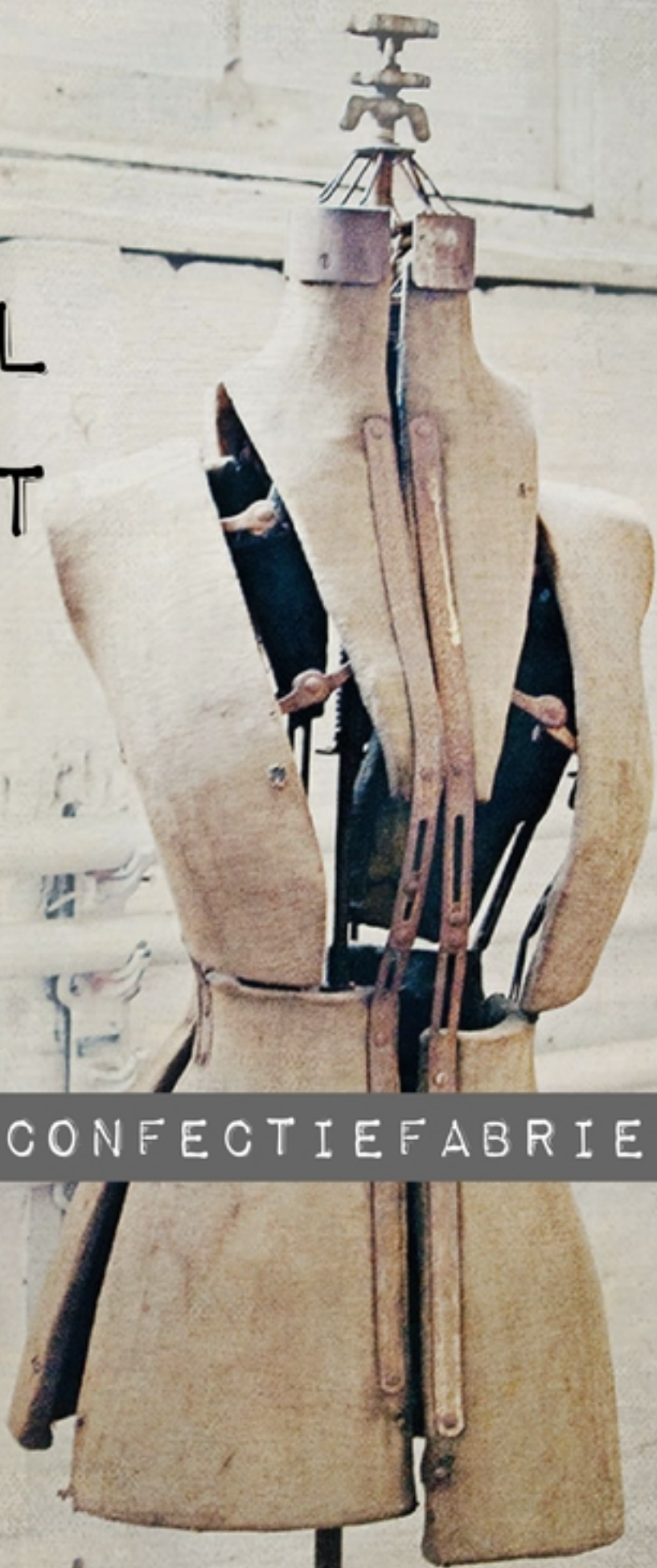


schijvens
CORPORATE FASHION

since 1863

SOCIAL REPORT '17

SCHIJVENS CONFECTIEFABRIEK





FWF MEMBER SINCE 2010

content

ABOUT US

- 3 WHO WE ARE
- 5 CORPORATE SOCIAL RESPONSIBILITY
- 7 ENVIRONMENTAL RESPONSIBILITY
- 9 HIGHLIGHTS
- 11 LIVING WAGE
- 13 SOURCING



SUPPLIERS

- 17 OUR PARTNERS
- 19 TURKEY
- 21 BANGLADESH & INDIA
- 22 PORTUGAL, UAE & EGYPT
- 23 PAKISTAN
- 24 CHINA



the **2**
FAIR
WEAR
formula

INFORMATION MANAGEMENT

- 25 IMPLEMENTATION OF CAP'S
- 25 TRANSPARANCY & COMMUNICATION
- 26 STAKEHOLDER ENGAGEMENT
- 26 TRAINING
- 27 COMPLAINTS HANDLING
- 29 INTERVIEW SHIRLEY SCHIJVENS & MODINT



SUMMARY

- 31 GOALS AND ACHIEVEMENTS





WHO WE ARE

life isn't perfect, but your outfit can be!

Schijvens has been designing, producing and distributing workwear since 1863 for retailers, facility service providers and logistics companies. Our team in the Netherlands of 25 enthusiastic employees make sure the client has nothing to worry about. We proactively help the client find the right solution from the very first contact. We can produce completely customized designs. If you want to have a collection developed, we will sit down with you, so that we can get a picture of your marketing vision, your house style and the desired image. We all strive to realize smiles on the faces of the customers employees, who wear our products, as well as on the faces of the employees in the factory. At our studio in Hilvarenbeek, our stylists Saskia and Elise will use the information from your briefing to produce a number of different sketches, at our expense. After your approval or input, we will make samples of the items selected, so you will see all the garments prior to the actual production of your personal collection.

The workwear designs are casual and modern, rightly the collections have won the 'Corporate Fashion Award' year after year. Besides designing and producing, you can choose that we manage your stock and distribute it from our own distribution centre to all desired locations.

