



schijvens
CORPORATE FASHION

since 1863

TRIFLIC



SOCIAL REPORT 2015-2016

<http://www.schijvens.nl>

FWF member since 2010



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Summary: goals & achievements 2015-2016

"We feel strongly about Corporate Social Responsibility. Our company and our production sites are affiliated with the Fair Wear Foundation, an organization that is dedicated to good working conditions. We find it naturally; respect for people and the environment and concern for the future. (Shirley Schijvens, director)".

Since the 150th anniversary of Schijvens, every year a supplier day is arranged, where concerns like CSR are being discussed. We believe this strengthens the relationship with our partners and it makes them more willing to work on social and environmental compliance. It is a great opportunity to discuss issues and struggles with each other. All of our suppliers are very enthusiastic about this annual event, which makes it a great success every year.

Last year we also put a lot of effort in following up the corrective actions at our production locations. Over 90% has been audited and for all of those factories we created an action plan. In the meantime most factories have made many improvements on all different elements of the Code of Labour Practices. Our main concern is still the implementation of the living wage. Some factories are already paying their workers living wages, which we are very pleased about. Eventually all workers in every factory should of course receive enough wage to live from. We will work on this element even more in the upcoming financial year. Besides that we are also encouraging more factories to participate in the Workplace Education Program. The awareness amongst the workers on FWF's Code of Labour Practices already increased. Several factories joined the WEP and arranged training courses internally. We will continue this in the next financial year, and encourage other factories to also join the program. All workers in the factories need to be aware of their rights and the FWF complaint mechanism, so help and advice can be provided when needed.

Regarding trends we are aware of the fact that customers are slowly choosing more and more sustainable options. A good example are eco-friendly fabrics, like S-Café, that consist of coffee grounds. The use of S-Café in our garments is currently growing, which we are excited about. Customers are becoming more aware of the possibilities and value of CSR, and want to implement this in their company.

1. Sourcing strategy

1.1. Sourcing strategy & pricing

Schijvens is a supplier of corporate fashion since 1863. Through intensive partnership with customers, suppliers and social organisations, Schijvens is able to create and deliver quality and contemporary products. This is being achieved with an enthusiastic staff, a concept-based approach, own design and social involvement.

Schijvens designs, manufactures and distributes corporate clothing mainly aimed at retailers, facility services and logistics businesses. Within this department, collections will be especially developed according to the wishes of the customer. Schijvens takes care of the whole process regarding to the development of the collection; from the design to the distribution. T'riffic is Schijvens own brand consisting of trendy workwear aimed at companies in the construction, logistics and industry. So in addition to especially tailored clothing, Schijvens is also able to take on small orders due to the stock of T'riffic.

Jaap Rijnsdorp, CEO, handles sourcing and buying. We have a manual for all our suppliers, which shows how we believe a partnership should work. Besides delivery terms, we have also described the Code of Labour Practices in our manual. Signing this manual allows the suppliers to become partners, a valuable word for the Schijvens company. We believe in cooperation as equal partners, as it strengthens the relationship between both parties and mutual support can be provided.

The most important criteria Schijvens uses when choosing a supplier are as following; quality workmanship, order quantity per size, social compliance, environmental corporate responsibility, price and delivery.

Regarding pricing, we are mainly depending on the customer. For instance, we always search for environmental friendly fabrics as an alternative for standard materials. However, these alternatives are usually more expensive. The customer does not always want to pay more, and is mainly led by price. Currently the demand for sustainable materials is still increasing.

1.2. Organisation of the sourcing department

Sourcing is part of our buying department, consisting of the buying manager, buyer and assistant buyer. Our aim is making sure that quality is being delivered and guarded. Contact with suppliers, negotiating about lead times and prices is part of this process.

1.3. Production cycle

Our Schijvens (SCH) brand is Corporate Identity. Retailers request us to design tailored clothing, which will be their corporate wear for several years. Therefore we are not tight to seasonal collections, but we deliver long-running collections in which summer and winter garments are combined. Also for our workwear brand T'RIFPIC, each collection has both winter and summer garments, which makes them sustainable always-on-stock collections.

