

Social Report 2013



How bright does clothing have to be if it is to suit my personality?

Social Report 2013

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It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.

Preface

WE OFFER OUR WEARERS AND CUSTOMERS PROFESSIONAL CLOTHING SOLUTIONS THAT LIVE UP TO THE **BP** “FEEL THE DIFFERENCE” CLAIM. QUALITY, DESIGN AND UTILITY ARE AT THE HEART OF OUR CUSTOMER PROMISE.

Basic principle 1 of the **BP** identity

How soft should clothing be if the job is already hard enough?

We have been an owner-run family business since 1788. From the beginning, sustainability has always been an important corporate value.

Sustainability still means today what it did then. However, in view of our worldwide production sites – mainly in developing and emerging countries – we have to provide new answers. We also welcome the greater public interest in fair working conditions.

This is our third Social Report. Almost all of our companies have now been audited. During this time, we have succeeded in making good to very good improvements in many areas. In other areas, the improvements are advancing at a rather slower rate. In future, we shall continue to devote special attention to fair working conditions.

Fair working conditions are of benefit to all. They are an expression of respect for the people who work with great care in order to ensure that every item of **BP** professional clothing upholds the “feel the difference” claim. And fair working conditions are essential if we are to continue to find committed employees for the production of **BP** professional clothing.

We are pleased about your interest in working conditions at our production partners. We should like to thank everyone around the world who has played a part in the production of **BP** professional clothing.



H. Goost



M. Goost

Managing Directors

It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.

Management summary

On 1 July 2010, we became the first supplier of professional clothing in Germany to join the **Fair Wear Foundation (FWF)** multi-stakeholder initiative. The **Fair Wear Foundation** aims to improve working conditions for people working in the international clothing industry. The initiative is made up of trade associations, trade unions and non-governmental organisations (NGOs) and this ensures independence and credibility.

The most important results for 2013 are:

- The share of purchasing volume sourced from audited production partners is more than 90%.
- As we have been a member of the **Fair Wear Foundation** for more than three and a half years, three companies have now been audited for the second time since a company is audited at least once every three years. We are pleased to report that these companies have improved greatly since the first audit. This has enabled the auditors to turn their attention to further issues and checks. All companies have attained a good or very good audit result.
- One company was audited for the first time. The audit identified a need for action, particularly in the areas of occupational health and safety and the correct remuneration.
- One particular challenge remains the payment of living wages across the board. Under the terms of the **Fair Wear Foundation**, a living wage is the minimum income necessary for a worker to meet the basic needs of a family of four. This aim can only be achieved in the long-term by taking many small steps.
- In 2013, we entered into a collaboration with three new production partners, who will be audited for the first time in 2014.
- For strategic reasons, we ended our collaboration with three companies in 2013.

What level of safety does clothing have to offer so that I can trust it with my life?

It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.

How innovative does clothing have to be in order to surprise me?

BP BIERBAUM-PROENEN

FOUNDED	1788
PRODUCTS	Work and protective clothing (PPE)
CUSTOMERS	Textile service and trade in Europe
EMPLOYEES	Approx. 370 employees, 110 of whom are in Cologne and 260 at our factory in Tunisia
WAREHOUSE	We have a very broad and extensive NOS (never out of stock) range. We dispatch more than 95% of all orders to our customers within 48 hours.
PRODUCTION SITES	A total of 17 factories. In addition to the sample sewing department in Cologne and our own factory in Tunisia, we have 15 partner companies in Macedonia, Turkey, Tunisia, Pakistan, Vietnam, China and Bulgaria.

It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.

Our identity

THE **BP** IDENTITY INCORPORATES THE PRINCIPLES THAT FORM THE BASIS FOR OUR ACTIONS. WE ARE MEASURED AND EVALUATED BY OUR ADHERENCE TO THESE.

How green does clothing have to be if I believe in the importance of sustainable production?

1.

CUSTOMER FOCUS

We offer professional clothing solutions that live up to the **BP** "feel the difference" claim. Quality, design and utility are at the heart of our customer promise.

4.

TRANSPARENCY AND TRUST

We cultivate a relationship of trust with everyone who wears our products, our customers, our suppliers, our investors and also within **BP** itself; this is based on openness, transparency and honesty.

2.

INNOVATION

We are constantly developing our products and company through innovation and improvement for the benefit of our customers and everyone who wears our products.

5.

SUSTAINABILITY

We create sustainable values for the people who work with us. Economic success equips us for the future. We stand for fair working conditions and use natural resources responsibly.

3.

EXCELLENCE

By showing initiative and a readiness to accept responsibility, coupled with mutual support and constant learning from one another, we deliver excellence.

6.

DIVERSITY AND PERSONAL DEVELOPMENT

We respect and affirm diversity and create space for personal development.

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The **BP** products: quality, utility and design in five catalogue worlds

BP OFFERS A VERY BROAD AND EXTENSIVE
NOS RANGE IN FIVE CATALOGUE WORLDS.

BP Workwear®

This collection is aimed at industry and trade. It offers numerous solutions, ranging from the complex multifunctional concept to a price-conscious clothing solution. It comes in a large range of different CI solutions.

BProtected®

Certified protective clothing (PPE) that combines safety, comfort, washability, utility and design in a completely new way.

BP Med & Care®

Solutions for medical practices, hospitals and care facilities. **BP** creates solutions that make the tough working day easier for people working in these areas – through top quality and attractive clothing offering high wear comfort.

BP Gourmet®

Comprehensive, colourful solutions for the kitchen and service areas.