The T'rific collection is established due to desires from the building industry and it exists out of six different collections; Solid, Ego, Titan, Storm, Switch and 4Tex. Each collection has its own specific characteristics, but it is ideal to combine different styles. T'rific is exquisite, because of the perfect fitting and the casual look. Moreover T'rific can be delivered from stock, therefore it can be ordered in small quantities.

Especially for her customers in the Middle East, Schijvens has an office in Dubai and since 2016 the majority stake in the production facility in Turkey, in order to optimize and lead her 'product life-cycle'.

Along with our own production facility, Schijvens considers all suppliers as valuable partners. We are very proud of our many long years of collaboration with the production partners in Bangladesh, China, India, Turkey, Portugal, Pakistan, UAE and in Morocco.

Sustainability is embedded in the company's DNA, so it isn't a surprise that Schijvens is affiliated with Fair Wear Foundation, the Agreement of Sustainable Garment and Textiles and ISO9001/ISO14001 certified. She is continuing the sustainability of workwear collections.

In other words, it's a one-stop-shop, as we have been for 154 years, offering experience and flexibility, trendiness and craftsmanship.

It isn't enough just
looking for quality in
the products we buy,
we must ensure that
there is quality in the
lives of the people who
make them. - Orsola de Castro



CORPORATE SOCIAL RESPONSIBILITY

CSR in DNA of our company

Since we are a family-owned company that exists for more than 150 years, Corporate Social Responsibility is by definition in the DNA of our company. At Schijvens, family and a social life is very important. Our company will be passed on from generation to generation. Therefore, we believe we have to work sustainably and socially responsible. In order to achieve this, we have become a member of Fair Wear Foundation (FWF) in 2010.

Fair Wear Foundation

FWF audits and advises labour conditions at our factories. FWF is an independent foundation which is supported by the Dutch government and it operates in accordance with the ILO-standards. Membership of FWF results in an obligation to submit all production information, including factory details. Subsequently FWF conducts audits at our factories, after which both Schijvens and the factory receive a report that shows what elements are already well implemented and what still needs to be improved, including a deadline and priority. In addition we make an action plan and work together with the factories on the improvements.

Brand Performance Check

Annually Schijvens is reviewed by FWF on their performances. Currently all of our production locations are audited and under monitoring, which is considered impressive by FWF. We have shown progress and met most of FWF's performance requirements. In total we earned 75 points during our latest Brand Performance Check. Therefore FWF has awarded our company the 'leader' rating. We are very pleased with this title, as this is the highest achievable category within FWF. For more information about our Brand Performance Checks or other information, see www.fairwear.org.

Collaboration

Furthermore, we have signed the IMVO Covenant for the Sustainability of the Textile Industry, instigated by Minister Ploumen (Minister of Foreign Trade and Development Cooperation). More than 60 brands have signed this covenant with the aim of improving working conditions in production countries. In addition, we are certified by, or involved with ISO14001, ISO9001, Singtex Scafe, Higg-Index/SAC, Remo, Modint, MVO Nederland (CSR Netherlands) and Made-By.

Living wage

One of our main concerns with regard to CSR is the payment of a living wage to our garment workers. A living wage should be sufficient to meet the basic needs of our workers and their families. The most common definition of a living wage is: "wages and benefits paid for a standard working week shall meet at least legal or industry minimum standards and always be sufficient to meet basic needs of workers and their families and to provide some discretionary income". We developed our own living wage tool, that we launched to all our partners during the annual supplier meeting in July of this year. Living wages are already implemented to our employees in Turkey, and we strive that the other production locations will also implement this tool soon.

We really put a great deal of energy into ensuring that the fundamental rights of our workers are respected. However, we can't do this on our own, we will need our customers and suppliers too. Eventually, after more than 150 years of existence, we want to continue living in a healthy environment for the next 150 years!

FWF'S BRAND PERFORMANCE CHECK

Highlights...

Leader

"Schijvens is 'leading' within FWF, which is a title for members, who are doing exceptionally well, and are operating at an advanced level".

"All of our production locations are audited and under monitoring".

100%
audited

75
points

"Schijvens has shown progress and met most of FWF's performance requirements".



ENVIRONMENTAL RESPONSIBILITY

Perhaps you will recognize it: a classic and massive closet full of clothes. Constantly, shopping bags full of new clothes coming into your house. But still, most of us struggle day in day out with putting together a nice outfit. Clothes are our chosen 'skin'. We communicate who we are to a certain extent through clothing. It has always been our personal communication in many ways and it is fundamentally a part of what we wish to communicate about ourselves.

However, communication about ourselves through clothing has now taken its toll. At this very moment, working conditions in garment factories remain poor and the main part of the production of clothing is environmentally damaging. This results in the fact that the textile industry is the second most polluting industry in the world.

The production of 1 T-shirt costs 4000 liters of water. This equals 83 times of showering, 36 times taking a bath or 250 times using the dishwasher. In addition, it requires a lot of energy and the emission of carbon dioxide (CO₂) is seriously high. Globally, only a staggering amount of 3% of textiles are being recycled. Compared to the recycling of glass, paper and steel, this is an extremely low percentage, from which 70% is being recycled nowadays.

Schijvens is putting great efforts into changing the industry and she strives to realize a circular economy. "Organic is no longer important to me, it is necessary. If you are talking about sustainability on the long-term and the well-being of humanity on this planet and the lives of our children, we have to change!" says Jaap Rijnsdorp (CEO of Schijvens).

Schijvens is affiliated with the first CSR-Covenant of The Social and Economic Council of the Netherlands (SER) and The European Clothing Action Plan (ECAP). The covenant is an agreement between the Dutch Government and the Dutch textile companies and NGOs on international responsible business conduct, that aims to improve the sustainability of international production and supply chains.

