

# ANNA·VAN·TOOR



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

Start date membership February, 2013

## Contents

1. Summary: Goals and achievement 2013	3
1.1. How did we do?	3
2. Sourcing strategy	4
2.1. Introduction & product explanation	4
2.2. Sourcing decisions, process & relations with suppliers	4
2.3. Production planning on the supplier side	4
2.4. Integration monitoring activities and sourcing strategy	4
2.4.1. New suppliers	4
2.4.2. Long-term suppliers	5
2.4.3. Formal audits	5
3. Coherent system of monitoring and remediation	5
3.1. China	6
3.2. Italy	6
3.3. Madagascar	6
3.4. Poland	6
3.5. Portugal	6
3.6. Turkey	6
3.7. External suppliers	6
4. Complaints procedure	7
5. Training and capacity building	7
6. Transparency and communication	7
7. Stakeholder management	8
8. Corporate social responsibility	8

## 1. Summary: Goals and achievements in 2013

This was our first year of membership of Fair Wear Foundation (FWF). We became a member of FWF because we want to take responsibility for our production process. As Jan Paul van Toor states, *'In fashion, looking good is often first priority. However, to feel good often makes you look even better. We want our products to help people look and feel better, which is why we became a member of FWF.'*

Below, we present an overview of our achievements regarding FWF in 2013.

### 1.1 How did we do?

- ⌘ We informed our suppliers, agents and employees of our FWF Membership.
  - ✓ Our suppliers internal production were informed of our membership according to protocol. They were asked to fill in the questionnaire and to resend a picture of the CoLP in the workplace.
  - ✓ Our suppliers external production were informed via email of our membership.
  - ✓ Our employees were informed of our membership and were kept up-to-date on various occasions. To illustrate, we celebrated our FWF membership during our employee fashion show in February.
  - ✓ The Anna customers were informed of our membership via Facebook, Twitter and our website.
- ⌘ We constructed a supplier registry list regarding the manufacturers and agents, which we regularly keep up-to-date.
- ⌘ We started monitoring our supply chain. In 2013, we monitored 59% of our supply chain.
  - ✓ In august, a formal audit took place at a factory in China. In 2013, 32% of our total production for Anna took place here. A summary of the findings can be found in chapter 3 on page 6.
  - ✓ In June, two product managers visited several factories in Poland. A summary of their findings can be found in chapter 3 on page 6.
  - ✓ Another FWF member has agreed to share the results of the formal audit at a manufacturer in Turkey with us, so we can cooperate to improve the working conditions in this factory.
- ⌘ We strive to include social criteria into our sourcing policy making, next to price and quality of the product.

Next to becoming a member of Fair Wear Foundation, we initiated several other projects related to corporate social responsibility. When presenting our customers or our employees with a gift, we strive to give them a sustainable or fair made product. For example, our Christmas gift to our employees was a Anna Bag that we co-designed with Myomy. The bags are made of ecological leather and they were produced by trained craftsman in a small workshop in India. You can read about other projects and examples of our corporate social responsibility in 2013 in the chapter 'Corporate Social Responsibility'.

## 2. Sourcing strategy

### *2.1 Introduction & product explanation*

Anna van Toor focuses exclusively on fashion for women. We sell premium labels in our stores, in addition to our own brands. Our brands Anna and Anna Blue are being sold exclusively in The Netherlands, in our 27 stores, online at Zalando NL and our brands are offered at a fine selection of other retailers in The Netherlands.

### *2.2 Sourcing decisions, process & relations with suppliers*

Our styling and production department work one season ahead. The Anna and Anna Blue collection and ordering takes place during the entire year. Every month, new collections or themes are introduced in our stores. New orders may come in at all times. For Anna and Anna Blue, we are always designing and ordering one season ahead.

Styling and production work closely together in selecting the supplier for the product. Our product managers all have different contacts and different specialties, based on the qualities of the fabrics and the countries they are produced in. It depends on the qualities of a design (woven, leather, etc) which manufacturer is chosen for production of the product.