BP Industrial Food®

In the food industry, HACCP concepts provide the best possible protection for processed foods. Certified **BP** food clothing is a solution that inspires confidence and that implements HACCP guidelines to optimum effect.

How many ideas does clothing have to offer if it is to keep up with me?

Collaboration

To be able to continue to keep the exacting **BP** quality promise and provide the high **BP** delivery performance, **BP** enjoys long-term collaborations with suppliers in Europe, Africa and Asia and has been working with some of them for decades. We have been working with more than 75% of our suppliers for over five years, and with more than 50% for over 10 years*.

Like us, many of our production partners are small and medium-sized family-run businesses. We know that a profitable collaboration is based upon a clear understanding of our interaction and relations. We have formulated this as follows in our basic principles:

WE CULTIVATE A RELATIONSHIP OF TRUST WITH EVERYONE WHO WEARS OUR PRODUCTS, OUR CUSTOMERS, OUR SUPPLIERS, OUR INVESTORS AND ALSO WITHIN BP ITSELF; THIS IS BASED ON OPENNESS, TRANSPARENCY AND HONESTY.

Basic principle 4 of the **BP** identity

In more specific terms, this means explaining the full extent of our business model and our expectations to our partners. We listen carefully to our suppliers and build on their strengths. We stick to what we have agreed upon and also expect this commitment in return. A continuous improvement process requires that we challenge one another but also provide mutual support. Mutual trust is also an important element of a good collaboration: to enable the supplier to continue to meet **BP**'s quality requirements, a development process lasting many years is often necessary. Our field technicians provide on-site training in the processing methods used and monitor production.

It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.

*Weighting according to production volume.



The principles of the Fair Wear Foundation

Management system

MANAGEMENT SYSTEM TO GUARANTEE FAIR WORKING CONDITIONS

BP takes the following measures to ensure that our production partners offer fair working conditions:

- At the end of the year, BP draws up a work plan describing the targets, procurement strategy, monitoring and complaint system and other social aspects of the collaboration with the BP production partners.
- BP submits the supplier register together with all relevant information, such as contact data, quantities, turnover, etc. to the **Fair Wear Foundation**.
- The production partners must acknowledge in writing the principles of the **Fair Wear Foundation** and commit to the continuous improvement of the working conditions.
- This commitment, which lists and explains the principles of the **Fair Wear Foundation** in detail, is displayed onsite at the company in the local language
- It also names a local contact person, giving their telephone number and email address, that employees can notify in the event of an infringement of these principles in order to discuss their complaint.

- BP commissions an independent **Fair Wear Foundation** audit team to check all social aspects of the production partners. The audit teams are fluent in the local language.
- Based on the audit report, the **Fair Wear Foundation** compiles a plan of corrective measures, which includes all non-conformances found. BP and the production partner work together to develop solutions and to ensure that the recommended measures are implemented promptly. BP documents the results and reports these to the **Fair Wear Foundation**.
- The **Fair Wear Foundation** regularly commissions a control audit of the production partners to ensure that the shortcomings established are eliminated and the working conditions improved.
- Our production partners are audited at least once every three years.

BP Organisation



THE DEPARTMENT FOR QUALITY MANAGEMENT/SUSTAINABILITY IS RESPONSIBLE FOR SUSTAINABILITY AT BP.

The head of this department reports directly to the management. The departments of Materials Management, Production/Logistics and Quality Management/Sustainability are together responsible for creating fair working conditions and this responsibility is documented in writing in the function descriptions of the respective areas of work.

PRODUCTION PLANNING

BP has a very broad and extensive NOS (never out of stock) range. It is important for our customers to know that there is a ready supply of replacement clothes for employees kitted out with **BP** professional clothing. This is why our products have a service life of up to ten years and more.

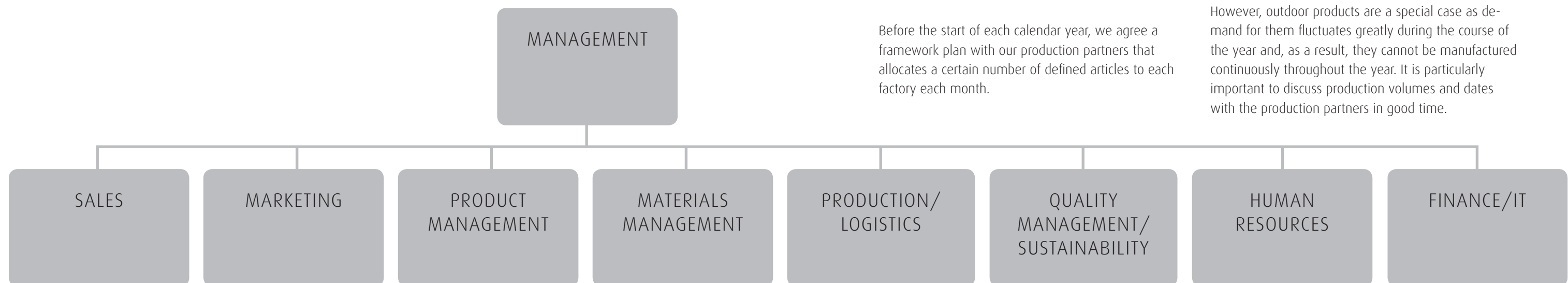
This plan forms the basis for the final production orders for the individual models and the production partner is advised of the orders in good time to ensure that the delivery dates can be met whilst taking into account the agreed throughput times.

The buffer effect of our large stock and the durability of our products enable us to balance capacity utilisation of our production plants with regard to quantity and model variance. This, in turn, enables us to realise rationalisation potentials, which are essential for the manufacture of competitively priced products.

