



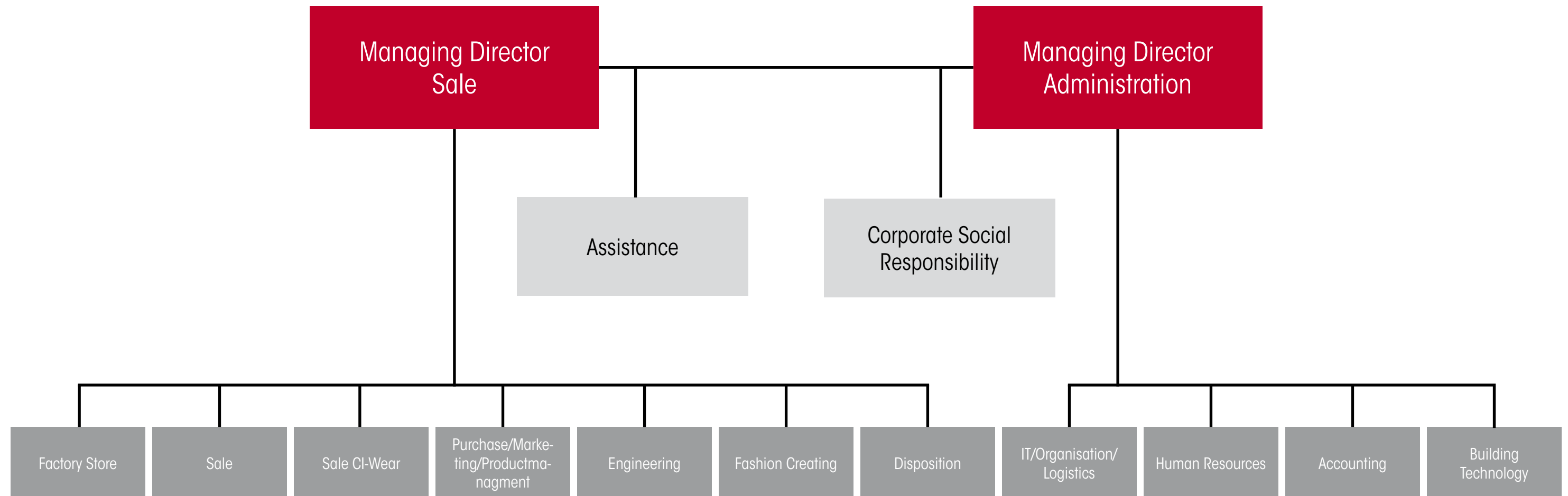
SOCIAL REPORT 2015/16

May 2015 - April 2016
Reporting period (financial year)



GREIFF
SINCE 1802

Corporate structure



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Company Profile

GREIFF is a manufacturer of workwear solutions, especially for the service sector, the hotel sector and catering. GREIFF is an owner-run company, established in 1802 in Greiffenberg and since 1945 based in Bamberg with more than 100 employees today. For over 200 years GREIFF has been focusing on quality, style and tailor-made solutions for its customers.

As a company which is active in the clothing sector, GREIFF has been working with many suppliers around the world for many years

now and enjoys good working relationships based on trust. When GREIFF selects business partners, it is always important that they also value good working conditions for their employees. GREIFF has also spent considerable time examining just how it could implement this objective of good working conditions with even greater success. For this reason, GREIFF joined FAIR WEAR FOUNDATION on 15th March 2015.

GREIFF SUITS.

Summary: goals & achievements 2015

GREIFF wants to achieve an improvement in transparency in the production facilities in term of social conditions. By working with FAIR WEAR FOUNDATION, GREIFF is confident to improve the social conditions in the factories and along the supply chain. 2015 was the first year of membership of FAIR WEAR FOUNDATION. All of our production facilities received the FWF Questionnaire. It was filled in, signed and returned by all to GREIFF. In 2015 GREIFF executed two audits in its production facilities. In September 2015, an FWF audit took place at the production facility in Romania and in October 2015 another FWF audit took place at the production facility in Morocco. In accordance with the factories, GREIFF set a timeline to take measures to follow the Corrective Action Plan (CAP). In order to implement the changes, we have created a list of priorities and discussed it with our pro-

duction facilities. Many changes have been implemented directly and could be proved to us by documents or visual recordings. In May 2016, we visited our factory in Morocco to receive an impression of the changes and to hold discussions with the employees. We are in continuous personal contact with our production facilities. In our discussions, we remember to make the necessary improvements and the importance of this timely implementation.

