



Tailor & Stitch®
corporate fashion designers



PRIVATE LABELS

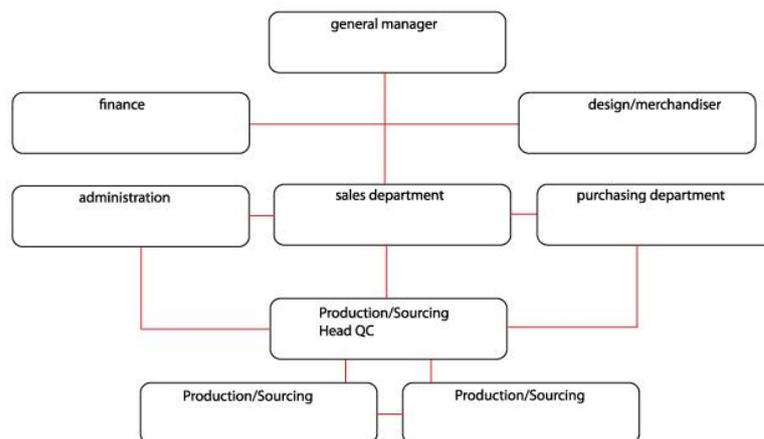
Start date membership

01-2013

Reporting period (financial year)

01-2016 – 12-2016

Organisational chart





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1. Summary: goals & achievements 2016

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. We also produce towels and bathrobes for wellness centers.

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. We also produce in China and the Wellness production is made in Turkey.

For 2016 we had to deal with new challenges. Our production in China was not very steady. The factory we worked with turned out to be not very cooperative with Fair Wear and there were also other issues. Through an affiliate of Fair Wear from Switzerland we found a new factory in China which was already audited by Fair Wear with good results. We did a large production with them, but unfortunately it turned out that they could not keep up with our quality standards. They struggled with the high requirements for workwear.

Therefore we had to look for other solutions. One of the problems in China is that we do not have our own people and quality control over there, that is why we decided to look for new factories in India.

We found one large factory which is able to make our production with larger quantities. This factory is SA8000 audited and they are cooperative with us on Fair Wear.

Last year we already did a small production with a new factory in India. This is a neat factory and also cooperative on Fair Wear. They recently have been audited.

The factory with which we work from the beginning of Tailor and Stitch has been audited again. We thought they were on the right track, but we got an unpleasant surprise. They audit did not go very well and there was not enough improvement.

Because of the new factories and the difficulties in our old factory our owner planned extra visits to India. We also hired two extra people in India.

Also with the production of our Wellness collection we had to deal with difficulties. There were problems with the quality, delivery times and our quantities were not high enough for the factories we worked with. In the beginning of the year we found a producer in Turkey, which was already BSCI audited. Until now working together is pleasant and the quality of the goods they deliver are good.

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 we work with an agent. We said goodbye to the agency we also worked with, because we want to have more contact with the factories and we want to improve our production in every way. For this reason we employed two extra people. Our people in India stay in close contact with us and with the factories.

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

We aim long term relations with our buyers and suppliers, this seemed to be very hard over the last years for several reasons. Our manager and agent in India work very hard on a firm relationship with our factories. We contacted Fair Wear to help us solve the difficulties with our most important factory. In 2017 we paid a visit with a Fair Wear Consultant to the factory and he will help them to get on track.

When we are looking for new factories we try to come in contacts with factories which are already Fair Wear, BSCI our SA8000 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. India has been visited twice in a short time notice and there has not been paid a visit to China.

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

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 down payment 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 with 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 16 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. 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 lead times.

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. But we replaced most of our production to India. 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. Sometimes it is very difficult to get the questionnaire returned before starting production. We are a small player on the market and producers will not make the effort before production has been started.

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.

