

Social Report 2018



DAWN

Contents

Mission	05
Strategy	06
Development roadmap	08
Working Environment	10
Training & Development	11
Living wage	12
Anker Methodology	13
Benefits	16
Pricing	17
Production planning	18
Social Dialogue	21
From Fair Wear to Love Affair	26
Social audit and remediation	28
Fair Wear Foundation Audit	30
Supplier relation	32
Ecological impact	34
Transparency	36



Mission

At DAWN we are empowering women to change the way clothes are made, sold and worn.

Working with manufacturers, wholesalers and consumers, we believe the fashion industry can only be changed through a united community of committed and confident women.

We want DAWN to become a role model for the fashion industry. Proving that clothes can be made in more conscious ways, causing less waste and less harm to the environment, while treating workers ethically and paying them fairly.

Strategy

Marian von Rappard and Ines Rust, the co-founders of DAWN, worked in the fashion industry for 20+ years before creating DAWN.

They have worked on the brand side and the supplier side and understand the true costs of production.

Unlike other brands, which spread their supply chains across a number of countries, we focus ours in one place, which we call home.

At Dawn, we believe the best way to empower makers is to give them a safe working environment, a decent wage and the opportunity to grow. We know each employee by name. Only through direct ownership and management of our supply chain are we able to achieve this.

We pursue our vision through a single-minded strategy of sourcing our materials sustainably, treating and paying our workers fairly, producing only what is needed to reduce waste, and building complete transparency throughout our supply chain.

In this way we empower our customers to make informed decisions about their fashion choices.



Development Roadmap

Opened development center in Saigon, Vietnam.	Opened Evolution Lab, our own factory in Saigon, Vietnam.			Joined Fairwear Foundation.	
	Launched employee benefit program.	Launched "Living Wage" initiative.		Expanded employee health cover to include additional family	
	Offered all employees private health insurance	Offered acupuncture & massage for all staff.		BSCI Certified	
	Created employee education program.	Sewing school project at Kontun			
2014	2015	2016	2017	2018	2019
			BCI member	Launched #lowimpact line.	Started partnership with a new sustainable-focused and technologically advanced laundry.
				Sustainable sourcing strategy: increase organic cotton, Tencel, recycled PET. in Dawn jeans.	Start zero plastic initiatives.
				Developed laser washes to reduce water footprint.	



Working Environment

- Separation of cutting area from sewing area and added ventilation system to reduce the fabric dust.
- Air-conditioned sewing floor.
- Green balconies where fresh herbs and fruits are grown.
- Investment on new overlock machine which can vacuum the fabric scrap.

Training & Development

DAWN empowers its staff, partners and suppliers through training and education programs

- Introduction programme for new workers, providing skills training, plus instruction on workers' wages & benefits, working hours, health & safety regulations, labour rights, Amfori BCSI code of conduct, FWF code of labor practices, Collective Bargaining Agreement(CBA), company regulations, company policies/procedures and employee grievance mechanisms.
- HR crafted training plan for permanent workers. Plans are created at the end of each year for the following 12 months and incorporate a mix of internal and external training, covering issues such as labour safety and hygiene, fire drills & fire fighting, basic first aid and an employee education program.
- Zero plastic & eco-friendly lifestyle training by, Let's Do It, a grassroot environmental NGO based in Vietnam.
- 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.
- Education programme for suppliers about the sustainable supply chain, social audits, topics related to FWF CoLP and Amfori BSCI COC, plus supplier selection and management criteria.



Living Wage

We believe that all our team members have the right to live in safety and dignity.

We believe that all our workers should be paid a fair wage that enables them to provide for themselves and their family.

Our salary structure has been created combining the Anker methodology with local government regulations.

Wages are consequently higher than the standard minimum wage. On top of a basic salary, we add allowances for food, housing, transportation, child education, unforeseen expenses, plus some savings.

Anker Methodology

Anker Methodology is used to estimate living wages. There are 2 main components in this methodology.

Firstly, estimates the cost of basic but decent lifestyle for a worker & their family, including food, housing, unforeseen events, education and dependent persons.

Secondly, determines if the estimated living wage is being paid to workers.

Actual payment at Dawn includes basic salary (under law), plus a range of subsidies, allowances including, meals, petrol, attendance, phone, housing, employee performance, 13th month salary, company bonus.

Non-financial benefit includes private health insurance, vitamin bar, milk, massage, acupuncture, work out class, deworming pills for family members, employee education program and company team building.

At DAWN, employees are paid more than the industry average.

42% more than the BSCI Survey.

21% more than the Trade Union calculations.

And 81% more than the minimal wage.



Benefits

Understanding that worker wellbeing doesn't come solely from wages, we are committed to maintaining and improving the physical and mental health of our workers.

We provide all staff with (vitamin C rich) fresh fruit, lunchtime workout sessions, plus massage and acupuncture therapy for relaxation.

We also offer all staff private health insurance, inclusive of one additional family member of their choice. Illness can place a family in a very difficult and stressful situation. This risk and worry can, however, be minimised through a structured health care program.

