



ANNA VAN TOOR

www.annavantoor.nl
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Summary: goals & achievements 2015

This was our third year of membership of Fair Wear Foundation. We decided to become 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 good. The second is only possible when products are made fairly and that is what we want to guarantee our consumers."*

Below we present what we did in 2015 to further implement the FWF Code of Labour Practices¹ in our supply chain:

- ☐ We informed our **new suppliers, agents** and **employees** of our FWF Membership and convinced them to cooperate with us in realizing good work environments for all employees.
- ☐ In 2015 we have monitored 83% of our **supply chain**, which means that from the start of our membership in 2013 till 2015 83% of our factories were visited and checked by our agents, Fair Wear Foundations or by ourselves.
- ☐ Our **suppliers** were informed of our membership according to the protocol. They were asked to fill in a questionnaire and to resend a picture of the Code of Labour Practices in the workplace.
- ☐ **Colleagues** were kept up-to-date during our employee Fashion Shows in February and August. They were informed about the audits we have organized and our new goals concerning Fair Wear.
- ☐ **Customers** were informed of our membership by Facebook, Twitter, Instagram and the Blog. In all the consumer brochures we add the Fair Wear Foundation membership logo.
- ☐ We have organized training for our **agents** about their possibilities to improve the labour conditions in the factories.

Relevance for the organization of improving labour conditions

"As we strive for a good work-environment for our employees at home, employees who make our products in the factories should deserve the same. With the help of Fair Wear Foundations we are trying to realize that. Good circumstances and respect for each other that should be the goal, wherever in the world." – Jan Paul & Chantelle van Toor

Key events and achievements related to social compliance

¹ The **Code of Labour Practices** is based on the conventions of the International Labour Organisation (ILO) and the Universal Declaration on Human Rights and consists of the following rules: (1) Employment is freely chosen (2) There is no discrimination in employment (3) No exploitation of child labour (4) Freedom of association and the right to collective bargaining (5) Payment of a living wage (6) No excessive working hours (7) Safe and healthy working conditions and (8) Legally-binding employment relationships.

During the year we have organized several events for consumers and colleagues where they were given a present which is Fair-made. Examples of presents are: Christmas leather bag, Anna-clutch at Anna-event and leather key ring.

1. Sourcing strategy

1.1 Sourcing strategy & pricing

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 the 28 Anna van Toor stores and at a fine selection of other retailers in The Netherlands. Also they are informed about our membership.

1.2 Organisation of the sourcing department

Our styling and production department are working four to twelve months ahead. The Anna and Anna Blue collection and ordering takes place during the entire year. Every month new orders are placed, so that the order rhythm is well spread and factories do not have to deal with high peak moments. For Anna and Anna Blue, we are always designing and ordering one season ahead.