Sourcing strategy

SOURCING STRATEGY & PRICING

GREIFF is a manufacturer of workwear solutions, especially for the service sector, the hotel sector and catering. Our range is designed specifically for these industries and is shown in our catalogues "Corporate Wear" and "Gastro Moda", which have a term of two years. We also offer workwear solutions for our customers other than the catalogue business.

We divide our purchasing strategy in finished goods and items that we design and let produce ourselves. The first group consists of products that we buy directly from selected suppliers. These are trading goods e. g. our ties and scarfs. The second group of items is produced by active and passive job processing respectively in custom work. GREIFF has no own production facilities.

From our location in Bamberg, we buy and coordinate all fabrics and trimmings, which are stored in Bamberg and then sent to our production sites in the required amounts, for the processing of the garments. The fabrics and trimmings we purchase come from Portugal, Turkey, Germany, Austria, The Netherlands, Hungary, Italy and Belgium. The goods which we buy directly at our suppliers are stored for sale in Bamberg.

Our catalogues have a validity of two years, so it is very important to conclude long-term contracts with our suppliers to ensure the prices over this period. Our collection consists largely of NOS (never out of stock) products. For this reason, a constant quality and constant prices are very important and can only be realized by long-term contracts with our

suppliers. We pay most of our suppliers in euros, therefore currency fluctuations, inflation etc. are the exception. If price adjustments should be necessary, we conduct open discussions with our partners to achieve a fair price for all parties. The constant and very long business relationships with our production facilities would not be possible if the price negotiations would not take place on a partnership and fair level.

ORGANISATION OF THE SOURCING DEPARTMENT

The sourcing department consists of our Technical Manager, the Head of Purchasing and Marketing and the three purchasing agents.

The final decision to send orders to a new manufacturer is made by our technical manager and our head of purchasing, as agreed with the managing partner.

At the beginning of 2016 our purchasing department implemented a supplier management system, this will also be implemented for the production facilities. Our supplier management system consists of a supplier questionnaire and a supplier evaluation. The supplier questionnaire provides general information about the company, the contact persons of each department, the balance sheet values and the specific activities with GREIFF. The supplier evaluation is divided into five topics, these are order processing, customer service, quality, conditions and corporate responsibility.



Sourcing strategy

PRODUCTION CYCLE

Our collections are always valid for a period of two years, because we produce working clothes and corporate fashion. We also produce for projects, but this is always done individually. GREIFF does not have a high or low season, the production quantity of GREIFF is constant over the year in all factories.

As we produce 12 months a year, we give our suppliers a 12 months capacity idea. This is given to our partners every year in December. Last minute changes are very rare. The lead

time with suppliers from Europe and Africa is 10 weeks and from Pakistan and Vietnam the lead time is approximately 16 or 26 weeks depending on the fact if the fabric is available at once or not.

For the factories in Europe and Africa, we buy all fabrics and trimmings and collect these at our stock in Bamberg. After placing a new order we send these by truck to our production facilities.

