



# Tailor & Stitch<sup>®</sup>

corporate fashion designers



[www.tailorenstitch.nl](http://www.tailorenstitch.nl)

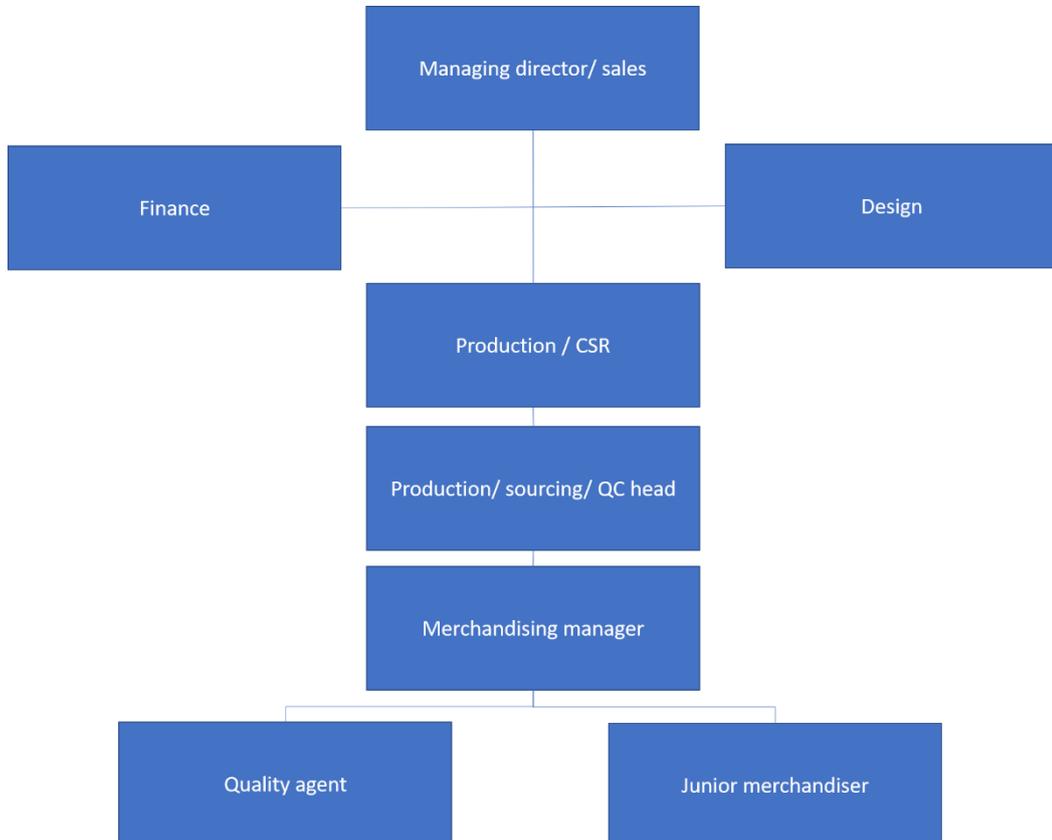
Start date membership

01-2013

Reporting period (financial year)

01-2018 - 12-2018

Organizational chart





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## 2. Summary: goals & achievements 2018

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 the 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.

In 2018 we have focussed more on our production in India. We did this because our systems in India are very well developed and focus for an SME as we are key to be able to gain more insight in our supply chain.

We have launched our new supply chain system which has been build specially for our company. With this tool we are able to give better insight for us and our suppliers in timelines, prices and development. We have agreed with our vendors timelines which should be suitable for most of our productions, which can be followed. When vendors gives us a sign that they need more time, we can adjust the timeline to realtime so all our employees, both in The Netherlands and India and the factory can see the amended time for this project. At this moment the system is still under construction. We are also incorporating a costprice calculation to get more insight in the wages that are being paid and a CSR database where we can upload all relevant documents needed for FWF and all our other CSR activities. Also caps can be uploaded and will be shown as a checklist in our system.

Besides this we have made our own CSR documents which will be sent to all our new vendors before we start working with them. The documents we have made are an own COC and a RSL.

The biggest step we have taken to achieve this is by taking over the factory where we had the most leverage. This factory was not compliant with Fair Wear Foundation standards and was situated outside an industrial area. At this moment the India government is closing down factories which are not situated in an industrial area, so in order to ensure the future of the factory we decided to help them to move and make them fully compliant with FWF standards. We have provided them all the tools needed to search for a good location, get a proper administration and get all the right facilities to be fully compliant. This has resulted in a fully compliant factory across the street of our own production office which will be audited in Q2 2019.

## **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 materials 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 and recently also by our new tracking system. 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 product manager 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 Product manager has also a large role in sourcing in India. Our company has a long relationship with our Product manager. 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 Product manager 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 Product manager. She will take care that our order will be taken in production in the factory. During the

production she watches over the process. Our team in India 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 with our Product manager 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 which we also address within our own factory. 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 Product managers, clients and colleagues. In India our Product manager 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 Product manager. 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 Product manager 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.

Last year we terminated working with one of our suppliers. This factory looked very compliant and good operating. They possessed BSCI and SA8000 certificates and worked for the Swiss army. However, the factory made a lot of mistakes during our first two productions. And instead of working together with us, they threatened us and did not deliver a part of the goods that were ordered. This caused us a lot of problems and due to this situation we were obliged to stop the cooperation unfortunately.