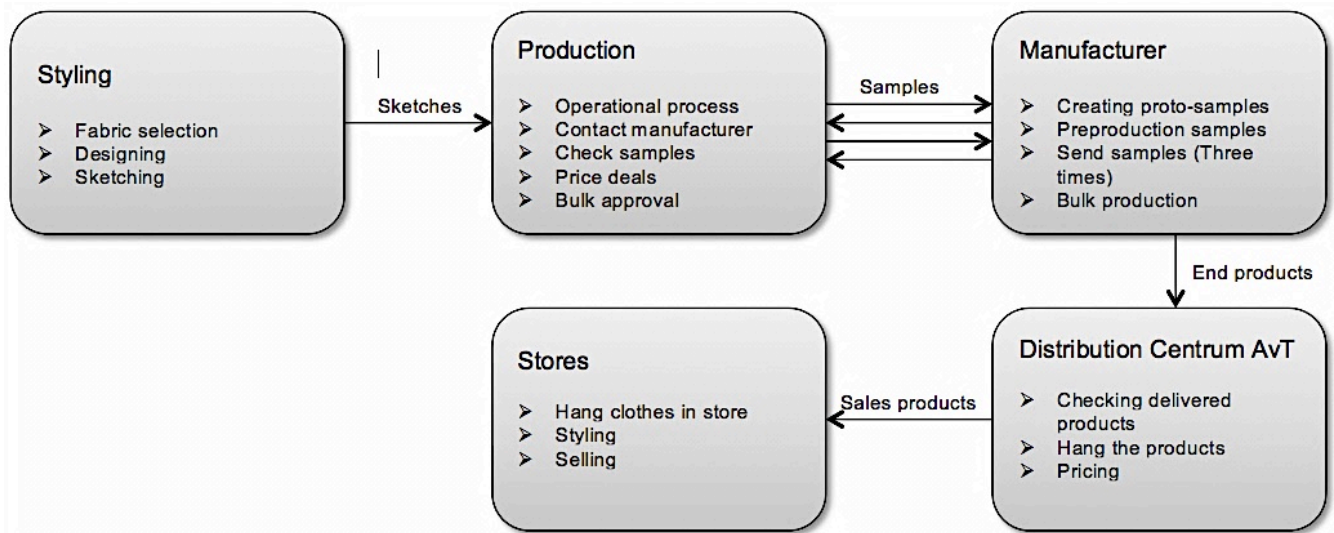
Styling and production work closely together in selecting the supplier for the product. Our product managers all have different contacts and different specialties, based on the qualities of the fabrics and the countries they are produced in. It depends on the qualities of a design (woven, leather, etc.)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

Anna van Toor highly values long-term relationships with her 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 Foundation, 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, lead times and partnership.

1.3 Production cycle



1.4 Supplier relations

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

We have 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.

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.

1.5 Integration monitoring activities and sourcing decisions

We monitor the production process by formal audits and by following up on the corrective action plan (CAP). 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 and make pictures of their visit. 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.

We decided to strive to source mainly in Europe, as it is more feasible to visit these factories regularly. Monitoring is more difficult when we do not visit the factories and that was also the main reason we have organized training for our agents.

An example of how supplier code performance was connected with sourcing decisions is when we were looking for a new jeans supplier. We found one through a fabric supplier, who told us that the factory was trustworthy and save. In addition, turned out that the factory was already working for a FWF member, which gave us more confidence to collaborate with this factory. Now we are starting to make our first samples here. If the cooperation is good and they follow up on the requested criteria we will start new business. Furthermore when a factory has BSCI papers we also have more trust and start more easily a new business relation.

Normally we only source a new factory when:

- We do not have a supplier in that product category
- Another supplier is making productions that do not fit our quality requirements
- When we want to start short-term collections and it is therefore necessary to produce in Europe

When a Fair Wear audit shows that the circumstances are not acceptable, we start with improving the situation instead of changing to another supplier, because we want to take our responsibility at the factories we cooperate with.

2. Coherent system for monitoring and remediation

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.

2.1 Suppliers own brand

2.1.1 China

We selected the factories with the biggest order amounts to audit. Most of the findings were good. Off course we also have to improve some points. We asked for pictures as proof. For example gloves at the cutting table. We asked our agents to check the situation too,

when they will visit them. The wages were above minimum. Living wages are not checked yet.

2.1.2 Italy

Craftsmen in Italy make our shoes and bags. We work closely together with several agents. We do not source directly with the supplier in Italy. The agents are in good contact with the supplier and visit them often. They were cooperative in filling in the questionnaire and sending back a photo of the posted CoLP.

2.1.3 Madagascar

For specific garment types, we source from a supplier in Madagascar. Their work is great in terms of craftsmanship, timeliness and quality. Especially they are making very good-quality knitwear. The factory is BSCI registered, so he has shown to know the correct working standards.

2.1.4 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. For example we visited 2013 and 2014 the factories and this year we will try to visit them again.