Pricing

DAWN is committed to pay the true cost of the product.

This cost includes all the benefits our factory provides for its workers as well as costs arising out of unforeseen or incidental circumstances on the production floor.

The FOB price is initially calculated using the previous season's experience and subsequently reviewed by the factory and brand management on a quarterly basis.

Production Planning

Similar to most fashion brands, DAWN has traditionally operated to a seasonal calendar. This approach, however, has the effect of producing bottlenecks and overtime on the production floor.

To combat this, we have pursued a number of initiatives. Some have proved more effective than others. Here is a brief summary of some of the actions we took:

Shipment Windows

In order to ease the pressure on the production floor and reduce overtime issues, we created four different shipment windows instead of two.

However, later we found out:

1. The cause of overtime is not the delivery date itself but rather the amount of complex styles in a single window.

2. While the style selections in a window were previously more sales & design driven, they now involve a greater dialogue between the production, planning and sales teams.

3. We accept that the first shipment window cannot be shipped by sea, as the order placement doesn't give us enough leadtime to ship in time.



Packing

In previous seasons, driven by a monetary approach, all customer packing was carried out at our factory in Vietnam.

This was extremely complicated and created a huge bottleneck for the packing team. We therefore decided to have this task executed by the fulfilment provider in Germany.

Development

Our head designer visits Vietnam 3-4 times a year to work with the development team. Despite this, we still face overtime issues in the sampling and development room. We are therefore currently in the process of enlarging our capacity, while also optimising our calendar to better manage our internal capabilities.

Social Dialogue

In order to learn more about our factory team members, we introduced a series of social experiments in 2018.

Respectively they are,

1. A candy machine to vote on issues.
2. A Voice room to give unfiltered views.
3. An installation to rewire our values.
4. An interactive social graph of connections.

Our objective was to create a dialogue between the management team, the DAWN team and the factory workers in Vietnam.

Looking beyond salary and working conditions, we want to discover what they need and value, what was important to them and what really makes them happy.

01

Candy Machine

In this experiment, we began by asking a basic yet important question; “Are you happy here?” People would answer by turning one of three buttons corresponding to their level of happiness (see pic). We then went on to ask the staff a range of questions concerning their roles, working environment, benefits and so on. The learnings derived from this fun-but-informative exercise were used as a basis to develop new staff initiatives aimed at improving the culture and quality of life for DAWN workers.



02

Voice Room

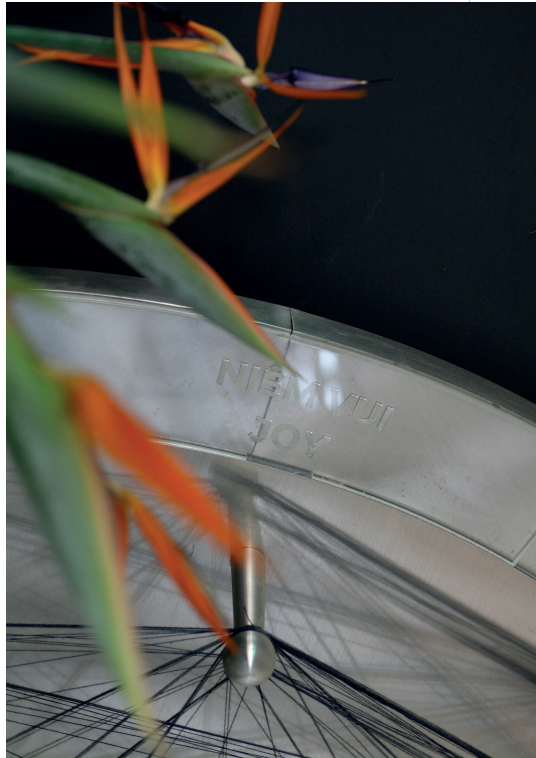
To establish a ‘safe’ environment for our staff to dream, hope, feedback and criticise, we built the Voice Room, a private, enclosed, anonymous space where staff could post ideas, requests, complaints and wishes that would serve to kick-start an important social dialogue between the employees and the management.



03

Pillar of Values

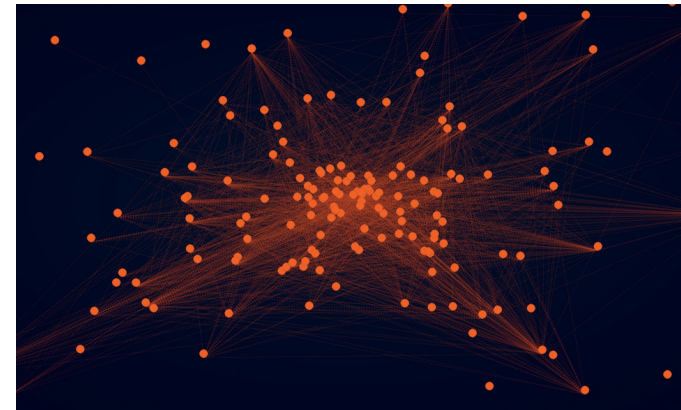
An installation to rewire the values of our company. Instead of delegating the values from the top, we wanted to find out what really matters to our workers. Each member of staff would take a thread and wrap it around five values that they considered to be the most important to them. The values with the most threads were identified as the most important to us as a company and would be the ones we would prioritise as we developed our company culture.