Anna van Toor highly values long-term relationships with our suppliers. In addition, quality, craftsmanship and timeliness are important variables in selecting a supplier. On occasion, we enlist a new supplier with a specific specialism or a specific garment treatment, when none of our existing suppliers has the skill or equipment needed for that special treatment. In such cases, the new supplier is selected based on the criteria mentioned above. We terminate a relationship with a supplier when they do not show improvement on one or more of the discussed criteria after several warnings by Anna van Toor.

By being a member of Fair Wear, Anna van Toor wants to express social responsibility and therefore we initiated the process of incorporating the standards of labour (FWF) with our current standards. Our criteria for selecting new suppliers were based on quality, workmanship and lead times. In the past year, Fair Wear mindedness in our company has grown and we strive to find a balance between pricing strategy, quality, timeliness and social criteria.

### *2.3 Production planning on the supplier side*

We work together with various manufacturers. The lead time may vary between country, supplier and can even vary per month (e.g. Chinese New Year). Our lead time is in between four weeks (Europe) and four months (China).

We've been able to decrease the amount of late style changes by requesting for a salesman sample early in the process of production. The salesman sample is a representative sample in the correct fabric, print and fit that styling designed. By doing so, the styling and product department can base decision making in regard to style changes on a sample in the correct print, fabric and fit. This has decreased the amount of late style changes later on in the process, which has been a huge improvement in planning for both Anna van Toor as our suppliers.

### *2.4 Integration monitoring activities and sourcing strategy*

2013 was our first year of membership. We informed all our suppliers, agents and contacts of our membership.

After the start-up, one of the most important implementations of 2013 regarding monitoring activities was the construction of a policy for incorporating FWF criteria with our own sourcing criteria. This is a complex process, since various parties are involved and several criteria have to be aligned. Fair Wear mindedness in our company has grown and we strive to balance social criteria with performance criteria (craftsmanship, quality, etc) in sourcing decisions.

#### *2.4.1 New suppliers*

New suppliers are immediately informed of our membership and are asked whether they are already a member of a non-profit organisation such as FWF. When the new supplier is not working according to FWF regulations yet, but is interested and motivated to do so, Anna van Toor will help them to implement FWF procedure in their company. When the new supplier does not want to cooperate on FWF basis, we will ask them why they hold this viewpoint and (if possible) we will try to change their minds. Only when there are no other options left, we will stop placing new orders and stop our collaboration with the supplier.

#### *2.4.2 Long-term suppliers*

With our existing suppliers, we strive for transparency. Transparency of our production process is important to us and it gives us insight in the labour conditions at the manufacturers. This insight is needed to know whether a situation needs improvement, which we can then discuss with our supplier or agent.

We monitor the production process by formal audits and by following up on the corrective action plan (CAP).

To illustrate, we follow-up the CAP with our manufacturer in China, where the formal audit was held, and with our manufacturer in Turkey. By keeping a constant communication flow regarding the CAP, we make small steps of improvement. For now, the relationship with both of these manufacturers remains good. When a supplier wouldn't want to cooperate on a CAP after several attempts to reach an agreement, we will discuss the consequences of not undertaking action, which may eventually lead to a hold on new orders.

This is an important stance that might influence sourcing strategy in the future, but wasn't applicable in 2013.

Moreover, when our production colleagues are on factory visits, they will use the informal visit checklists to give us some insight in the working conditions at that factory. They will discuss the outcome of these results openly with the supplier, if a change of the situation is needed, this will be discussed with the manufacturer.

#### *2.4.3 Formal audits*

When plans for an audit at a certain factory are made, this is always timely discussed with the corresponding production manager at Anna van Toor. This will make sure that audits are placed at manufacturers where we are also planning on working with in the future. We take into account the country of production, the amount of order value that we place at that manufacturer (or plan to place there) and the professional opinion of our FWF contact regarding our audit plans.

Some companies are already a member to another initiative regarding labour conditions, such as BSCI. In this case, we use FWF checklists for audit quality to analyze the existing reports.

Whenever possible, we strive to work together with other FWF-members, in order to minimize the time and cost for both the members and the suppliers.

### **3. Coherent system for monitoring and remediation**

We report our monitoring activities per country, for those countries of whom we sourced over 2% of our total FOB in 2013.