The European Clothing Action Plan is an exciting new project that will bring environmental and economic benefit to the clothing sector. Its holistic approach encompasses sustainable design, production, public procurement, consumption, collection and recycling through to reprocessing. The project focuses on the clothing supply chain specifically to reduce waste and to bring about effective waste recovery.



The next generation in sight

Our ultimate goal is to complete the chain in accordance with the Cradle2Cradle principle. This will ensure that the waste mountain is a thing of the past. At the same time no or fewer raw materials will be required to run a production.

Schijvens is proud to announce that she was able to make the first 100% recycled collection. It is made out of 50% post-consumer cotton and 50% recycled plastic bottles. We will collect your old corporate apparel and through a process of shredding, spinning and knitting we can make it as new again!

The contribution to a better environment is substantially: savings of 3485 liters of water for producing 1 T-shirt! This is equal to 72 times taking a shower, filling 31 times the bathtub or 218 times using the dishwasher. The emission of CO₂ is reduced by 1,79 kilos and 8,55 kWh has been saved. This is equal to 3 months of watching television for 24 hours per day.

For the test of the 100% post-consumer corporate apparel for Stayokay, Schijvens called on the expertise of the independent research firm Remo. She has a database that maps the Schijvens recycle chain and calculates how much post-consumer material a product contains. The label that Remo extends from Schijvens hangs on the garment. The label contains a QR-code that brings the customer to a website where you can find all the information

about the links in the production chain, ensuring that the product is recycled. Besides the QR-code, we also work with a C-Passport, which is a digital materials passport.

From coffee to clothing

Coffee grounds and pet bottles, can you really make clothes from these? Absolutely! Our very inventive textile manufacturer has produced a range of workwear for employees, which isn't only stylish, but also extremely sustainable. Once thought of as garbage, now can be looked at as 'trash to cash' while we produce garments from used coffee ground and plastic bottles. The coffee beans don't just result in a 20% reduction in CO₂ emissions, but also offer some interesting technical properties like odor control, UV protection and it dries quickly. So drink it, wear it!

"We do not inherit the world from our ancestors, but we borrow it from our children!"



HIGHLIGHTS

'16 & '17

FOUNDATION OF OWN FACTORY IN
TURKEY **SCHIJVENS PARTICIPATES
IN FWF'S LIVING WAGE INCUBATOR**

WINNER OF DUTCH CORPORATE FASHION AWARD (CFA)

WITH GAMMA COLLECTION **ESTABLISHMENT**

**OF OUR OWN PRODUCTION FLOOR IN
PAKISTAN** ANNUAL SUPPLIER MEETING IN

TURKEY WAS A GREAT SUCCESS ***LAUNCH OF
FIRST RECYCLED COLLECTION FOR STAYOKAY***

SCHIJVENS CORPORATE FASHION

DUBAI MOVED TO A NEW OFFICE

INTRODUCTION LIVING WAGE

TOOL TO ALL OUR SUPPLIERS

DURING THE ANNUAL MEETING

NEW PARTNERSHIP WITH A FACTORY

IN MOROCCO **LAUNCHING LABOUR**

MINUTE COSTING PROJECT LIVING WAGES

ARE PAID TO ALL OUR EMPLOYEES IN TURKEY





LIVING WAGE

End of 2016 we bought a share of 80% in our garment factory in Turkey. Because our partner was facing problems with running the company, we made the decision to invest in it, so we could continue our partnership, that already exists for over ten years. When we went through the bookkeeping, it appears that only the minimum wage has been paid including social costs. Bonuses and overtime hours were paid "black", so no social returns were saved for that part, which is a common situation in Turkey. We adjusted this first, so the employees received all entitled social costs.

However, more importantly, we wanted to find out if the total salary paid was already coping living wage or not. Therefore we hired a student Roy Broeren, who did his thesis (master business administration & strategy & organisation) under guidance of Johan Wempe, for us in Turkey, based in Mersin. The subject was "Living Wage".

After finishing his thesis, which was a theoretical study, he worked towards a tool, based on FWF's tool, to determine a living wage benchmark. We joined FWF's Living Wage Incubator, which facilitates a platform for members with a project aimed on wages. We were able to share knowledge and ideas with other FWF members and experts. Also nine interviews were conducted with CSR-managers, factory owners and NGO-employees.

The factory has calculated all labour minutes of production from the start of this project. Next to that, Roy interviewed all employees in the factory, who submitted their monthly costs. Based on that, we have collectively with the team determined that the living wage should be 1.890,- Lira per month. Which means the people in the area of Mersin need a higher wage than FWF's general benchmark.

Next to that, we decided to skip the current overtime hours and payments, and introduce a bonus system for extra pieces beyond the target. In this way the efficiency will go up, people can earn extra, without additional overtime hours. If there is overtime needed, we stick to the maximum hours of 270 per year. The bonus system is targeted on team effort.

So for Turkey we have taken responsibility. However, we also want to copy this tool to our other suppliers. Therefore we have invited all suppliers to come over to Turkey last July. We presented our living wage tool and we have shared the experience with all the other suppliers on implementing living wages. We believe we made a great start towards a living wage, and we will continue this within the upcoming years, as this is were our main focus is.



SOURCING

Sourcing strategy

Sourcing is part of our buying department, consisting of the buying manager (CEO), project coordinator and junior buyer. Our aim is making sure that quality is being delivered and guarded under the best circumstances for all those involved. Contact with suppliers, negotiating about prices and production planning are all part of our daily work. We have a manual for all suppliers, which shows how we believe a partnership should work. This includes FWF's Code of Labour Practices. Signing our manual allows the suppliers to become partners, a valuable word for the Schijvens company. We believe in cooperation as equal partners, as it strengthens the relationship between both parties and mutual support can be provided.