04

Circle of Friends

How well are our team members connected with each other?
How many personal connections does each employee have within our company? Who eats lunch alone?
The Circle of Friends installation is a fun, interactive graphic for our Human Resource team to ensure everyone feels included and connected within our DAWN community.





From Fair Wear To Love Affair

We collate the data over the period of one year, to see where we are and what we needed to work on. We learned a lot!

In particular, we learned that:

- Moods can change from week to week.
- Management team need to be more precise in communicating our strategy and processes.
- Benefits like the vitamin bar, private health-insurance, acupuncture & massage were well received and highly valued.

- Our growth mindset is appreciated by the staff but we should always remain mindful of employees' different educational levels.
- Some divisions within the company are better integrated and recognised than others.
- Liking your job is not just about maximising your income.

In the light of our learnings from the Fairwear to Love Affair experiments we have agreed to:

- Extend the private health-insurance programme to include the employee's entire family.
- Adjust the DAWN seasonal calendar according to the factory's capacities.
- Build more recreational areas for our team to relax and reenergize.

However, nothing is perfect. Everything is a continuous improvement. After one year of the experiments, we also realized some of limitation of the experiments. We're still testing different method to use the experiments and seeking best ways to communicate with our team.

This will become an ongoing part of our culture and will hopefully help us build a stronger social dialogue for a better tomorrow.

Social Audits and Remediation

DAWN's supply chain was submitted for an Amfori BSCI audit in 2018.

The results were encouraging.

Our own factory, Evolution Enterprises was awarded a C rating (audit date: Jan 10-11, 2019). And Our laundry partner, Atlantic Co., received a B rating (audit date: Jan 7-9, 2019).

Our CSR team subsequently followed up to support them in executing a remediation plan within 60 days as per Amfori's requirement.

Our factories with the Amfori certification will be subject to a follow-up third-party audit within one year and a full audit within the next two years.





Fair Wear Foundation Audit

A FWF audit was carried out by the FWF auditor on May 20-21, 2019 and our garment factory received the official report on July 3, 2019.

A subsequent remediation plan was completed in accordance by the agreed deadline at the end of August 2019.

Our CSR team followed up with the remediation plan and conduct several onsite visits to ensure all findings were corrected.

Supplier Relation

DAWN production processes are made in house in our own facility.

The majority of our washing takes place at our partner, Atlantic Co., a sister company of a famous L.A. laundry which has mastered a very authentic look and feel.

DAWN has worked with Atlantic for many years, investing into construction projects, a chemical warehouse, worker training; even paying bonuses directly to Atlantic workers on a yearly basis.

As the demand from DAWN shifts increasingly towards sustainable wash technologies, DAWN began in 2019 a cooperation with a new strategic partner.



Ecological Impact

Material

As part of our sourcing strategy we are aiming by 2020 to use only materials with an ecological approach. As our brand requires performance yarns for fit and comfort this comes with challenges.

Ecological materials for DAWN include: organic cotton, tencel and recycled materials such as post-consumer recycled PET made from water bottles.

We are on a good track and have already developed a number of our own fabrics, blending organic cotton with recycled PET to create a high performance “shaper” fabric.

In our 2019 collections , 90% of the materials are conforming to our eco-standards.



GOTS:
The Global Organic Textile Standard is the worldwide leading textile processing standard for organic fibers. GOTS includes ecological and social criteria. Its certified yarn guarantees that no pesticides or other toxicity which are harmful to humans and environment are used to grow the cotton as well as paying fair wages to the farmer.



GRS:
GRS stands for Global Recycle Standard. The standard applies to the full supply chain and addresses traceability, environmental principles, social requirements, and labeling.

Tencel
The fibers originate from the renewable raw material wood. And using an environmentally responsible production process. Manufacturing Tencel requires less energy and water than cotton. As a naturally derived fibre, Tencel is also biodegradable.

Packaging

In 2018 we tested biodegradable bags made from cornstarch, to replace our polybags

Unfortunately we discovered that these bags are composting too fast and therefore cannot continue working with this approach

For our new 2020 summer collection we will ship 50% in recycled paper bags i/o polybags.

Washing Process

We started to implement laser and ozone washes for a large part of the collection.

Our new strategic partner recently opened a new laundry in the south of Vietnam, equipped with the latest technologies (Jeanologia etc).

Transparency

For DAWN transparency doesn't stop at Tier 1, we want to look into the full supply chain.

Respect Code

Product DNA is specialized in supply chains' transparency as well as in the report and publication of consumer goods' traceability. They uses Respect Code to digitalized and visualize our full supply chain, from raw material, spinning, weaving, dyeing, to cut & sew, laundry and beyond.



View more of
our products on
respect-code.org

Tier 2

Looking further, we plan to implement similar structures to our subcontractors and monitor Tier 2 suppliers with Health and Safety guides from FWF.