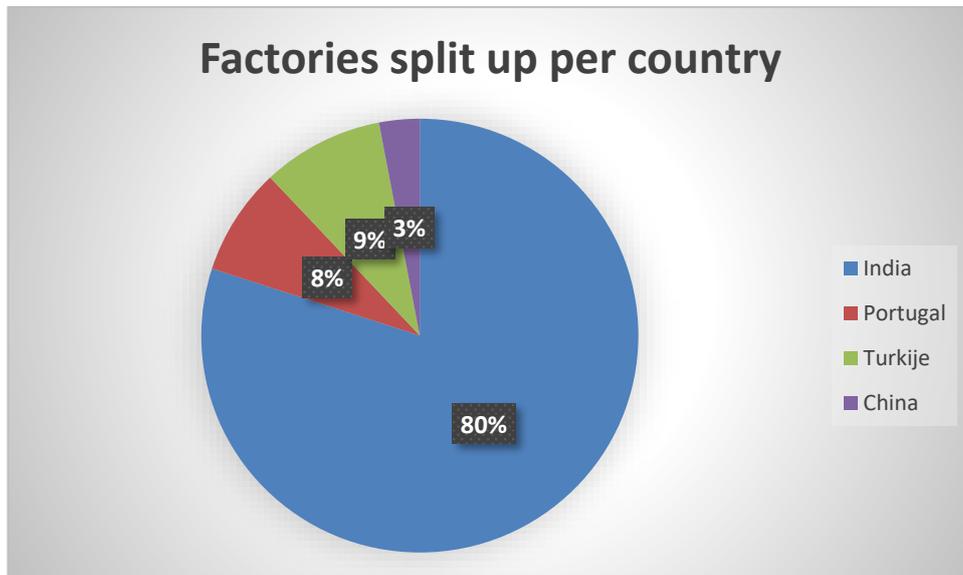
On the bright side, we have taken over our own new unit and got in contact with two new suppliers in Tirupur which we will start working with in the year 2019. Our goal is to keep the amount of suppliers as they are right now. We do not want to expand towards more suppliers, but we want to increase our leverage with the current suppliers.

### **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. With our own unit and the other factories that we are working with, we have enough flexibility and capacity to run own productions.

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**

**VT**

48% of total FOB

This factory is our biggest supplier from all. We work with them for a couple of years now. We have started working with them because they are SA8000 certified. We grew the business with them within this year with almost 50%

At the end of 2017 the factory has been audited by FWF. In 2018 we worked with them on the remediation of the problems that were found in this factory. End of Q3 2019 all



Social Report 01-2018 till 12-2018 – past financial year

points of the CAP should have been followed up by the factory. Our Dutch management team has visited the factory twice and our quality controller visited the factory every 10 days.

#### ***HF/ TT***

12% of FOB

HF is the factory we'll take over in 2019. They have had a FWF audit in 2016 which was not quite good. We help the factory to become fully compliant. We have achieved together with the management that everything, from H&S to the administration is on a really high level.

The new factory place is situated on the opposite of the street of our own office. Therefore we can and will check daily what happens in this factory. We are willing to keep improving the factory and expand the capacity and business in order to make a bigger impact in the area.

#### ***CM***

14% of total FOB

This factory has opened two other production sites this year and has SA8000 certified them. However, and the end of this year we had a verification audit in this factory. Because they are willing to close the older factory, the facility seems to be unattended by the factory management. We are awaiting the audit report at the time of writing. However, the outcome seem to be not good to us. This will be a challenge next year, to see if we can keep manufacturing in the old location and make improvements together with the factory management or that we shift the production responsible toward the newer factories. A risk could be that the workers of the older production site will lose their jobs and we want to prevent this.

The factory has been visited by our quality Product manager this year.

#### ***2D***

3% of total FOB

This FOB with 2D decreased this year a lot. This was because the factory has decided to stop working for us and aim only for the inland market.

#### ***AE***

4% of total FOB

This factory we started working with in 2018. However, after two orders a lot went wrong with them and they have threatened our management team. Therefore we had to stop working with them immediately.

### ***3.2. China***

#### ***CW***

3% of total FOB

This factory we started working with in 2017. We manufacture our accessories over here. As we do not have our own team in China and the FOB is low, we did not visit the factory. However, the factory belongs also to another FWF member, therefore the factory is FWF certified. We have the audit report and try to help them with improvements.



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### **3.3. Portugal**

**AX**

9% of total FOB

We increased the amount of socks we produced with them. The factory has been visited by our general manager twice.

### **3.4. Turkey**

**AN**

8% of total FOB

At this moment it is not sure if we keep working with the factory. We are willing to, but the items we made with them do not get ordered anymore by our clients. If we keep working with them we will help them setting up a management system against illegal refugees.

## **4. Training and capacity building**

### ***4.1. 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.

### ***4.2. Activities to inform agents.***

N/A since we don't work with agents.

### ***4.3. 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 Product manager.

## **5. Information management**

From 2018 we have our new planning system. In 2019 also a CSR module will be added. With this module we will be able to track our CSR activities and follow up on caps and other improvements.

## **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.

Last year we have made a major step with our CS



R activities. We manufactured more sustainable workwear collections than ever, and we developed a 100% from PET bottles recycled softshell. We use more and more sustainable materials and are on top of the latest developments regarding materials and processing techniques. Last year, we have made a fully sublimated collection from recycled PET. This reduces the water usage of the dyeing process to 0.

We are also looking for opportunities to get our worn collections recycled by partners.