Sourcing strategy

SUPPLIER RELATIONS

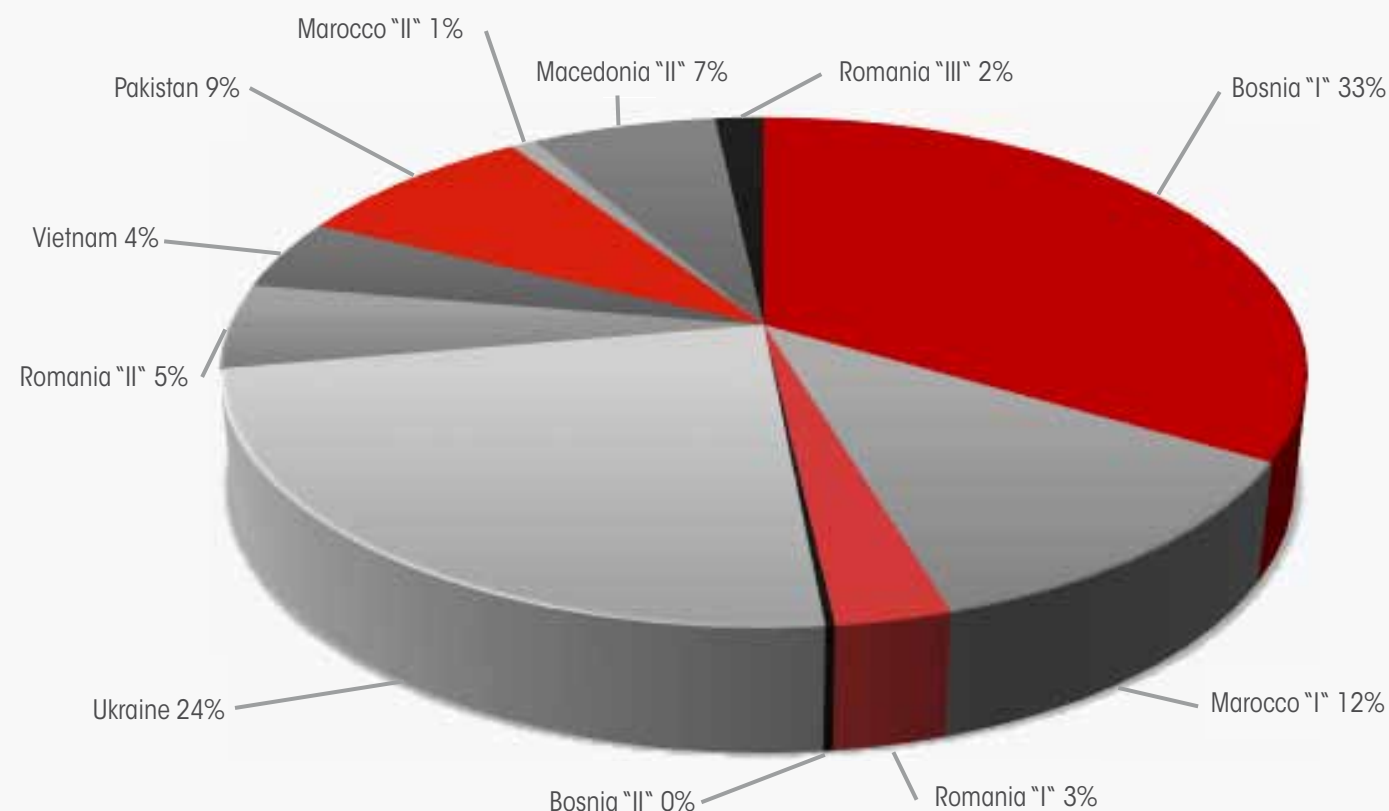
GREIFF has long standing relationships with the suppliers and they are not frequently replaced. In the last year GREIFF did not terminate the relationship with a single supplier and has not selected a new one either.

