



**SOCIAL REPORT 2016**



# CONTENTS.

- 3 PREFACE
- 4 MANAGEMENT SUMMARY
- 5 COLLABORATION
- 6 PRICING
- 7 SELECTING NEW PRODUCTION PARTNERS
- 8 **BP** AND ITS PRODUCTS
- 9 PRODUCTION PLANNING
- 10 AUDIT RESULTS 2016 AND STATUS OF THE IMPROVEMENT MEASURES
- 21 COMPLAINT SYSTEM
- 22 INFORMATION AND TRAINING
- 23 STAKEHOLDER COMMITMENT
- 24 MANAGEMENT SYSTEM

“DAD SAID: “GO TO VETRA,  
IT’S THE BEST COMPANY.”  
DAD WAS RIGHT.



KHAOULA, 21 YEARS OLD  
4 YEARS AT VETRA  
PREVIOUSLY TRAINEE, NOW SEAMSTRESS



“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

JUST A FEW WORDS.

## Preface.

Dear Reader,

As a family business, sustainability is extremely important to BP. Our aim is to continue to improve working conditions at our international production partners. We are motivated by the fact that, this year, BP has been awarded the “Leader” status for the third time in succession. Each year, the FAIR WEAR FOUNDATION awards this distinction to members who meet, in a particularly exemplary way, the requirements of the FAIR WEAR FOUNDATION with regard to fair working conditions and are already operating at a progressive level.

We are pleased to report on two best-practice examples from our Vetra plant in Tunisia. In October 2016, female doctors from the local department of health visited Vetra and talked to female employees about the early detection of breast cancer. Screening tests were also carried out. Several women showed signs indicating a serious illness that will require further investigation and this confirms just how important screening tests are. In addition, it was agreed that, in future, pregnant employees will be offered a free weekly check-up.

In November 2016, female employees received further training, this time about domestic violence. A psychologist discussed women’s rights, showed possible solutions and named people to whom women could talk.

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. It is going to take a lot of work, in-depth discussions and mediation in order to reconcile interests before this requirement is met at all our production partners. BP has decided to take part in the Living Wage Incubator Project of the FAIR WEAR FOUNDATION in 2017. The project will take place in collaboration with our Vetra plant in Tunisia.

In 2017, we will continue to work on improving social standards. Today, we should like to thank everyone who plays a part in the manufacture of BP work clothing.



Harald Goost



Matthias Goost

Managing Directors



# THE BASICS.

## Management summary.

In 2016, the cooperation with the FAIR WEAR FOUNDATION was a key part of our sustainability activities. The focus was on making further improvements to working conditions and training our clothing manufacturers. FWF audited five of our production partners. The audits revealed a particular need for action with regard to optimising dialogue between management and employees in the plants, introducing an active complaint system and improving occupational health and safety. The share of purchasing volume sourced from audited suppliers remains more than 90%.

Promoting competence and developing expertise are essential if employees are to be aware of their rights and obligations. At our Macedonian partner, experts of the FAIR WEAR FOUNDATION provided training for some of the workforce – both managers and employees. In addition to improving communication between employees and management, the training covered employment law and occupational health and safety. Furthermore, the targets and responsibilities of the FAIR WEAR FOUNDATION and the complaints procedure were explained.

The number of complaints we received in 2016 shows the extent to which the many years of work with the FAIR WEAR FOUNDATION is now bearing fruit. Employees are increasingly aware of their rights and are both exercising and demanding these rights. It is noticeable that we often receive complaints just after an audit has been carried out. After extensive investigations with all those involved, two complaints regarding unfair dismissal were resolved. The investigations revealed that statutory guidelines had been upheld. Another complaint about overtime, work pressure and a lack of transparency with regard to payrolls was investigated in collaboration with two other FWM members. The complaint was resolved in February 2017 and was proven to be unsubstantiated.

BP joined the Partnership for Sustainable Textiles in June 2015. The aim of the Textile Partnership is to pool the strength and expertise of its members in order to bring about continuous social, ecological and economic improvements all along the textile supply chain. As part of the Textile Partnership, we are committed to the Social Standards work group and, by means of intensive dialogue with our stakeholders, are gradually working towards achieving sustainable goals. In order to achieve these goals, in 2016, indicators and requirements were established and companies will be measured against these.

Since 2016, we have been cooperating with Fairtrade and taking part in the Cotton Program. Last year, 5% of the total demand was met by Fairtrade-certified cotton. In 2017, BP will increase this to 10%.





SUCCESSFUL  
TOGETHER.



## 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. More than 70% of our manufactured goods are sourced from partners with which we have been working for more than ten 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. ” 5

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.

“ I LIKE WORKING FOR VETRA BECAUSE, EVEN AS AN APPRENTICE, I WAS ABLE TO WORK IN THE SMALL-VOLUME PRODUCTION GROUP AND SEW COMPLETE GARMENTS.



EMMA, 20 YEARS OLD  
4 YEARS AT VETRA,  
SMALL-VOLUME PRODUCTION GROUP

\* Weighting in accordance with production volume





ADDED  
VALUE.



## 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.

BP regularly checks the wages that all suppliers are paying and compares these with the minimum and the living wage. Audit reports and the wage data of the FAIR WEAR FOUNDATION provide the basis for this.

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. It is going to take a lot of work, in-depth discussions and mediation in order to reconcile interests before this requirement is met at all our production partners.

“ I STARTED WORKING FOR VETRA AS A YOUNG WOMAN. AT THAT TIME, THERE WEREN'T MANY COMPANIES IN MATEUR. A LOT OF NEW COMPANIES NO LONGER EXIST NOW, BUT VETRA IS STILL GOING. MANY OF MY COLLEAGUES HAVE ALSO BEEN AT VETRA FOR MORE THAN 20 YEARS. WE ARE ONE BIG FAMILY.



LATIFA, 42 YEARS OLD  
AT VETRA FROM THE BEGINNING  
CUTTING DEPARTMENT





# CREATING PARTNERS.



## Selecting new production partners.

### ALL SUPPLIERS SIGN THE CODE OF LABOUR PRACTICES OF THE FAIR WAIR FOUNDATION.

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.

Our employees from production and – if necessary – purchasing always visit potential new production sites. In addition to criteria relevant to production, they also gather information about the state of the building, any audits performed, occupational health and safety and subcontractors. The relevant employees have received the necessary training for this.

Management makes the final decision regarding collaboration with a potential supplier.

BP prefers direct cooperation with production partners, even if it employs the services of agencies. The latter is mainly due to language barriers. In this case, the agency handles the administrative part of the production orders and forwards information to the company.