Involving the production partner in the planning process is not only advantageous in terms of economic efficiency but it is also the best way of preventing unpleasant surprises due to short deadlines or the absence of orders that could have a negative impact on working conditions.

Before the start of each calendar year, we agree a framework plan with our production partners that allocates a certain number of defined articles to each factory each month.

However, outdoor products are a special case as demand for them fluctuates greatly during the course of the year and, as a result, they cannot be manufactured continuously throughout the year. It is particularly important to discuss production volumes and dates with the production partners in good time.



SELECTING NEW PRODUCTION PARTNERS

When selecting new production partners, we start by evaluating the location. Political stability, delivery times, the general cost level and both medium and long-term future prospects are important decision-making criteria.

The willingness to enter into a long-term relationship and the determination to continue to improve are important prerequisites for a production partnership.

The ability to meet our quality requirements, competitive prices and open and smooth communication play a central role. Of course, acknowledgement of the **Fair Wear Foundation** Code of Labour Practices is also essential, i.e. the willingness to continue to improve social working conditions and to meet all other requirements arising from our membership of the **Fair Wear Foundation**.

PRICING

As a rule, **BP** determines the processing steps necessary to manufacture each product and the resulting standard minute requirement. This forms the basis for the price talks with the clothing manufacturer. Before mass producing a model, the clothing manufacturer creates an initial sample in order to guarantee that s/he is able to manufacture the model in the required quality. S/he can also determine any uncertainties with regard to processing or deviations from the calculated standard minute requirement and discuss these with **BP**. If necessary, **BP** provides the required processing expertise in order to achieve the calculated standard minutes.

Audit results and status of the improvement measures

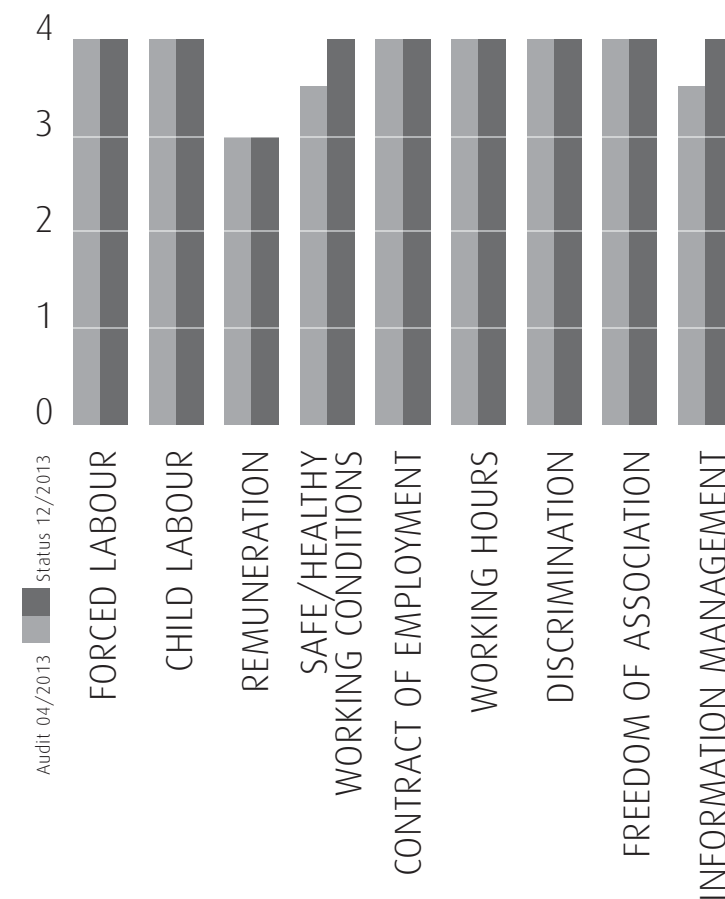
The statutory minimum wage is paid at all production plants, however, a living wage, i.e. a wage that is sufficient to meet the basic needs of a family of four, is only paid at one company. In the following evaluations of the individual production plants, a wage level that is less than a living wage is generally awarded three (out of four) points.

In 2013, almost all production plants carried out fire-safety and evacuation drills.

Audit results Tunisia 1



AUDIT OF OUR VETRA PLANT IN TUNISIA



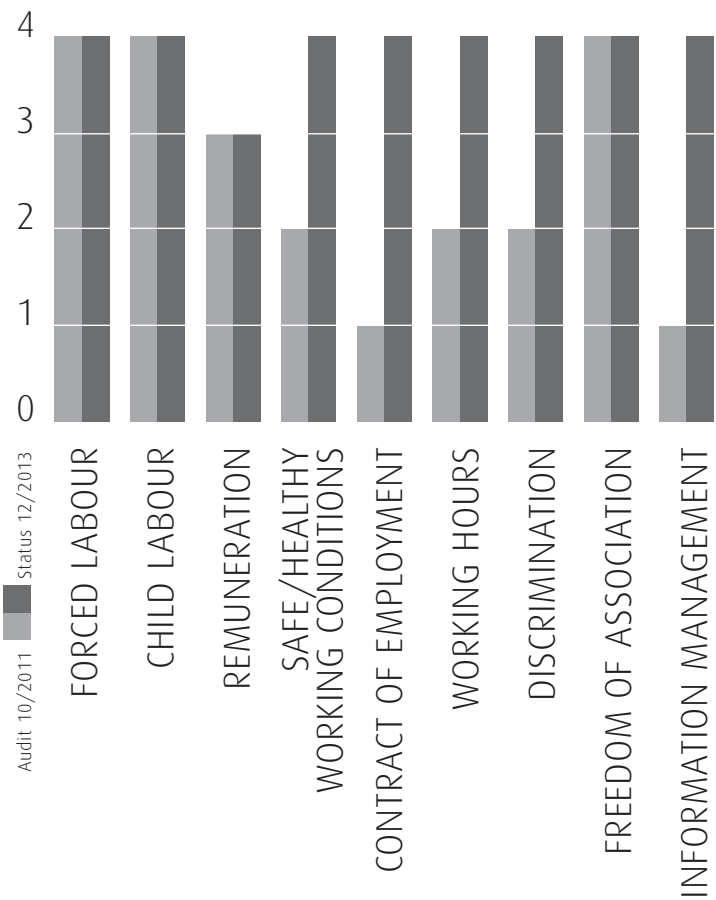
Vetra S.a.r.l., our own company in Tunisia, was founded in 1995. Our most complex products are manufactured here. Vetra delivers a particularly high performance in terms of flexibility, quality and efficiency. With its committed, well-trained employees, most of whom have been working for the company for a long time, Vetra has become an important leading expert for our company.