INTEGRATION MONITORING ACTIVITIES AND SOURCING DECISIONS

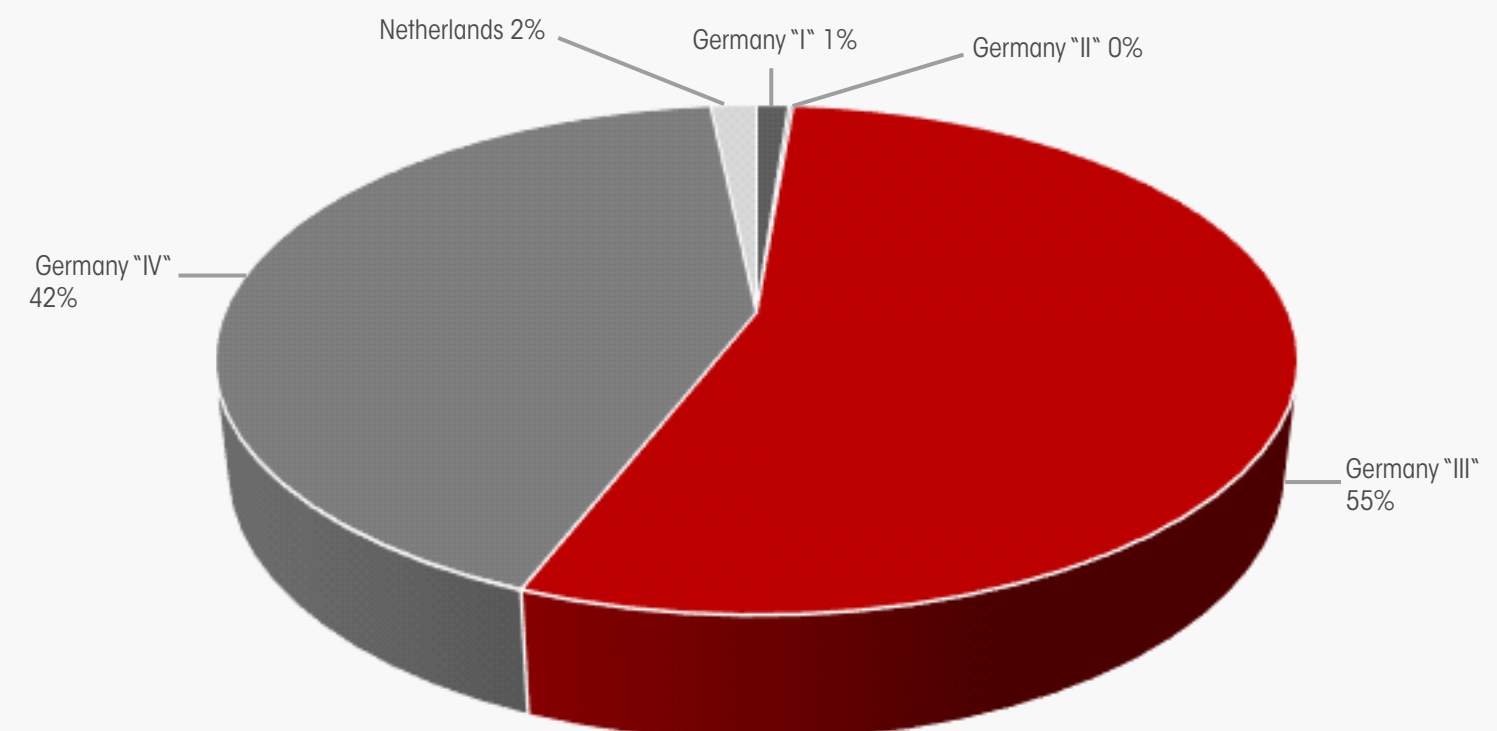
2015 was the first year of Fair Wear Foundation membership. The result of our monitoring activities of the first two audits influenced our sourcing decisions. They have shown that it is

necessary to introduce a control or monitoring system for our production facilities. Now we are planning to work on our management system and improve our risk assessment system. The focus is on the system of FWF and we implement this in our production. We maintain very long-standing relationships with our suppliers and they are not very frequently replaced. We visit each of our suppliers at least once a year and our main production facilities are visited up to three times a year. In addition, we have staff that is permanently responsible for technical supervision in these main production sites. We will contact our case manager to help us implement social standards at the production site.

Order volume 2015 production



Order volume 2015 trading stock



Coherent system for monitoring and remediation

ROMANIA "I"

Factory Romania "I" is a private owned company founded in 1994 with a subsidiary company founded in 1991. Both factories have been working exclusively for GREIFF since 2008. The orders received from GREIFF represent more than 95% of the total production capacity of both factories. GREIFF ensures permanent orders for both factories.

