suppliers/factories in the southern region of China. We started in autumn 2009 and the training was completed in 2010 by unannounced onsite follow up at the factories and finally full audit have been performed.

We have really tried to push the suppliers to improve instead of terminating the commercial relationship without success with one of our suppliers. After several visits at the factory there were still problem with transparency and not willing to adopt and show the correct files. The factory was informed by letter and unfortunately we still did not get a way to communicate. And we also assumed there were other subcontractors involved. One supplier we had to change because of closed factory. Totally we think the education and monitoring activities have been successful with few changes and really good investment.

Some new factories have also been added after assessment and they have started producing after full audit has been performed.

During the year we have also met the suppliers to inform about the requirements and recommendations for their washing units. This was held at the office in July 2010. After that we have started to audit the washing units as a complement to the stitching units and will be included in the audit plan during 2010 and 2011.

2. Coherent system for monitoring and remediation

2.1. Country China

Full audit of 17 factories were performed during 2010.:

Main findings: Findings in overtime and overtime compensation. The contracts do not specify leave regulations. Not all workers (migrant) have insurance according to the law.

Main Problems: Discrepancies were found for juvenile workers special insurance and health control. Discrepancies were also found in registration of OT some had their own system of compensation so the system is set up and not all workers receive legal OT compensation and sufficient insurances.

CAP made by FWF at one factory.

Main findings: Documentation, OT, Contracts.

Main : Several registers missing at first audit had now been established. Still over time and overtime compensation However, workers are now receiving their paid annual leave. Most of the points on health and safety had been improved since the first audit. The working contracts signed contained errors that needed to be corrected.

2.2. Country Bangladesh

Three new factories have now started production for the brand Cheap Monday and are audited by H&M audit team at place.

Main findings: Findings in overtime and overtime compensation and communication.

Main problems: Overtime hours are not legal limit, and new workers are not aware of the WPC and their legal rights.

2.3. External production

No external production only collaboration but manufactured by ordinary suppliers.

3. Training and capacity building

3.1. Activities to inform staff members

Information of findings are communicated continually to the staff at team in Hong Kong.

The results and working plan for 2011 were discussed in November 11th 2010 and information forwarded the team at Weekday Brands the day after.

3.2. Activities to inform agents

Meeting with the two agents about documentations and findings were made in September 23th and October 5th 2010 at the office in Gothenburg.

3.3. Activities to inform manufacturers and workers

Training program established and communicated to all manufactures in China south region continued during 2010. Invitation to FWF training was forwarded to all suppliers freely to join. No workers training were conducted but we have checked that they posted the FWF code in the factories more properly during this year.

4. Transparency & communication

On our web site file we give information about our Values and CSR and include information of the Social report 2009 and about FWF membership and Code of Labour Practices. Contact with consumers can now easily be handled at the CSR e-mail address available at the web site.