

HAVEP

You'll never work alone

START DATE FWF MEMBERSHIP

2004



REPORTING PERIOD

Jan 2018- Dec 2018

Summary: Goals & Achievements 2018

We joined the Fair Wear Foundation (FWF), an independent multi-stakeholder initiative committed to improving working conditions in garment factories, in 2004. Back then it has been and today still is important for us to work with the organisation and its stakeholders by implementing improvements in the working conditions in our supply chain. Looking back at fifteen years of FWF membership means looking back at a period of learning, investigating, trying, failing, achieving and implementing. Our long-standing partners have achieved an overall awareness of labour rights and are cooperating well in the steps of implementing FWF principles and requirements. Every year, the Fair Wear Foundation conducts a brand performance check at all FWF member brands, a performance benchmarking system that evaluates the performance of each brand after each year. The systemic approach makes individual performances comparable and gives guidance for improvements in the field of sourcing strategy, purchasing practices, monitoring systems, complaints handling, information management and transparency.

While the vast majority of our suppliers is a stable base of factories that we have worked with for >10 years, 2018 was a year in which we made relatively more changes in our supply chain than before. Moreover, there were some changes in our internal organisation, which made 2018, as compared to previous years a transition year for HAVEP. Although still well above 80%, we did not reach our monitoring target of >90%. Which is something we will focus on in 2019.

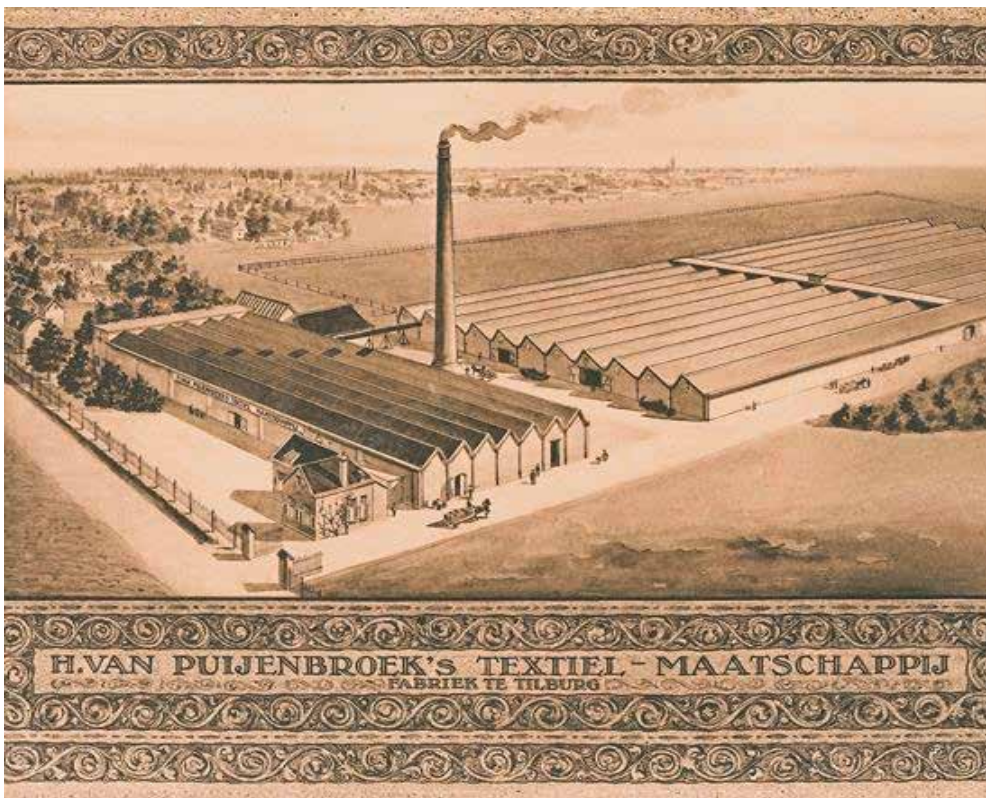
In 2018, 3 complaints were received from workers in our supply chain. Together with FWF we have worked with the workshops to resolve the issues and make structural changes to improve the situation. Although we are worried about every complaint received, we also see it as a positive sign as workers are becoming more aware of their rights and are more comfortable coming forward with grievances.

We believe it is important that people in our supply chain earn an amount of income that can provide them a decent standard of living. Therefore, the implementation of living wages has been one of the key priorities for us. In 2018 we continued conversations with our workshops to work on implementing living wages. Together with the workshops, we looked at what is needed to achieve this. HAVEP has contributed to this by paying a higher price. FWF audits have revealed the results of our efforts, although we realize there is still a road ahead of us to reach our goals.