The audit was conducted in September 2015. During the audit all general and financial documents were available and any other legally required register concerning the labour laws and labour situation were available too. Ceilings built of fireproof wood and all windows being replaced are some of the most important improvements in the last years. In 2015 a canteen was created and many new machines were purchased. The factory implemented the quality standard ISO 9000 that helped them to organise and observe the necessary improvements in a better way. The interviewed workers confirmed and appreciated all the improvements that took place in the factory in the last years.

These workers also stated that they were happy with the working conditions in the factory. They said that they are not aware of the existence of a system to improve working conditions. Meetings and discussions between the management and the employees takes place but they are not documented.

GREIFF has divided the issues to be improved into priorities and simultaneously set a timeline for completing the tasks. GREIFF is in constant contact with Romania I. In May 2016 our technical manager visited the factory for personal talks.

MOROCCO „I"

Factory Morocco "I" is a limited company established in August 2012 with 192 employees. The percentage of production capacity for GREIFF per year is 62%. There is a permanent representative of GREIFF in the factory and the technical manager visits the factory twice a year.

The audit was conducted in October 2015, it was the first social audit initiated by both FWF and GREIFF to monitor the labour standards at the production Morocco "I". All improvement actions are decided by the management because the factory is still quite young and it just moved to the new location. There is not yet a monitoring system and no procedures to improve working conditions. The management said that they will wait for the first report to implement the CAP to improve working conditions. There is no enterprise committee. Interviewed workers confirmed that there is no discrimination based on national origin, sex, religion, race, etc. in this company. There is a canteen but it is not well-maintained and not well-equipped. Emergen-

cy exits routes are not marked in all places. The legally-required breastfeeding time for female workers were not paid.

In Morocco "I" many points were criticized and much needs to be improved. For this, GREIFF has set up a priority list that was sent to the factory with the obligation to complete this in periods. It was very positive that many of the tasks were executed immediately. E. g. the canteen and the toilets were completely renewed and renovated very quickly. The breastfeeding hours were given and paid for female workers immediately. In May 2016 our managing partner visited the factory to get an idea of the changes and to interview the staff in personal talks about the improvements.

PAKISTAN

Factory Pakistan is a limited company established in 1986. The percentage of production capacity for GREIFF per year is about 10%. The first year of production for GREIFF was 2011.

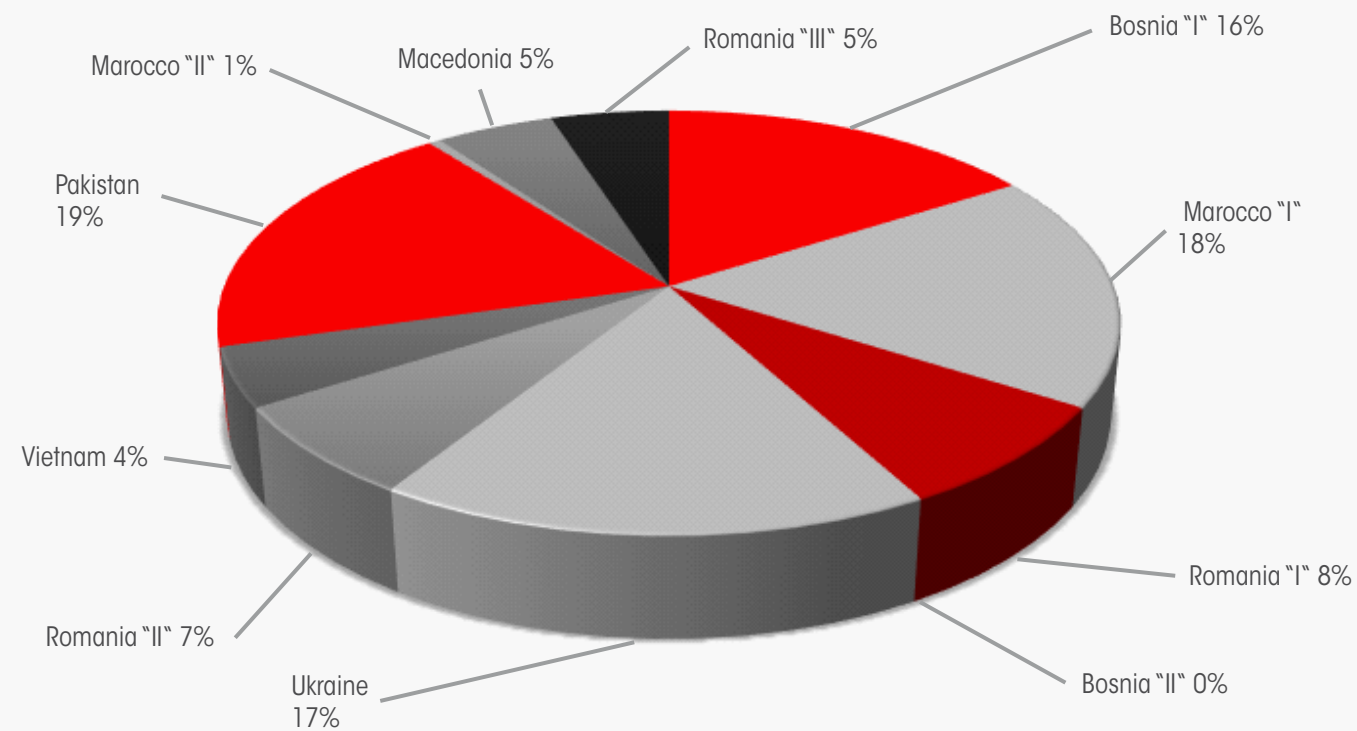
The factory is SA 8000 certified by Bureau Veritas. In this factory in Pakistan another FWF member is also producing. From this FWF member we received all documents and also the comparison of the audit report by Bureau Veritas with FWF Audit Quality Assessment Tool. We will also fill in the FWF Audit Quality Assessment Tool to determine differen-