Our Cologne-based field technicians and our employees working in the development department are trained at Vetra in the fundamentals of industrial manufacture. Our employees from Tunisia are, in turn, trained at **BP** in Cologne and successfully apply the knowledge they have gained in Tunisia.

Vetra was audited for the second time in 2013. As in 2010, the factory was assessed as having very good working conditions and an outstanding working atmosphere. The audit identified various slight non-conformances in the categories "Safe and Healthy Working Conditions" and "Information Management". These were eliminated shortly after the audit.

Audit results Tunisia 2

AUDIT OF OUR TUNISIAN
PRODUCTION PARTNER



BP has been working with this production partner since 2005. Thanks to regular visits by **BP** employees and additional support from our Tunisian company Vetra, a close partnership has developed.

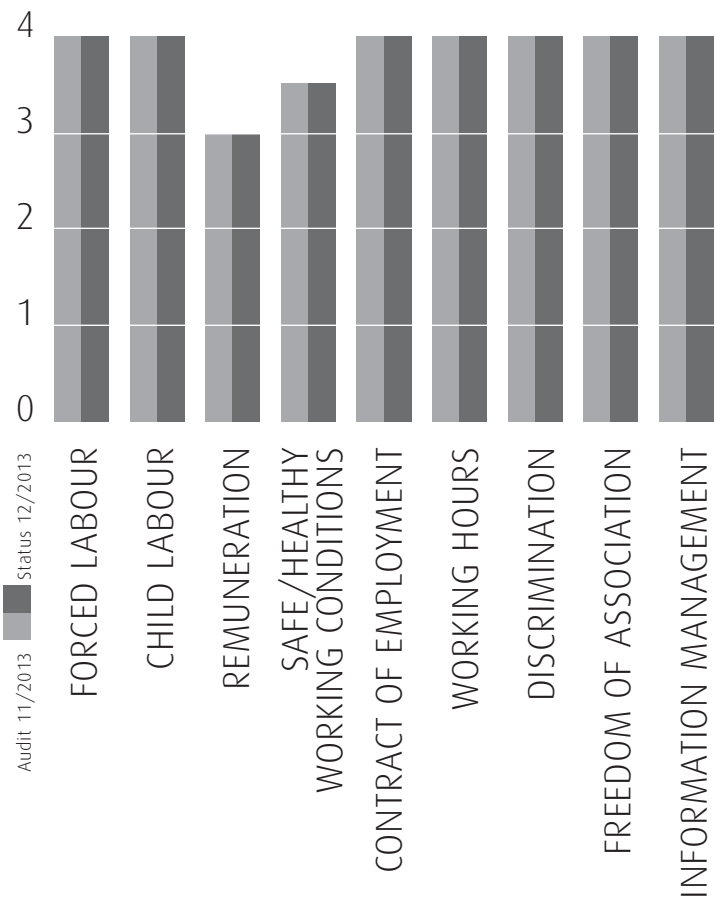
The 2011 audit identified many non-conformances, however, the company has now eliminated almost all of these. In 2013, the sanitary facilities were completely renovated and are now in a very good condition.

The next control audit will take place in 2014.

Audit results Macedonia 1



AUDIT OF OUR MACEDONIAN
PRODUCTION PARTNER



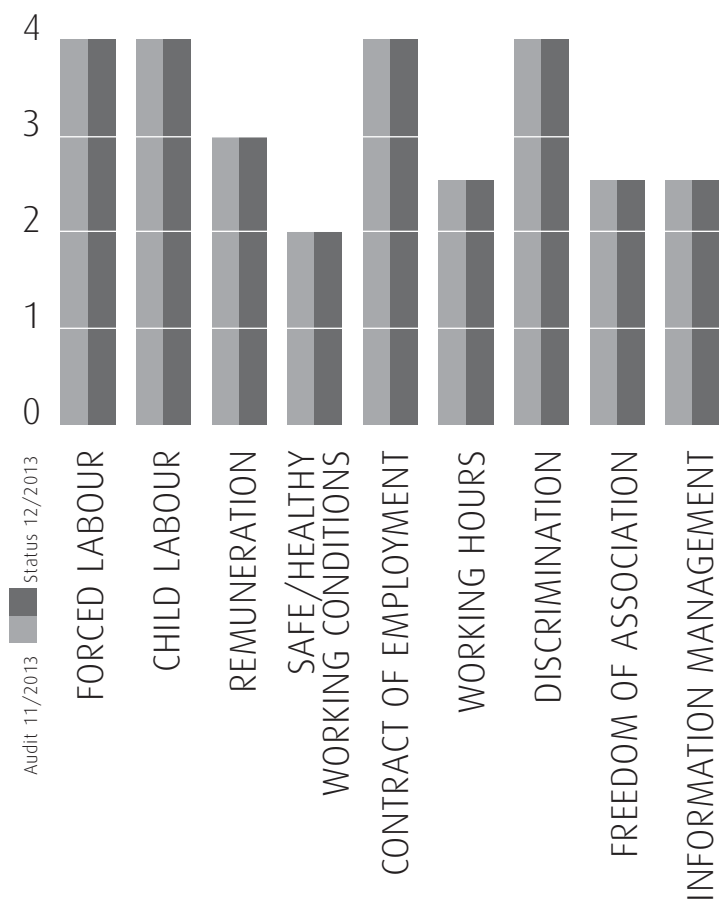
We have been working with our Macedonian partner for more than 12 years. During this time, thanks to regular visits by both parties, we have developed a strong and trusting partnership.