The most important criteria for Schijvens when sourcing for new suppliers are; quality and workmanship, social compliance, environmental responsibility, price and delivery terms. Regarding the social compliance, each manufacturer will be given the opportunity to make improvements where needed in terms of labour conditions. The willingness to cooperate with us, as a FWF affiliate, is highly valued in our sourcing decisions. Although we realize that the implementation of the Code may be a long process, change must be evident. We are always encouraging and supporting the factories with the corrective actions. However if suppliers are not able and willing to cooperate, we are unfortunately forced to end the partnership eventually. Disagreements or tensions are always extensively discussed before we make such a decision of course. All production locations are monitored during the year on their performances. They are rated on different key elements, including CSR. Factories that score well, will automatically receive more orders.

Products and pricing

Retailers request us to design tailored clothing, which will be their corporate wear for several years. Therefore we are not tied to seasonal collections, but we deliver collections in which summer and winter garments are combined. Also for our workwear brand T'rifric, each collection has both winter and summer garments, which are on stock throughout the year.

We maintain open price calculations towards our customers, so they are aware of how the price is built up. This also includes the margins of both the factory and Schijvens, so they can see if the price seems fair for everyone. We also expect from our suppliers to work with open costprice calculations. We are not there yet for all our partners, but we are heading in the right direction. Working with such a system allows us to see if we pay fair prices for our garments.

Supplier relations

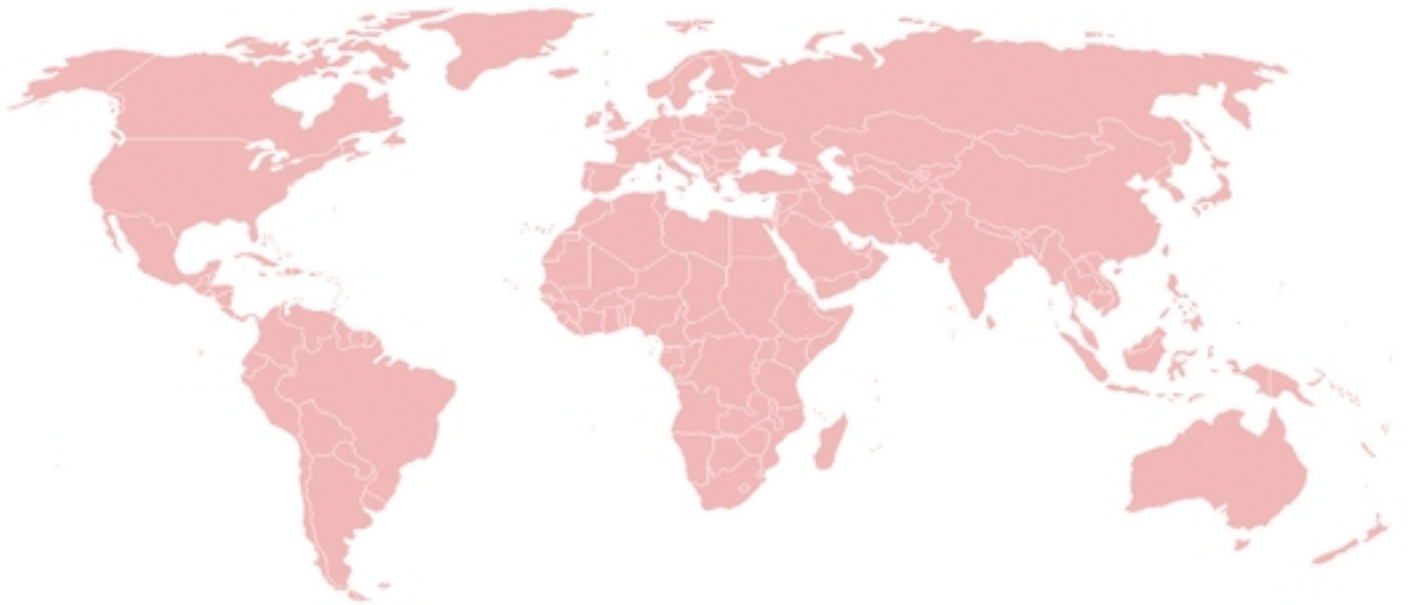
We had some changes in our supplier base last year, as we were looking for some new facilities with the right expertise, and also because we were struggling with the implementation of corrective actions from the audits with some production locations. We have ended our relationship with one of our factories in Bangladesh. They only supplied a short amount of our production, which we moved to our other main supplier in Bangladesh. We worked with the factory for about three years. Last year we planned a follow up audit and it turned out that many issues were not resolved, even though they indicated that they were. Of course we don't expect everything to be perfect in our factories right away, but transparency is key. In this case, the trust was gone and after a lot of conversations, we were left no other choice than to end the partnership.

We also face difficulties with our production location in India. The factory owners are struggling with the audit team from FWF, and don't agree with a lot of findings, which causes problems of course. On top of that we face issues with other elements, such as leadtimes of our garments. As we had a long partnership we gave them one last change a few years ago, but it looks like the situation is not improving in any way. We are now slowly moving our production here to other facilities.

One of the reasons that we decided to invest in our own factory in Turkey, is because the previous production location in that same area we worked with closed down unfortunately. We also moved some of our production from Egypt to our own factory in Turkey. As we only did a small amount of their and our production, we weren't a valuable partner for each other anymore. Within Turkey we started with a new supplier close by our own factory, so we always have a back up for outsourcing, as our own facility is relatively small.