ces between the two standards. When this is done, we will cooperate with the other FWF member to eliminate these differences. In the last check up of the audit, the electrical wires and the warehouse were criticized. But until the end of 2014 the electrical system was revised and the warehouse tidied up.

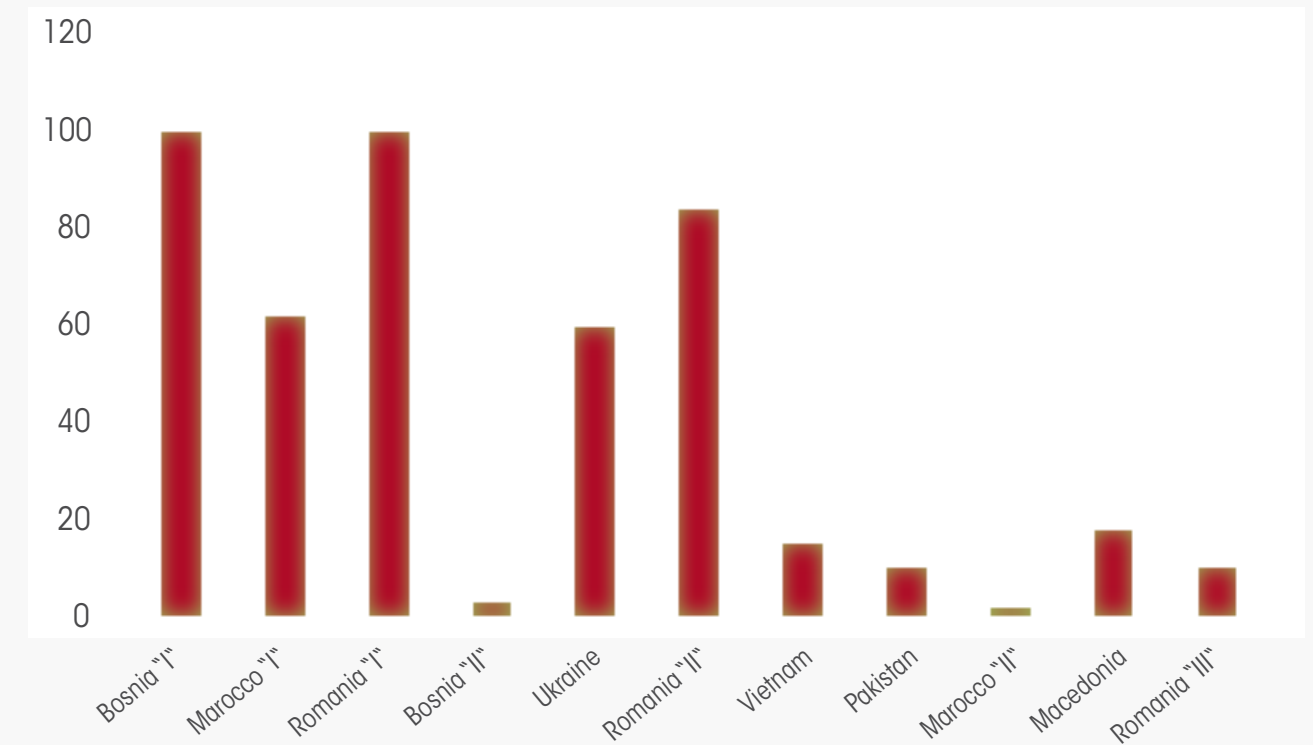
We are in regular contact to improve the working conditions at this factory in Pakistan. Our managing partner and our head of purchasing visited Pakistan in January 2016.