The second audit took place in November 2013. As the first audit, it identified very good working conditions. However, there were still some minor non-conformances in the “Safe and Healthy Working Conditions” category.

It is important to note that, although not obliged to do so by law, our partner company has initiated the free election of an employee representative committee and cooperates with the latter on a regular and constructive basis.

Audit results Macedonia 2

AUDIT OF OUR MACEDONIAN PRODUCTION PARTNER



BP has been working with this production company since 2010. The first audit was carried out in November 2013.

Significant areas of improvement were identified in some categories.

For example, the building's electricity supply did not meet the safety requirements. There was no fire alarm system or evacuation plans. In addition, employees did not receive pay slips. Furthermore, a complaint management system was not in place.

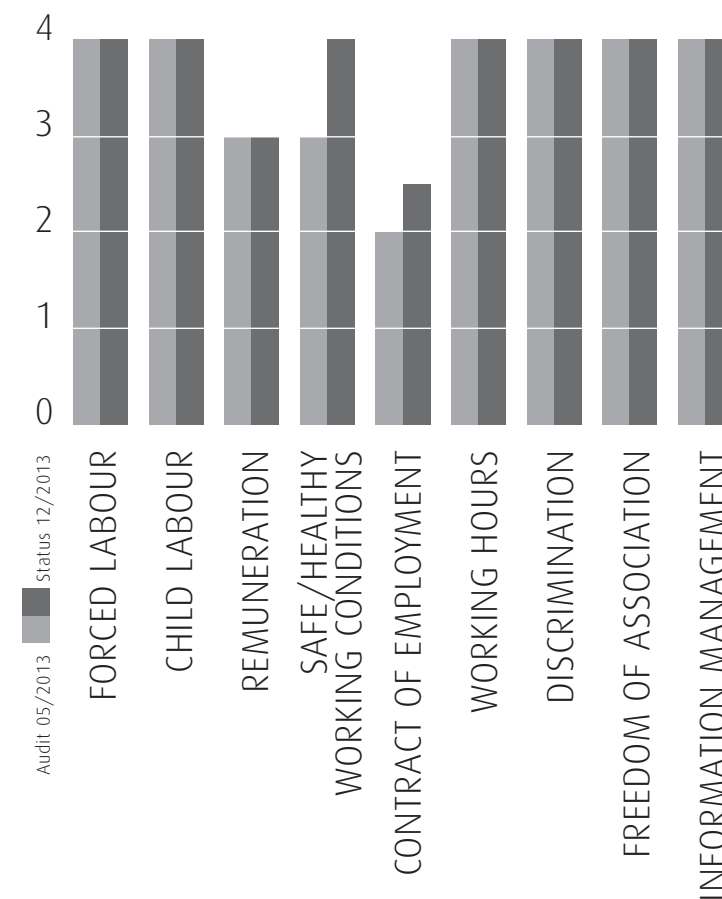
The audit report and the plan of corrective measures were not available until the end of December 2013. For this reason, no improvements could be implemented during the reporting period.

We shall now continue to work on implementing the necessary corrective action.

Audit results Turkey



AUDIT OF OUR TURKISH PRODUCTION PARTNER



We have enjoyed a successful and trusting working relationship with our Turkish supplier since 2005.

The second audit took place in 2013. During the course of this audit, discrepancies were identified in the "Contract of Employment" category, for example with regard to annual leave. We are working with our Turkish partner in order to eliminate these discrepancies.