1.4. Supplier relations

Unfortunately we have terminated three factories in China last financial year. We were struggling with the implementation of the CAP's for a while. We were doing our best to help the factory with all the improvements and try raising awareness and enthuse them to make changes. For some factories CSR was still a bit new, so we gave them the time to implement the corrective actions. Eventually we were left no other choice then to end the relationship with all three factories. We are still working with one of our agents in China, but now with two different factories. These suppliers indicated that CSR is important to them, which was discussed with them before placing any orders. They were also familiar with social compliance and the factories have already been audited by other organizations. Their attitude towards CSR and willingness to cooperate with us on this, is an important standard. Hopefully we can create good and long term relationships with these companies.



1.5. Integration monitoring activities and sourcing decisions

Schijvens selects its manufacturers on price-quality ratio, but ethical mentality of the management is an important element as well. Each manufacturer will be given the opportunity to make improvements where needed in terms of working conditions. Overall, the willingness to cooperate with us, as a FWF affiliate, is important in our sourcing decisions. Although we realize that the implementation of the Code may be a long process, change must be evident. We are always encouraging and helping the factories with the corrective actions. However if factories are not able or willing to work for it, we are forced to end the partnership eventually. Disagreements or tensions with factories on issues are always discussed, as we are partners. Instead of through e-mails, we try to talk about it in person, or if that is not possible over the phone. If it can still not be resolved, we will discuss this with FWF and try to come to a solution. All suppliers are monitored during the year on their performances. They are rated on different key elements, including CSR. On the annual supplier day "the best supplier of the year" will be announced and will receive the award and a bonus. We believe this motivates all suppliers to stay focused and perform well. The production locations with a good score, will automatically receive more orders.

2. Coherent system for monitoring and remediation

2.1. Bangladesh

We have one main supplier in Bangladesh, which we are glad about, since we switched a lot with factories over the past years in this country. We had several different factories, where we placed a small amount of orders. Our main factory in Bangladesh was audited in 2015. All health and safety issues were already resolved within a short period of time. The factory is very willing to follow up the issues. End of 2016 we will start with the Workplace Education at this factory, including the establishment of an effective Anti-Harassment Committee. Also during the training workers will become more aware of the FWF's Code of Labour Practices, and the complaint mechanism, which is needed. The last main point of improvement is the living wage. The workers in the factories are receiving the minimum wage, but this is according to our standards not enough to live from. We are currently investigating this. This factory was also audited by the Accord. The most issues have been resolved in the meantime. There are still a few improvements left regarding structural safety. This is currently under progress with the building owners. Since the Enhanced Monitoring Program for Bangladesh, because of the overall poor fire and building safety, this is of course extremely important.

Last financial year we also worked with two other factories, where we placed a small amount of orders. Due to the struggles regarding the implementation of the CAP, we will most likely shift these orders, to our main factory in Bangladesh. One of the factories was audited in 2013. We were under the assumption, that many corrective actions were applied. During the follow up audit, it turned out that was not the case for all issues. Since trust and transparency is key, this can't be accepted. This factory was also audited by the Accord, on fire and building safety. A lot of the issues have been resolved. The remaining issues are still in progress and under the investigation of the Accord.

2.2. China

We are working with four factories in China. All of our factories are informed about the Code of Labour Practices and the importance of good labour conditions. Two of the production locations have been audited by FWF. One factory is audited in 2014, and also participated in the Workplace Education Program. Factory also arranged training courses during the year by themselves. We are satisfied that workers are receiving living wages, excessive overtime has been eliminated. The factory also established a social compliance system and a grievance policy. They still



need to establish a committee, and make sure some the health and safety issues are being checked on a regular basis, such as fire drills and health checks. A little while ago the follow up audit took place, so we can see if all issues have been applied.

One of our new factories, has also been audited recently. The audit went well and we received the results a little while ago, and are now working on the corrective actions together with the factory.

