



# Alliance for Responsible Denim

## ARD Charter and Working Principles

Dated: 14 October 2016

As a member of the Alliance for Responsible Denim (ARD), my company (see appendix 1 for list of current ARD members) agrees to the commitments and practices as outlined in this document. The commitments and practices are valid for two years from the date of this agreement, or until 30 September 2018. If no changes to the agreement are made before the expiration of this agreement, they hold until such changes are made by the members of ARD.

### 1. ARD CHARTER

#### a. ARD Mission / Purpose

- i. We, members of the Alliance for Responsible Denim, are strongly aligned in our desire to produce denim in a sustainable way and we aim to collaborate together to achieve our sustainability goals.
- ii. Our purpose is to make our industry cleaner and smarter so that we can produce denim in the most sustainable way possible.

### 2. ARD WORKING PRINCIPLES

#### a. New members

- i. ARD welcomes new members that are aligned with the ARD charter and working group scope and goals as outlined by those groups.
- ii. New members can be proposed or introduced by any member or relation of ARD. New members are required to contact the ARD facilitator(s) (see appendix 2).
- iii. The decision to add new member(s) will be taken during working group and/or alliance update meetings by the members that are present at that meeting.
- iv. New members are required to contribute the minimum level of participation as defined at the founding of ARD. This minimum amount is 50 hours per year.

#### b. Member contribution and participation

- i. ARD members are expected to assign the appropriate contact persons from their company. The number of contacts per company is unlimited.
  1. If the assigned contact persons are unavailable for ARD meetings (see 2d), they are required to assign a temporary or permanent replacement.
- ii. ARD members are required to attend the quarterly working group and alliance update meetings.
  1. Additional meetings between the quarterly ones will be scheduled as appropriate by the ARD facilitators and are optional.
- iii. ARD members are required to commit to and allocate the minimum level of human and financial resources.

1. The minimum level of human resource (time, knowledge, participation) is 50 hours per year.
2. Until 30 September 2018, there are no fees or financial resource requirements for ARD membership.
3. If financial resources are required for the realization of ARD goals, the ARD members will discuss and decide on the financial requirements and on the relative proportion of the ARD member financial contribution.

**c. Information and knowledge sharing**

- i. Disclosure of information and knowledge
  1. ARD members agree to disclose general and specific information and knowledge relevant to the purpose (see 1a) of ARD.
    - a. ARD members and meeting participants must be cautious with competitively sensitive information, i.e. information or discussions that interfere with competition, such as price fixing, boycotts, refusals to deal, trade terms or company strategies, will be prohibited.
  2. General information, either contributed to or created by ARD members, is deemed generic and should be available to all, including those beyond the ARD membership, unless decided otherwise by the ARD members.
    - a. General information refers to information or knowledge that is already public or could be readily accessed publicly.
  3. The ARD facilitators, as neutral parties, will act as intermediaries of more specific information for aggregated and anonymous processing.
    - a. Specific information may include (but is not limited to) information about members' suppliers.

**ii. Confidentiality**

1. Information and knowledge shared by and among ARD members remains confidential unless the ARD members decide to release the information/knowledge beyond the members and network of ARD. This decision takes place according to the outlined decision making procedure in 2e.

**iii. Delivery**

1. ARD members commit to deliver information as agreed and requested and on time to the appropriate ARD facilitator(s).

**iv. Transparency**

1. Building trust is essential to an effective collaboration. ARD members agree to be transparent with information, knowledge and opinions.

**d. Meetings**

- i. ARD meetings consist of 1) working group meetings and 2) alliance update meetings.
  1. These meetings will be held quarterly in October, January, April and July. They will be held sequentially in the morning (9-11am) on the 1<sup>st</sup> Friday of the month. It is required for all ARD members to have a representative (at least one) at these quarterly meetings.
  2. Alliance update meetings will address general items pertaining to the alliance as a whole. It will be held prior to the working group meetings. All ARD members are required to attend.
  3. Working group meetings follow the alliance update meeting and are facilitated by the appropriate ARD working group facilitator. Only the participating ARD members for the specific working group are required to attend. Attendance by other ARD members or guests is optional.

- ii. ARD alliance update and working group meetings are intended for discussing action items and information, for allocating tasks and activities and for making decisions.
- iii. At least 2 working days prior to the quarterly alliance update and working group meetings, ARD members and meeting participants will receive:
  - 1. An agenda for alliance update and working group meetings
  - 2. Documentation that should be read or prepared before the meetings
- iv. ARD members and meeting participants will have the opportunity to include items on the agenda. The time per agenda item will be allocated as appropriate by the ARD facilitators.
- v. It is expected that each ARD member present at the meetings is fully prepared to participate in discussions and decision making.
- vi. Meeting minutes, including action items and decisions made, will be prepared by the ARD facilitator(s) and sent to all ARD members and stakeholders within 3 working days after the meetings.

**e. Decision making**

- i. Items will be proposed for decision making at each meeting. ARD members commit to being fully prepared to discuss the items for decision making.
- ii. ARD members commit to participating in a consensus-oriented decision making process that seeks to establish as much agreement as possible on decisions.
  - 1. Given the shared interests and goals of ARD, the members seek to have unanimous consent (minus one vote) on decisions (the decision rule).
  - 2. ARD members can freely exercise dissent in decision making in the following forms:
    - a. Declare reservations: express concerns about agreement of the proposed decision but allow it to pass
    - b. Stand aside: express serious disagreement but allow proposed decision to pass
    - c. Object: Disagree with the decision and block decision; if more than one member objects (or block) then decision does not pass
  - 3. If no members and meeting participants express dissent, then it is assumed that there is agreement on the decision.
- iii. ARD members and meeting participants commit to an open, transparent and respectful discussion that allows for opinions, concerns and ideas to be expressed and exchanged so that the best possible decisions can be made.

**f. External communication**

- i. The current members of ARD have different views about the communication of their brand and sustainability.
- ii. External communication of any sort that includes the brands' names must be proposed in an alliance update meeting so that a decision can be made.
- iii. ARD, as a whole, is a voice for its members as an outward collective leader on sustainability.

**g. Member engagement and alliance continuity**

- i. ARD members and participants recognize that an effective collaboration must establish trust and reciprocity and will engage in the collaborative effort relative to their resources and capabilities.
- ii. To ensure cooperation, ARD members commit to resolving conflicts by using open, facilitated and constructive dialogue to find solutions to adversarial situations.
- iii. ARD members and participants commit to take ownership and responsibility for reaching collaborative outcomes.

**h. ARD Governance**

- i. For the duration of the grant period (September 2016 to August 2018), the ARD steering committee consists of appointed representatives from the Amsterdam University of Applied Sciences, amsterdam inbusiness, Modint and House of Denim.
- ii. The ARD steering committee members meet biannually to discuss progress and budgetary matters.
- iii. The ARD steering committee members may participate in the quarterly alliance update and working group meetings.
- iv. The ARD steering committee commits to supporting the timely progression of the collaborative efforts and the broad dissemination of the collaborative outcomes to key stakeholder groups.

I, as a representative of my brand / company, commit to the ARD charter and working principles by signing the ARD jeans.