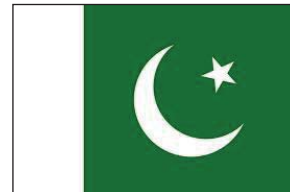
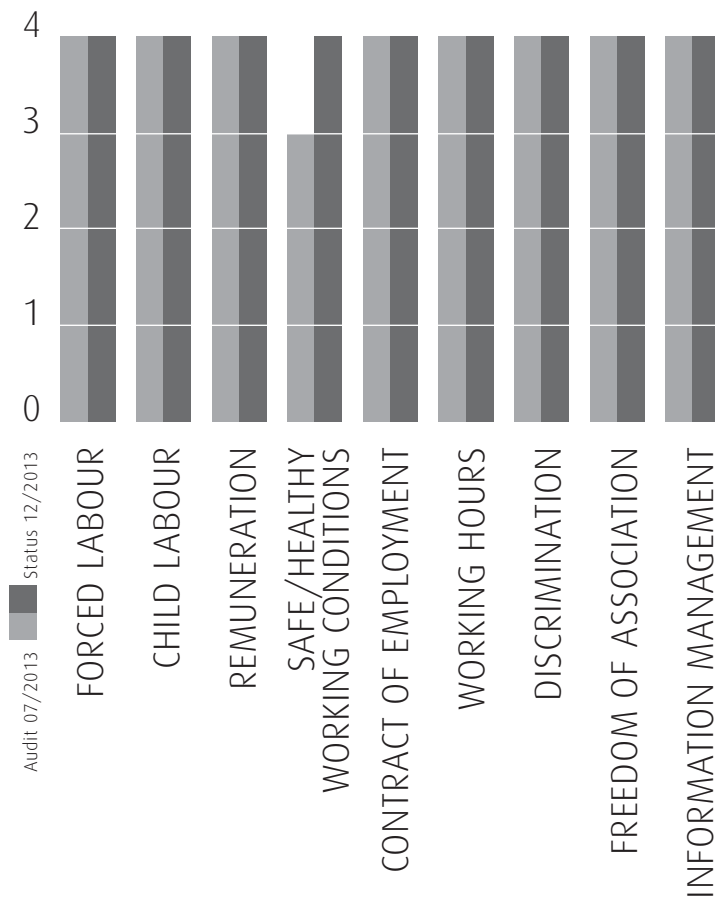
In the "Safe and Healthy Working Conditions" category, problems highlighted included, for example, failure to signpost escape routes sufficiently and the fact that escape plans were not up-to-date. In addition, the drinking water was not checked. The escape routes have already been signposted, the escape plans revised and the drinking water is checked on a regular basis.

The repeated fire-safety and evacuation drills have proven successful: when there was a small fire in the building next door to the Turkish partner, employees were evacuated quickly and safely.

Audit results Pakistan

Audit results Vietnam

AUDIT OF OUR PAKISTANI PRODUCTION PARTNER

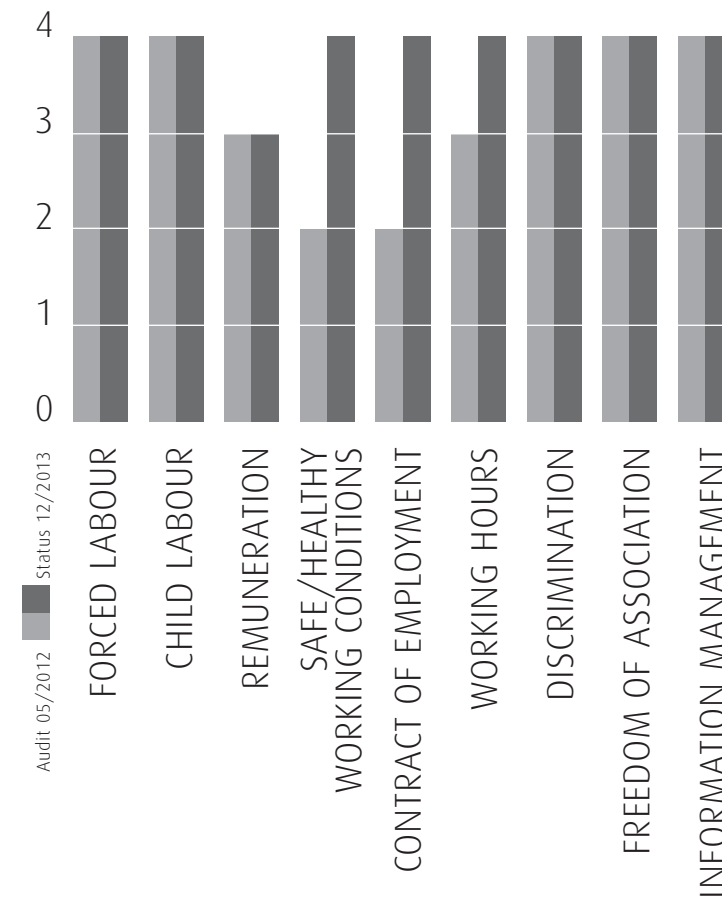


We have been working with our Pakistani partner, also a family-run company, for almost 20 years and have established a successful and trusting working relationship.

As Pakistan is regarded as a high-risk region, the **Fair Wear Foundation** does not use local employees to monitor this country. Therefore, our partner carries out regular certifications according to SA 8000, which are recognised by the **Fair Wear Foundation**.

Fortunately, hardly any more non-conformances were identified during the SA 8000 audit in 2013. Slight deviations in the "Healthy and Safe Working Conditions" category were completely eliminated after the audit.