2.3. Egypt

The factory in Egypt was audited in 2014 by a similar organization such as FWF. In 2015 a re-audit took place, to see what improvements were realised. The overall score was good, and the factory has improved almost all issues. Mainly there were some findings regarding health and safety. In general this factory scores well on all different investigated areas; labour, wages, working hours, health & safety. Their main challenge was to optimize the managing systems, which they established last year. Currently we are investing if the factory is paying living wages to the workers, we are hoping to settle this important element in the next financial year. This was unfortunately not investigated during the audit.

2.4. India

The factory in India was audited in 2013 and we are still working together with the factory to follow up on the Corrective Action Plan. The factory arranged and attended different trainings over the years. End of 2014 the factory participated in the Workplace Education Program, which was necessary. The workers received an interactive training with many workshops, to create discussions and get insight in their way of thinking. The factory also arranged trainings internally, to inform workers about different subjects including the Code of Labour Practices, committees, wages and grievance policies. They established a good grievance mechanism and overtime hours have been reduced. The factory has taken initiative to realise extra temporarily help when needed, to avoid overtime. All health and safety issues, such as a hygienic workplace and fire safety has been resolved. The follow up audit will take place end of 2016, so hopefully this will go well and the results are satisfying.

2.5. Pakistan

In 2015 this production location was audited by a similar organization as FWF. The factory scored overall very well. Especially on the fact that the facility has its own health and safety committee, and workers are trained on how to act during emergencies. The workplace in general is good, and all health and safety issues are corrected. Also overtime has been reduced to the legal standards. The workers in the factory are all receiving the minimum wage. Our focus is currently on the investigation of the living wage, so we can be sure workers have also enough money to live from. Further there are only a few minor issues left, that need to be applied, but this is still under progress.

Because our production in Pakistan has increased significant, we have looked into the possibilities of our own production floor within the factory. We can monitor the production process and social compliance more extensively. We are currently investing in this idea, so that will be implemented within the next financial year.

2.6. Portugal

No audit has yet been conducted in our factory in Portugal, while it is a low risk country and a very small part of our production is outsourced to this location. We have had different meetings with the factory owner, were we discussed the importance of CSR and FWF. The company has indicated that they also stand behind the work of such organisations and have informed their workers accordingly. Every time we have a meeting with the factory, this will always be discussed, so we all keep up to date.

2.7. Turkey

Last year the factory in Turkey has been audited by the Fair Wear Foundation. The factory is very positive regarding Corporate Social Responsibility and stands behind the believes of organizations like FWF. The factory is familiar with the Code of Labour Practices and workers are informed about FWF and their rights. Schijvens visited the factory last year to check the environment, they were busy with rebuilding the factory to improve the environment, which is finished in the meantime. All corrective actions regarding health and safety are completed. A social compliance management system has been established, as well as a worker committee. Also the grievance procedure has been optimized and overtime has been reduced to the legal standard. Our main focus is on the wages, which we will investigate the next financial year.



2.8. UAE

The factory in Dubai has been audited in 2015. We were really satisfied with the results. There were some health and safety issues found, that have been corrected. Good findings were that workers are receiving living wages and no excessive overtime is found. All overtime hours are within law and voluntary for the workers. The main focus was creating more awareness amongst the workers on the FWF's Code of Labour Practices. This is already arranged by the factory. Another good thing is that twice a year the factory is inspected on health and safety issues by an independent organisation. Our main focus will be on the establishment of a committee within the factory. We are figuring out what the possibilities are within this country.

3. Complaints handling

At all our production locations, the FWF's worker information sheet with the labour standards and the complaint mechanism, is available in the factories. We are encouraging our suppliers to not only inform the workers about their rights and the Code of Labour Practices, but also to stimulate the workers to provide suggestions and complaints if required. We are also informing them about the effectiveness of a grievance system and all the factories provide complaints and suggestion boxes.

As soon as there is a complaint, this will be discussed with the factory. An official document is made about the complaint and an action plan will be developed to resolve the issue, together with the factory.