Coherent system for monitoring and remediation

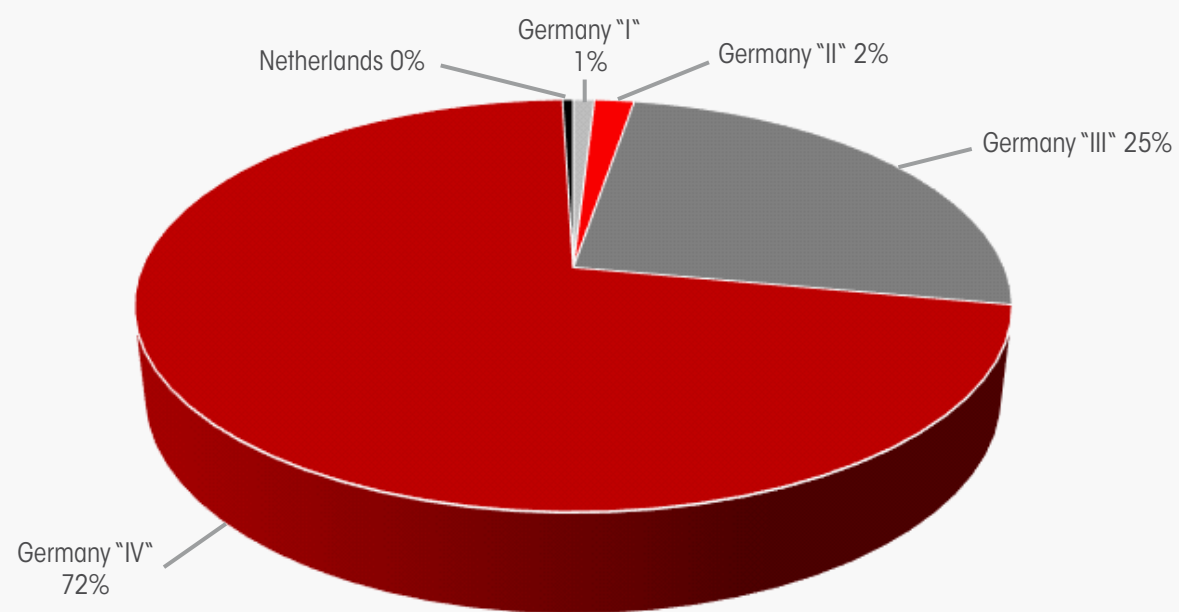
FOB volume in % production



% of production capacity



FOB volume in % trading stock



EXTERNAL PRODUCTION

GREIFF operates in Bamberg a Factory Store where clothes of its own production, as well as a wide range of an additional 60 brands such as Street One, Cecil, Mac, Comma, Gerry Weber, Taifun and for men Mustang, Gardeur, Bugatti, Digel, Wellensteyn and many more are offered. These brands are external producers that supply our Factory Store.