AUDIT OF OUR VIETNAMESE PRODUCTION PARTNER

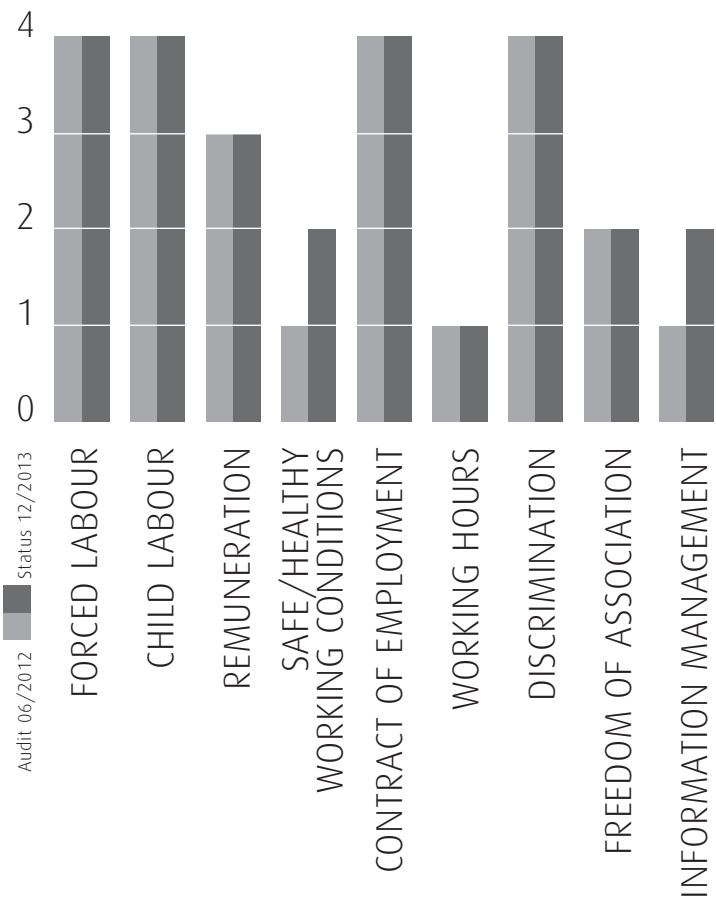


We have been working successfully with our Vietnamese partner for almost ten years.

The 2012 audit identified a few possible areas of improvement. Many non-conformances were eliminated immediately after the audit. As final improvement measures, in 2013, the required fire insurance was taken out and individual employees were trained in occupational health and safety.

Audit results China 1

AUDIT OF OUR CHINESE
PRODUCTION PARTNER

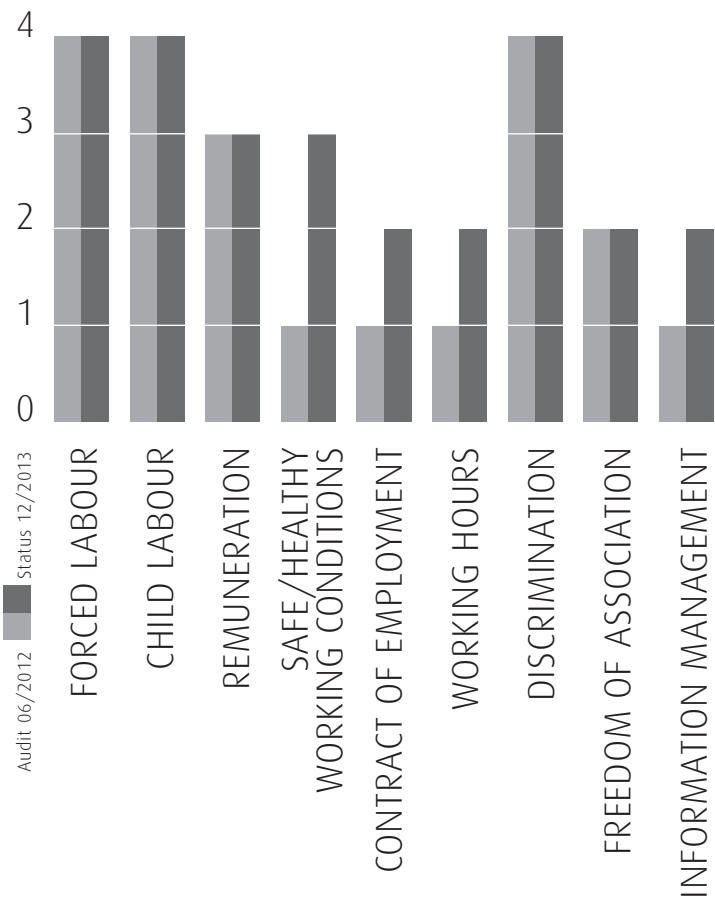


For strategic reasons, our collaboration with this company came to an end in the middle of 2013.

It was thus not possible to continue to pursue the improvement in social working conditions.

Audit results China 2

AUDIT OF OUR CHINESE
PRODUCTION PARTNER

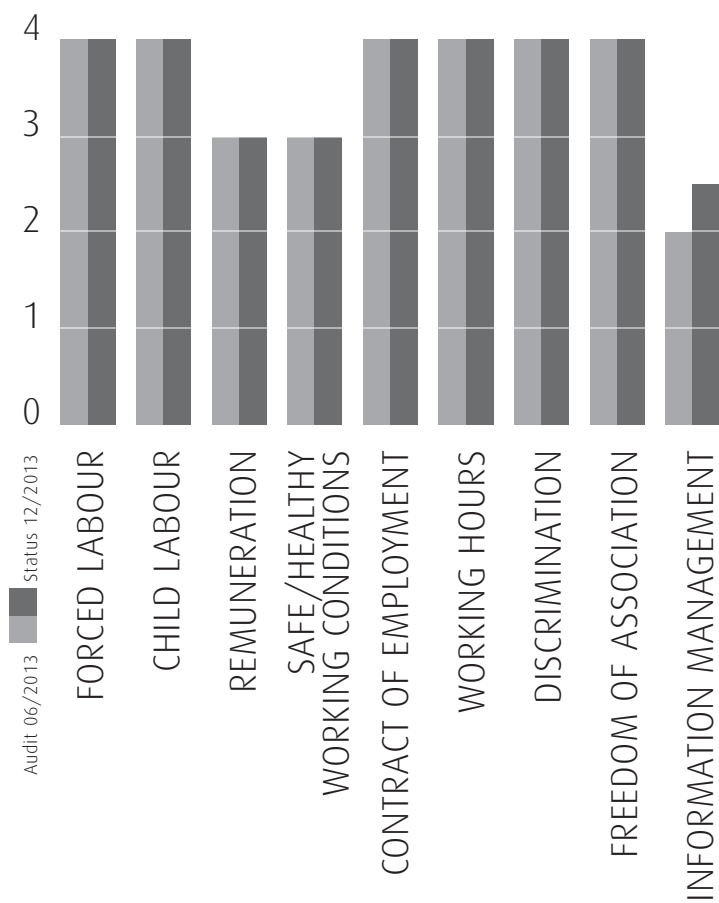


As with the afore-mentioned company, for strategic reasons, our collaboration with this company came to an end in the middle of 2013.

