

DAWN

Social Report 2020

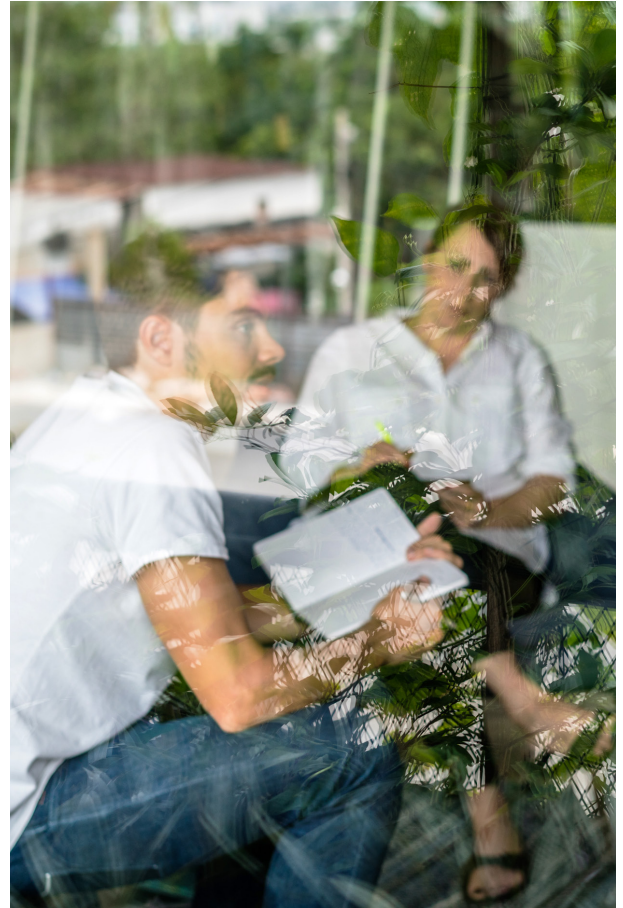


The blunt report

Mission

We aspire to be more than just a collection of beautiful pictures and smart slogans. We are not a glossy brand that hides behind certificates and pretends that the world is intact. We have not chosen an easy path. Far from it. Detours and even roadblocks can be expected. It is hard work to keep moving forward. Fortunately, we did not fully grasp this when we first set out on our journey. But despite our naivety, we do know what our goals are and can see that we are closer to achieving them than many other labels.

Sustainability, fairness and environmental awareness are not buzzwords for us, but complex topics and constant challenges. In a world where attention spans are shrinking while sensationalism is increasing, honest and detailed reports go against all recent trends. It is therefore even more important to resist these tendencies. And this is exactly what this report aims to achieve.



Sourcing & Pricing

We had been working in the fashion industry long enough to know things needed to change and that change would only be possible with a fresh start. Unlike other brands which spread their supply chains across a number of countries. Our production is in one place; a factory in Vietnam that was built for DAWN.

We believe the best way to empower workers is to give them a safe working environment, decent wages, and opportunities to grow. Our unique supply chain structure has enabled us to test and analyze improvements that have a direct impact on the workforce. It has given the company high leverage and stable, personal relationships to invest in good labour standards. By working on improvements from an external audit as well as its own internal audits at the production location, the company has monitored 100% of total production volume.



Living Wage & Fair Pricing

We have a strong commitment to creating a satisfying working environment, and workers must be paid fairly and appropriately for their work.

Using the so-called Anker Methodology, we calculate the Living Wage. The methodology emphasizes the participation of local staff in order to increase its credibility. Hence, in 2019, the HR & CSR team in the Vietnam factory made a survey in the local market and calculated food, housing costs in the area. In doing so, we were able to analyse and compare the findings with the information from the Living Wage Coalition estimated. We also consider transportation, child education, unexpected expenses, some savings. In addition to a secure income, we offer our employees private health insurance, which also covers one additional family member. For 2020, we did not re-survey but apply an increase by the inflation rate 2.5%.

Our unique relationship with the factory, allows us to have total transparency. We have access to all the information of the payrolls, and we know the exact link between our prices and the wages. DAWN is able to pay the true cost of the product. The unit price is different based on the different product styles and number of minutes. The labour cost is equal to the total employees' salary divided by total products in a month.



Duan, maker behind the seam, always has unflagging energy.



Xuan, maker behind the seam. She's a barrel of laughs.

Tip Me

Who is Tip Me?

Our reason to join Tip Me has been to show solidarity in a world threatened by the pandemic. While many brands focused entirely on their own, canceled orders, didn't pay invoices, ... we wanted to send a statement to our Factory in Vietnam.

Tip Me was founded to solve the problem of unfair supply chains. The mission is to show appreciation for the people behind the making of the products. In this globalized supply chain, we want to enable a connection between the customers and the makers.

