



**Tailor & Stitch**<sup>®</sup>  
corporate fashion designers



### PRIVATE LABELS

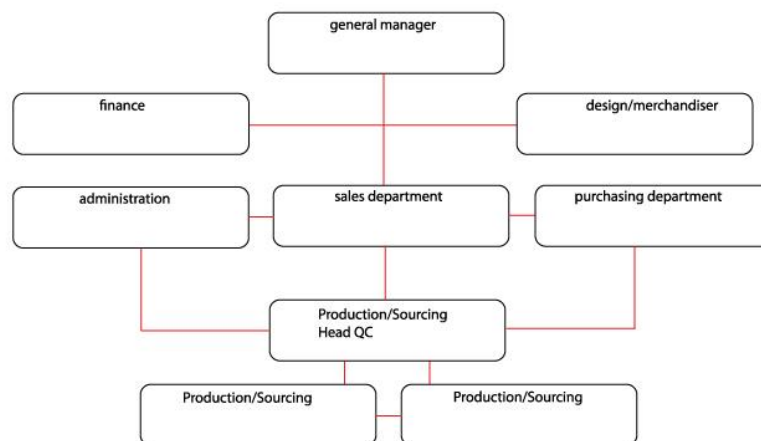
Start date membership

01-2013

Reporting period (financial year)

01-2015 – 12-2015

### Organisational chart





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## 1. Summary: goals & achievements 2015

Tailor en Stitch was established in 1996 as Company Colors. When our general manager became the owner in 2009 the name was changed into Tailor & Stitch bv.

Tailor & Stitch bv designs and manufactures corporate identity work wear and corporate fashion. Tailor & Stitch bv operates in de middle- and higher segment. We use materials of high quality and we are specialized in producing relative small numbers.

During the development and production we pay attention to the latest trends and we apply the safety requirements which are (legally) required. High-visibility, Flame-retardant, Anti-static are some of the applications we produce, if needed with EN certification

Tailor & Stitch became a Fair Wear affiliate at the end of January in 2013. We are a social involved company and we feel the obligation to improve the circumstances of the tailors who work for us. We believe in a long term steady relation with a few factories. In this way we can guarantee our quality towards our clients and make real improvements

We have our own designer and our collections are mainly produced in India and China. For some specials we produce small numbers of some styles in Portugal.

For 2015 our goal was equal as in 2014. We want to keep working with the factories we have worked with for several years now. For our woven styles we only work with two factories in India for many years now. Our relationship is good and in the factory we work with the most we did some investments this year. We also took over their stocks to improve their financial position. Our main factory has been audited by Fair Wear and is working hard on improvements. The other company has been audited by BSCI this year.

For the knits it is still difficult. Productions with larger quantities are made in China. With one of the factories we work for a few years now. This is also the factory which has been audited for Fair Wear, however communication about Fair Wear and the CAP is not very easy. At the end of the year we also had contacts with a new factory in China. We came in contact through Fair Wear. This supplier has already been audited by Fair Wear and for next year we will do productions here.

Smaller quantities are produced in India. Steady production is difficult at the moment. Our main supplier went bankrupt. We did some productions with a new factory but they changed their policy and do not want to produce for the export anymore so we have to look for a new supplier.

Because of difficulties in productions we also stopped working with supplier for the bathrobes an towels. We are having conversations with a factory in Turkey for next year. This factory is BSCI audited.

All our suppliers are informed about Fair Wear and they are willing to cooperate.

## **2. Sourcing strategy**

### ***2.1. Sourcing strategy & pricing***

Criteria we use to choose a supplier are:

- capability of the supplier to produce the product quality standard
- capacity for the forecasted quantities
- ability to fulfill timeline and deadlines
- respect of labour standards
- price

We determine our prices by comparing the price of cloths, haberdashery and CMT. By our experience we know if the prices are in accordance with the market. We work with an open calculation system. We exactly know the price of each part of the garment. For the Cordura and the Workwear we deliver the fabrics ourselves..

When we contract factories for new orders the criteria mentioned above are very important. There is no difference in which point matters more.

In India the last years we worked with an agent and an agency. At the end of this year we stopped working with the agency. There were too many people involved which was not good for the continuation of the productions. We now only work with our agent and we employed a quality controller by ourselves. He is ruled by our agent.

There is daily contact by phone, skype or e-mail. Our manager director also visits India at least twice a year.

We aim at long term relations with our buyers and suppliers. Most of our suppliers work for us since the general manager became owner Tailor & Stitch bv.

When we are looking for new factories we try to come in contacts with factories which are already Fair Wear or BSCI audited.

### ***2.2. Organisation of the sourcing department***

The general manager of the company makes the final decision where an order will be produced. Normally he visits India at least twice a year. Also our supplier in China will be visited once a year. As a result of private circumstances and the move of our company India has been visited one time this year. China has not been visited.

In India our agent has a large role in sourcing. Our company has a long relationship with our agent. She knows our quality standards and with our information she looks for manufacturers which can produce for us. She also sources for materials

We also used the service of an buying service last years. They worked closely with our agent . They did the quality control, sourced for materials and looked for new factories. They were also monitoring the lead times. As mentioned before we stopped working together at the end of this year and our agent has become more important.