It was thus not possible to continue to pursue the improvement in social working conditions.

Audit results China 3

AUDIT OF OUR CHINESE PRODUCTION PARTNER



We have been working with this Chinese partner since 2012.

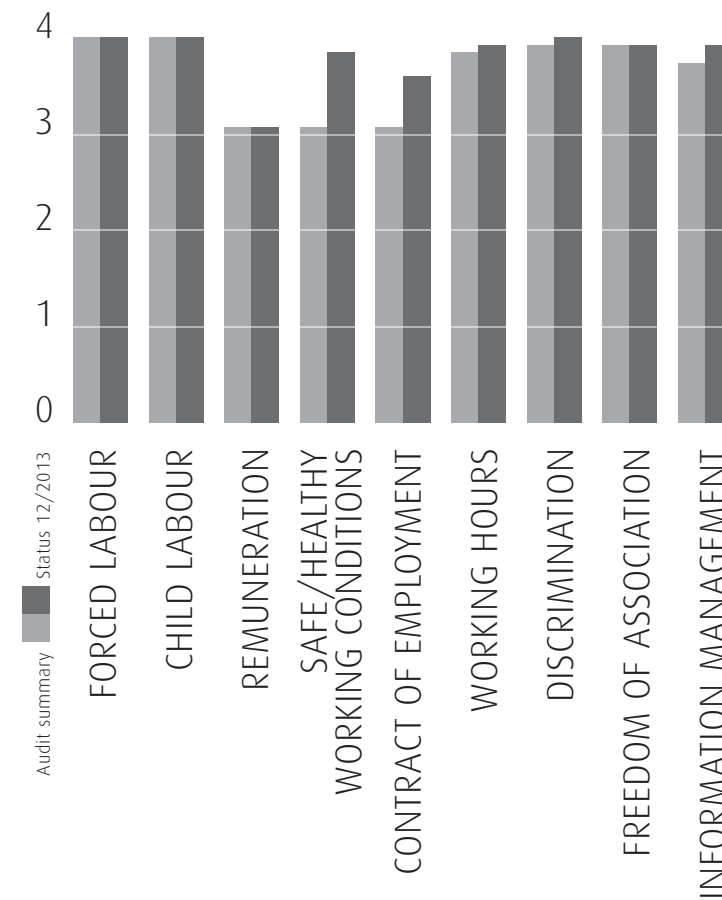
Regular certifications in compliance with SA 8000, which are recognised by the **Fair Wear Foundation**, have been carried out there. Some non-conformances were identified during the course of the last certification.

The collaboration finished at the end of 2013 for strategic reasons.

Audit results Summary



MEMBERSHIP OF THE **FAIR WEAR FOUNDATION** HAS ENABLED **BP** TO DEVELOP AND ESTABLISH A MANAGEMENT SYSTEM FOR SOCIAL SUSTAINABILITY.



Weighting according to production volume.

The share of purchasing volume sourced from audited production partners is more than 90%.

In general, good or very good working conditions were identified in companies that have been audited more than once.

The main challenge remains the payment of living wages.

The **BP** complaint system

BP HAS INTRODUCED AN ON-SITE COMPLAINT MANAGEMENT SYSTEM FOR EMPLOYEES AT ALL OF ITS PRODUCTION PARTNERS.

A notice in the local language detailing the eight **Fair Wear Foundation** principles is displayed in a public place for all employees to read. The notice explains what the employee can do if the company infringes these principles. It gives the telephone number and email address of a local contact person who can be notified in the event of a complaint. This contact person then forwards the complaint, informs both the **Fair Wear Foundation** and **BP** and, in cooperation with the production partner, a solution is found that is acceptable to everyone involved.

BP has not yet received any complaints.

Information and training

Creating fair working conditions starts with a clear and open information policy, as well as intensive training and support.

We inform the **BP** workforce about **Fair Wear Foundation** membership and the associated measures and further developments on a regular basis. **BP** employees who are directly involved in procurement and who visit the production plants were given one day's training by the **Fair Wear Foundation** in summer 2013.

We inform our customers about our collaboration and the progress we have made with the **Fair Wear Foundation** via talks, workshops, podium discussions, trade fairs and all **BP** promotional material.

During visits, we continue to inform and train our production partners about the framework conditions associated with **BP's** membership of the **Fair Wear Foundation**.

How strong does clothing have to be if it isn't to flag after 50 washes?

It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.



How fair does clothing have to be so that I can wear it with conviction?

BP targets for 2014

- Ensure that more than 90% of the **BP** purchasing volume is sourced from audited/monitored production partners. We shall achieve this by carrying out audits of three production partners.
- Together with our production partners, continue to implement all improvement measures derived from the corrective action plans.
- Continue internal and external communication about the importance of our membership of the **Fair Wear Foundation**.

It is the questions and wishes of the people who actually wear our professional clothing that help us to improve, day after day – and that enable us to make that crucial distinction. **BP** – feel the difference.