“ I’VE LEARNED ALL I KNOW ABOUT MY WORK AT VETRA. I LIKE EVERY-ONE AND EVERYONE LIKES ME.

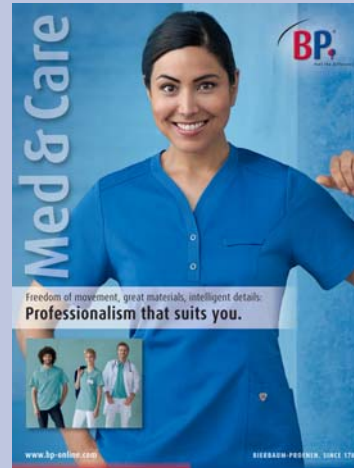


MONCEF, 41 YEARS OLD  
20 YEARS AT VETRA,  
ASSISTANT MECHANIC



## 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.



## BP Med & Care®

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

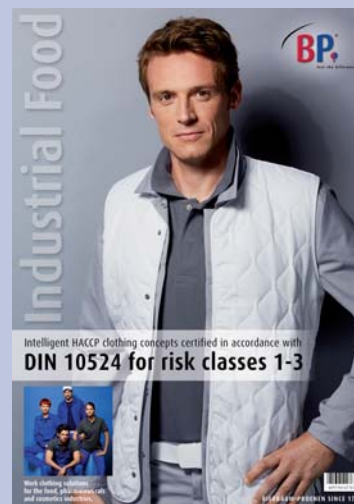
## BPprotected®

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



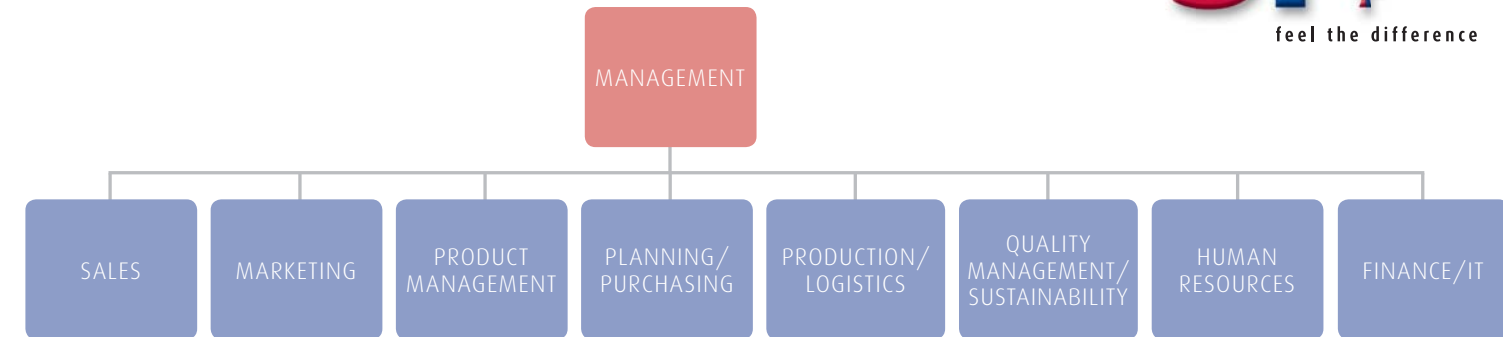
## BP Gourmet®

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.



## 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 18 factories. In addition to the sample sewing department in Cologne and our own factory in Tunisia, we have 16 partner companies. Our main suppliers are located in Macedonia, Tunisia, Turkey, Armenia, Pakistan, China and Vietnam. Accessories are manufactured at production sites in Germany, Poland, Romania and Bangladesh.

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

# WORKING ENVIRONMENTS.





# PRODUCTION PLANNING.

## Production planning.

### JOINT PLANNING AIMS TO PREVENT OVERTIME AND TO SECURE JOBS.

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 work clothing. This is why our products have a service life of up to ten years and more.

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.

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

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.

In order to meet our customers' short-term demands, the materials warehouses at some suppliers were expanded considerably in 2015. This saves time for transporting materials to the clothing manufacturer and as a result, overtime is not necessary in order to meet urgent customer deadlines.

“WHAT I LIKE ABOUT VETRA IS THAT, UNLIKE IN OTHER COMPANIES, I DON'T ALWAYS DO THE SAME THING.



ABDERAZZAK, 27 YEARS OLD  
2 YEARS AT VETRA,  
SEWING DEPARTMENT





# GETTING RESULTS.

## Audit results and status of the improvement measures.

REGULAR AUDITS AND THE DEVELOPMENT OF CORRECTIVE ACTION PLANS HELP IN THE CONTINUOUS IMPROVEMENT OF WORKING CONDITIONS.

The managing directors, upper management and other BP employees from the quality assurance, planning and product management departments pay regular visits to all suppliers that manufacture a considerable proportion of our clothing. Not only are organisational and technical production issues discussed but also all relevant items regarding improving socially-acceptable and fair working conditions. The results are documented in travel reports.

Collaboration with production partners is also discussed at internal meetings. The management and the relevant employees are informed about the results of audits and other measures.

We assess our main suppliers on a regular basis according to various criteria, such as degree of quality, reliability, on-time delivery and also sustainability. The assessments provide the basis for deciding the scope and course of the collaboration.

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 not paid at any 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.





MIRIAM, 17 YEARS OLD, TRAINEE  
1 1/2 YEARS AT VETRA

“ I LIKE SEWING. I LIKE VETRA.  
LOTS OF MY FAMILY AND FRIENDS  
ALSO WORK HERE.

