



Social Report Ballyclare B.V.

Reporting period 2019
January 2019 – December 2019



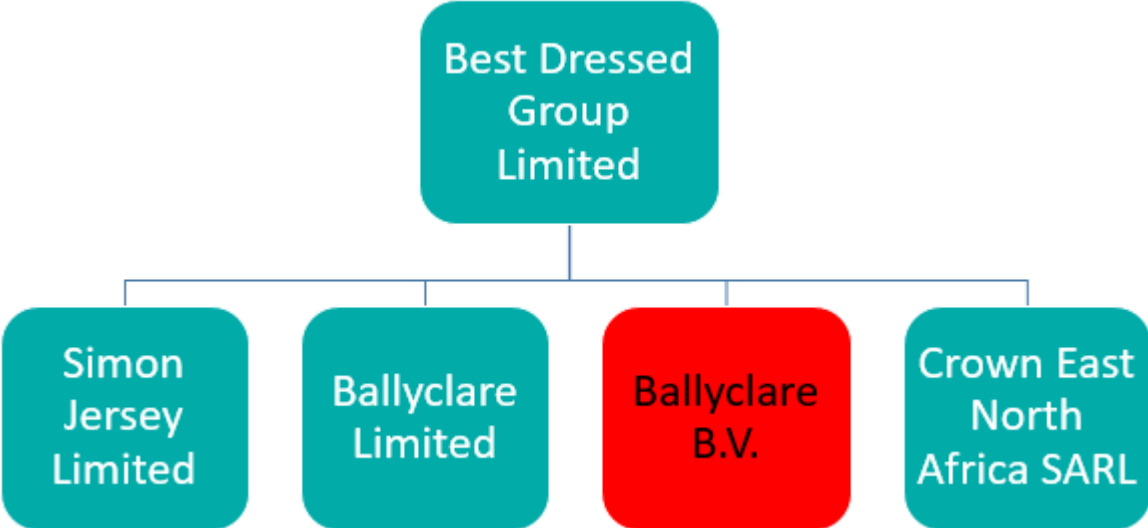
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FAIR WEAR MEMBER SINCE 2004

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Organisational chart



Due to commercial reasons Best Dressed Group has decided to change the name of our company from Uniform Brands B.V. to Ballyclare B.V. as per November 2019.

Summary: 2019 goals & achievements

In November 2019 we changed our name from Uniform Brands B.V. to Ballyclare B.V. This was the starting point for merging and integrating several departments within our international organisation. One of the major changes is that from 2020 production will be a group effort.

In this context we as the Dutch office have started concentrating our production in Tunisia and Portugal in 2019. Due to the low percentage of our production remaining in China and Bangladesh we have reduced this even more during 2019. The few items we still produce in China and Bangladesh will be transferred to our sourcing department in the United Kingdom in 2020 and combined with their productions. We will not start new projects in China and Bangladesh any more.

In 2019 we started producing with a second supplier who is a fair wear member in order to spread risks.

For Tunisia and Portugal we achieved a monitoring percentage of 91 % again.

We stopped production in Hungary. To ensure continuity in this factory we carried out a 6-month strategy. In addition we alerted some of our customers about the production space to be freed up at this factory.

According to our General Manager, Mr. Ruud Wissink, it is essential Ballyclare B.V. produces with factories that put the welfare of employees first, make policy on this and actively promote and monitor this. This is the overall company policy also subscribed by our owner mr. David Ross.

We have further increased awareness and commitment from our customers and suppliers. In every company presentation, our membership of FWF is mentioned very prominent. All our new customers and suppliers are informed about our FWF membership in the context of our view on People-Planet-Profit.

In 2019 we conducted an audit with our main supplier and with a smaller supplier. Both were successful. Two other suppliers we wanted to audit refused. Despite our advice to have the audit executed and even after we presented the importance and the consequences they refused. As a result, we were forced to end collaboration.

Sourcing strategy

SOURCING STRATEGY & PRICING

Our Ballyclare international group sourcing strategy is to have reliant suppliers in different parts of the world. We try to divide our sourcing partners over different regions, like Europe (South and Eastern), North Africa and Far East. New products are priced by determining the SMS (Standard Minute per Style). After the first run we check prices again and fix them with the supplier for the duration of the contract. Annually the price per SMS is discussed and agreed upon based on local circumstances and compared with local living wages. Capacity needed at our suppliers is agreed upon annual. Detailed planning is done monthly.

PRODUCTION CYCLE

Head of the sourcing department is Mr. Peter Goejer, senior manager collections. Because of our long time relationship with most of our production locations, and especially with our most important supplier CENA SARL in Tunisia, being part of our (international) group, we consult them frequently for technical and practical information. We also share our knowledge. Mr. Peter Goejer, our Planner and our Design team visit our suppliers regularly. We have contact by phone or Skype daily or weekly. Depending on the product, material is provided by Ballyclare B.V. or is sourced locally. The production sites are monitored by our ERP system. Production planning and stock control is done abroad. Our goal is to increase sourcing locally, which gives more flexibility and responsibility to the production facilities.

Two FTE are designing and developing new products or are improving products. One FTE is planning the production demands.

The production of the different products is cyclical, depending on the demand from 1 to 8 times a year. We have implemented a new Production Plan to minimise the number of small orders and aggregate more production quantities to an acceptable degree. We have also implemented a Master Production Plan to reduce the number of production orders and to combine more orders.

Project planning is only applicable for new products. Depending on the availability of the fabric we reserve production capacity at the preferred supplier, send materials and (technical) documentation and agree in dialogue with the supplier a reasonable lead-time.

FACTORY RELATIONS

New suppliers are selected on price and quality. Of course factories have to recognize the mission of FWF to improve labour conditions in the garment industry. We have started working with a new factory in Tunisia in 2019. This factory already supplies another FWF member and was audited by FWF in 2017 and in 2019.