Last year we received two complaints. These complaints have been followed up and resolved in the meantime. One of the complaints was from a factory in Bangladesh. This complaint was about the compensation during maternity leave. There was a miscommunication about the maternity payment the complainant was entitled to. After investigating this case, the complainant still received the compensation. The other complaint was from our factory in Turkey. This concerned marriage compensation and social insurance. The compensation was paid on time. However when rehiring this person, she was not applied to social security system, and was therefore not insured by mistake. This has been arranged in the meantime. Many people change jobs quickly within the area of the factory. That is the reason why not everyone is exactly applied for social insurance on the exact day of hiring. The policy has been changed now and they apply all new workers once a week.

Hopefully within the upcoming years we will receive even more input from the workers, so we can help improving the conditions from the workers perspective. Of course the amount of complaints will probably increase, when workers are becoming more aware of the FWF CoLP and the complaint mechanism. This is currently already increasing, but will only increase more because of training courses and meetings with workers. We will do our best to resolve all complaints as soon as possible.

4. Training and capacity building

4.1. Activities to inform staff members

A few years ago an informing day was organized for all the staff members, to discuss our partnership with FWF and the importance of Corporate Social Responsibility. This gave them insight in what FWF stands for, what the key concerns are and how we can all contribute to improve the labour conditions within the factories. This was an overall success and it really enthused the staff. Since the presentation of both Schijvens and the Fair Wear Foundation representative, the staff puts even more effort in convincing the client to look at the opportunities of eco-friendly products. Schijvens really involves the customer in this and it sets them to think about CSR and the opportunities. Schijvens also communicates the highlights with the staff members, so that they are aware of major results or concerns over the years.

The persons who are involved directly in the execution of monitoring activities also attend different training courses during the year. FWF provides information on the hand of their experiences, best practices and how issues can be handled and solved. Besides that, it is also interesting and beneficial to discuss issues with other FWF members. Also our staff is participating in other CSR related training courses during the year, provided by other organisations. This year Made By gave a workshop for the entire team at our office, about materials and sustainable alternatives.

4.2. Activities to inform agents

In October of 2013 Schijvens celebrated their 150th anniversary and also invited the suppliers. They participated in a training represented by both FWF and Schijvens. The suppliers spoke very openly about their own opinions and experiences and discussed this with each other. It was a great and successful initiative to inform and involve these partners. Since then every year a supplier day is organized, where issues can be discussed together. On a regular basis we also communicate with agent about their labour conditions, workshops or developments and issues regarding CSR through e-mail, phone and meetings.

4.3. Activities to inform manufacturers and workers

Many factories are enthusiastic about training courses and different factories have already participated in the Workplace Education Program, which is an initiative of FWF to inform workers about their obligations and rights. We are encouraging the factory owners to let us arrange these programs for them. We also stimulate the agents and factories to discuss CSR with their employees and provide training courses themselves. We are hoping our other factories will join soon. A few factories also arranged trainings themselves within the factory. The results are overall good. Workers and management are more aware of key concerns. For example with our factories in China, they are now more aware of their rights, and FWF encouraged them to think about suggestions and complaints, and raise their voice, so the environment in the factory can be approved. The attitude of the management was also good. Workers find the training valuable, as it creates a more friendly workshop and better labour conditions. In our factory in India, the training course was really needed. Not all workers were that comfortable in the participation and sharing their opinions. However in the end workers let FWF know they were very enthusiastic and that the program was necessary. Also during the training an ICC committee was established, that can handle complaints from the workers. Since the WEP the factory is also arranging training courses internally, including about the concerns from the program, so overall was this a success.

5. Information management

The Corrective Action Plans are kept on the computer and all comments and updates are filled in also digitally. We also have one overview including a time frame for each factory, so we can keep track of the status. We are not able to visit all our factories very often. When we do visit a factory, we always investigate the production location through the FWF checklist, and of course have a discussion with the factory management.