1. Sourcing strategy

1.1 Sourcing strategy & pricing

HAVEP is a 154 year old family company with a long history in the production of fabrics and garments. It was founded as a company where spinning, weaving, finishing and assembly took place under one roof. Nowadays lead by the 5th generation of the Van Puijenbroek family, HAVEP is one of the oldest textile companies in The Netherlands. We are still located at the same address in Goirle, The Netherlands, but over the years, production of fabrics and assembly of garments were gradually relocated abroad. The expertise we developed over more than a century of integrated production however still exists, and has enabled us to build strong partnerships with our suppliers and manufacturers, based on knowledge, support and mutual understanding.



HAVEP designs and manufactures workwear and protective wear. Our clothing is supplied in various sectors, including building construction, ambulant care and heavy industry. High requirements apply to the garments we produce in order to guarantee the highest protection and safety during work. This means that constant quality has to be delivered. Therefore, we attach great importance to long-term relationships with our suppliers and manufacturers. Several of the workshops we work with have been working with us since the 70s!

HAVEP manufactures its clothes mainly in two countries: Macedonia and Tunisia. We have been present

in these countries for several decades. In 2013, we opened our own workshop in Macedonia (VPMac) where nowadays 10-15% of our clothing is produced. Besides Macedonia and Tunisia we also work with suppliers in Vietnam and Kosovo.



HAVEP has been a member of Fair Wear Foundation since its founding in 2014. With the support of FWF, we take an active role in guaranteeing fair wages, 8-hour work days and safe working conditions in all our workshops. All our supplier have signed the FWF Code of Labour Practices, thereby agreeing to endorse decent labour standards and are willing to be audited at any time.

HAVEP is convinced it is important that people that produce our garments earn an amount of income that can provide them a decent standard of living. In 2017 and 2018 we started conversations with our workshops to work on implementing living wages. Together with the workshops, we looked at what is needed to achieve this. HAVEP has contributed to this by paying a higher price. This is a first step, but the reality shows that the journey towards living wage is not as simple as that. To be able to pay living wages, we need to engage other companies that produce in the same factories to do the same. Moreover, we also have to help our workshops in increasing their efficiency by optimizing planning and forecasting cycles.

In our own facility in Macedonia we pay living wages for all the workers. In 2018 we have increased the prices for the other factories. Although most of them are paying above minimum wage, we have not reached the status of living wage in all of them.

1.2 Organisation of sourcing

HAVEP produces according to the CMT model. This means we are fully controlling all steps from development to the production of our clothing. Design of our models takes place at our confection department in Goirle. Sourcing of our fabrics is done by our team of fabric specialists in combination with the purchasing department. After the fabrics arrive in our warehouse in Goirle, we ship them together with the patterns and related accessories to one of our production companies, where the garments are assembled.

Besides our head office in Goirle, we also own facilities in Tunisia (VP Tunesie) and Macedonia (VPMac and VP Impex). VP Tunesie produces the digital drafts employed by our production workshops in Tunisia and Macedonia. The jacquards for our prototypes are also produced in this studio. VPMac is our workshop in Illinden (Skopje) and VP Impex manages the relation with our external suppliers in the area. In both countries, we employ a team of quality assurance officers that are in daily contact with our suppliers to support production, train them, do quality checks and discuss progress.

Because we work with a relatively stable group of workshops, we do not have separate sourcing department. The most important criteria we use when choosing a new supplier are: quality of production, available equipment and technical knowhow, minimum order quantity levels, labour conditions, capacity and price. When searching for a new production site, different locations are visited by our local country manager. A list is compiled of potential production sites, taking into account the above mentioned selection criteria. The list of potential workshops is then assessed by the supply chain manager and the production manager. In the final round, the workshops are given the opportunity to produce samples and / or perform a trial production under supervision of our quality department. Based on all collected information, the supply chain manager and the production manager determine which workshop is selected for which specific models from the assortment. HAVEP does not use agents or other intermediaries in the production or sourcing process.

1.3 Production cycle

As a company active in workwear and protective wear, we do not work with seasonal collections. Instead we have long-running collections, in which summer and winter garments are combined. Most models are produced by the same workshop for a long time in order to smoothen operations. HAVEP delivers weekly CMT orders, and also supplies the fabric and the accessories. The CMT orders are distributed over our workshops according to the agreed capacity and experience with the model.

HAVEP supplies clothing from stock in Goirle, the Netherlands. The stock is supplemented by stock orders and is produced in Tunisia, Macedonia, Kosovo and Vietnam. Customer-specific orders are planned and produced to order: make-to-order. Turnaround times are 6-8 weeks. These orders are produced in Tunisia, Macedonia and Kosovo.

