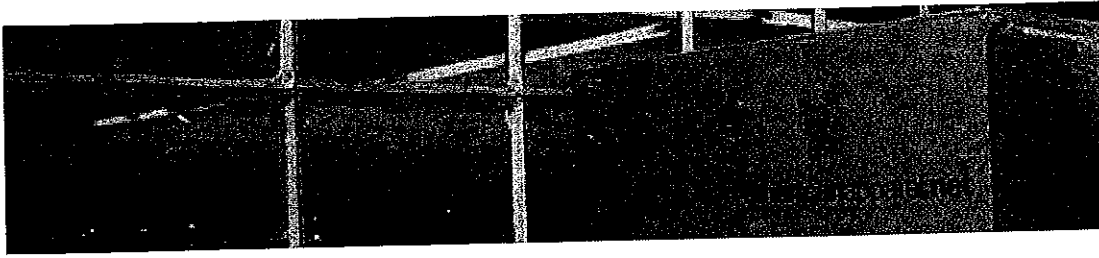


Mission



American Apparel is a vertically integrated manufacturer and retailer of clothing for men, women, kids and dogs. Meaning, we've consolidated all stages of production under one roof at our downtown Los Angeles factory—from the cutting and sewing, right through to the photography and marketing.

Ultimately, it is this system that allows us to stay competitive while paying the highest wages in the garment industry. Because we don't outsource to local or developing-nation sweatshops (or to ad agencies, for that matter) the entire process is time-efficient, and we can respond faster to market demand.

We offer the following benefits to all of our employees, sewers and administrators alike, as a matter of policy: paid time off, affordable healthcare for them and their families, company-subsidized lunches, bus passes, free ESL classes, on-site masseurs, free parking, proper lighting and ventilation, and the most up-to-date equipment (be it the latest cutting machine or software). We are continually striving to improve the work environment. ([Read More Here](#))

More importantly to our garment workers though, we offer year-round employment and job security, with virtually no turnover. This is anomalous in an industry dominated by seasonal work.

Not to suggest that we are more ethical than the next business. We're just out to try something different, to make a buck, to bring people the clothes they love, to be human, and have a good time in the process. So far, so good.

Why American Apparel?



More than just a sweatshop-free charity

We are committed to making clothing of the highest quality while pioneering industry standards of social responsibility in the workplace. Our goal is that everyone touched by the business process has a positive experience.

A young company

American Apparel is a youth-directed company, founded without the assistance of institutional investors. Having no political ties, the company has rejected established norms on all sides; we've dismissed both the corporate right and the politically correct left in favor of something new.

Better quality and fit

Rather than follow seasonal trends, we offer an expansive year-round line to which we are continuously introducing new styles and colors. Our priority is quality and fit, and we often turn to our customers for feedback and ideas.

A new business model

Internalized production, where all stages of manufacturing happen in the same building, is far more efficient than the industry norm of outsourcing. Our workers earn the highest wages in the industry and are active participants in the life of the company.

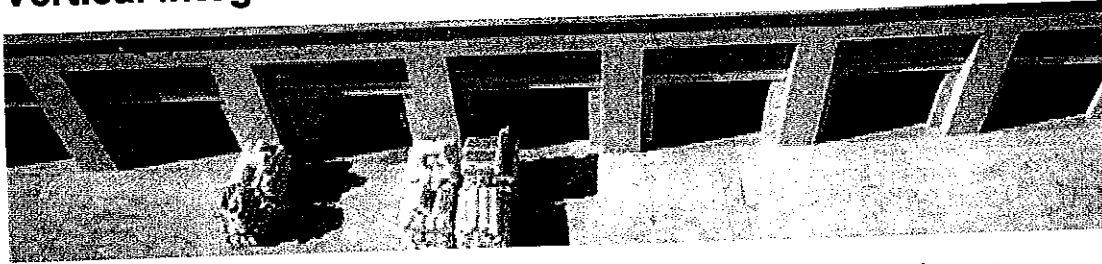
Setting an example

American Apparel is as much a capitalist success as a social success. The company's profitability is a testament to the fact that the model can be applied to many companies and industries worldwide.

A sustainable choice

American Apparel's Sustainable Edition offers our most popular styles in certified organic cotton. In the next few years we intend to further integrate sustainable cotton (principally organic) into our general production. We've also implemented a program by which we recycle over a million pounds of fabric scraps each year.

Vertical Integration / Made in Downtown LA



American Apparel is a vertically integrated manufacturer and retailer of clothing for men, women, kids and dogs. This means that we've consolidated all stages of production under one roof at our Downtown Los Angeles factory—from the cutting and sewing of the garment, right through to the photography and marketing.