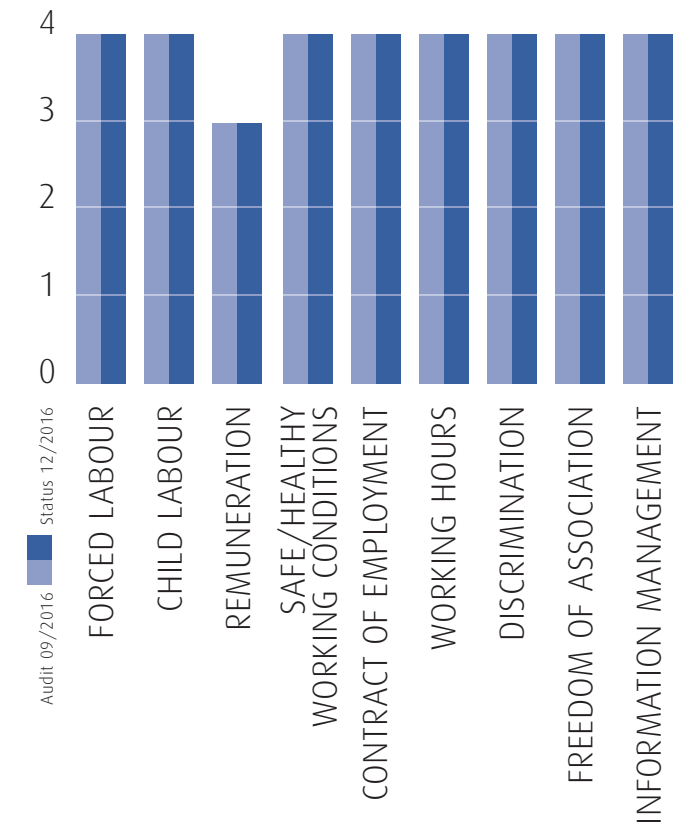


# BP IN TUNISIA.

OUR OWN **VETRA** PLANT



## 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 in small production batches. Vetra delivers a particularly high performance in terms of flexibility, quality and efficiency. With its committed, well-trained employees, 40% of which have been working for the company for more than 15 years, Vetra has become an important leading expert for our company.

For example, our employees from Cologne working in the development department and our field technicians 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 in 2010, 2013 and 2016. Compared with the 2013 audit, clear improvements in working conditions were identified. Work is currently being carried out on the CAP (corrective action plan) of the 2016 audit. BP and Vetra are taking part in the FWF project Living Wage Incubator. This project is aimed at creating greater transparency with regard to the cost of living of employees. It should encourage the development of ideas about how to increase existing wages or how to reduce the cost of living.

We are pleased to report on two best-practice examples from our own plant in Tunisia.

In October 2016, female doctors from the local department of health visited Vetra and talked to female employees about the early detection of breast cancer. Screening tests were also carried out. As there is still room for improvement in the medical care available in Tunisia, this makes an important contribution to maintaining the good health of our employees. In addition, it was agreed that, in future, pregnant employees will be offered a free weekly check-up.

In November 2016, female employees received further training, this time about domestic violence. A psychologist discussed women's rights, showed possible solutions and named people to whom women could talk.

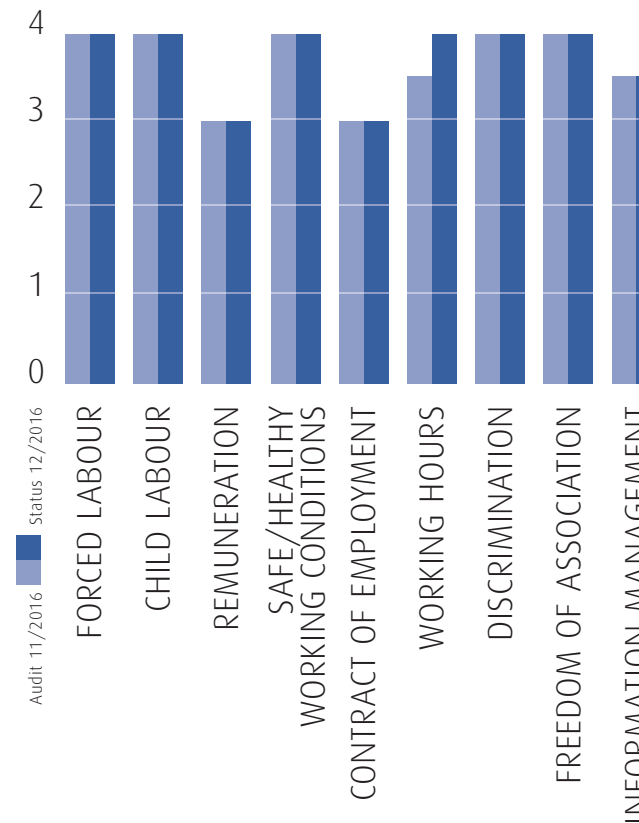


# BP IN TUNISIA.

PRODUCTION PARTNER 2



## AUDIT OF OUR TUNISIAN PRODUCTION PARTNER 2



After an audit in June 2015, the supplier with which we have been working since 2014 was again audited in November 2016 by the FWF after a complaint received from an employee in July 2016 regarding unfair dismissal. After extensive investigations, the complaint was proven to be unsubstantiated and the dismissal justified.

We were very pleased that the company has made a significant improvement in working conditions since the last audit in June 2015. The FWF recommends that the clothing manufacturer continues to strengthen the ongoing dialogue between management and employee representatives.

Another non-conformance identified was that trainees were not given the required additional half-day holiday each month. This was rectified with immediate effect.

We have an ongoing dialogue with our supplier in order to work through open items on the corrective action plan and find solutions.

One challenge is the fixed-term contracts of up to four years that are allowed in Tunisia. The employment then becomes permanent and it is virtually impossible to give an employee notice. As the absence rate then often increases, lots of companies employ agency staff, i.e. there is only an indirect employment relationship. Although this procedure is legitimate, a permanent position would be desirable. This company also employs more than 90% agency staff and has been doing so for many years. As a result, there is no elected employee representation as there is no obligation for agency staff to elect a representative. Our managing directors discussed this problem with the owner. A short-term change is impossible but we will remain in dialogue with them.

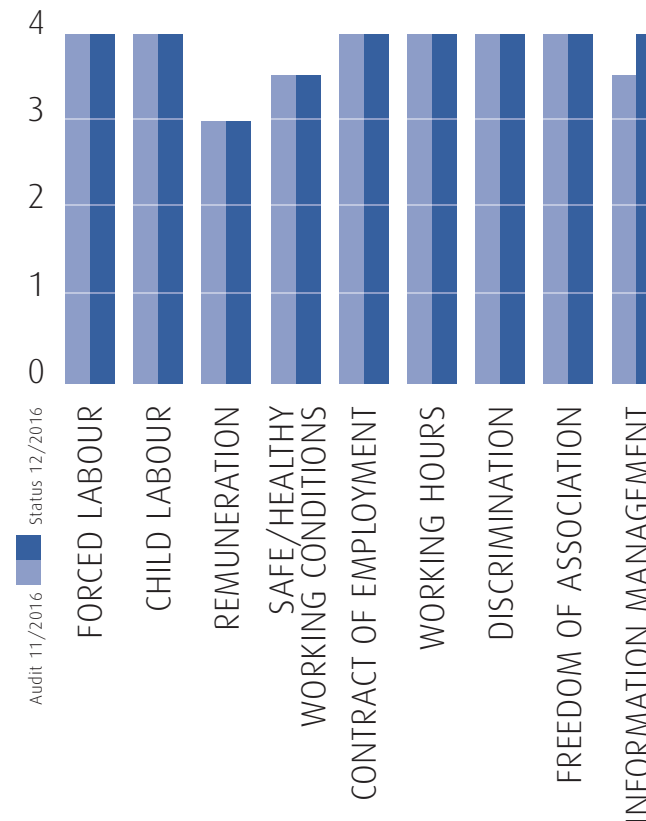


# BP IN MACEDONIA.

PRODUCTION PARTNER 1



## AUDIT OF OUR MACEDONIAN PRODUCTION PARTNER 1



We have been working with our Macedonian partner since 2002. During this time, thanks to regular visits by both parties, we have developed a strong and trusting partnership. We very much appreciate the fact that the demanding BP quality promise is being met here with a high level of reliability.