### ***2.3. Production cycle***

In our company we cannot really speak of a winter and summer collection. We have several projects throughout the year. A lot of the products we source are not due to the season. So our production cycle is completely depending on the demand of our clients.

When we receive an order from a client of an existing fabric we inform our agent if the CMT is still right. We check if there is enough material on stock to produce the order and if the concerning factories will be able to produce within our lead times.

When all this is checked we send an order confirmation to our client and we make a purchase order for the factory. For India we will send it to our agent. She will take care that our order will be taken in production in the factory. During the production she watches over the process. She has to check the quality of the manufactured clothes, guard the lead times, take care of the shipment.

She has to inform us when there are any problems during the production so we can try to come to solutions in an early stage so any delay can be restricted to a minimum. Mostly we make a downpayment for the fabric so the payment of the tailors wages will not be on hold. After finishing the order and before shipment the complete order will be paid so there won't be any delay on paying the tailors

For China we send the order directly to our contact person at the fabric. He takes care of the complete production cycle. During production there is intensive contact a few times a week. Because we work longer together now, quality has been improved and the factory knows our standards now.

When we receive an order for new collections or items, our designer and representative make a sketch which meets the wishes of our client. In this stage we already have contact whit our agent or the factory. They take care of making samples in a short notice. By making the samples they can give an indication of the consumption and the CMT so we can charge a right price to our client.

We aim for a lead time of 14 weeks, this in reflection with our client and producers. We also try to combine orders for shipment, in order to decrease freight cost and to relieve the environment.

When we contract the factories delivery time this is an important consideration. The tailors in India work a maximum of 6 days a week, 8 till 9 hours a day. The number of tailors is dependent on the amount of work. We aim for a constant workload for the tailors. Tailors receive a firm wage every month. We designed our own basic 34 collection this year. This collection can be ordered off 5 pieces. We hope we can provide our main factory in India with a more steady production in this way.

During the audit there has been taken notice of overtime, sometimes excessive. This is still a point of attention. Together with our supplier we keep on communicating about this matter and we work together on realistic leadtimes.

#### ***2.4. Supplier relations***

Our turnover is more or less stable concerning last year.

In Europe our general manager is looking for suppliers by himself. Here fore he visits conventions, speaks with agents, clients and colleagues.

In India our agent and buying service make the first selection for a new supplier. Our criteria are the same as mentioned before.

In China our general manager looks for suppliers himself. He visited China twice for a longer period.

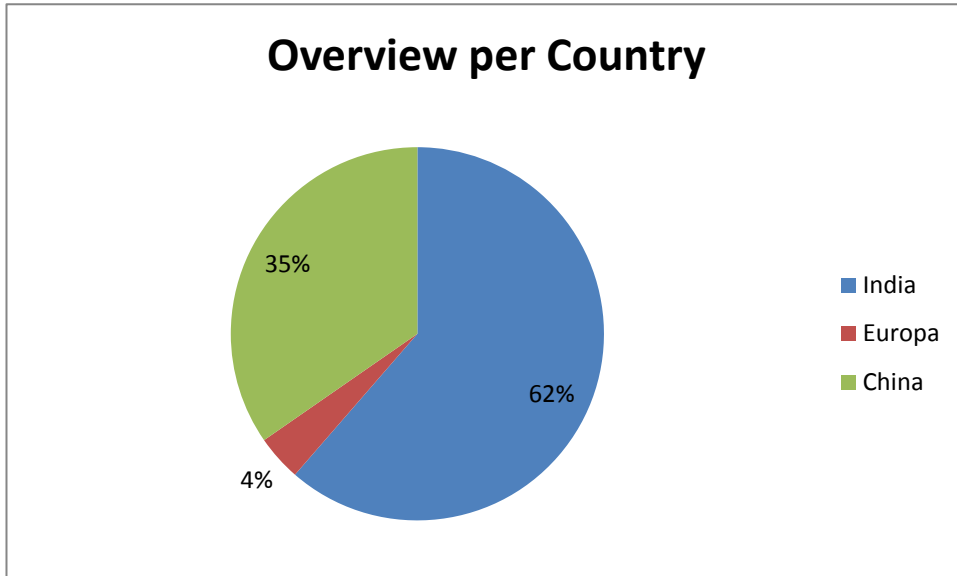
By being a FWF affiliate, labour standards are an important matter in the decision making. When we are planning to work with a new factory this is at least visited by our agent. Sometimes, when it's possible our general manager will visit the factory also before starting production. We will have meetings with the management by skype in which also will be explained that we are a Fair Wear member. We ask them to fill in the questionnaire and our agent does a basic health and safety check. Also we try to look for new factories which are already audited.

#### ***2.5. Integration monitoring activities and sourcing decisions***

Our existing manufacturers accepted the FWF standards and filled the questionnaire. When we intend working with a new manufacturer he has to accept the FWF standards.