We asked our external producers to fill in the questionnaire and send us some information about Code of Conducts or if they are a member of any other association.

Complaints handling

In all production facilities the Code of Labour Practices is posted in the local language for the employees to read. If we receive a complaint we first talk to our technical manager, he is responsible for the factories. The next step is to contact the management of the manufacturer and discuss the complaint with them. After this we have to find solutions together and we will give the manufacturer a time frame to solve the complaint. FWF needs to decide whether it will open up an investigation or not. The outcome of the investigation will then again be shared with GREIFF again. FWF is responsible for setting up a complaints procedure in production countries where FWF is active. The complaints procedure allows third parties to make complaints about the working conditions or the way the Code of Labour Practices is implemented in factories which supplies FWF members.

The responsibility of FWF includes investigating the complaint, verifying whether the agreed corrective action plan is implemented and public reporting. This complaint report gives an overview of a complaint filed to FWF, the investigation and agreed corrective action plan as well as how the outcome is verified. For more information on the complaints procedure see the FWF website. FWF also publishes an overview of complaints received in its annual reports on FWF website.

Training and capacity building

ACTIVITIES TO INFORM STAFF MEMBERS

The employee is informed either by the respective department head in department meetings or personally, so each employee can ask questions. GREIFF provides information on FWF membership in the intranet and in internal meetings. In the relevant departments in addition to FWF membership, training is conducted. GREIFF participated in the annual stakeholder meeting and will visit this again in October 2016.

ACTIVITIES TO INFORM AGENTS

Agents are informed of FWF membership through the Code of Labour Practices, the model letter and the questionnaire. Our agents are informed by us about all the activities with FWF. The CAP will be given to the agents to follow up. GREIFF has two agencies, they are responsible for Vietnam and Macedonia. We are in very close contact with our agents so we inform them in personal conversations.

ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

Manufacturers are informed about the Code of Labour Practices and FWF membership through the model letter and questionnaire. According to FWF procedures, an information sheet for workers including the Code of Labour Practices and the contact details of the person who deals with complaints are posted in the supplying factories.

Information management

Through our membership in the FWF we are in a continuous improvement process, all our activities are documented by this and can be tracked at any time. The CoLPs is posted in most of our production facilities and we received pictures from the factories. GREIFF will be verified during the visits that

the CoLPs is posted in all production facilities. Any new production facilities has the FWF Questionnaire fill and on our visit the basic health & safety check also filled. We ask already carried out audits and make a personal impression on site.

Transparency & communication

On our website we inform about FWF membership. All our customers received a mailing with information on this membership. GREIFF has created a CSR brochure in which we also inform about our membership of FWF. At the A+A exhibition in Düsseldorf that was held October 17th October to 20th 2015 we also communicated our membership. GREIFF is following the FWF Communications Guide for communicating about its membership.

Stakeholder Engagement

GREIFF is a member of "The Partnership for Sustainable Textiles". The Textiles partnership was established on 16th October 2014. The multi-stakeholder initiative, comprising textile and clothing industry, retailers, trade unions and civil society, will pool the strength and expertise of its members in order to bring about social, ecological and economic improvements all along the textile supply chain. In so doing, the Textiles Partnership aims to tackle common challenges more effectively, exploit synergies through joint projects on the ground, learn from one another and thus improve underlying conditions in the producer countries.

GREIFF is a founding member of the "Max-Tex Association". MaxTex is an informal national association of companies which stand for sustainability in the textile chain. Sustainability is to be reflected in the entire product spectrum of the textile industry.

Corporate Social Responsibility

With GREIFF, corporate values do not only exist on paper, they are actually lived by every day for the good of man and the environment. This philosophy defines our company and is expressed in both our high standards of quality and service as well as our focus on details. Each and every employee contributes to our success. We are a reliable partner and go with agreements reached by responsibly. When selecting our business partners, we are in a process to ensure the observance of human rights and international social standards. We deal with all resources in a responsible way, if possible, we take recycled and environmentally friendly materials and separate our waste.





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