In November 2016, this plant was audited for the third time by the FWF. As in previous audits, very good working conditions were identified. Due to a lack of skilled workers in clothing manufacture, our partner is having great difficulties recruiting trained staff. New employees are trained internally. Furthermore, this supplier offers partial scholarships for trainees and students. Unfortunately, there have been no takers to date. In order to spare employees from a remote village long journeys to and from work, our clothing manufacturer opened a small, additional production site where these employees live. All processes (management system, monitoring, complaint system, works council) that apply for the main factory also apply for this site, which was audited in November 2016. Non-conformances were identified in the area Safe and Healthy Working Conditions and these are currently being resolved.

In order to include employees in the communication between management and the works council at the main factory, the FWF recommends that an employee from the new production site be elected to the works council.

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. The works council played an active role in the audit by being present at the final meeting.

In 2015, BP made contact with another customer of this production partner and agreed a future collaboration. This means that audits can be conducted together with the other customer, which greatly reduces the associated workload for this production site.

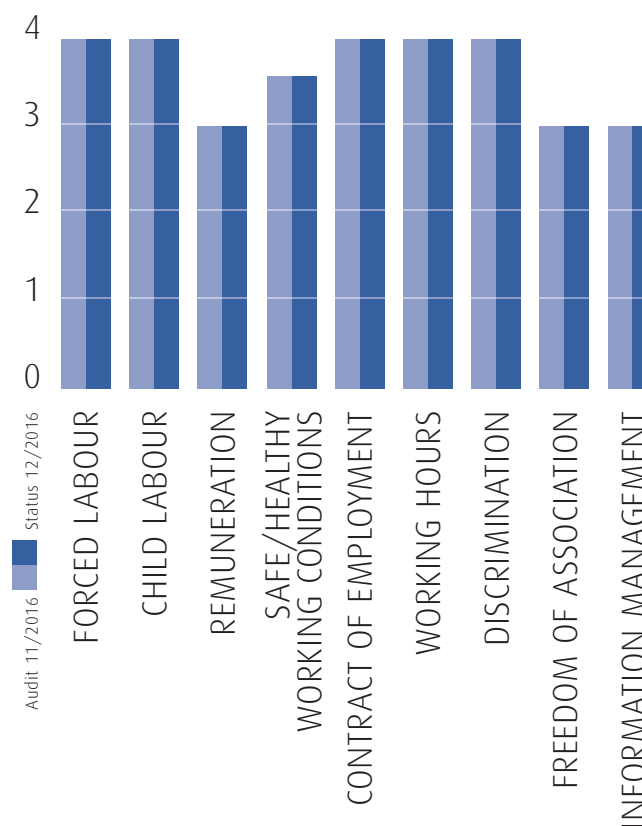




# BP IN MACEDONIA.

PRODUCTION PARTNER 2

## AUDIT OF OUR MACEDONIAN PRODUCTION PARTNER 2



In summer 2016, our second production partner in Macedonia moved to a new production site. The FWF audited this company in November 2016. It still has a few challenges ahead, as confirmed by the audit. For example, there is no systematic approach to improving working conditions and no complaints procedure for employees. There were non-conformances in the area Safe and Healthy Working Conditions, which will be resolved as soon as possible. Thanks to regular visits by our technician, the company is monitored and supported in implementing improvement measures. We continue to talk and will gradually improve working conditions together.

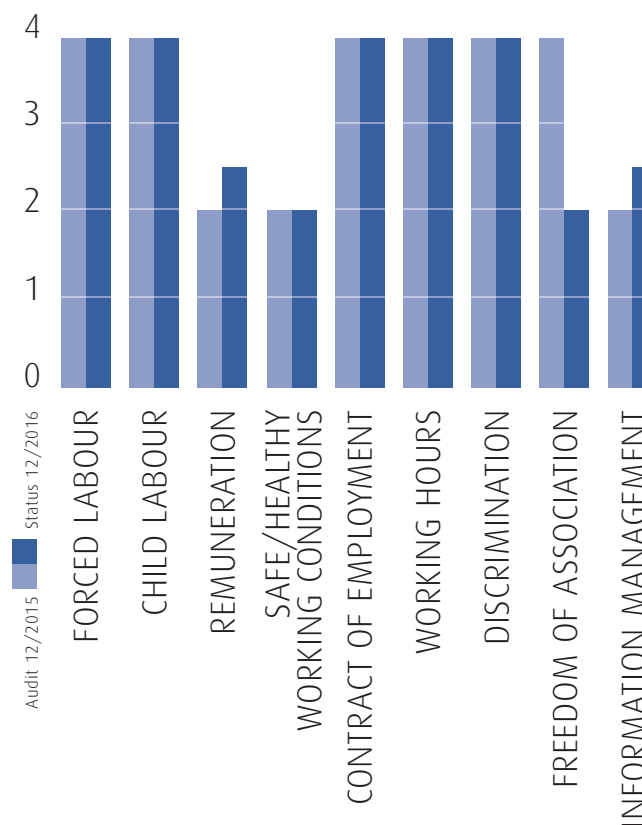




# BP IN MACEDONIA.

PRODUCTION PARTNER 3

## AUDIT OF OUR MACEDONIAN PRODUCTION PARTNER 3



In December 2015, a social audit was performed at another Macedonian partner company with which we have now been collaborating for three years.

BP received the audit report in January 2016 and, together with the company, drew up a schedule for the necessary corrective measures. Some of the issues were resolved in 2016, however, there is still a lot of work to be done with this producer. The fact that there is no works council is a cause of great concern for us. In order to support our production partner, the FWF provided employee training in September 2016. This addressed the issue of improving communication between employees and management. Employees were informed about their rights and duties, as well as occupational health and safety. The aims and responsibilities of the FAIR WEAR FOUNDATION and the complaint system were explained. The training provides a good basis for promoting dialogue between employees and management. Those who took part in the training were motivated to work on these issues. BP will be monitoring progress.