If major issues are found during an audit or major issues are reported within the complaint procedure, we will urge the garment maker to take immediate action. We will do anything within our possibilities to help the garment maker to solve the issues in a reasonable matter of time. Our goal is to have an long-term relation with our garment makers. In the utmost we will stop placing orders in case of non-performance or unwillingness to improve labour conditions. This only when we have tried everything to come to a solution.

### 3. Coherent system for monitoring and remediation



#### 3.1. India

##### Factory A

51% of FOB India 32% of total FOB

This is still our most important supplier. In this factory only woven styles are produced. We worked with them since our general manager started the company in 2009. While this our most imported factory, our first FW audit was done here in 2013.

Together with our agent and the management of the factory we try to implement improvements considering Fair Wear. Our general manager visits this company every year. Improvements which had to be made are implemented. The subcontractor has been informed about Fair Wear also.

Individual personnel files are complete, there are contracts to workers, wage records are filed. Overtime is documented also as documents of age proof.

COLP is posted on doors of all the floors and is described to each single worker.

A written factory policy has been implanted also as a written policy regarding discrimination.

However a few points are still open. Most important still is payment of living wages. We still are looking for a solution, however we have a difference of opinion how this has to be realised. We hope in the future there can be made some steps.

Together with the factory we were looking for a new location to establish. Unfortunately this was not as easy to be realized as we thought it would be. Still there is no new location found. But we have done some investments in the factory this year. We also came to an agreement to take over their stock fabrics to improve their financial position. In future we will buy all fabrics by ourselves so it will no longer decline their liquidity.



#### Factory B

25% of FOB India 15% of total FOB

In this factory we started production in 2013. The factory is visited by our agent a several times last year. The factory meets with our quality standards and the cooperation is nice. The problem however is that the factory is established in another area then the residence of our agent. For us it is therefore easier to work with factory A. They are very willing to be audited in 2015. However we are for them a small client so they decided to do a BSCI audit. We received the outcome of this audit recently.

#### Factory C

15% of FOB India 9% of total FOB.

In this company we produced bathrobes and towels. We worked with them for the first time this year. Unfortunately the cooperation was not very successful so we only did one production and we will not work together in the future. We try to do production next year in Europe.

#### Factory D

6% of FOB India 4% of total FOB.

We started production here last year. The quality standard was good and we worked very well together. Regrettably they decided to stop with production for foreign countries and to erect on the inland market.

#### Factory E

3% of FOB India, 2% of total FOB

This factory we worked with since the start of Tailor and Stitch. They went bankrupt this year.

### **3.2. China**

#### Factory A

100% of FOB China 35% of total FOB

Since the end of 2013 we are working together with this factory. They do all of our production in China nowadays. They are willing to cooperate with Fair Wear and at the end of 2014 Fair Wear did an audit.

It appears that there is a lot to win on Fair Wear Conditions in this company but they are willing to cooperate.

There is no firm administration kept in the factory. There are no payroll records, there are no labour contracts or personnel files. Overtime is not listed. Personnel mentioned in the interviews they had long working hours.

Our general manager has not visited the factory last year and the Plan of Action is still pending. It is difficult to make appointments in this.

### **3.3. Europe**

Only 4% of our FOB has been produced in Europe. This are very special products with a lot of requests. The productions are small amounts for the factories and are only produced once every three years. They did not return the questionnaire.

### **3.4. External Production**

We had one external production this year. It was made in China. We ordered slippers.



## **4. Complaints handling**

T&S is responsible for dealing with complaints. Tailors are informed about the possibilities for filing complaints by the code of labour which is handed out in the factories.

When a complaint is filed, at first we will inform our agent or our contactperson in China. They have to check out the situation in the factory and judge if the complaint is founded.

If the complaint is due to our procedures we will try to adjust them so we can provide it in the future.

If there are other circumstances which cause the complaint we will try to solve them.

We haven't receive any complaints this year.

## **5. Training and capacity building**

### ***5.1. Activities to inform staff members***

In the Netherlands we are working with 3 people. We discussed Fair Wear and are all aware of the consequences the Fair Wear has for our company.

### ***5.2. Activities to inform agents***

Our agent is informed by our general manager during his visits. We provided them with all the information we have. They can see the workplan and during every visit Fair Wear is on the agenda. They use the checklists of Fair Wear when they visit (new) factories.

### ***5.3. Activities to inform manufacturers and workers***

Manufacturers are informed about the Code and FWF membership through the model letter and questionnaire. An information sheet in local language for workers including the Code and the contact details of the complaints handler will be posted in all the supplying factories. Our general manager talks to the tailors when he visits the factories. There is also an important mission for our agent. After the audit the tailors were instructed about fire prevention. The manager of our factories are willing to take education considering Fair Wear when this is being offered.

## **6. Transparency & communication**

FWF membership will be communicated on our website and will be mentioned on all our written communication.

All our new clients will be informed by our Fair Wear membership. In our proposition we mention our FWF membership and it will be mentioned during the meetings

We will write an annual social report.



Social Report 01-01-2015 t/m 31-12-2015

## **7. Stakeholder Engagement**

We are not engaged in any stakeholder groups.

## **8. Corporate Social Responsibility**

We only produce high – end products with sustainable materials. All our products have a long-lasting lifespan which is better for the environment.