

Anchor Workwear



Contact person

Ben Huijbers

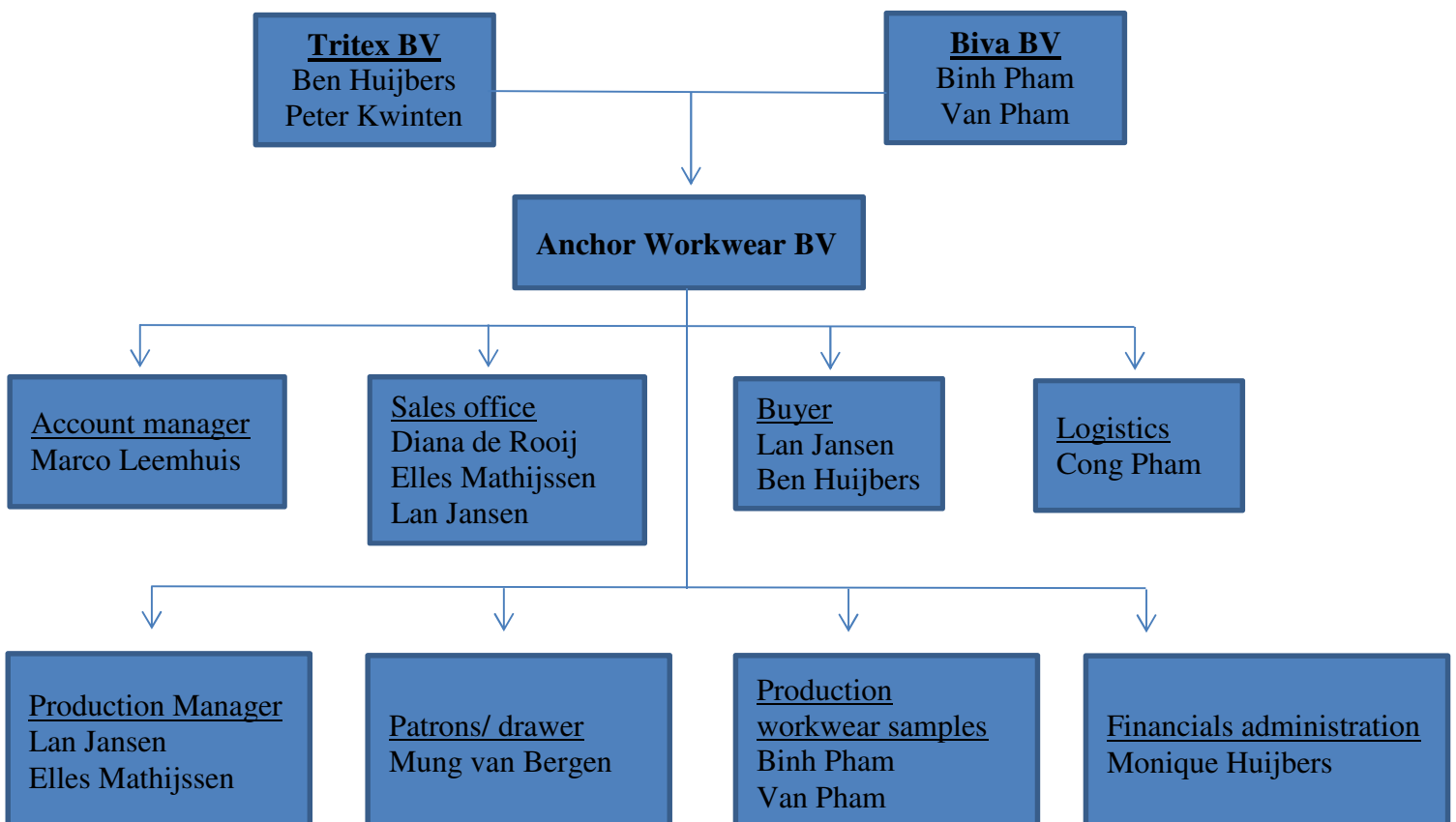
0413 369 880

ben.huijbers@anchorworkwear.com

Start date membership

July 2013

Organisational chart





Contents

1. Summary: goals and achievements for 2013.....	3
2. Sourcing strategy	3
3. Coherent system for monitoring and remediation	6
4. Complaints procedure	7
5. Training and capacity building.....	7
6. Transparency & communication.....	8
7. Stakeholder Engagement.....	9
8. Corporate Social Responsibility	9