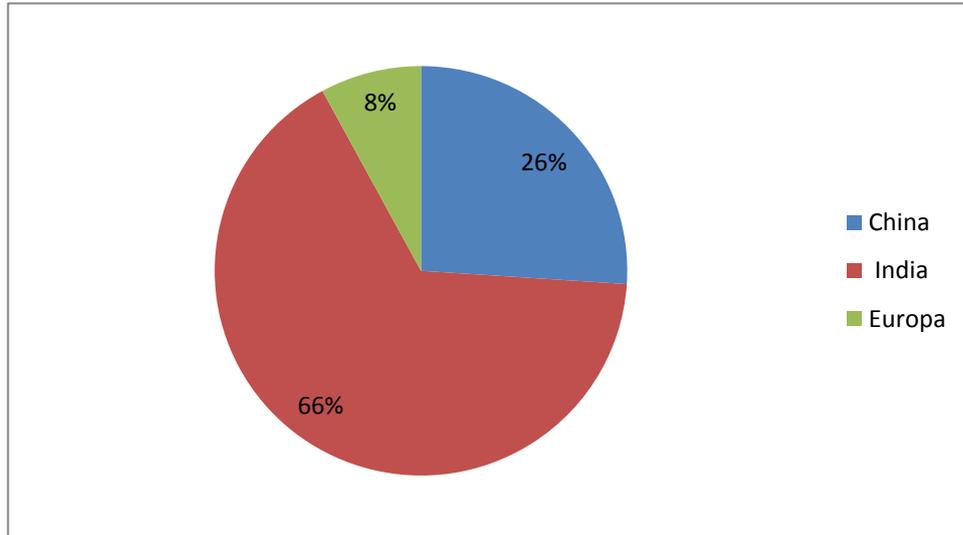
We intend to keep on working with the factories we work with now and do not want to expand to other manufacturers. We work with small and larger manufacturers. And it depends on the order where it will be produced.

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.

We now have some difficulties due to Labour Standard Issues with our largest factory in India. We do our utmost to work things out because they are very dependent on us.

3. Coherent system for monitoring and remediation

Overview per country



3.1. India

Factory A

53% of FOB India 35% of total FOB

This is 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.

This year the factory was audited again. While we thought they were doing fine and improvements were made, It turned out to be not very well considering the requirements Fair Wear made. Although there were improvements made there were a lot of issues which were not solved. We were a disappointed because we made investments in the factory.

During his last visit in India in 2017 our manager had a meeting with the direction of the factory and a Fair Wear consultant. He will support them in making improvements and we will check better on the follow up and provide help if necessary.

Together with our agent and the management of the factory we try to implement improvements considering Fair Wear.

Factory B

28% of FOB India 18% of total FOB

In this small factory we started production this year. The knits we produced before in China are now produced here. This Factory has recently been audited in 2017, We have not received the audit report yet. It is a neat factory and they are very cooperative to work with Fair Wear. The factory is often being visited by our quality controller and our agent. Also our general manager visited them twice in a short time notice.

Factory C

13% of FOB India 9% of total FOB.

This is also a new factory. It is a large factory where large amounts can be produced. This year the large production of knits were still in China, but at the end of the year we replaces this production back to India again.

This factory already has been SA8000 audited and will be more important for us next year since a large production is coming up. The result of the audit was very well.

Factory D

6% of FOB India 4% of total FOB.

We work with this factory for a few years now. They deliver a high standard of quality. The problem is that they are situated in Calcutta, while our agent and staff are in Dehli. Another problem is that they won't produce our small quantities. They have been BSCI audited in 2015. Then there was improvement needed on several issues. They have been audited again in 2016 and a lot of improvement were made and they score an A now on all subjects. Except on the Workers involvement. They have made a plan of action.

3.2. China

Factory A

58% of FOB China 15% of total FOB

We work with this factory since this year. We were looking for a new producer in China while our only producer of last year was not very cooperative in a lot of matters, especially not on Fair Wear. We came in contact with this factory through another Fair Wear affiliate from Switzerland. This factory had been Fair Wear audited with a good result. They made two large productions for us. Unfortunately the quality was far beneath our standard, so at the end of the year we decided to replace production to India.

Factory B

42% of FOB China, 11% of total FOB

This factory used to be the only factory we worked with in China. However we had some issues and we decided to go and produce somewhere else. We were a very small client of this factory and had no influence at all. We tried to cooperate with them but it was too difficult.

3.3. Turkey

Factory A, 100% of FOB Europe, 8% of total FOB

After years of struggles in production we have found a fabric in Turkey for our Wellness production, Bathrobes and Towels.

The factory can fulfil our demands in quality standards and lead times.

The factory is BSCI audited but there is room for improvement., especially in their management systems and workers involvement

3.4. External Production

We have two external productions this year. One was made in China. We ordered slippers. We also ordered Caps with a Dutch firm. They are a member of Fair Wear.

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 practices 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 4 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 her with all the information we have. She has also informed our new employees in India. They can see the workplan and during every visit Fair Wear is on the agenda. For this year we will involve our agent in setting up the workplan. 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.

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.