Together with Tip Me, we ensure that 100% of tips go directly to the production staff. The production staff are free to decide how to make use of the tips.

For us, conscious consumption means appreciation for the product and the person who makes it. We believe this action shows recognition of the work they do, and honor their skills and efforts.

Production Cycle

At DAWN, we have two collections every year: Spring/Summer, Autumn and Winter.

Our production cycle begins with design and development, our design team in Berlin works with the development team in Vietnam from the beginning of the development phase. This helps both parties to plan the sampling schedule and project the number of styles in the coming season. The tight collaboration also helps the team to spot possible production issues at the early stage. For instance fabric that requires a longer lead time, the merchandiser in Vietnam can report at the earlier stage to DAWN's design time. Together the decision is made to either order the fabric earlier, or change to another fabric with suitable lead time for the production.

This mitigates the bottleneck during bulk production in the later stage.

DAWN and Evolution established a weekly call routine, in which we touch base with the factory manager, merchandise and purchasing team. Any issues related to production schedule, material delivery, and so on can be brought up, and find solutions collectively.

Together with the design and sales team, it is decided how to split orders over different windows. Our close relationship with the factory also enables us to know the capacity and situation in the production floor. This helps us to plan the order volumes and production time. The factory has the freedom to look at the styles and decide when to start production according to their capacity and to ensure production lines are running efficiently.

Supplier Relations

In 2020, we are in contact with a new laundry sub-contractor. The selection process involves:

1. Capability in high-tech washing process. Including machinery, factory set up, wastewater management system, environmental management system.
2. The CSR team in Vietnam was in touch with the supplier various times, including frequent visit, internal audit, follow up on CAP when issues were found.



Sustainable Supplier Evaluation

Since we have a very simple supply chain structure, we do not have Tier 1 supplier evaluation. We prefer to build and maintain long term relationships, especially with our laundry subcontractors. As we believe that time and commitment is the foundation of trust.



Our designers, Ines & Linda, ponder before making material and design decisions.

Monitoring and Remediation

The CSR personnel located in Vietnam frequently visits the factory on-site and touch base with the management team. Internal audits were conducted once a year. Based on the audit, a corrective action plan is developed, implemented and followed up on a regular basis. Subcontractors were communicated on the FWF CoLP, and the posters were put up across the factory floors.



Complaints Procedure

Internal complaint management is a crucial part of ethical social compliance. No employees should feel threatened to make their voice heard. Fluid communication and an easy-to-access complaint channel will foster the management team to get clear feedback on what is going on at the workplace and respond to it.

Therefore we implement the FWF grievance and complaint system in our factory and at subcontractors. We check with the CSR personnel in Vietnam, and follow up on any complaint received. In 2019 - 2020, we have not received any complaint.

We post and train all employees about the FWF Code of Labor Conduct, as well as introduce them to the FWF complaint hotline. The hotline allows workers, representatives to present complaints about working or labor conditions in violation of FWF Code of Labor Practices. Workers in our factory and subcontractor are ensured to have access to this external communication channel. We actively engage in the remediation of the complaints. In the period of 2019 - 2020, there has been no complaint filed to FWF from our production location.



A safe space where employees can let their voice out.

Training & Capacity Building

In collaboration with CSR staff at Evolution, we planned below trainings:

- Fire fighting and fire drill
- HSE (Health and Safety Environment)
 - Group 1 :Manager
 - Group 2: Health & safety Officer
 - Group 3: (Worker special equipment)
 - Group 4: All workers
 - Group 5: Nurse and doctor
 - Group 6: Health and safety team
- CSR Training
- Machine using & safety
- Social policies (BSCI, FWF code of conduct & grievance mechanism)



Quarterly union meeting organized by factory union, joint by all workers. They share and bring up important topics to managers.

On Boarding Procedure

DAWN ensures that the factory has an employee education program that includes training on grievance mechanisms and labour regulations. Plans are created at the end of each year for the following 12 months and incorporate a mix of internal and external training. It covers issues such as labour safety and hygiene, fire drills & fire fighting and basic first aid. Moreover, there is training for office staff and management on issues including sustainable supply chain, social audits and topics related to the FWF CoLP and Amfori BSCI code of conduct.



Huu, the cutting operator. He brings joy to the cutting team.



Transparency & Communication

We use our website, social media channels and newsletter to inform the public about our activities. Throughout the years, we participate in various FWF led events - Fair Friday, fashion revolution and so on.

In 2019, we opened our factory floor and welcomed over 100+ people, We arranged a series of activities, including an introduction to Fair Wear Foundation (speech delivered by Florence Bacin), explaining the production process step-by-step. Our purpose is to bring awareness to people, and shed light on challenges in sustainable and ethical manufacturing and, most importantly, invite them to become part of our journey.