1. Summary: goals and achievements 2014

We have already discussed a number of years with our production companies, that working conditions are an important issue for Anchor Workwear. From our production companies is indicated that they feel the same and act accordingly. Because of our strong ties with the production companies, we also believe that we broadly meet to all basic principles of good working conditions. During visits to the companies this vision is always confirmed.

According to the outcome of the audit in Vietnam we have implemented improvements in the production location in Vietnam. We looked at the same issues in our company in Bulgaria and also made improvements there.

2. Sourcing strategy

Sourcing strategy & pricing

Anchor Workwear produces workwear for the B2B market. Besides producer of Workwear, Anchor is also importer of Ecco Professional shoes.

Production of Workwear takes place in a production location in Bulgaria (since 2003), a production location in Vietnam (since 2002) and a very small part still in The Netherlands. $\pm 30\%$ is produced in Bulgaria, $\pm 65\%$ is produced in Vietnam and a few % in The Netherlands. In 2014 we did not have other production locations.

Anchor Workwear has full ownership of the production location in Bulgaria. The factory in Vietnam is not in ownership, but through family connections and investments Anchor Workwear has in fact control over decisions in the factory.

It is the task for Anchor Workwear to sell enough products to fill both production locations. It is the task of the production locations to produce the orders correct and in time as agreed.

Within these production locations we have room to expand if we need more production capacity.

Our goal is to produce within our own facilities and not to source for new production factories. Decisions about production locations are taken by the management team. However, if the turnover grows so fast, that we cannot produce everything in our own production locations, we will search for other companies to produce for us. We take a decision, based on many factors to decide for an external company. Quality of production, price, social factors, availability.

We have daily (continuous) contact by Skype with our factories. Production planning happens in consultation between Anchor and the production location.

Pricing of the products happens also in consultation with the production company. We make an estimate of the production time for the article and make an agreement for the price for this article. If the prices discussed are not adequate, we pay a supplement, so

that the production company can pay any monthly costs. Then we also adjust the prices for next productions.

Realisation

We have had meetings with several production companies to see, what possibilities they have, if we have to increase our production for bigger productions, then we can handle ourselves in our production locations. We also discussed the social attitude of these companies.

Organisation of the sourcing department

As we have own production, we do not have a sourcing department. The management is responsible for the strategy and sourcing. Together with the buying department we select new manufacturing companies.

Production cycle

Describe the production cycle and the project planning.

We produce garments for stock as well as specials for customers.

1. Production Bulgaria

- Anchor Workwear buys all fabrics and most of the accessories and collects these in The Netherlands. If not available from earlier productions, Anchor also makes patterns
- These are transported to Bulgaria with own transport.
- In Bulgaria the production company cuts the fabric and produces the garments.
- The ready-made garments are transported with own transport to The Netherlands
- Lead time for the complete process is normally 7 – 9 weeks after ordering

2. Production Vietnam

- Anchor Workwear buys all fabrics and most of the accessories. Partly is bought in Europe and sent from the Netherlands. Most products are bought in Asia and are directly transported from the supplier to the production location in Vietnam. If not available from earlier productions, Anchor also makes patterns in the Netherlands and sent these to Vietnam.
- In Vietnam the production company cuts the fabric and produces the garments.
- The ready-made garments are transported by sea or by air to The Netherlands
- Lead time for the complete process is normally 11 – 15 weeks after ordering

3. Production Netherlands

- Anchor Workwear buys all fabrics and accessories and collects these in The Netherlands. If not available from earlier productions, Anchor also makes patterns
- the production department of Anchor cuts the fabric and produces the garments.
- The ready-made garments are transported to our customers
- Lead time for the complete process is normally 4 – 7 weeks after ordering

4. Production planning.

- a. For specials we start producing after an order from the customer
- b. For stock items we keep a minimum and maximum stock and as soon as the stock is beneath the minimum, we make a new order for production.