2.1.5 Portugal

Anna van Toor has a good relationship with our suppliers and agents in Portugal. Our product managers visit them approximately four times a year and the work environment, employees and facilities in the factories look really good. About living wages, we will organize a living wage audit this year.

2.1.6 Turkey

We have a positive, long-term relationship with one of our agents and suppliers in Turkey. The contact thus far has been positive. The factory is audited for the second time since our membership and we are now following up their Corrective Action Plan. Although this factory is good organized and take care of their employees. Furthermore, we did a formal audit at their subcontractor. We have collaboration with another brand that produces also at this manufacturer and together we follow up the Corrective Action Plan. This means we try to make improvements in this factory where this is necessary.

2.2 External production

In the stores of Anna van Toor there are several other brands offered. 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.

3. Complaints handling

If complaints are filed 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. Fair Wear will make a remediation plan, who is supervised and controlled by us. We will take the responsibility to find a solution to the problem that is supported by Fair Wear. When suppliers are not taking action, 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 was not applicable in 2015. We have the experience that all suppliers are willing to improve situations where necessary.

4. Training and capacity building

4.1 Activities to inform staff members

In 2015 affiliates of FWF have given training to our production department about best ways to communicate with manufacturers about labour conditions and how to make improvements in the factories. Five production managers have joined training and said that they understand the goals of FWF better after joining this training.

4.2 Activities to inform agents

At the end of 2015 we have organized training for our agents at the office of Anna van Toor. Especially for us agents are very important, since they are often the contact person between our manufactories and us. They visit the factories regularly and so they are in closer contact with them. Therefore we believe that their impact could be very big, which was the main reason to organize training in collaboration with Fair Wear Foundations for them. The training was about informing agents about their role in improving labour conditions in factories by:

- Watching a part of the movie 'The true cost'
- Presentation of Fair Wear Foundations
- Having discussions with the three parties (AvT, FWF, Agents)
- Doing real-life business cases to better understand how to act in difficult situations

Link to blog-post: www.annavantoor.nl/inspiratie/blog (Dutch)



4.3 Activities to inform manufacturers and workers

In 2015 we have organized a Workers Education Program for one of our manufacturers in China in collaboration with FWF.

Furthermore we put a lot of effort in starting the living-wage analysis at manufacturers, which is to monitor employees' wages and to inform factories about living wages. Unfortunately we could actually start with the first analysis in 2016.

5. Information management

All the information, pictures and questionnaires we have received the last years are saved at computers in the office. Furthermore the online system at FWF webpage is the main tool to keep the overview of our factories. When the production department starts collaboration with a new supplier, this supplier is directly added to the online system.

In 2014 we put a lot of effort in identifying all subcontractors where the factories are working with. That was really useful and has increased our awareness of how the factories are structured. In 2015

we still keep this information up-to-date and when we start collaboration with a new factory we directly ask for subcontractors they are working with.

Sometimes during an audit we discover that our data are incorrect and we start directly with gathering information and completing the missing details.

6. Transparency & communication

6.1 Offline communication to consumer – Brochures



6.2 Online communication to consumers – Social Media



6.3 Communication to colleagues – Fashion show colleagues

During the Fashion shows for colleagues Chantelle is explaining always the development related to Fair Wear Foundation. For example: "Nowadays most of the Anna-collection is produced in

Europe, therefore we have the possibility to visit the factories more often and to control the circumstances for employees in these factories.”

7. Stakeholder Engagement

Until now it was not necessary to collaborate with stakeholders as trade unions or NGOs. The cooperation with Fair Wear Foundations is valuable enough to improve circumstances at our suppliers. In case of a difficult situation it is good to have the possibility to discuss with another party, which is FWF for Anna van Toor.

8. Corporate Social Responsibility

From several AMFI and University students we got the question how valuable it was to collaborate with an organization as Fair Wear Foundation. They asked us to explain our experience of collaborating with an external party and if it has improved our overall CSR-activities. We helped them with answering their questions, which increased students’ understanding of the importance of these activities for fashion companies.