The lack of a works council also helps to explain why the area Freedom of Association has deteriorated in the diagram.

Furthermore, important measures, such as interior and exterior building renovations, have not yet been implemented. The conditions for a safe and healthy working environment are not satisfactory and, despite corrective action after the 2015 FWF audit, they were again shown to be wanting in an audit performed by a third party in May 2016.

After a three-year cooperation, these results are rather disappointing for us and we are currently looking for solutions and possibilities that will enable us to make the improvements that are urgently required in this company. However, a basic requirement for this is the readiness and desire of both management and employees at this site to continue to work on implementing and actively taking part in these improvements.

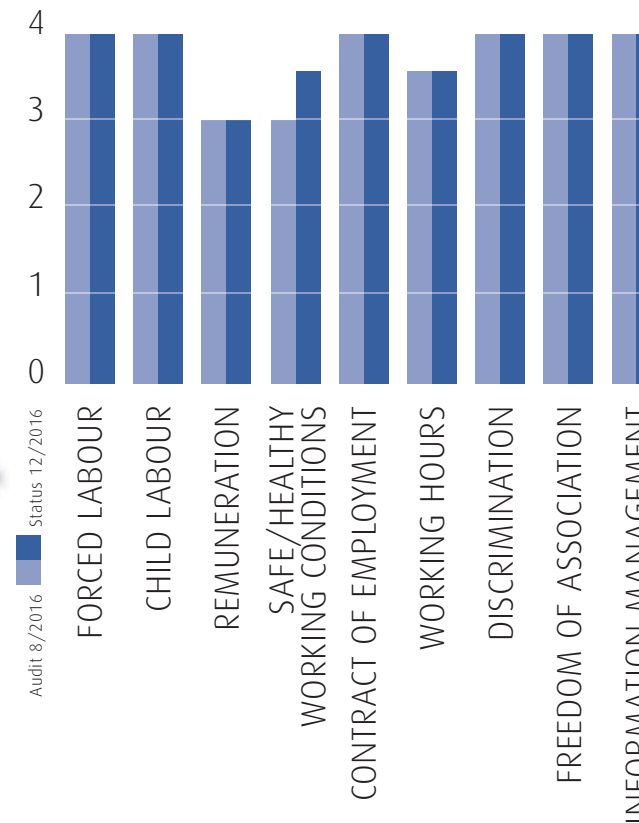




# BP IN TURKEY.



## AUDIT OF OUR TURKISH PRODUCTION PARTNER



We have enjoyed a successful and trusting working relationship with our Turkish supplier for more than ten years. In 2015, production of our finished goods was gradually moved to a different location in Turkey.

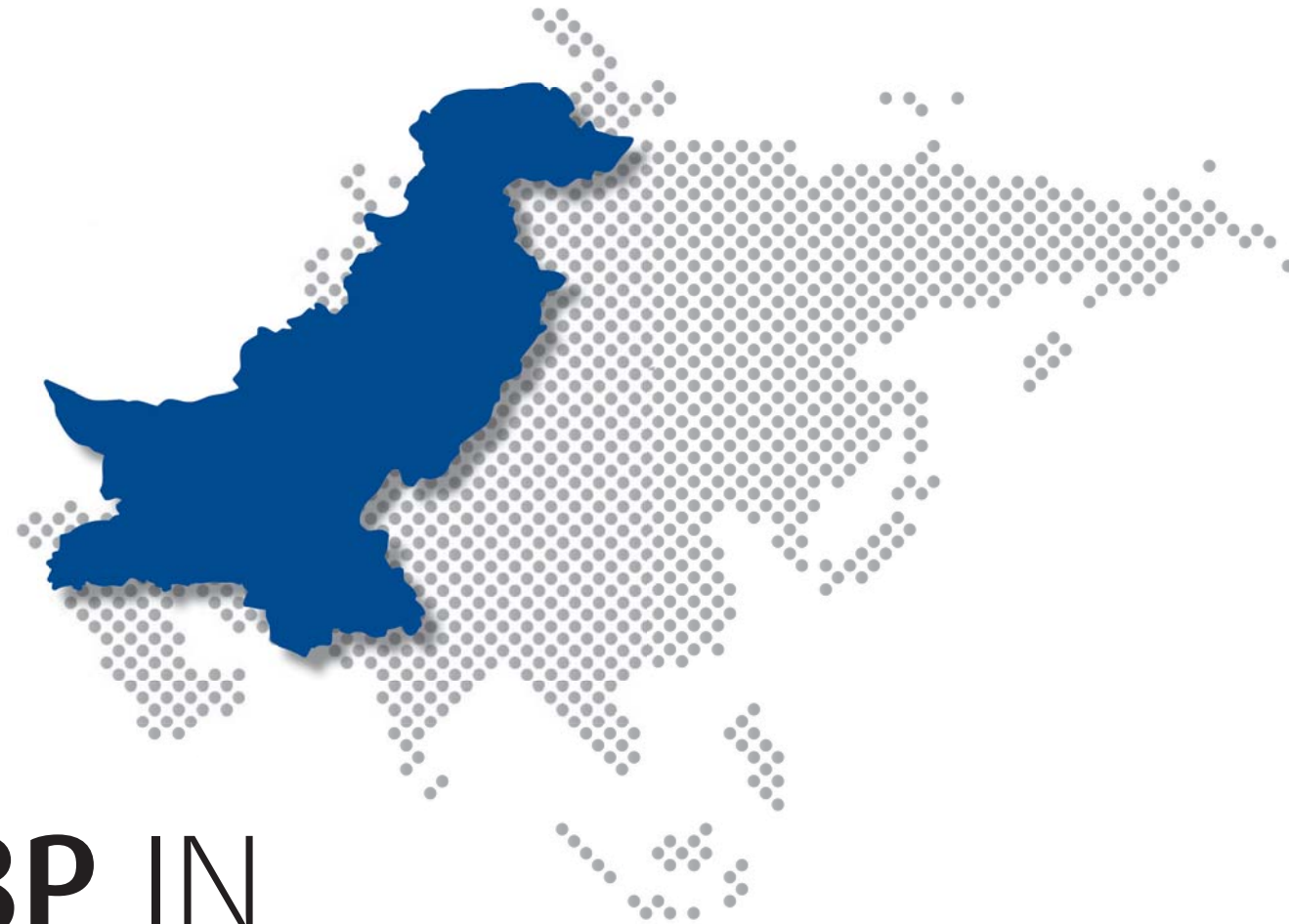
In December 2015, employee training generated a great deal of interest; the FAIR WEAR FOUNDATION provided training for a part of the management, as well as for 36 employees. This was aimed at improving communication between employees and management. Employees were informed about their rights and occupational health and safety. The aims and responsibilities of the FAIR WEAR FOUNDATION and the complaint system were also explained.