Selection of new factories

Describe the selection process of new factories.

When we need much more capacity than we have in our own production facilities, we can source for new production company. We consider a number of criteria to select a new facility: reliability, quality standard, respect of deadlines, prices and social responsibility. We discuss the criteria in meetings and by email. We want guarantees for social responsibility, ask for reports of audits for social matters or e.g. certificate for BSCI. If the factory meets all our criteria, we ask the factory to make samples and test-orders to check the quality of the work they deliver. When we have enough information to determine that the factory is eligible to make production for us in larger quantities, we will visit the factory for a visual inspection, and examine whether all data discussed match practice.

Integration monitoring activities and sourcing decisions

Describe the way in which (the outcomes of) your monitoring activities influence your sourcing decisions.

Anchor Workwear will only do business with production locations if they obey the local rules and subscribe the elements from the FWF Code of Conduct.

Anchor Workwear is owner of the production location in Bulgaria and has obliged the managers of the production company to respect the Bulgarian law. Among other issues this applies also for labour conditions. During visits by Anchor Workwear this issue has been spoken with the managers and confirmed. If during a visit of FWF might appear that major issues are found, we will take immediate action and discuss with the manager how to solve the issue.

Anchor Workwear has very direct connections with the production location in Vietnam and has obliged the managers of the production company to respect the Vietnamese law and subscribe the elements from the FWF Code of Conduct. Among other issues this applies also for labour conditions. During visits by Anchor Workwear this issue has

been spoken with the managers and have been confirmed by them. If during a visit of FWF might appear that major issues are found, we will take immediate action and discuss with the manager how to solve the issue.

3. Coherent system for monitoring and remediation

Coherence of the programme

Describe the coherence between different monitoring activities.

The production location in Vietnam has been audited in October 2013. The production location in Bulgaria has never been audited before.

Anchor Workwear has asked FWF for an audit in the factory in Bulgaria in 2015.

In 2014 65% of the production is audited and in 2015 99-100% of the production will be audited by FWF.

Anchor Workwear has daily contact by telephone and by Skype. Furthermore the management team visits the production locations regularly. Any issue can and will be discussed during this contact; also labour conditions.

Factory A Bulgaria

Achievements

Anchor Workwear is owner of the production location in Bulgaria and has obliged the managers of the production company to respect the Bulgarian law. Among other issues this applies also for labour conditions. During visits by Anchor Workwear this issue has been spoken with the managers and confirmed. Also the tailors have the opportunity during these visits to talk with us about any issue they have. During our visit in december 2014 we discussed a raise in wages according to Bulgarian Law. We also discussed and solved a number of small ergonomic problems. We took care of other chairs, better tables and replacement of old machines. If during a visit of FWF might appear that major issues are found, we will take immediate action and discuss with the manager how to solve the issue.

Factory B Vietnam

Achievements

The factory in Vietnam is audited in October 2013.

During this visit of FWF appeared, that no major issues were found. There were a number of minor issues and we have set up a plan and timeline during 2014 to solve these issues. Several issues regarded unsafe situations. We took care of these immediately. During 2014 we also have given all tailors who worked longer then 2 years in our factory a permanent contract instead of temporary contracts.

External production

Achievements

In 2014 Anchor Workwear did not have external production.

Only Ecco Shoes we did not produce ourselves but bought from Ecco. Ecco signed the Code of Labour Practices

4. Complaints procedure

State the name and position of the staff member who is responsible for dealing with complaints.

Describe the internal procedure/strategy for dealing with potential complaints.