We have agreements with the suppliers that our garments will not be subcontracted. During audits this manner is always investigated. If subcontracting is identified we will take measures. Firstly we will investigate this and have a conversation with the factory. Depending on the outcomes we can give the factory another chance, or we will end the partnership. The outsourcing of some production processes, such as printing and embroidering is allowed. We have gathered the information of all subcontractors, and added to the supplier database, so FWF and Schijvens have a good insight in all these locations. Subcontractors are also aware of FWF and the complaint mechanism and are obliged to put up the FWF worker information sheet and inform the employees about it.

6. Transparency & communication

Schijvens is open and transparent towards the general public and customers. We mainly communicate through our own website and social media. Schijvens reports about all CSR related activities, such as our partnership with FWF and new developments and initiatives within the textile industry. Schijvens is open towards their customers on what production locations are being used. We also discuss our involvement in CSR directly with our partners, by showing them what we are involved in and providing them alternative sustainable fabrics for example. Progress made in the implementation of the FWF Code of Labour Practices is also being communicated to the general public, mainly through the social report, which is published annually. Important highlights are also shared directly with customers.

7. Stakeholder Engagement

We often attend important CSR related events provided by FWF or other organizations, where there is always the opportunity to have discussions together with other affiliates and stakeholders. This always leads to new input and ideas, that we can apply to our own strategies and procedures. We also use different resources from FWF to extend our knowledge, through news publications, the living wage portal and country studies for example, so we are aware of the latest developments and issues. Of course in general the overtime hours and living wages, which are currently key concerns. As also the Fire and Building Safety issues, especially in Bangladesh, which the Accord is still investigating.

In the past financial year we have become acquainted with the Sustainable Apparel Coalition, which is an internationally known platform founded by the biggest textile brands in the world. They have invented the HIGG-index, a performance check tool where you can benchmark performances at social and environmental level. With this tool we have rated ourselves at Schijvens: where do we perform well or better than the market and where can we improve? This helped us to get a clear insight of our performance and the required actions. We could easily build our strategic plans on this information.

Together with many other Dutch brands, Schijvens also signed the Sustainable Garment and Textile Sector agreement. All parties who have signed this agreement, have to do a Due Diligence investigation on CSR. This includes risks and concerns within the chain, how improvements can be realized and in what time frame. Not only on social, but also on environmental issues. Besides signing this agreement, Schijvens is also member of the steering group. We will put in a lot of effort to make this agreement a success.

8. Corporate Social Responsibility

Besides the partnership with the Fair Wear Foundation, Schijvens is also active in other ways when it comes to Corporate Social Responsibility including the following as described below.

MasterPeace

Schijvens is sponsor of MasterPeace, a worldwide peace initiative. MasterPeace initiates and organizes local and international peace campaigns and events in co-creation with musicians, artists, journalists, cities and companies. Through music, art and events they actively involve people in the reduction of armed conflicts and creating worldwide peace.

Environmental fabrics

Schijvens always gives customers the opportunity to choose environmental fabrics, like S-Café® quality. S-Café® is a technical composite fiber, that is used to make yarn which is eventually manufactured into a knitted or woven fabric. The raw material where this fabric consists of are coffee grounds and therefore it is eco-friendly, while waste is being recycled. S-Café® utilizes coffee grounds' natural ability to absorb odors for a comfortable wearing experience. Besides using coffee beans, the company also develops fabric made from PET bottles. These clothing are not only recycled and very durable, but also complies to all the requirements for corporate clothing.

Room to Read

Room to Read has developed a comprehensive approach to give children who live also in our production countries an opportunity to get an education. This approach consists of providing school rooms, reading material and scholarships for girls. Schijvens has realized donations for this foundation and therefore has contributed to the opening of a library for the children in Rajshahi, a really poor area in Bangladesh. Investing in schools, books and teachers Room for Read can contribute to the improvement of education for children in these areas.

ISO certifications

Schijvens is certified with ISO 9001, a quality management system, and ISO standard 14001, which is an internationally accepted standard for an environmental management system.