The training provided a good basis for promoting dialogue between employees and management. At the same time, it served as good preparation for the forthcoming FWF audit that took place in August 2016. The audit team was very satisfied with the performance of the supplier. The working conditions in the factory are progressive compared with the general situation in the country. Furthermore, the fact that management and employees were well informed about the objectives and responsibilities of the FAIR WEAR FOUNDATION was evaluated very positively. The FWF audit revealed that, in future, strengthening the role of the works council and establishing a structured and transparent method for recording working times will be key tasks.

Many items in the CAP (corrective action plan) have already been implemented or are in progress.

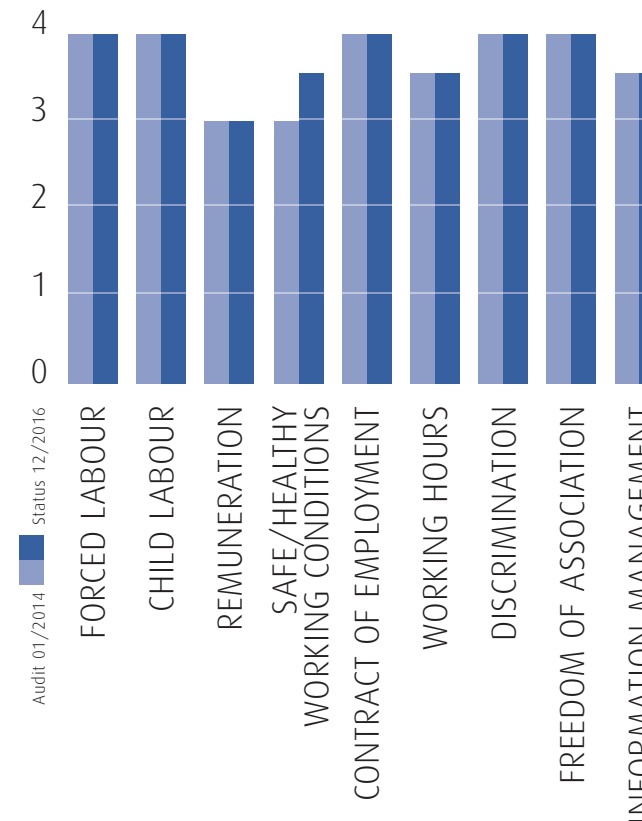
In September 2016, we received a complaint from an employee of this supplier regarding an unfair dismissal. The case was investigated thoroughly. No deviations from statutory requirements were identified. However, our producer confirms that, in this case, the HR department could have acted with greater "sensitivity". In order to deal with this situation in a better way in the future, our partner company has taken part in a management training course.





# BP IN PAKISTAN.

## AUDIT OF OUR PAKISTANI PRODUCTION PARTNER



We have been working successfully with our Pakistani partner, also a family-run company, for more than 20 years. Thanks to regular visits by both parties and the long and consistent collaboration, we have developed a strong and trusting partnership.

The FAIR WEAR FOUNDATION does not use local employees to monitor Pakistan. Therefore, our partner carries out regular certifications according to SA 8000 that, after careful scrutiny of the audit report, are recognised by the FAIR WEAR FOUNDATION.

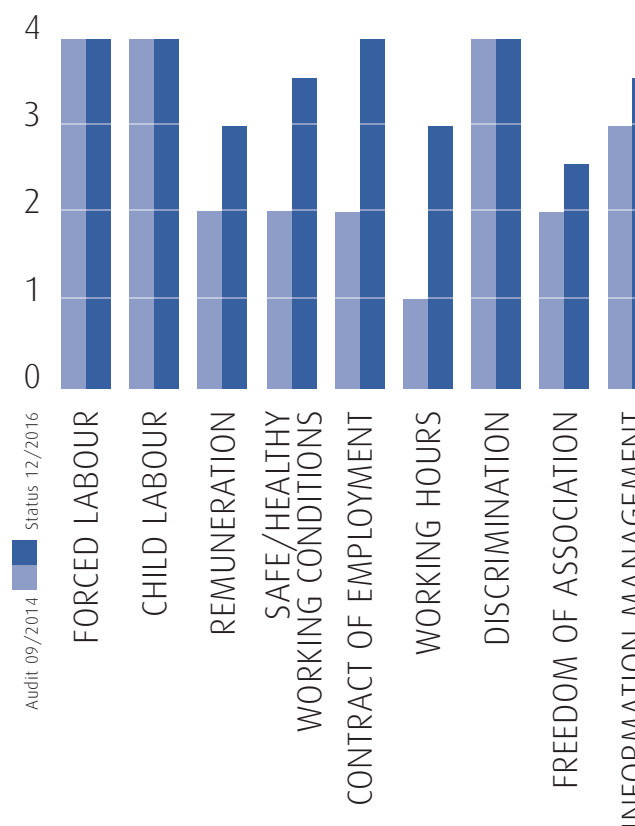
Since 2015, we have been cooperating with another market participant that also has goods produced at this factory. We hold regular talks in order to work with this company on improving working conditions at our Pakistani partner.





# BP IN VIETNAM.

## AUDIT OF OUR VIETNAMESE PRODUCTION PARTNER

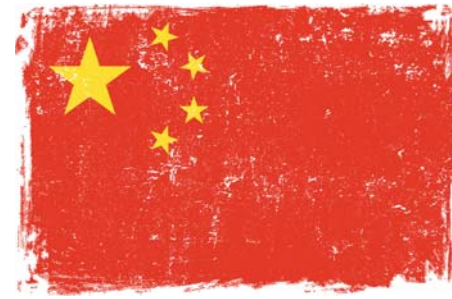


We have been working with our Vietnamese partner for more than ten years.

Regular visits to this clothing manufacturer have helped to establish a good and trusting collaboration. As a fashion customer places orders with tight deadlines with this production company, workers frequently have to work lots of overtime. These non-conformances were identified in two different audits. For this reason, during our visit in May 2016, we were insistent in addressing this problem. Due to poor management, this company is unable to get out of the spiral of time pressure in production, which inevitably leads to overtime. This is particularly apparent as soon as other customers place orders with tight deadlines. By providing support with, for example, production planning, BP helps the clothing manufacturer to avoid overtime. The manufacturer receives our orders with generous lead times to enable a certain amount of flexibility in production planning. With tight production deadlines, BP re-prioritises orders or accepts postponements. We are working on remedying the weaknesses in management in the near future.