- Responsible for complaints of workers in production locations: Ben Huijbers, CEO
- Anchor Workwear has not received complaints from workers of suppliers. If there will be complaints, Ben Huijbers will decide which person will be responsible for solving the complaint.

Achievements

In 2014 we have received no complaints from the workers

5. Training and capacity building

Activities to inform staff members

Describe in what way and by what means staff is informed about FWF membership.

The staff has helped to fill in the forms for FWF membership.

Describe what training is provided to staff members who are involved in the execution of monitoring activities.

There is no training provided yet. Staff members will be shown the Film “The Fair Wear Formula”. Also to the staff of our factory in Bulgaria this film will be shown. The most efficient form of training of workers in Bulgaria will be determined in consultation with the FWF case manager, in the first period of membership. In Vietnam this will be a little bit difficult, because people in our factory only speak the Vietnamese language. They are informed by our staff members during their visits to the factory.

Please describe your ways of communicating internally (e.g. monthly newsletter; international sales meeting; staff meetings; etc.).

Internal communication passes during sales meetings and during work each Wednesday.

Realisation

During the sales meetings and during work at Wednesday FWF membership is discussed regularly.

Activities to inform agents/intermediaries

Describe what training is provided to agents/intermediaries who are involved in the execution of monitoring activities.

We do not have any agents or intermediaries.

Activities to inform manufacturers and workers

Describe in what way manufacturers and workers are informed about the Code of Labour Practices. What training activities will be conducted?

Manufacturers are informed about the Code and FWF membership through the model letter and questionnaire. According to FWF procedures, an information sheet for workers including the Code and the contact details of the complaints handler has been posted in all the supplying factories.

Describe activities undertaken to inform and train manufacturers and workers. In case you have participated in any of the trainings FWF offered, please describe the process and results.

Anchor Workwear did not have a training yet. If there will be reason for a training, we will plan a training.

ning.

6. Transparency & communication

Describe how the general public will be informed about FWF membership and the outcomes of the activities in the work plan.

The general public will be informed through various channels;

- Fairs where Anchor Workwear participates
- For tenders FWF participation will be emphasized
- The logo on stationery of FWF stand
- On the website, the participation listed, with a link to FWF

Anchor Workwear will write an annual social report

Achievements

We have promoted Fair Wear at a fair in Dordrecht

We have put the Fair Wear logo in our emails

We have put the Fair Wear logo on our website

We mention our Fair Wear membership in our offers to clients.

We present the summary of the Brand Performance Check of 2014 on our website

7. Stakeholder Engagement

List the stakeholder groups engaged by your company both in Europe and in production countries and the key topics/concerns that have been raised through stakeholder engagement. E.g. trade unions, other NGOs etc.

Did you make use of any FWF stakeholder resources such as a country study or other input?

We did not make use of a FWF stakeholder resource, because there has been no issues yet to be discussed.

8. Corporate Social Responsibility

If applicable, describe other activities in the field of corporate social responsibility.

Anchor Workwear has a policy on Corporate Social Responsibility (CSR). Both inside and outside the organization is a focus on this.

Internal CSR

Anchor Workwear consider the following internal CSR issues;

- Prevention of waste..
- The waste is separated as much as possible.
- Minimum energy consumption
- Company cars are equipped with particulate filters.
- Gathered transport to reduce transport movements.
- Climate-neutral transportation
- A minimum paper stream.
-

External CSR

Anchor Workwear consider the following external aspects of CSR;

- The selection of suppliers. We work with safe garments with Öko-Tex certificate.
- It is important that the garments are produced decent, that is: no child labor, no forced labor, a reasonable wage, etc.
- Anchor Workwear does social sponsorship. We deliver clothes for a Bulgarian Social Work home for children.
- We make garments from organic and recycled materials
- We make garments with a substitute for Cotton, which deliver a contribution in the reduction of water consumption.

Achievements

All points above are standard policy and integrated in our activities.