We aim to become even more transparent to our customers and to give them more insight into our supply chain. In collaboration with Cotton Connect, we were able to map out of the complex cotton supply chain to an extent.

We also work with retraced, a blockchain backed technology service provider that enables us to register and display supply chain information based on each style.

Our plan is to be as transparent as possible, whether is research deeper to upper tiers of the supply chains, as well as a broader network of tier 2 suppliers including fabric mills, trims, subprocessors, packing, and so on.

Covid-19 Impact & Handles

The COVID-19 outbreak has had an enormous impact on all actors in the garment supply chains. Apart from the risk of the virus, the pandemic severely affected workers' income, jobs and lives, while factories, brands and retailers were struggling to remain in business.

Throughout 2020 DAWN have experienced vast challenges to keep our business afloat and deal with all the changes as a result of the virus outbreak. This section will be dedicated to how DAWN approaches this difficult time and supports our suppliers in the situation.

Since the pandemic, DAWN began to push the E-commerce business forward. As e-commerce allows us with higher degree of flexibility on the order delivery dates and quantity. In the first few months of the global outbreak of pandemic, we were aware that our factories were facing immense pressure as the orders were cancelled by other brands. In order to keep the production line running in full capacity, DAWN provides the planning team at the factory access to DAWN's sales number, and hence they can react and place orders according to the trend of demand. This ensures that the production floor is not running empty, and that workers can keep their jobs.

Wage & Job Security

Since the beginning of the pandemic, many things were uncertain. At first the situation was more severe in Asia, many orders were cancelled by other brands. DAWN office and Evolution shared the financial and psychological burden together. Our goal was to protect the low income group - as we know there were barely any social safety nets provided by the government. Some of the office staff in the factory had to change from full-time position to part-time. This situation lasted from April 2020 - August 2020.

Until August, Vietnam proved its success in containing the pandemic, - no mass spread happened. No lockdown, or operation restrictions. And everything resumed to normal since August on, salaries were compensated to the vietnamese staff accordingly.

We were very lucky to be in this position and secure wages for all the workers. We didn't change or cancel any orders, therefore the factory operations kept the same as normal.



Mi, R&D developer, the most cheerful lady that fills up the sewing floor with laughter.

Factory Health & Safety

Our factory in Vietnam has taken multiple measures to prevent the spread of COVID-10. We provide hand-washing facilities with soap, and disinfectants on the entrance and throughout the factory. Additionally, face masks were provided. The factory upcycled our 100% cotton stock fabric and made it into face masks. Each worker was provided with 5 pieces, so they can be replaced on a daily basis. The factory also increases distance and reduces gatherings. The factory also placed plastic sheet guards on the dining table, as workers must take off their mask during the time.



Hung, factory security guard, checks everyone's temperature before entering the workspace.

Responsible Purchasing Practices

Since the situation in Europe worsened, many of our retail partners had to close down the shop due to lockdown. We offered the retailers the chance to cancel the order. However, at the end, only 2 customers out of 100+ canceled the orders. The cancellation does not affect our orders at the factory, as we simply absorb these products and sell them via our webshop.

During the pandemic - There were some fabric/trim delays and shortages. The factory was affected as the Teir 2 suppliers were not able to deliver the goods on time. Through the weekly meeting routine, we were always up to date about all the incidents. We were able to re-arrange the shipping date according to the new planning schedule, and avoid overtime. As we know most of the overtime is rooted in the short production lead team.



Factory Manager, Thien & Quality Technician Vu went through the order, and product details.

Worker Engagement & Monitoring

Since our Vietnam counterpart has its CSR team, we were still able to make onsite audits in the factory as well as at the subcontractors. We are aware that the working conditions are especially important during difficult times like COVID-19, and monitoring the labor and working conditions should continue. The only difference the CSR team had to make was, the onsite audit must be planned and agreed upon with the factories, as the factory must control the visitors.



Support Community

We want to play our part and designed a „support shirt“ that helps dear friends during the Corona crisis. 100% of the profits was donated. 50% went to the small and independent boutiques that had to close their doors for the time being, and 50% went to an organic cotton farm that will be heavily impacted by the crisis if we don't help.

The symbol on the shirt is the International Flag of Planet Earth – a wonderful reminder that we're all one. It's based on a project by Swedish graphic designer Oskar Pernefeldt. The flag is the ultimate symbol of unity, and maybe more relevant than ever.



Berlin Team, getting used to the new norm - online meetings!



Should your attention span not be exhausted and you would like to know more; or even want to visit us in Sài Gòn, feel free to drop us an email at:

hello@dawndenim.com