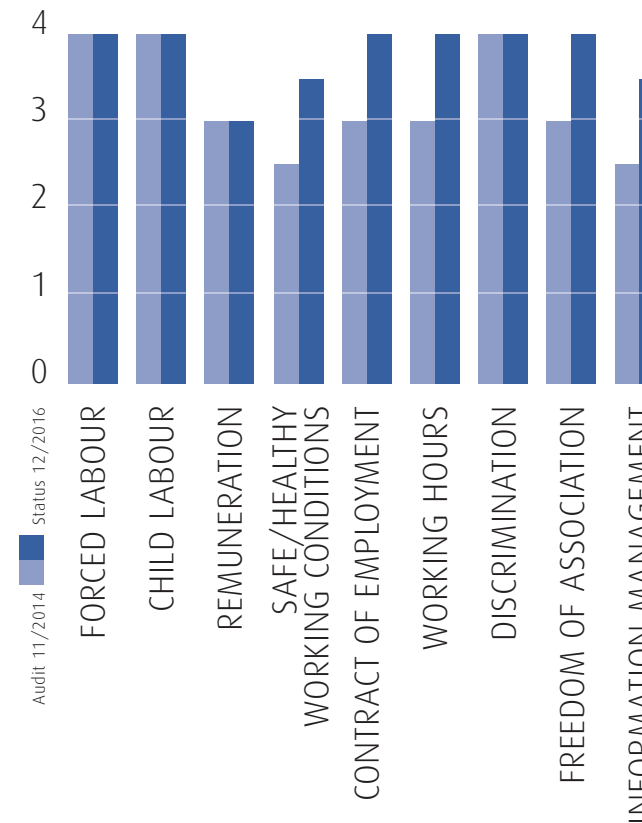
There will be another FWF audit in 2017 and the production company will prepare for this. BP is supporting the preparations by providing checklists and information for employees.





# BP IN CHINA.

## AUDIT OF OUR CHINESE PRODUCTION PARTNER



BP has been working successfully with this Chinese partner since 2014. Regular visits help to maintain a long-term supplier relationship.

Unfortunately, it was not possible for the FWF to provide employee training in 2016 as time-consuming training had already been planned by the BSCI (Business Social Compliance Initiative) social label. Employees were informed about their rights and duties, work-related safety issues and management requirements.

In 2017, an FWF audit will again be carried out at this partner company.



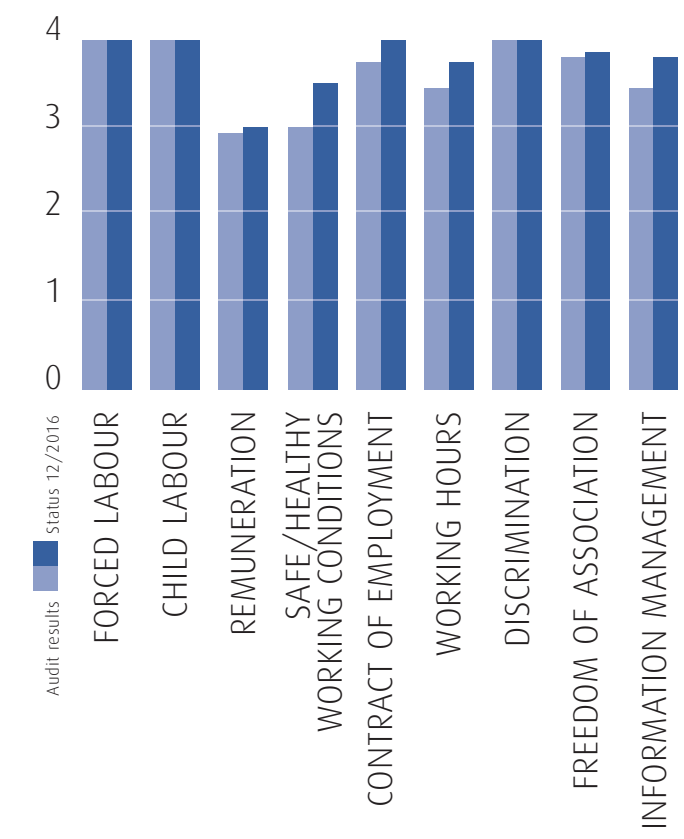


THINK  
INTERNATIONALLY.



## Audit results summary.

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



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

After more than six years' membership of the FAIR WEAR FOUNDATION, we are pleased to announce that working conditions at the companies have improved significantly. In general, the audits identified good or very good working conditions, particularly at companies that have been audited several times.

We do not initiate audits of production partners with whom we only generate a small turnover. As far as we can, we visit these companies and monitor them for safe and fair working conditions. If feasible, this includes the performance and evaluation of third-party audits. In the case of companies that also manufacture for other FWF members, there is an in-depth exchange of information with these other members.

Hardly any country-specific non-compliances have been identified to date. In China, freedom of association and the right to collective bargaining is only possible to a very limited extent. Due to the uncertain political situation in Turkey, it was difficult to perform the audit. For safety reasons, the interviews outside the factory were not performed as employee training had already taken place the previous year. Despite the uncertain political situation, BP employees visit this supplier at regular intervals.

BP is carefully monitoring the increasing number of Syrian refugees in Turkey and the associated risk of exploitation. We have discussed this with our Turkish producer.

One challenge is the fixed-term contracts of up to four years that are allowed in Tunisia. The employment then becomes permanent and it is virtually impossible to give an employee notice. As the absence rate then often increases, lots of companies employ agency staff, i.e. there is only an indirect employment relationship. Although this procedure is legitimate, a permanent position would be desirable.

In Macedonia, clear progress is being made, however, the role of the works council has to be strengthened here in order to improve communication between employees and management. These structures have to grow and this takes time and mutual trust. We are pleased to accompany and support our partners in this.

In general, the payment of a living wage continues to be the greatest challenge.





ACT  
LOCALLY.



## The **BP** complaint system.

**BP** HAS INTRODUCED AN ON-SITE COMPLAINT MANAGEMENT SYSTEM FOR EMPLOYEES AT 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, informing both the FAIR WEAR FOUNDATION and BP. In cooperation with the production partner, a solution is then found that is acceptable for everyone involved.

In countries in which the FAIR WEAR FOUNDATION does not have local representation, employees can contact the FAIR WEAR FOUNDATION headquarters in The Netherlands directly.

By means of targeted training courses, we support employees in standing up for their own rights and, by promoting continuous dialogue with management, improving their working conditions themselves.