A little while ago a new partner from Morocco joined our supplier team, which we are very happy about. We were looking for a facility with expertise in flatknit sweaters. They already attended our annual supplier meeting in Turkey in July. They were very enthusiastic about our company and the supplier team. We have high hopes with this factory in this new country for us. We hope to establish a great long-term relationship.

Our Production Locations



T U R K E Y

PAKISTAN **PORTUGAL**

M O R O C C O

BANGLADESH **CHINA**

I N D I A **United Arabic Emirates**





Our partners



In addition to our own production facility in Turkey, Schijvens considers each production location as a partner. This is not limited to garment manufacturers, but continues throughout the entire supply chain from raw material to the finished product.

A common supply chain responsibility prevails among our partners. Therefore, the cooperation is not limited only with us, but also between our partners. We collaborate to achieve our common goal; a customer who is satisfied and a production employee who receives fair remuneration and works in a healthy and safe environment.

To encourage this goal, there is an annual meeting held for all partners. Together we will take a look at what ran smoothly and how certain things can be improved. From quality and delivery times to labour conditions and environmental responsibility. We always discuss the status of the CAP's from audits together with all of our suppliers, so they are able to learn from each other. All this takes place in a spirit of openness. Obviously, bonding and building a relationship as a family also plays a big role. In addition, the supplier of the year will be chosen and receives a bonus from Schijvens, during this annual event. This is an inspirational meeting for us and the suppliers, and revolutionary in the garment industry. The latest meeting was held in July of this year in Turkey and was a great success. The meeting was spread over three days, so we had a lot of time for conversations and discussions. We also visited the recycling factories that we work with, together with all of our suppliers.



"To be a partner, we are willing to develop longterm relationships. Not only with Schijvens but also with other suppliers. For example we have to send our developed accessories to Pakistan or India. The colours have to match with the colours of the articles, that have been made 10.000 kilometers away, so it will form the entire collection as a whole. Everyday we strive for this partnership."

Sherley - China



All of our partners are included in the audit program of the Fair Wear Foundation and report their results regarding social and environmental factors in the Higg-index. By doing this, we have a clear overview of what is going on in the factory and where we can still be of assistance. 100% of our production is audited and under monitoring. Nowadays this partner collaboration consists of twelve partners. You can find the status regarding social compliance of all our production locations within this report.



the ? FAIR WEAR formula



TURKEY

A lot of changes took place in Turkey, compared to our previous financial year. Of course the establishment of our own factory in Turkey, together with our long-term partners, that changed from agents to running a factory. We are very happy with this development.

Unfortunately it is a shame that the previous factory we worked with in Turkey closed down. As we only have a small factory, we searched for another production location within the same area. When necessary we are able to outsource our production, when we are facing delivery delays for example. We chose to work with a new factory, that is located in the same facility as our previous partner.

Our own factory is pre-audited by FWF in the beginning of 2017. The official audit took place in may of this year. Already a lot of improvements have been realized since the pre-audit, which we are very pleased about. A lot of health and safety issues have been resolved, living wages are implemented and social securities are provided to all employees. Our main focus point is reducing overtime hours. The factory implemented an electronic time keeping system, to get insight in all the details regarding working hours. As the factory is realitively new, we are investigating what exactly causes the overtime hours and try to find the right solution.

The other production facility in Turkey is also audited in the beginning of this year, and we are working together on improving issues from the CAP. An important element was that the people were not aware of the FWF Code of Labour Practices and complaint line. In the meantime the mangement organized a meeting to explain all the information to the employees. Also a clear grievance mechanism is implemented and a worker committee has been established. Our biggest concern is overtime and the payment of living wages, including the social securities. These are common problems within Turkey. We will keep working on it of course, and hope to book even more improvements step by step.

ABOUT UFS

MEET THE PEOPLE
BEHIND THE
FACTORY

In november 2016
Schijvens became
co-owner of the
production location
in Turkey. Pinar &
Michiel run the
factory on a daily
basis, that we have a
partnership with for
over 10 years.

The Story



Michiel Oosterhuis (production director): " My wife and I founded UFS in Mersin Free Trade Zone. As a family company we strongly felt a connection with Schijvens Confectie Fabriek BV to whom we have been supplying to since 2007. So much that we decided to work exclusively for them since 2012. We specialized in small quantities productions divided over a wide spectrum of different articles. All in short time. This completed the Far East productions for Schijvens so much that the interdependence between both companies was growing even more. Since September 2016 we all felt it was time for the next step, and Schijvens took a majority stake in UFS to solidify the already strong relationship. We are proud and happy to be an official partner of such a great legacy family company!"



In 2015 we visited our partners and
production locations in Turkey with our
entire Schijvens team!



BANGLADESH

Currently we are working with only one supplier in Bangladesh, which we have a good relationship with. It is a big production location, with a great insight in social compliance.

One of our struggles was to train and inform all employees about FWF's Code of Labour Practices and the complaint mechanism. Because there are a lot of employees, this is a bit more difficult, than with a relatively small factory. We decided together to participate in FWF's training program, which we are really excited about. This program focuses, besides the awareness about FWF and labour rights, also on developing systems to prevent violence against women, including the establishment of a functional anti-harassment committee.

Besides the FWF audit, the facility has also been audited by the Accord in 2014. Improvements of all findings regarding building and fire safety are still in process and under monitoring by the Accord. Although many of the corrective actions have already been resolved.

Other elements where our focus is on are; living wages, overtime hours and encouraging women in supervisory roles within the factory, which we are working on.