Ultimately, it is vertical integration, an efficient system that cuts out the middlemen, that enables the company to be sweatshop free. Because we do not outsource to local or developing-nation sweatshops, the entire process is time-efficient and the company can respond at breakneck speed to demand. This enables us to be competitive within the global market.

For American Apparel, being sweatshop free means offering all of our employees, sewers and administrators alike, basic benefits. We provide affordable healthcare for workers and their families, company-subsidized lunches, bus passes, free ESL classes, on-site masseurs, free parking, proper lighting and ventilation, and the most up-to-date equipment (be it the latest cutting machine or software). We offer these as a matter of policy, not only because we care about our employees, but also because we understand that a positive work environment is a more productive one.

Most importantly, we pay the highest wages in the garment industry (the average sewer at American Apparel earns \$13 an hour but this can be as high as \$27 an hour), we offer year-round employment and job security, with the goal of lifetime employment. There is virtually no turnover when it comes to our garment workers, and their loyalty to the company is a huge source of pride.

Vertical integration means that we can supply the highest-quality product on the market. Because our clothing is manufactured on site, we have superior quality control and can spot the tiniest mistake as it happens. We have the freedom to make changes and improvements to our garments without the delays experienced by companies that outsource.

That's how we bring our customers the clothing they love to wear. In the end, our goal is to provide a positive experience to everyone touched by our business process, from a sewer right through to a consumer.

What Does AA Do for Its Workers?



To ensure the company's success and stability, American Apparel sees all of its employees as long-term investments. We care about their health and well being. Therefore, the company provides the following benefits to its employees as a matter of policy.

These benefits also ensure the quality of our garments and the efficiency of our production. We believe that the nature of the work environment has a direct impact on the caliber of the work.

Unlike the majority of the apparel industry currently pursuing a program of offshore or local subcontracting, American Apparel has implemented a groundbreaking system of internalization, manufacturing and marketing all its apparel under one roof. This program of vertical integration, along with a commitment to art, design and technology, has propelled American Apparel's growth, making it one of the most efficient garment companies in the world. This is ultimately a testament to the fact that exploitative labor tactics are counterproductive. At American Apparel, we believe that providing employees with decent working conditions in a technology-driven environment allows the company to attain the highest levels of efficiency. This structure of efficiency ensures American Apparel's competitive edge in the open global market.

a) Wages

American Apparel is committed to paying fair wages to its workers. Our workers are considered to be some of the highest-paid apparel employees in the country. We strictly adhere to all California wage and hour laws. We pay overtime after eight hours of work per day. Workers rarely work over eight to 10 hours per day. We offer two daily 15-minute breaks and half an hour for lunch. Our average employee on the sewing floor earns over \$12.50/hour, which is more than double the U.S. federal minimum wage. Experienced garment sewers earn more than \$9/hour and can make as much as \$18/hr. There are some peripheral positions (non-sewing) within the company where workers earn as little as \$8/hour; however, we are continuously raising the lowest-tier pay as the company expands, and worker wages are steadily increasing.

b) Job Security

Our goal is to offer full-time and lifetime employment. Traditionally, the garment industry has suffered from severe seasonal adjustments to the work schedule. Within the garment industry there are tales of overwork and tales of under-work. At American Apparel, we have made great efforts to balance the work schedule year-round. Although there are seasonal changes that can affect the number of hours worked per week, all of our garment workers are able to work approximately 2000 hours per year, allowing them to receive the benefits of full time employment. American Apparel has generally offered bonuses to employees during slow periods. However, in 2003, this was not necessary because the company did not suffer from the common October/November slowdown experienced by most factories; nor were any workers laid off.

c) Human Resources

The Human Resources department at American Apparel provides information to employees about all existing company, county, state and federal benefits. We go over workers' questions about their paychecks, which often does not happen in other garment factories where workers are afraid to question their compensation. We help workers enroll for the federal Earned Income Credit (EIC), which can often increase their take-home pay by \$80 per week.

d) Health Care for Employees and Their Families

Our workers have access to company-subsidized health insurance for \$8 per week. This same benefit is available to spouses as well. Health insurance for each child is between \$1-\$3 per child, per week.

e) Natural Light

American Apparel's garment workers have proper lighting above their sewing machines in addition to abundant natural light. American Apparel has one of the best-lit garment factories in Los Angeles.