The number of complaints we received in 2016 shows the extent to which the many years of work with the FAIR WEAR FOUNDATION is now bearing fruit. It is noticeable that we often receive complaints just after an audit has been carried out.

We received complaints regarding unfair dismissals from Turkey and Tunisia. When the FAIR WEAR FOUNDATION investigated the cases, it became apparent that statutory guidelines had been upheld in both cases of dismissal. After extensive communication with the individuals concerned, these complaints have now been resolved and the cases closed.

We received a complaint from Romania about overtime, work pressure and the lack transparency with regard to payrolls. Together with two other FWF members, we are monitoring this production partner. This complaint was also proven to be unsubstantiated and the case was thus closed in February 2017.

“ VETRA IS FANTASTIC. THERE’S ALWAYS WORK BUT NOT ON SATURDAYS.



MOHAMED, 47 YEARS OLD  
15 YEARS AT VETRA,  
CUTTING DEPARTMENT





# CHALLENGING AND SUPPORTING.

## Information and training.

CREATING FAIR WORKING CONDITIONS STARTS WITH A CLEAR AND OPEN INFORMATION POLICY, AS WELL AS INTENSIVE TRAINING AND SUPPORT.

We inform and train both our production partners and the BP workforce about FAIR WEAR FOUNDATION membership and associated measures and further developments on a regular basis.

This is also an essential part of the induction plan for each new employee. In addition, all interested employees are offered regular training dates as part of an internal training academy.



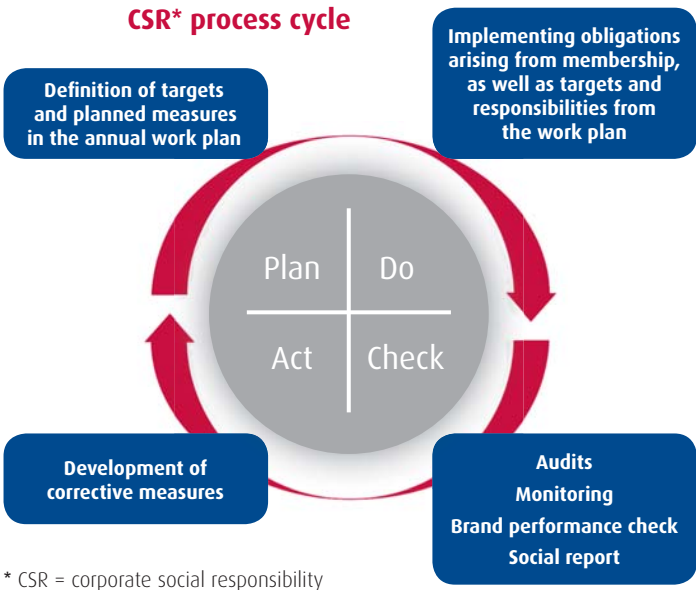
There is a close collaboration with colleagues working in purchasing, production, planning and technology. Thanks to regular meetings and travel reports, there is an in-depth exchange of information about the production partners and local working conditions. Additional training helps to establish key areas in the collaboration with our partners.

An internal BP newsletter is published on a regular basis and informs all colleagues about the latest developments with regard to the collaboration with the FAIR WEAR FOUNDATION and our production partners.

Sustainability is assuming greater importance for society and our stakeholders. Customers are increasingly demanding a sustainable supply chain and BP informs them comprehensively via meetings, workshops, podium discussions and at trade fairs. Sustainability also plays a key role in our advertising media, for example, catalogues and the BP website, and we report on the measures taken and the results.

As the FWF has classed BP as a “Leader” since 2014, our products carry labels providing information about our membership of the FAIR WEAR FOUNDATION.

In addition to regular audits of internal processes by the FAIR WEAR FOUNDATION, each year, BP compiles a social report that provides information about the measures taken, progress made and other activities. Both are published on the BP and/or the FAIR WEAR FOUNDATION websites.







IN THE INTERESTS  
OF ALL.

## Stakeholder commitment.

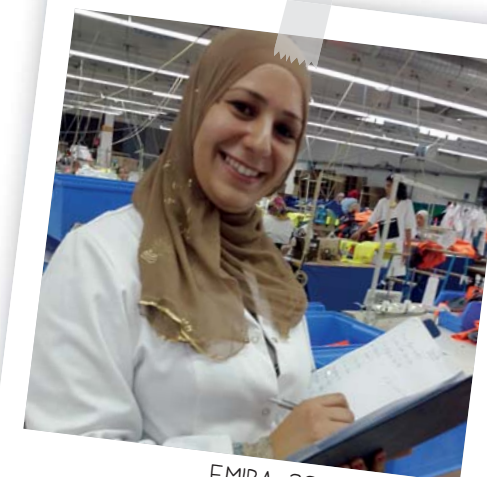
**BP** ACTIVELY SEEKS DIALOGUE ABOUT SUSTAINABILITY AND SOCIAL, FAIR WORKING CONDITIONS WITH ALL ITS STAKEHOLDER GROUPS.

BP has been a member of the Partnership for Sustainable Textiles since 2015. This government initiative of the Federal Ministry for Economic Cooperation and Development aims to ensure social, ecological and economic standards along the entire textile chain. BP is also actively involved in the Social Standards work group and so supports intensive dialogue with stakeholders.

The country studies of the FAIR WEAR FOUNDATION, non-governmental organisations and other available sources, for example, the Internet, provide important information about country-specific challenges, such as dealing with Syrian refugees in Turkey. BP holds talks with suppliers in order to sensitise them to such problems.

23

“ I LIKE WORKING FOR VETRA BECAUSE VETRA GAVE ME, AN ORDINARY SEAMSTRESS, THE OPPORTUNITY TO BECOME HEAD OF THE SMALL-VOLUME PRODUCTION GROUP.



EMIRA, 33 YEARS OLD,  
10 YEARS AT VETRA, SMALL-VOLUME  
PRODUCTION GROUP LEADER





CONSISTENTLY  
FAIR.

## Management system to ensure 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 and their sub-contractors 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 on-site at the company in the local language.
- ▶ It also names a local contact person (including telephone number and email address) and the respective area of the FWF that employees can notify in the event of an infringement of these principles in order to anonymously discuss their complaint.
- ▶ At least every three years, BP commissions an independent FAIR WEAR FOUNDATION audit team to check all social aspects of the production partners. In the case of serious non-conformances, audits are conducted at much shorter intervals. The audit teams speak the language of the respective country fluently and both internal and external employee interviews are performed.
- ▶ Based on the audit report, the FAIR WEAR FOUNDATION compiles a plan of corrective measures, which documents 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 audits BP each year to ensure that the shortcomings identified are eliminated and the working conditions improved.