



Social Report January 2013 to September 2013



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January 2013 till September 2013



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1. Summary: goals & achievements 2013

In 2013 Bizniz made over 78% of its production in Poland and 22% in Tunisia. Poland as a member of European Union is classified as low risk country. However Bizniz works closely with supplier staff and managers to raise interest for implementing the FWF Code of Labour Practices. In Tunisia Bizniz is working with 2 suppliers and one of them was audited in August 2013 for the 1st time. Bizniz's sustainability strategy has long remained the same – it is our focus to work on long-term relation with our manufacturers which allows us to build up stable cooperation and lets us be aware of most of activities towards the workers too.

2. Sourcing strategy

2.1. Sourcing strategy & pricing

The sourcing strategy of our company is related to type of the product we deliver to our customers. Our customers are pleased that garments are made in Europe therefore we place over 78% of our production in Poland and the rest in Tunisia. Our sourcing criteria's are: size, equipment, quality, experience, general opinion on the market, organisation and hygiene at the factories. Sourcing strategy strictly focus on suppliers who meet the standards described in Code of Labour Practices. We have very long relation with our suppliers: close to 15 -20 years in Poland and 10 years in Tunisia. With new suppliers the final evaluation takes place after a 2 months try-out period.

Prices are being established based on the each garment by sending samples and sample materials ahead to allow factory to make the contra-sample and price it, as well as an estimated time needed for production.

2.2. Organisation of the sourcing department

The sourcing department consists of 2 people: for production in Poland it is Agnieszka Cholocinska based in Poland and for Tunisia is Hans Thoonen.

2.3. Production cycle

We have no collection based on seasons. We continuously make new styles based on information from shopping in London, Milan, Paris and visiting fashion exhibitions. Every 3 weeks we have meeting-cycles with our customers and show them new developed styles. In an open discussion between styling department and customers we come to agreements resulting in orders. For each single order we organize the buying of fabrics, accessories etc. We do not produce for stock, only upon order. Our suppliers are informed about detailed production plan within 6-8 weeks ahead. Production time takes 3-8 weeks.

2.4. Supplier relations

All criteria's used by sourcing are the same for selecting a factory for certain kind of product.

The final decision about working with new supplier is taken after a 2 months try-out period. Having permanent staff and technicians directly present in the factories allows us to judge if working conditions are acceptable to continue cooperation.

In 2013 we have terminated the relation with one of our suppliers due to the fact that the owner decided to become active in different a business and he took most of the workers with him. We were informed about this change 5 months ahead and this had nothing to do with any failures related to social compliance.

Also in 2013 we "renewed" the relation with our factory after 2 years brake caused by absence of the owner and her health problems.

2.5. Integration monitoring activities and sourcing decisions

Monitoring activities are always made from perspective of local people from our office, so they have direct impact and influence on general sourcing decisions in Poland. However those are not being made on "first impression", but they are pre-followed by try-out orders, by checking on working conditions and ranking of manufacturers on Code of Labour Practices. We simply build long-term relations only with factories we are sure that respect Code of Labour Practices. They are rewarded from us by supplying stable orders to them and by making payments always on time or even providing pre-payments in order to help them out.

3. Coherent system for monitoring and remediation

3.1. POLAND

In 2013 we were working with 9 factories in Poland making 78% of our total production.

We act the same towards all our suppliers. We visit them regularly at least once per month. None of the factories were in need of being audited.

Suppliers are established and monitored according to Polish law, protecting workers' rights by regular labour inspections. There is no discrimination in employment, no exploitation of child labour. Workers are employed based on long-term contracts. Wages issues are regulated by law and a collective bargaining agreement is established through a multi-stakeholder process. During the whole 2013 we had no cases of overtime. All factories in Poland have safe and healthy working conditions. Workers are being regularly trained on Occupational Health & Safety programs in order to prevent accidents and injuries.

3.2. TUNISIA

In 2013 we were cooperating with 2 factories in Tunisia. In Tunisia we made 28% of our total production. Those are our long term partners who are well informed and aware about implementation of Code of Labour Practices. Factories have been visited 10 times a year. One of them was audited for the 1st time in August 2013. Together with the



manager we are working on corrective action plan started by focusing at first on health & safety issues. There have been trainings done on first aids to the workers. The emergency box is well equipped now. The manager of the factory has bought more fire extinguishers. We have also discussed the topic of apprentice workers doing overtime – that is changed now and those workers do not work overtime anymore and there is apprentice's register kept as record. The yearly bonus is being calculated without using the CBA classification but still applies the gross wage of each worker to her own score.

Till now there were no complaints handled from none of those 2 factories.

All workers are officially employed by terms of legal contracts; they make no use of home working employment. There is no discrimination in employment or no exploitation of child labour. Wages policy is regulated by law, however the gap between living wages is still significant. The owners of the factories are making all efforts to increase the wages towards living wages level by organizing trainings for sewing workers to improve their skills which lead to higher effectiveness and higher wages. The audited factory does the annual wage increase of 5%.

3.3. External production

N/A

4. Complaints procedure

During 2013 we did not receive complaints from workers employed by our suppliers.

The Code of Labour Practices in local languages is posted in accessible area for workers both in Poland and Tunisia. Audit team members handed over information cards to workers of the audited company.

5. Training and capacity building

5.1. Activities to inform staff members

Staff was informed about the requirements of FWF. Code of Labour Practices rules were discussed during regular meeting at head office in the Netherlands. One new employee joined in 2013 who was given an introduction on FWF membership.

5.2. Activities to inform agents

N/A

5.3. Activities to inform manufacturers and workers

Manufacturers are informed by means of a letter and by filling in the questionnaires. We meet with all our suppliers once a year all together and the fact of us being a FWF member is discussed during those meetings as well. Workers are informed through the Code of Labour Practices being posted in the factory and by distributing worker information cards during audits.



6. Transparency & communication

All our customers are informed about the fact that Bizniz is a member of FWF. This is discussed with them during regular meetings we have. With most of our customers we have a very long term business relations and they are interested how we perform at FWF.

7. Stakeholder Engagement

In 2013 we made no stakeholder engagements; we also made no use of country study reports.

8. Corporate Social Responsibility

Together with DIDI-fashion we have developed a label "DIDIism". All cloths with this type of the label are being made by companies employing handicapped workers. The suppliers are based in Poland.

In September 2013 there has been a foundation created called "PRZYJAZNY DOM DZIECIOM" for orphans with different types of disabilities in Poland. The fund has supported the purchase of technical equipment for those kids.