



Tailor & Stitch®  
corporate fashion designers



### PRIVATE LABELS

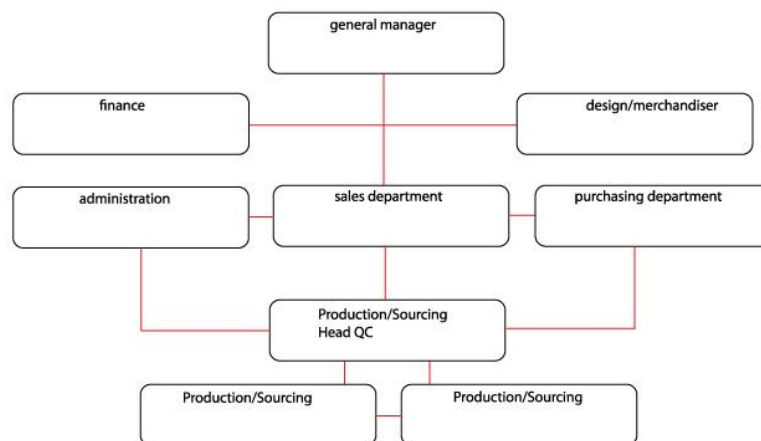
Start date membership

01-2013

Reporting period (financial year)

01-2017 – 12-2017

### Organisational chart





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## 1. Summary: goals & achievements 2017

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 Portugal and the Wellness production is made in Turkey.

For 2017 we had a great challenge. Regrettably, during the brand performance check this year we got the status suspended as Fair Wear affiliate.

Of course this was a big disappointment for our company, particularly because we did not expect this at all.

We did not meet the minimum monitoring requirements of Fair Wear. During 2016 / 2017 we had some changes in our suppliers. We said goodbye to our factory in China, the main reason was that they were not cooperative in the Fair Wear program.

We looked for new suppliers in India and we found them. We selected one of these new factories above all because it is SA8000 audited. It is a modern factory and they are social involved and can meet with our quality standards. We started working with them at the end of 2016.

We also started working with a smaller supplier at the end of 2016, for production of the small amounts.

We made the decision not to audit this factories in 2016, because we just started working with them and we wanted to wait and see if a long term relationship was possible. We made the mistake to think that the SA8000 status was enough to suffice the requirements of Fair Wear. We did not do a good Audit Quality Assessment Check. However we had not documented well enough the attempts we had made to gain the right information.

Another point of criticism was that our follow up system on the CAP's was not good enough.

So our main goal for the second half of 2017 became to get our monitoring system right. We audited the two new factories. And improved our follow up system. We put a lot of effort in this and our new Fair Wear case manager was a great help for us.



Social Report 01-01-2017 t/m 31-12-2017

We designed our own basic 34 collection. This collection can be ordered off 5 pieces. This year the collection has been enlarged and production is increasing. We hope we can provide our main factory in India with a more steady production in this way.

Another issue we had to deal with, is that one of our factories which was already audited showed not enough improvement in some matters during the verification audit done by Fair Wear Foundation.

To help them we hired a Fair Wear consultant to help them to make the necessary improvements.

Because of the growth in production we hired an extra staff member in India, so we now have four employees over there.

Considering our producer in Turkey we have difficulties to get the right information. They are BSCI audited, and the results of this audit give us clear direction to work with the supplier on improvements.

This year we also started with the production of socks. We found a supplier in Portugal. Our general manager visited the factory twice.

Another major improvement we started this year is that we developed our own system to streamline our production. It is a system in which the staff in the Netherlands and India work together with the factories and the buyers. All information you can think of about the productions is collected in one place and clear to everyone.

## **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. We check for external audits which already have been done, such as SA8000, BSCI, internal audits. We visit the factories and do a health and safety check. We also have meetings with the board of the factory.

In India we have 4 employees at the moment. The factories are visited twice a week to discuss production and for quality control.

Also they check the follow up on the CAP's.

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. But at this point we are very satisfied and it seems that the relation with our suppliers is very steady. Our manager and agent in India work very hard on a firm relationship with our factories.

When we are looking for new factories we try to come in contacts with factories which are already Fair Wear, BSCI or 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 this year and also the new factory in Portugal has been visited by the general manager. Our agent has also a large role in sourcing in India. 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.

We have different lead times for our factories, but the average lead time is 4 months, from giving in a Purchase order until the goods ready to ship.

Thanks to the new system we developed we expect to streamline the complete production process. And decline production delays and mistakes because communication becomes a lot easier. We also hope to avoid overtime because production planning becomes more clear for everyone.

The factories also have an oversight of productions which can be expected so they can considerate in their planning.

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.

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 18 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 number of tailors is dependent on the amount of work. We aim for a constant workload for the tailors. 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 increased comparing to last year.

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

In India our agent makes the first selection for a new supplier. Our criteria are the same as mentioned before.