We started by checking with other Dutch FWF members whether free production capacity was available at one of their FWF audited suppliers and whether they would object to us contacting this supplier. This resulted in a list of possible new suppliers. We approached them all and investigated a possible match in working methods. This has resulted in one new supplier.

We have also ended the cooperation with 1 supplier. Reason for this is the gradual reduction in volume of production at this supplier during several years. As a result production at this location was no longer profitable for both parties. In January 2019 we informed the supplier of our intention to stop production in June 2019. In the end we even kept producing one month longer.

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

Our monitoring activities gave no reason to influence our sourcing strategy. We did, however, discuss the observations and recommendations from the 2018 audit and monitored progress. This is part of our biyearly meetings with plant managers.

Coherent system for monitoring and remediation

Every supplier is visited biyearly. During this visit we meet with directors and management. We also do a tour of the factory and talk to employees. During this tour we check if the Code of Labour Practice and minimum wage tables are available on a notice board.

Important findings are discussed with management and if necessary an improvement plan with a time schedule is drawn up. We make clear agreements on improvements and ask for feedback according to these time schedules.

We have our suppliers fill out a questionnaire every year.

TUNISIA

In 2019, in order to spread risks we started producing with a new supplier who is already a Fair Wear member. With this new supplier we now work with 3 workshops in Tunisia.

Workshop A:

This plant is a group owned production unit and is controlled by our own international management.

The plant is visited monthly by members of our international team and management.

The plant was last audited in 2016 so this workshop needed to be audited again in 2019. We conducted this audit in June 2019. 69% of our total production was done in this workshop.

Because we work with a system that forecasts volume of production at least half a year up to a year we reduce pressure on the production and overtime as much as possible.

We received no complaints.

Workshop B:

Because the last audit was in 2016 we did a new audit in December 2019.

This plant is controlled by local management and is visited at least twice a year by members of Ballyclare B.V. management.

We received no complaints.

Workshop C:

This is the new workshop so we audited this workshop for the first time.

This plant is controlled by local management and is visited regularly, at least twice a year by members of Ballyclare B.V. management. We are currently discussing living wages. For over 30% of the production we are very near to that level.

So far we received no complaints.

PORTUGAL

Total production sourced in Portugal for 2019 was 4%.

In Portugal we work with one workshop and we visit this workshop yearly. During this visit we meet with directors and management. We also do a tour of the factory and talk to employees. During this tour we check if the code of labor practice and minimum wage tables are available on a notice board.

Important findings are discussed with management and if necessary an improvement plan with a time schedule is drawn up. We make clear agreements on improvements and ask for feedback according to these time schedules.

HUNGARY

We used one supplier with whom we stopped doing business during the course of the year.

The 5% of our production we sourced from this supplier was transferred to workshop B in Tunisia

BANGLADESH AND CHINA

The percentage of production in these two countries is only 1%. Because of this little volume, these plants are not visited frequently. However, to ensure the plants acknowledge and agree to the values of FWF we regularly ask them to fill out FWF's questionnaire. By filling out and signing the questionnaire, companies agree to cooperate with the process of monitoring and improvement of labour conditions.

Due to this low volume of production our group has decided to transfer responsibility for production of these garments to the international purchase department in the United Kingdom. We regret this because we have built a very supportive and good relationship over the years. Advantage of this decision is an increase in efficiency for these suppliers because the orders are combined as much as possible.

EXTERNAL PRODUCTION

We use no foreign external suppliers.

Complaints handling

We received no complaints from employees working at our suppliers.

With every visit to our suppliers we make sure to check if the FWF Code of Labour Practice and the minimum wages table are available on a notice board.

We also make sure the telephone number for anonymous reporting of complaints is on this notice board. Should we receive a complaint we discuss this with the supplier the first time we visit this supplier.

Training and capacity building

ACTIVITIES TO INFORM STAFF MEMBERS

All staff involved at production/sourcing have sufficient knowledge on the FWF membership and the FWF Code of Labour Practices. Colleagues have access to the audit reports, social reports and work plan. Once a year, after the brand performance check is published, staff is updated on the BPC and all FWF activities, actions and plans by Mr. Ruud Wissink.

ACTIVITIES TO INFORM AGENTS

Not applicable.

ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

An annual meeting will be held including the General Manager to inform manufacturers and workers about the Code of Labour Practice. If needed, an internal training will be provided to manufacturers and workers. In December 2016 FWF executed a WEB training for management and staff of our main supplier in Tunisia. During our visits we always bring up FWF values and FWF Code of Labour Practices.

Information management

We discuss progress on the implementation of the Code of Labour Practices during every biyearly visit of our suppliers.

With the questionnaire we ask our supplier to inform us about subcontractors. During our visits we verify this.

Transparency & communication

The general public is informed about our FWF membership through our website. A copy of the testimonial letter about Ballyclare B.V.'s membership with FWF is shown in our showroom. In all tenders, we mention FWF membership.

Recently Ballyclare B.V. has joined "Fair Trade Doetinchem". This organization encourages municipality residents, businesses, shops, hospitality and the local government to use and sell fair trade products (www.fairtradedoetinchem.nl)

Stakeholder engagement

Shareholder/owner:

Our owner is a private person who enjoys a certain status he obviously doesn't want to jeopardize. He insists his companies adhere to certain standards that correspond to those of FWF.

Customers:

Some customers request a Social Report and want to know our vision on social compliance.

Suppliers:

Are less involved in the process but due to their own social involvement we certainly have a mutual interest.

Fair Trade Doetinchem:

Because of our involvement in FWF, we are proud to be included in the list of participants of this organization.

Corporate Social Responsibility

Not applicable.