INDIA

End of 2014 the factory in India participated in FWF's Workplace Education Program, which was very much needed. The workers received an interactive training with many workshops, to create discussions and get insight in their way of thinking. The factory also arranged trainings internally, to inform workers about different subjects including the Code of Labour Practices, committees, wages and grievance policies, which we were pleased about.

The factory has been audited several times over the years. The most recent audit was conducted end of 2016. Unfortunately we were not satisfied with all the results from the report and the attitude of the management towards the audit team. The most critical findings according to FWF are that the management was either non transparent about documents, such as wage records, or had maintained forged documents for audit purposes. Workers appeared to be coached and afraid of negative consequences if they raised a concern. There were strong indications that not all overtime work is done on a voluntarily basis. All these findings raise concerns of course and the communication with the management is difficult, because they don't agree with all of the findings and the way FWF works. Most issues were already discussed and handled, and during this new audit we struggle with the same problems, which is very unfortunate.

Because of the social compliance issues, and also other concerns like delivery delays, we decided to slowly move all of our production to other facilities, which was already only a small amount.





PORTUGAL

No FWF audits yet have been conducted in our factory in Portugal, while it is a low risk country and a very small part of our production is outsourced to this location. We have had different meetings with the factory owner, where we discussed the importance of CSR and FWF. The company has indicated that they also stand behind the work of such organizations and have informed their workers accordingly. Every time we have a meeting with the factory, this will always be discussed, so we all keep up to date. We also visited the factory last bookyear, to check the production location, which all seemed good.

UNITED ARABIC EMIRATES

The factory in Sjarjah has been audited in 2015. We were really satisfied with the results. There were some health and safety issues found, that have been corrected. Good findings were that workers are receiving living wages and no excessive overtime is found. All overtime hours are within law and voluntary for the workers. The main focus was creating more awareness amongst the workers on the FWF's Code of Labour Practices. This is already arranged by the factory last year. Another great finding is that twice a year the factory is inspected on health and safety issues by an independent organization. Our main focus is still on the establishment of a committee within the factory. Independent unions or worker committees are not allowed in UAE. We are still figuring out what the possibilities are within this country for this factory.

EGYPT

The factory in Egypt was audited in 2014 by a similar organization such as FWF. In 2015 a re-audit was conducted, to see what improvements were realized. The overall score was good, and the factory improved almost all issues right away. Only the living wages were still under investigation. However unfortunately we decided to stop working with this factory last year. The main reason was that we wanted to move more production to our own factory in Turkey. The factory in Egypt did only a small percentage of our production, and also a small part of their total production, we weren't that valuable for each other anymore. We always prefer to have a relatively small supplier base and only work with the partners that are highly valued.

PAKISTAN

"Schijvens has its own production floor within the factory in Pakistan, which is located in Karachi. "



In Pakistan we work together with only one production location, through an agent that we have known for a long period of time.

In 2015 this production location was audited by a similar organization as FWF. The factory scored overall very well. Especially regarding health and safety. The facility has its own health and safety committee, workers are trained on how to act during emergencies and almost all health and safety issues from the corrective action plan are implemented. The factory also has a social compliance system in place, established a functional grievance mechanism and created a waste disposal procedure.

Our focus is still on the investigation of the living wages, so we can be sure workers receive enough money to live from. The factory started with open costprice calculations, which is a good start. We also launched our living wage tool to our suppliers. Because we have a high leverage in the factory in Pakistan, a living wage should be implemented for certain within the near future.

Factory ensured us to keep only one time record and payroll, so we have insight in all the correct data. According to the audit team and factory there is overtime, because of delays during the production, so we need to work on this.

Another important point for improvement is regarding employers contracts. The factory has many daily wages employees on a temporary contract. Daily wages must only be hired for work that is of temporary nature only. Factory is gradually converting the people into permanent employees.

Facility is also working on an "Environmental Application" from Environment Protection Agency (EPA) but this is still under process.

Our production in Pakistan has increased significant last financial year and therefore we looked into the possibilities of our own production floor within the factory. We managed to realize this last year, which we are pleased about. We can now monitor the production process and social compliance more extensively.

This facility was visited recently by the Dutch Ministry (RVO), which we were very pleased about. You can watch the video of this visit on our website: <http://www.schijvens.nl/en/who-we-are/locations/>.

CHINA

We are working with four factories in China, which are all audited by FWF and under monitoring. One of the factories has also participated in FWF's Workplace Education Program a few years ago. This facility also organizes internal trainings and meetings throughout the year, which we are of course very pleased about. The factory has done a lot of effort in implementing corrective actions, such as the establishment of a social compliance system and a grievance policy. The factory also made changes in reducing excessive overtime. As a result of that they won the annual supplier award, which our partner was really pleased about. Our main focus is still on the investigation regarding living wages, overtime premiums and paid annual leave, in which the factory already made some big steps, as discussed during the meeting.

A common problem with several of our factories in China are double bookkeeping systems, which is a big concern of course, as we don't have insight in all the right numbers regarding overtime hours and payments to employees. This issue is extensively discussed during our annual supplier meeting, openly with all partners, and also individually with the factories concerned. The people in China can be afraid to show the real results, as they might think that you will move on to the next factory, when it is not all perfect. We explained and discussed openly that transparency is key. The complexity and lack of transparency in general in the textile supply chain is a huge problem. We expect from all our partners to be fully transparent and open. Otherwise it is impossible to improve labour conditions and make steps in the right direction.

Most factories have been audited recently last year, and we are working very hard to implement all the corrective actions. With one of the factories in China we work together with another FWF brand, which brings us in a better position, as our total leverage in the factory is higher together of course.

We are encouraging the other factories to also join the program or other kinds of training courses to raise awareness amongst employees, which is highly important and needed.