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***

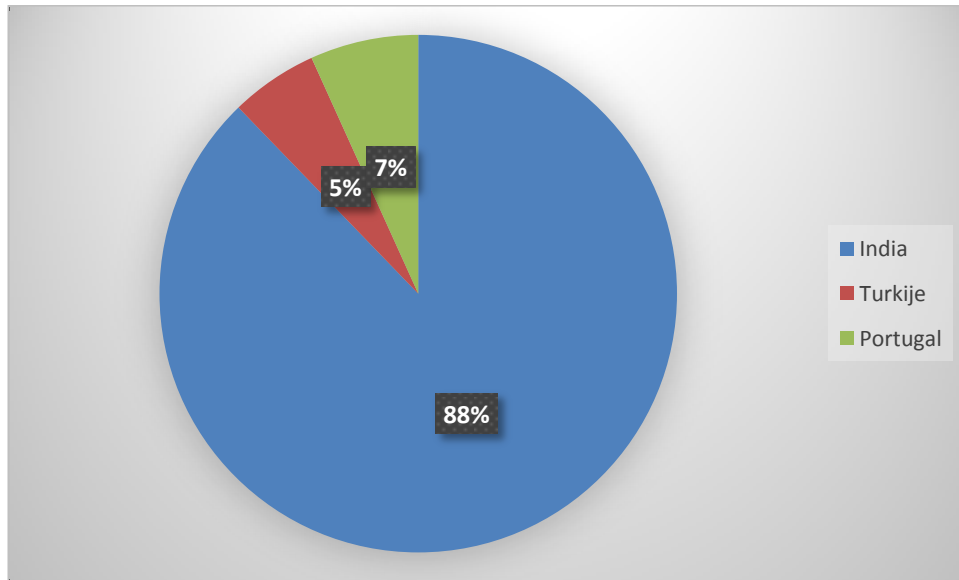
Our existing manufacturers accepted the FWF standards and filled the questionnaire. When we intend working with a new manufacturer he has to accept the FWF standards. If major issues are found during an audit or major issues are reported within the complaint procedure, we will urge the garment maker 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. Last year we hired someone to help one of our suppliers to improve conditions and we offered this to another of our suppliers who has some issues.

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.

### 3. Coherent system for monitoring and remediation

#### Overview per country



#### 3.1. India

##### Factory A

44% of FOB India 38% of total FOB

This is our largest knit supplier. We work with them since a year. It is a large factory and one of the reasons we started to work with them is because they are SA8000 audited. At the end of 2017 this factory was audited by Fair Wear, some issues that were found are:

- Management did not maintain any kind of formal employment relationship with piece rate workers
- Management did not pay minimum wages to its workers, there is a discussion going on with the factory management about the habits in the area. Fair Wear will look into this and we will start a discussion ourselves with the board.

A positive note, the audit team conveyed that factory management in spite of the issues raised showed very positive and transparent behaviour from their end. They agreed to all the findings and stated that although they want to be compliant They showed openness to work on remediation which we will do.

The factory has been visited weekly by our quality controller. Our agent visits them once or twice a month and our general managers visits them once or twice a year.

#### Factory B HF

25% of FOB India 22% of total FOB

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 important factory, FW audit was done here in 2013 and a verification audit at the end of 2016. The outcome of this audit was that there were improvements made but on some matters there was too little progress.

During the visit in India in March in 2017 our general manager had a meeting with the direction of the factory and a Fair Wear consultant. The outcome of this meeting was that the consultant is hired by us and he has supported the factory in making improvements especially in the management systems. Everything is filed now. He implemented for example a register of leave with wages, register of deduction, overtime register, inspection books.

#### Factory C CM

22% of FOB India 20% of total FOB.

Woven styles are produced over here. This factory has been BSCI audited and has a very high score. They are very cooperative according to Fair Wear.

They solved the minor issues and made a CAP together with us. They have educated their employees on legal obligations and requirements, there are now safety instructions, but employees have to be trained to use PPE's. Urinal drainage has been repaired and ambient air quality tests are conducted for production areas.

The factory has been visited this year

#### Factory D 2D

9% of FOB India 8% of total FOB.

This is the factory where we produce the small amounts of knits. It is a small company which started in 2016. We work with them since 2016 and the factory has been audited in March 2017.

The main issues found during the audit:

- The factory does not have proper documentation.
- Wages and overtime could not properly be checked
- There were many health and safety issues

The health and safety issues have been solved and they are still working on proper documentation. However there is not enough knowledge so we will help them in this matter by hiring a consultant which is known by the Fair Wear Organisation.

### **3.2. Turkey**

Factory A, 100% of FOB Turkey, 5% of total FOB

We build a steady relation this year with this factory.

The factory is BSCI audited but there is room for improvement., especially in their management systems and workers involvement. Employees have to be trained in the new code, business partners should be informed, there is no Union established in the factory.

Communication with this factory considering Fair Wear is not easy, we did not receive information if improvements on the Cap have been made, but we are working on it.





### **3.3 Portugal**

Factory A, 100% of FOB Portugal, 7% of total FOB

At the end of this year we started a sock production. They have filled in the questionnaire and the worker info sheet has been placed in the factory. The factory has been visited by our general manager twice,

### **3.4 External Production**

We have one external production this year. We found this factory through one of the affiliates of Fair Wear who works with them for a longer time.

We asked for the Fair Wear audit which has been done.

## **4 Complaints handling**

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

When a complaint is filed, at first we will inform our agent. 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**

### **5.3 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.

### **5.4 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. They use the checklists of Fair Wear when they visit (new) factories.

### **5.5 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.



## **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**

Our general manager sits on the Corporate Fashion Award Committee.

## **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. We work mostly with Öko-tex fabrics. Our factories are supporting schools and other social initiatives.