f) Direct Deposit

Most garment workers in Los Angeles use check-cashing companies to deposit their weekly paychecks, costing each worker 1 percent to 2 percent of their paycheck. American Apparel employees collectively spend over \$150,000 annually on check cashing. We are currently collaborating with Wells Fargo to provide each worker with a bank card and/or free checking account. American Apparel is the only garment factory among the thousands in Los Angeles that offers this kind of service. This also includes Visa Check/ATM cards, significant because workers are then able to use the card to send and spend money abroad. Western Union and American Express often overcharge for simple transfers to Mexico or Central America. Not only do employees no longer have to cash checks, but they also save on wire transfer costs.

g) ESL - English as a Second Language

In collaboration with the Los Angeles Unified School District, we offer free English classes to our workers.

h) Massage/Health and Wellness

We have five certified massage therapists who work exclusively with our factory workers, free of charge. We have also hired an occupational health and wellness specialist who is available to council workers.

i) Parking

We offer free parking in front of our facility.

j) Public Transportation

We subsidize bus passes upon request for all American Apparel employees.

k) Machines and Systems

We provide our garment workers with the most sophisticated cutting and sewing equipment on the market. We are constantly researching new manufacturing techniques and are thus able to increase output and provide our workers with better take-home pay.

l) Heating and Ventilation

We recently installed heating and cooling equipment in our general sewing area. We have continued measures to better control the temperature in our manufacturing spaces.

m) Bathroom and Telephone Breaks

During working hours, employees are allowed to go to the bathroom whenever they want and can receive brief cell phone calls or use the company telephones, which are free of charge, for quick personal calls.

n) Paid Days Off

American Apparel offers its employees paid days off. We have devised a system based on the number of years an employee has worked, making workers eligible for between five-15 paid personal days off per year.

o) Bicycle Program

During the MTA strike, American Apparel introduced a bicycle-lending program. These bicycles receive monthly maintenance and are available to any worker upon request, along with a lock and helmet.

p) Employment Training Program

This government-subsidized program offers each worker eight paid hours of training to improve job and management skills.

Facts About American Apparel



1. American Apparel is now the largest garment factory in the United States, employing 4,000 people worldwide.
2. We have the capacity to produce over 210,000 T-shirts per day or 1 million per week.
3. Our updated Online Express Ordering (OEO) system is now implemented to service our wholesale customers.
4. American Apparel has full distribution facilities in Montreal, Quebec and Frankfurt, Germany.
Click here for contact information.
5. The Ad Specialty Industry (ASI) awarded American Apparel the title of "Supplier of the Year", three-years running (2002, 2003, and 2004).
6. American Apparel has 11 authorized distributors nationwide.
7. American Apparel has over 120 retail locations open in 11 countries: United States, Canada, France, England, Germany, Mexico, Japan, Korea, Israel, Switzerland, and the Netherlands.
8. The Los Angeles Business Journal named American Apparel one of the fastest-growing consumer apparel brands in the United States.
9. Our product line now consists of over 20,000 SKUs, the largest stocked basics line in the country, now in more sizes and colors than ever before.
10. American Apparel is the only apparel company of its size that does not use sub-contractors or offshore labor. We make no sewn products outside of our downtown LA facility.
11. In 2004 our Senior Partner, Dov Charney was named "Person of Year" by the Fashion Industry Guild as well as Counselor Magazine.
12. AA is the only apparel manufacturer of its size committed to recycling all of its scraps.
13. American Apparel knits, dyes, cuts, sews, photographs, markets, distributes, and designs all garments from its 800,000-square foot facility in downtown LA. With the recent acquisition of a local dye house, AA is now fully integrated and can directly handle quality control and production even more efficiently.
Click here to see a short factory tour.
14. At the first ever Los Angeles Fashion Awards in 2005, American Apparel won the honor for "Marketing Excellence".
15. After working at AA for six months, an experienced sewer can earn between \$13-\$15 per hour or more. Many garment workers that sew for other companies overseas make as little as 9 cents per hour. In fact, many garment factories in the US pay sub-standard wages and have sub-standard working conditions.
16. We recently implemented monthly supervisor and management training sessions.
17. American Apparel offers English classes to its non-English speaking employees and Spanish classes for the non-Spanish speaking workers, bettering communication amongst the entire workforce.
18. American Apparel's garment workers receive regular, on-site free massages.

19. AA offers quality, low-cost health insurance plans to all employees and their families. Dental insurance plans begin at \$6.50 per month and employees are eligible for paid time off (PTO) after a year of employment.
20. Other benefits include subsidized lunches and bus passes, on-site ATM services, access to low-cost auto insurance, and a bicycle-lending plan.
21. While creating innovative clothing, American Apparel is striving to pioneer a movement in human rights and environmental responsibility through groundbreaking methods and policies.