



Social Report [January, 2015 – December, 2015]



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Reporting period (financial year)

January, 2015 – December, 2015



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Annex 1: Organisational chart



Summary: goals & achievements 2015

We extended our relationship with our 3 main suppliers.

- We have visited the 3 suppliers twice last year. Where running business and Fair Wear related matters were discussed.
- June 17th 2015 at 1 supplier WEP (Workplace Education Programme) was held.
- November 2015 a FWF audit was performed at 1 main supplier. The follow up of the CAP(s) will be done in 2016.
- November 2015 at 1 other supplier a BSCI audit has been performed. Which we evaluate in 2016. After the evaluation a FWF audit will be planned for 2016 or 2017.

Sourcing goals for 2016

As mentioned last year. We have identified the need to further diversify our supplier base. This has not changed.

Apart from visiting potential new suppliers, we have visited our regular suppliers where running business and Fair Wear related matters were discussed.

Audits and actions on CAP(s)

It still is our policy to gain some experience with a new supplier first, before we perform an audit.

1. Sourcing strategy

1.1. Sourcing strategy & pricing

The buying strategy is unchanged. With the selection process of FWF matters included. The goal was to find 1 or 2 new suppliers that can act as alternative smaller suppliers to our existing suppliers and bring a more even spread in our supplier base and increase leverage.

Comparing to the last 5 years we still see a continuous high pressure on prices. Furthermore we see that the market demands shorter delivery times. This is due to the fact that budget approvals are postponed to the last minute. We don't foresee a positive change on this matter in 2016. Moreover, the economic crisis has hit our market very hard and resulted in a further (drastic) pressure on pricing.

Our policy remains that we will try to limit the amount of suppliers we work with to a certain extend. It is our view that if we want to build a long-term relationship and implement a workable process on the various items of FWF code of conduct, we need to have some volume at each supplier. Also there is a commercial interest why we don't want to spread our volume over too many suppliers.

1.2. Organisation of the sourcing department

A number of employees at the sales department also act as purchaser. They only purchase at the selected factories. Buttonboss has no separate purchasing department. Sourcing and selection of suppliers, as well as the implementation of FWF is not part of their responsibilities. Management and agent performs this task.

1.3. Production cycle

Stock articles: we produce a number of items that we keep on stock in our warehouse. It is our target to keep this in our collection for at least 2 years. Our purchasing is done through forecasts to give the supplier enough space and time for planning its capacity and the purchase of raw materials. Buttonboss and its suppliers commonly aim at a production time of 30 – 40 working days.

Custom-made orders: these orders have a constant flow throughout the year and are sent to our suppliers on a daily/weekly basis.

1.4. Supplier relations

Our selection process is as following:

- Sourcing is done the internet and exhibitions.
- A basic inquiry is sent our per mail. Here we measure the response time and response quality.
- We send the “supplier information form”. Here we ask some basic questions like: company information: address, ownership, management, number of workers employed, minimum wage workers, factory facilities, response time inquiries, standard sampling time and standard production time.
- The next step is sending out the “questionnaire for suppliers of own production”. Here we also give an extensive explanation of the Fair Wear Foundation. With this document the new supplier agrees to co-operate with the process of monitoring and improvement of labour conditions.
- Before placing any order, we visit the factory.
- If the factory visit is to our (and the suppliers) satisfaction, we will start placing orders.
- During the first period of corporation we evaluate on a regular basis. We evaluate internally as well as with the supplier.
- At the moment the relationship gets a structural character, an FWF audit is planned.
- The audit and the corrective action plan is the start of the continuous process of working together with the supplier to improve working conditions.

1.5. Integration monitoring activities and sourcing decisions

We will not place orders with factories that are not clean, or don't have decent work areas. Also, if there is the slightest presumption of child labour, or that we feel there is not enough capacity to produce our orders we will not start any cooperation. With our factory selection process we have a good first tool for making the correct sourcing decisions.

2. Coherent system for monitoring and remediation

2.1. China

We see negative developments both in our market as well as at our suppliers. Due to the economic developments, Europe has become less and less interesting for suppliers and we still face ongoing increases in wages and therefore our costs.

Existing factory A;

The focus with this supplier is on custom-made orders and stock orders. We have visited them and intensively discussed FWF. Also here we see an increased focus on the US market and difficulties regarding flexibility, quality and pricing.

Existing factory B;

We started purchasing from this supplier since mid-2011. Our purchasing volume has increased since then in such a way that they now are our largest supplier. We have visited them and an audit was performed by FWF in December 2015.

They are audited on a very regular basis by other compliance institutes like SA8000. These are requested by their main (US) suppliers and leave little room to implement a different compliance method like Fair Wear.

New factory C;

Started to work with them on a small basis. It is our policy to first gain enough experience with new suppliers before planning an audit. As mentioned earlier. FWF matters has been discussed. An audit will be planned later in 2016 or 2017.

2.2. Factory B/Country B

N/A

2.3. External production

N/A



3. Complaints handling

Buttonboss has a designated person to handle complaints of workers.

- Mattie Haug

Buttonboss has a workflow in place to monitor that the Code of Labour Practices including the contact details of FWFs local complaints handlers is posted in factories where production is made.

In 2015 FWF received no complaints from workers employed in factories producing for Buttonboss. But when we receive a complaint, we will try to solve the problem and open discussion with the supplier. Our agent will visit the supplier when needed.

4. Training and capacity building

4.1. Activities to inform staff members

The complete sales department is aware of our membership and of the Fair Wear Foundation. We have made good progress in this awareness and every day communication about our membership of the Fair Wear Foundation. However, this is an on-going topic and we keep on improving and increasing our internal activities on this matter.

At every customer visit we spent time to explain our FWF membership.

4.2. Activities to inform agents

N/A

4.3. Activities to inform manufacturers and workers

We inform the manufacturers. They inform the workers.



5. Information management

See supplier relations.

After the first audit we will set up a CAP and discuss the outcome and progress during visits.

6. Transparency & communication

In our communication we use the Fair Wear logo:

- On all our printed stationary
- In all emails
- In our Kingcap Brochures
- On our website
- In our visuals
- On our exhibitions

At every customer visit we spent time to explain the FWF code of conduct and our membership.

* Currently, we are selling out our stock with FWF labels.

7. Stakeholder Engagement

N/A

8. Corporate Social Responsibility

We have registered ourselves at SEDEX

We signed the Code of Conduct of PPP (Platform Promotional Products) and EPPA (European promotional products association).

Annex 1: Organizational chart