All our active suppliers and agents were informed of our membership and were asked to fill in the questionnaire and to post the Code of Labour Practises (CoLP) at a visible place in the factory. All our suppliers did accordingly.

### *3.1 China*

A formal audit at one of our suppliers in China indicated that the wages paid are relatively high compared to other factories the Fair Wear team has audited. Most workers in the sewing department even receive wage above Asia Floor Wage. This was very positive. In addition, no serious violations with regards to forced labour, child labour or discrimination were found. No critical health and safety issues were found. The management team was very cooperative as is the follow-up on the cap in collaboration with the agent and the manager. Some minor issues in regard to health and safety were dissolved immediately. Other, long-term improvements will be monitored and encouraged by Anna van Toor, such as the lack of a written record for overtime hours for piece rate workers and the lack of an overtime premium for piece workers. Anna van Toor will monitor this in the future and we will encourage the creation of such a record and transparency in wages.

### *3.2 Italy*

Our shoes and bags are made by craftsmen in Italy. We work closely together with several agents, we don't source directly at the supplier in Italy. The agents are in good contact with the supplier and visit them often. They were cooperate in filling in the questionnaire and sending back a photo of the posted CoLP.

### *3.3 Madagascar*

For specific garment types, we source from a supplier in Madagascar. Their work is great in terms of craftsmanship, timeliness and quality. In addition, they were very cooperative in filling in the questionnaire and posting the CoLP. No audit has been planned here yet.

### *3.4 Poland*

For Poland, we are in direct contact with the supplier. We have a good relationship with our suppliers and they deliver great work. Poland is regularly visited by several of our production managers. In 2013, two of our product manager visited several factories. The code of conduct was visibly placed in all factories, in the language of the workers. The general employment conditions were good, clean and tidy. They did not find any anomalies and got a very positive impression of the workplace, the people and the management.

### *3.5 Portugal*

Anna van Toor has a good relationship with our suppliers and agents for Portugal. Our product managers visit the suppliers regularly, a visit is planned for 2014. Our agents also regularly visit the suppliers and send us photo's of the workplace and the workers. The suppliers were cooperative in sending back the questionnaire and posting the CoLP.

### *3.6 Turkey*

We have a positive, long-term relationship with our agent and supplier for Turkey. They were cooperative in sending back the questionnaire. Another FWF-member sources from this supplier and therefore we started a cooperation on the CAP that resulted from an audit in 2012. The contact thus far has been positive. Several improvements on the CAP are now in place, such as Health and Safety training for the employees and written consent for overtime by all staff. Other issues, such as a grounding test for electricity leakage has not been improved yet and will be given a follow-up in 2014.

### *3.7 External suppliers*

In our stores, Anna van Toor offer several other brands. They were all informed of our FWF membership and were asked whether they were also a member of a non-profit foundation concerned with human rights or environmental issues. Several parties sent us back their handbook on corporate social responsibility.

#### 4. Complaints procedure

We have not yet received a formal complaint. If complaints are filed in the future, or issues are found during one of the formal / informal audits, Anna van Toor will urge the manufacturer to undertake immediate action to improve the issues. When action is not being taken, we will discuss possible consequences, which may eventually lead to a hold on new orders. This is another important stance that might influence sourcing strategy in the future, but wasn't applicable in 2013.

#### 5. Training and capacity building

*How did we train our employees involved in sourcing decisions to conduct social audits and who are involved in the execution of monitoring activities?*

The production and styling department in particular are involved in the implementation of FWF policy in our company, since they are the ones who are responsible for the sourcing decisions. They were made familiar with the work plan and the Code of Labour Practices. Moreover, in case of a new supplier, the production department was instructed to follow the procedure for new suppliers as described in our handbook.

Moreover, all employees were informed of our memberships and they were kept up-to-date regarding news, audit results and other issues related to our CSR activities.

*How did we train our agents / intermediaries personnel to conduct social audits and who are involved in the execution of monitoring activities?*

Our agents and intermediaries were informed of our FWF membership by the product managers via the materials provided to us by FWF. New agents are informed of our membership at first contact.