One of our long-term partners in China won the "Supplier of the year award" during our annual meeting in Turkey!





INFORMATION MANAGEMENT

Implementation of the CAP's

All corrective action plans, including the comments and updates are kept digitally. We also have an overview including a time frame for each factory, so we can keep track of the status. We are not able to visit all our factories on a regular basis throughout the year. When we do visit a factory, we always investigate the production location through the FWF checklist, and we have a meeting with the factory management of course.

We have agreements with the suppliers that our garments will not be subcontracted. During audits this element is always investigated. If subcontracting is identified we will take measures. Firstly we will start an investigation and have a conversation with the factory. Depending on the outcomes, we can give the factory another chance, or we will end the partnership. The outsourcing of some production processes, such as printing and embroidering is allowed. We have gathered the information of those subcontractors, and these are added to the supplier database, so FWF and Schijvens have insight in all these locations. Subcontractors are also aware of FWF and the complaint mechanism. They are also obliged to provide FWF's worker information sheet at the facility and inform their employees about it.

Transparency & Communication

Schijvens is open and transparent towards the general public and customers. We mainly communicate through our own website, blog and social media. Schijvens reports about all CSR related activities, such as our partnership with FWF and new developments and initiatives within the textile industry. Schijvens is open towards their customers on what production locations are being used. We also discuss our involvement in CSR directly with our partners, by showing them what we are involved in and providing them alternative sustainable fabrics for example. Progress made in the implementation of FWF's Code of Labour Practices is also communicated to the general public, mainly through the social report, which is published annually. Important highlights are also shared directly with customers.

Stakeholder Engagement

We often attend important CSR related events provided by FWF or other organizations, where there is always the opportunity to have discussions together with other affiliates and stakeholders. This always leads to new input and ideas, that we can apply to our own strategies and procedures. We also use different resources from FWF to extend our knowledge, through news publications, the living wage portal and country studies for example, so we are aware of the latest developments. In general "overtime hours" and "living wages" are currently key concerns. As also the "fire and building safety" issues, especially in Bangladesh, which the Accord is still investigating. We always make sure we stay updated on these concerns.

In the past financial year we have become acquainted with the Sustainable Apparel Coalition, which is an internationally known platform founded by the biggest textile brands in the world.

They have invented the HIGG-index, a performance check tool where you can benchmark performances at social and environmental level. With this tool we have rated ourselves at Schijvens; where do we perform well or better than the market and where can we improve? This helped us to get a clear insight of our performance and the required actions. We could easily build our strategic plans on this information.

Together with several other Dutch brands, Schijvens also signed the Sustainable Garment and Textile Sector Covenant. All parties who have signed this agreement, have to do a due diligence investigation on CSR. This includes risks and concerns within the chain, how improvements can be realized and in what time frame. Not only on social, but also on environmental issues. Besides signing this agreement, Schijvens is also a member of the steering group. We are putting a lot of effort in making this agreement a success.

Training

Our entire team attended a training about CSR and FWF, so everyone is aware of our goals and what we stand for. Throughout the year we have several moments that we discuss the highlights, so everyone is familiar with new developments and achievements. Of course for our sales team it is highly important that what we believe in and stand for, is communicated to our customers. In order to really make a difference, we need our partners to stand behind us of course.

The persons who are involved directly in the execution of monitoring activities also attend different training courses during the year. FWF provides information on the hand of their experiences, best practices and how issues can be handled and solved. Besides that, it is also interesting and beneficial to discuss concerns with other FWF members. Also our staff is participating in other CSR related training courses during the year, provided by other organizations. For example last year Made By provided a workshop for the entire team at our office, about materials and sustainable alternatives.

In October of 2013 Schijvens celebrated their 150th anniversary and also invited the suppliers. They participated in a training represented by both FWF and Schijvens. The suppliers spoke very openly about their own opinions and experiences and discussed this with each other. It was a great and successful initiative to inform and involve these partners. Since then every year a supplier meeting is organized, where we have conversations about all different kind of topics. On a regular basis we also communicate with suppliers about their labour conditions, workshops or developments and issues regarding CSR through e-mail, phone and meetings. Many partners are enthusiastic about training courses and different factories have already participated in the Workplace Education Program, which is an initiative of FWF to inform workers about their obligations and rights. We are encouraging the factory owners to let us arrange these programs for them. We also stimulate the facilities to discuss CSR with their employees and provide training courses themselves. We are hoping our other factories will join soon.



COMPLAINTS HANDLING

The FWF's worker information sheet including the labour standards and the complaint mechanism is available at all our production locations. We are encouraging our suppliers to not only inform the workers about their rights and the Code of Labour Practices, but to also stimulate workers to provide suggestions and complaints if required. We are also informing them about the effectiveness of a grievance system and all the factories provide complaints and suggestion boxes within the facilities.

As soon as there is a complaint, this will be discussed with the factory. An official document is made about the complaint and an action plan will be developed to resolve the issue, together with the factory.

The number of complaints are slightly increasing over the past two years. This means that the FWF's complaint line is becoming more known amongst the employees in the factories and people are aware of the Code of Labour Practices and their rights. Therefore we consider this as a good development. Of course we are not happy receiving any kind of complaints, but it is good to see that workers are reaching out for advice and help when necessary.

Over both 2016 and 2017 we received three official complaints through the FWF complaint line, including one complaint in Turkey, Bangladesh and India. Two of those complaints have been followed up and resolved in the meantime. One of the complaints was about a miscommunication regarding maternity payment. The complainant did receive the compensation, she was entitled to. The other complaint was about working overtime and the payment of social securities, which is also handled. Although the payment of social securities within this production location is still under monitoring, as this was also a focus point from FWF's corrective action plan. The last complaint was from an employee in India, which was about involuntary overtime hours and is still under investigation.