1.4 Supplier relations

In 2018 over 80% of our production was manufactured in Macedonia and Tunisia. The remaining volume was produced in Vietnam and Kosovo. HAVEP has been working with a relatively small and stable group of suppliers over the years, although in 2018, we made a few changes in our supply chain; mainly in Tunisia. Still, however, about 75% of our garments are produced in our own workshop or in factories that we have been working with for more than 10 years (in several cases even more than 40 years).

In 2018, HAVEP started a new relationship with three workshops in Tunisia and one workshop in Kosovo. These factories covered around 4% of our volume in 2018. Furthermore, we did a first production trial in a workshop in Bangladesh

Unfortunately we had to stop working with 3 factories over the course of 2018. In two cases these decisions were made in mutual agreement because of commercial reasons. In one case we terminated the cooperation because of a serious integrity issue.

1.5 Integration monitoring activities and purchasing decisions

HAVEP selects its suppliers based on various technical, financial and ethical criteria as mentioned before. Continuous monitoring of our workshops in Macedonia, Kosovo and Tunisia is achieved by visiting the locations on a weekly basis. These visits are carried out by our own local employees. Besides that, most of our workshops are also visited on an annual or even more frequent basis by staff from Goirle (e.g. product development, quality and management). Besides visiting the locations by ourselves, we also make use of external audits. Outcomes of the audits are discussed with the workshops. If a site needs to make improvements in the areas of e.g. quality or working conditions, we give them the opportunity to do so and support where needed. The mentality of the management in its willingness to cooperate on this, is crucial in this. We realize that some steps are difficult to take at once, but we need to see effort and change. If a site is not willing to improve, after repeated requests and efforts of support, it can be a reason for HAVEP to end the cooperation.

2. Coherent system for monitoring and remediation

Macedonia

HAVEP started sourcing in Macedonia already in 1969. In 2018 it is still one of the main sourcing countries for HAVEP (+/- 40%) where we also have our own workshop. HAVEP was actually the first FWF member in Macedonia and we still cooperate closely with the local FWF representation on improving working conditions and the implementation of Living Wages. We see that from the results in our own workshop that good working conditions also contribute to fitter employees, lower sick leaves and less turnover of staff and thereby has a positive effect also on the quality of production.

In 2018, there were no changes in our supply chain in Macedonia. All our factories are aware of our Code of Labour Practices and the importance of good working conditions. They are visited on a weekly basis by our local staff. The factories that we work with have all been audited by FWF in the past 2 years, except for one workshop that covered 0,2% of our production in 2018. The outcomes of audits are described as action points and shared with the owners of the workshops. During the frequent visits of the workshops by our local staff, the progress in addressing the corrective action plans are normally discussed.



2018 audits

No FWF audit initiated in 2018.

2018 complaints

One complaint was received from an employee of a production facility in Macedonia in 2018. The complaint stated that workers worked overtime (every Saturday), but the overtime was not paid. HAVEP discussed the complaint with the workshop and the workshop changed its policy on overtime. In November 2018, FWF did a check in the workshop to monitor the status and they found that even though the number of over hours were reduced, when they occur, they were still not well reflected in pay slips. HAVEP discussed again with the management and in 2019 the issue is resolved.

Tunisia

HAVEP started sourcing in Tunisia in 1978. In 2018 it is still one of the main sourcing countries for HAVEP (>40%). In 2018, there were several changes in our supply chain in Tunisia. Over the course of the year we stopped working with 3 suppliers and started cooperating with 3 new suppliers; therefore the total number of workshops we produced at (9) was higher than in previous years. All our factories are aware of our Code of Labour Practices and the importance of good working conditions. They are visited on a weekly basis by our local staff. The factories that we started to work with in 2018 have not yet been audited by FWF as we started production with them only during the course of the year. The other workshops have all been audited by FWF in the past 2 years, with the exception of one workshop that is scheduled for a FWF audit in 2019. The outcomes of audits are described as action points and shared with the owners of the workshops. During visits of the workshops by our local staff, the progress in addressing the corrective action plans are normally discussed. Unfortunately, in 2018, due to changes in staff and production locations we have not in all cases followed up consistently on CAPs.

2018 audits

Two factories A/B were audited by FWF in the year 2018:

Workshop A:

We have been working with this workshop since 2005 and visit the workshop on a weekly base. There have been no complaints filed. In December 2018, the workshop was audited by FWF. This was a follow up audit and the first audit was conducted in 2015. Since the first audit, there has been a significant progress made by the workshop, especially by relocating the workshop to a new modern building. It's nice to see the workshop management being devoted to improve the working conditions for its workers. The audit results were in general very satisfying, although a few improvement areas were found. The management is very engaged to work with us on implementing CAPs during 2019.

