



Tailor & Stitch®
corporate fashion designers



PRIVATE LABELS

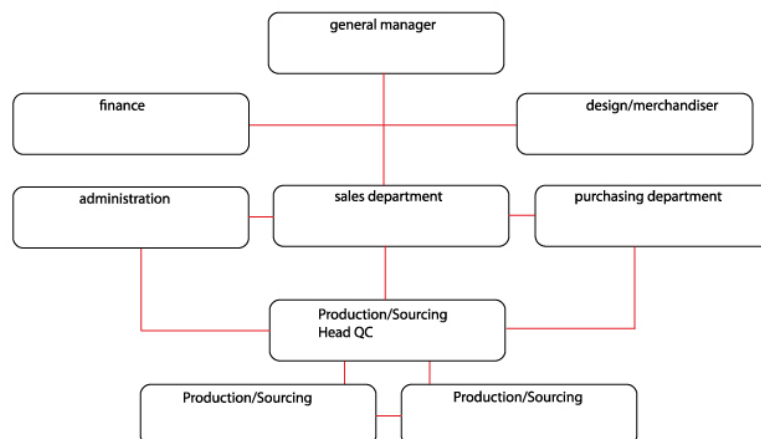
Start date membership

01-2013

Reporting period (financial year)

01-2014 – 12-2014

Organisational chart





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1. Summary: goals & achievements 2014

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 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. For some specials we produce small numbers of some styles in Poland and Portugal.

Our main goal for 2014 was to continue our relationship with our actual factories and do all our productions in factories we already work with. Because of difficulties with an external supplier we had to start work with a new factory at the end of 2014. Our current supplier were not able to produce the fabrics we recommended, which were also new for us.

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

In 2013 we audited our most important supplier in India. By the end of 2014 most of the recommendations have been followed. There is still a discussion about paying the living wage. So this important point is still on the agenda.

In 2014 we planned to audit our only supplier in China. This factory covers 25% of our production and is of great importance for us. In December this audit took place and there is a need for improvement. Together we will make a plan of action.

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. We always ask for prices by several factories so we know the price is in line with the market.

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 and an agency.

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.

2.2. Organisation of the sourcing department

The general manager of the company makes the final decision where an order will be produced. He visits India at least twice a year. Also our supplier in China has been visited last year. In China he does the sourcing by himself.

Our purchasing employee is also responsible for the sourcing and production. She provides our agent and factory with the information they need to take an order into production.

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 use the service of an buying service. They work closely with our agent They do the quality control, source for materials and look for new factories. They are also monitoring the lead times.

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. We are still looking for a good solution to watch over the production process in China.

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 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.

During the audit there has been taken notice of overtime, sometimes excessive. Together with our supplier we will try to come to a solution.

There is always communication about the planning in this way we try to avoid any problems on delivery 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. He visited China twice for a longer period.

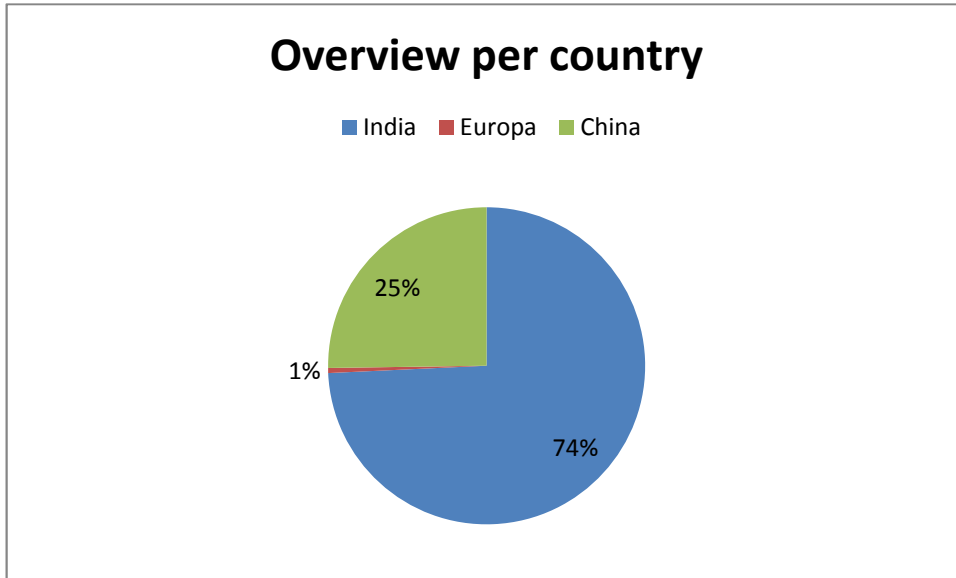
By being a FWF affiliate, labour standards are an important matter in the decision making. When we are planning to work with a new factory this is at least visited by our agent. Sometimes, when it's possible our general manager will visit the factory also before starting production. We will have meetings 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.

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 not, we will not start working with the factory or discontinue placing orders.

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

67% of FOB India 50% 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 has visited the factory during fall and the CAP and Fair Wear then was on the agenda. During the year our agent keeps us informed considering the Fair Wear.

By the end of 2014 most of the requirements in the CAP have been completed. 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. All subcontractors are informed about Fair wear.

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 are looking for a new location to establish. Unfortunately this is not as easy to be realized as we thought it would be. We keep looking for a suitable solution

Factory B

12% of FOB India 9% 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.

Factory C

12% of FOB India 9% of total FOB.

Unfortunately this factory got into trouble this year. They had to deal with the bankruptcy of one of their largest clients. We tried to help them by downpayments on orders, which was a big risk. We have to wait how the situation unrolls. Our agent visits them and keeps us well informed.

Factory D

9% of FOB India 7% of total FOB.

We started production here in 2014. They took over production of our new product. They filled in the questionnaire and support Fair Wear. We have to see how our cooperation develops.

Factory E

1% of FOB India ,less than1% of total FOB

Because of the troubles in factory C we had to look for an alternative supplier. This year they produced a small order and for 2015 a few orders are planned. It looks like it will not be a longterm intensive relationship because the factory wants to focus on the inland market

3.2. China

Factory A

100% of FOB China 25% 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. Personel metioned in the interviews they had long working hours.

Our general manager will visit the factory in a short term and then a Plan of Action will be made concrete.

3.3. Europe

Only 1% of our FOB has been produced in Europe. This are very special products with a lot of requests.

3.4. External Production

We had one external production this year. It was supplied by a Dutch company. This turned out to be a large failure. Before starting production they promised they encouraged Fair Wear. But They would not inform us about their production at all and a lot went wrong. It turned out to be so bad we took the order into our own production.

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. With two persons we followed a course this year at the Head Quarter of Fair Wear.

5.2. Activities to inform agents

Our agents are 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.



Social Report 01-01-2014 t/m 31-12-2014

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.