When we work through an agent, that agent is our prime contact regarding FWF issues, including corrective action plans. When this occurs, the agent monitors the situation and keeps us up-to-date regarding progression of the CAP. To illustrate, when one of our agents or Anna van Toor personnel is visiting a manufacturer, they fill in the informal checklist to monitor working conditions and progression of CAPs.

*How did we inform and train our manufacturers regarding social audits and the execution of monitoring activities?*

We informed our new suppliers with our FWF membership by sending them the model letters FWF provided us with. In addition, we will discuss labour standards with the suppliers on future visits. Moreover, we ask our new suppliers to fill in the FWF questionnaires and to post copies of CoLP, according to FWF guidelines.

We provide feedback to the suppliers regarding their success in adhering to the code of labour practices by sending them a copy of the audit report, informal visit or filled in questionnaire. As stated above, in case of deviations, they are informed of their deviation and a corrective action plan is presented to correct their non-coherence to the CoLP. We strive to maintain a good relationship with our manufacturers and to give them insights in the benefits of adhering to the CoLP, because we believe this is vital for success.

#### 6. Transparency and communication

The Anna customers were informed of our membership via Facebook, Twitter and our website. In addition, we place the FWF logo and an explanatory text of Fair Wear Foundation in our brochures to make consumers aware of our membership. On our webpage, consumers can find more information regarding FWF, with a link to their webpage. We are a member of eerlijk winkelen.nl. They present an overview of stores per city that offer Fairtrade and/or

ecofriendly products and they organise activities such as 'fair shopping weekend' in cities in The Netherlands, to increase awareness and educate the consumers about sustainable products.

Once a year, a report will be published online with the major findings regarding our FWF membership and other corporate social responsibility projects.

## 7. Stakeholder engagement

As stated above, we are a member of Eerlijk winkelen.nl and we participate in their events related to fair shopping in Dutch cities.

In October 2012, we held a customer-survey about Anna van Toor, in which several questions related to sustainability were incorporated. Customers indicated that sustainable products were important to them and that they use this increasingly as a criteria when buying clothes. The results were used to help shape our CSR activities in 2013.

## 8. Corporate social responsibility

In our company, we are concerned with the preservation of the world. We collect paper, trash and plastic separately and we re-use coat-hangers in the stores and storage rooms. In addition, we only use fake fur in our own clothing lines Anna & Anna blue. As of 2014, we signed the code of Bont voor Dieren declaration, in which Anna van Toor states that she will no longer sell real fur items.

Social citizenship and attention to fair working conditions and fair products are becoming more and more incorporated in the decision making processes at Anna van Toor and in our communication. To illustrate, we organized the 'look good, feel good' week in May of 2013. This was an event that we hosted off- and online, with the main theme being 'the bidirectional relationship between looking and feeling good'. During this event, we organized a number of actions that were all related to the overarching theme. We had special price offers, customers got free products and they could win a make-over. Moreover, we also started partnerships with Goodforall, A Beautiful Story and Fairtrade Original. Goodforall and A Beautiful Story products were also offered in a selected amount of our stores from there on. Goodforall produces ecoleather bags that are handmade by schooled craftsmen in Calcutta. A Beautiful Story works together with women in India to produce bracelets and necklaces. Customers also got free samples of Fairtrade Original chocolates and juice. Moreover, 10% of the profit of the Goodforall bags during this period was donated to Colores de Calcutta, a charity in Calcutta that provides help and education and health care aid to girls. The reactions were highly positive and are promising for the continuation of the event in the future.

In September 2013, we organized our seasonal Anna Event. During this event, customers get a unique giveaway when they spend a certain amount of money in our stores or online. The giveaway was a Fairtrade, ecoleather handbag that we co-designed with Goodforall. This event was a huge success and the order that we placed at Goodforall made sure four jobs could be created that gives four families a chance of a better life. As a Christmas gift, our employees received another special design of The Anna Bag by MYOMY<sup>1</sup>. This wonderful partnership continues in 2014 when The Anna Bag (in various designs) will be available for customers.

---

<sup>1</sup> In November of 2013, Goodforall changed their name to MYOMY