Workshop B:

We have been working with this workshop since 2015 and visit the workshop on a weekly base. There have been no complaints filed. In December 2018, the workshop was audited by FWF. This was a follow up audit and the first audit was conducted in 2017. Since the first audit, there is some progress made by the workshop, however some important issues are still open (or found as new) especially related to overtime registration and payment. We are currently working with the workshop on implementing improvements.

2018 complaints

Two complaints were received by FWF from employees of production facilities (C and D) in Tunisia in 2018.

Workshop C:

A workshop worker claimed that taxes were not paid in accordance with the Tunisian tax law. FWF investigated the situation and concluded that the workshop was paying taxes according to the law.

Workshop D:

On 6 August 2018, two members of the trade union working at a workshop reached out to the FWF complaints handler in Tunisia. The complainants claimed that over the last few months, the amount of production taking place in the workshop has greatly decreased and wages were not paid. After intervention of FWF and the Labour Inspection the issues was solved and wages were paid. HAVEP was the main customers of the workshop, but after extensive time of underperforming production and several attempts to solve it, we decreased production during 2018. As no other customer could be found, HAVEP decided to increase production at the workshop and is currently working with the management to improve the cooperation and quality of production.

Vietnam

Since 2009, we are producing a significant share (11%) of our garments at one workshops in Vietnam. The workshop is under regular monitoring (FWF audits in 2013 and 2017) and has also SA 8000 certification. No audits were done in 2018 and no complaints were received.

Bangladesh

In 2018 we started a first production trial at a workshop in Bangladesh. No audits have been initiated by HAVEP, but during our due diligence research we took notice of previous audit reports (the workshop did a full SMETA 2P audit in 2018). Based on the audit results we have good confidence in the labour conditions in the workshop.

3. Complaints procedure

As part of our onboarding process and as established in the contracts we have with our workshops, all workshops are informed about FWF, requirements and display the CoLP/ worker info sheet with details of the complaints hotline in the local language. The worker info sheet explains what employees can do if they have complaints. In this way, we want employees to be aware of channels to forward their complaints. FWF's complaints procedure enables FWF member companies to provide access to remedy for workers in their supply chains where FWF is active. The complaint procedure starts with the local complaint handler who receives the complaint first. Fair Wear affiliates then review the complaint and investigate while informing the member brand about the complaint. Our responsibility is to help solving the complaint while Fair Wear staff offers guidance and advice. The brand, the management at the workshop, the complainant, the complaint handler and other involved stakeholders decide on the corrective action and its implementation is monitored by the member brand. FWF verifies and publicises the steps undertaken to solve the complaint.

In addition to the worker info sheets, a translation of the Code of Labour Practices including contact details of the local Fair Wear complaint handler is placed in the workshops. We did receive 3 complaints in 2018.

4. Training & Capacity building

Activities to inform employees

To inform all colleagues about the current status of our plans, we use Sharepoint. Here all colleagues can find all reports of the audits carried out, the work plans, the social reports and questionnaires. In addition, we launched MyHAVEP in February 2017. MyHAVEP is a sharing community. Every employee can post messages there, like and respond to messages. In this way communication and involvement are promoted.

Activities to inform workshops and employees

Worker information sheets are distributed to the workshops and employees. During the year, the workshops are visited several times by our local staff. During the visits, it is checked whether the folders and FWF notification points are in place and accessible to all employees. New employees receive information about health and safety issues.

5. Information management

To monitor progress in the implementation of the Code of Labour Practices, we rely on the audits that FWF performs on behalf of HAVEP as well as external audits by e.g. BSCI. In addition to the audits, we follow the progress of the implementation of the Code of Labour Practices during the weekly visits to the workshops. During these visits, meetings are held with management and staff, including discussing progress in the implementation of the Code of Labour Practices.

6. Transparency & Communication

Fair wear as part of sustainability and CSR is an important issue for HAVEP. Through the HAVEP websites customers and other interested people are kept informed of Fair Wear. We also communicate our membership during tenders and in bid books.



At the Texperience Center, where we receive customers, we communicate our membership and information about the practices of the Code of Labour on the video screens. HAVEP also has its own YouTube channel where videos from our workshops can be seen. On the tags in our clothing we state that we endorse good working methods and also include URLs that refer to videos about the people who make the clothes.

7. Stakeholder Engagement

In 2016, HAVEP signed the Clothing and Textile covenant. The covenant is based on the UNGPs and the OECD guidelines. Companies signing the covenant are responsible for preventing and reducing negative consequences for people and the environment.

Through this multi-stakeholder initiative, HAVEP wants to contribute to further improvement of working conditions in the countries where HAVEP produces clothing.

HAVEP

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