Hopefully within the upcoming years we will receive even more input from the workers, when needed, so we can help improving the conditions from the workers perspective. We will keep doing our best to resolve all complaints as soon as possible.





SHIRLEY SCHIJVENS & MODINT ABOUT Sustainability and CSR

Trade association
Modint considers
Sustainability &
CSR as one of the
most important
themes within the
industry. In this
interview, Shirley
Schijvens
explains how
Modint has helped
Schijvens on
these subjects
and why they are
so important.

Shirley:

I'm the 5th generation of our family company: Schijvens Corporate Fashion. We design, produce and distribute corporate apparel. I am owner of the company together with my brother, Hugo Schijvens, and the CEO is my husband Jaap Rijnsdorp. Overall we work with 25 employees in Hilvarenbeek and we have production facilities all over the world. It is a wonderful branche we are working in. Why? Because people are working every day in our workwear. They receive their clothing from their employer. Therefore, it is very important for us to ensure that the employees of our customers are feeling happy in their corporate apparel. This is one of our company's main missions. Besides that, I really enjoy working with textiles. On this particular part, I like textiles, because it is an industry where a lot of movement is on sustainability. Especially when it comes to sustainability, my heart starts beating faster. If you have a company like ours, which exists over 150 years, than social responsibility is embedded in your DNA.

Nienke Steen (Modint):

For a long time Schijvens has been involved with CSR. They have been attending our seminars for years. The company sees the value of CSR and for that reason she attracts more customers. They are doing a great job, because they are sincerely interested in this matter. Recently the covenant has been signed, a multi-stakeholder initiative of trade and industry, trade unions, NGOs and the government. We as Modint, could offer help by guiding the companies to improve their internal processes.

Shirley:

Modint is happy to keep us informed about current events and new developments. Next to keeping us informed, they have been involved with the lobby of the covenant. So they have created awareness among companies. Also it is a great benefit to use the ECO-tool of Modint.

Nienke:

The ECO-tool is usefull to compare materials, such as cotton and bio-cotton. What is the difference in environmental impact? For example, it provides information regarding the use of water and which chemicals have been used. Moreover, it compares a recycled material with a common material. In addition, the tool compares processes. Overall it is a tool for comparative research of the environmental impact throughout the supply chain.

Shirley:

The ECO-tool can be used both internally and externally. Our customers will receive a handout of the comparative research regarding the environmental impact, so they can make a balanced choice if they want to be involved. In other words: "love for sustainability starts with you, we take care of the rest."





S U M M A R Y

Since the 150th anniversary of Schijvens, every year a supplier meeting is arranged, where topics like CSR are being discussed. We believe this strengthens the relationship with our partners and it makes them more willing to work on social and environmental compliance. It is a great opportunity to discuss issues and struggles with each other. It is nice to see that they all get along well and are also in contact outside of this meeting. All of our suppliers are very enthusiastic about the annual event, which makes it a great success every year.

Last year we also put a lot of effort in following up the corrective actions at our production locations. 100% has been audited and is under monitoring. All factories are working on implementing corrective actions from the audits. A lot of improvements are realized on different elements of the Code of Labour Practices. Our main focus is still on the implementation of living wages. In 2016 we signed up for FWF's Living Wage Incubator and joined this initiative together with other FWF brands. FWF facilitates the opportunity to implement a living wage project, and our focus was on our own factory in Turkey. A project aimed at setting a benchmark for a living wage in the region of our factory in Turkey, which in the meantime we were able to implement for all our employees. We also started a labour minute costing project. In Turkey the working minutes of all garments made in the factory are calculated for a period of six months. So we have insight in labour costs and we can calculate what should actually be paid for our garments, in order to pay a living wage. We also provided the living wage tool and labour minute costing details to our other suppliers, so it can be investigated if their workers receive enough salary to live from. Of course that is our goal for all production locations.

Besides that, we are also focused on people's awareness regarding their labour rights and FWF's complaint mechanism. We are encouraging everyone to participate in FWF's Workplace Education Program, which several factories already attended. The awareness amongst the workers is increasing. Of course all of the employees in the factories need to be aware of their rights and the complaint line, so help and advice can be provided when needed.

Another main goal is aimed at recycled garments, which we are currently making huge steps in. Our first completely recycled collection was launched in 2016 for Stayokay. Our goal is to collect garments back from the stores, and make new collections from it. A lot of customers are very enthusiastic about this initiative, and we are currently producing different environmental friendly collections, which we are very pleased about.

"We feel strongly about Corporate Social Responsibility. Our company and our production sites are affiliated with the Fair Wear Foundation, an organization that is dedicated to good working conditions. We find it naturally; respect for people and the environment and concern for the future".

Shirley Schijvens, director.

ALONE WE
CAN DO SO
LITTLE.

TOGETHER WE
CAN DO SO
MUCH.

HELEN KELLER

FWFS



1 EMPLOYMENT IS
FREELY CHOSEN



2 FREEDOM OF
ASSOCIATION & THE
RIGHT TO COLLECTIVE
BARGAINING



3 NO DISCRIMINATION
IN EMPLOYMENT



4 NO EXPLOITATION
OF CHILD LABOUR

CODE OF LABOUR PRACTICES



5 PAYMENT OF A
LIVING WAGE



6 REASONABLE
HOURS OF WORK



7 SAFE & HEALTHY
WORKING
CONDITIONS



8 A LEGALLY BINDING
EMPLOYMENT
RELATIONSHIP

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