

SCHIJVENS CORPORATE FASHION



SUSTAINABILITY REPORT 2020

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Prologue

Being an entrepreneur is not always easy. You want to keep your customers happy, your staff, the tax authorities, your suppliers ask for orders, the bank wants to see results and for a number of years now the NGO's have also been asking for good due diligence on corporate social responsibility.

Due diligence?? It took me a while to pronounce this word without effort. But what does it actually mean? Due diligence is doing risk analysis. See what happens in your chain, ask further if things are not clear and eventually take steps to change things that do not fit your standards.

That is not so easy at all. Our chain consists of many steps, links, which add something to our product: it is not only the sewing workshop, but also the supplier of the raw materials, whether it is recycled clothing or new cotton, the knitter or weaver of the fabrics, the dyeing company, the embroidery and printer, the supplier of the buttons, the zippers, the stitching thread, the packaging materials and ultimately also the transporter. And often it is not only one factory per step, because one sewing workshop can make good jackets, but you need another workshop that stitches shirts and so on. In addition, you also want to spread your risk, because if one factory is closed for the Sugar Feast, you can go to the other, which will then be closed at another time due to Chinese New Year. And at one factory you can have 100 pieces made within 2 weeks (for a higher price), while the other factory is cheaper but requires larger numbers and has a longer delivery

time. For each product, therefore, different workshops are required, which also have various links behind them.

Does this jungle of suppliers relieve us of our responsibility to ensure that it runs smoothly in all steps? No, of course not. And then **due diligence** comes into play. You first have to map all links, make some sort of telephone tree: who is behind whom and why? Then you will assess all those links: how do they do it? What are they doing well? What can be done better? Do you need them all? And then you determine where you should start first to improve things, in other words: setting priorities. Because as much as you and the NGOs would like the whole world to look 100% okay today, that seems like an utopia for the time being. We are at the beginning of a sustainable transformation. There are so many patterns deeply embedded in our industry, there is such a huge difference in culture between us and the countries on the other side of the world, government interests are involved in low wages, people are involved who *survive* instead of *live* and make choices based on this. And so on. And then I am talking in our own chain about tens of thousands of people, for which Schijvens takes responsibility. You will understand that this is a big responsibility for a company that only has 31 people in the office. Does that mean we can't really do anything? No, not even at all. That means that there are many opportunities as a small disruptor to try to knock down holy houses, build best practices, give suppliers different insights, inform stakeholders and take steps. Is our entire supply chain already 100% perfect?

No, certainly not yet, but we work hard every day to improve. How do we do that? You can read that below.

Until the year 2000, we have always produced everything in our own workshop in Hilvarenbeek, according to Dutch laws, with a good social employment policy. Then we took the step towards outsourcing our production, first in Europe and then in Asia. We noticed that we had little control over what was happening there, so once we visited our factories we saw big differences in organization and level of sustainability. We decided in 2010 that we needed an external independent party to uncover issues we could work on. We chose the **Fair Wear Foundation**, a strict club with great transparency.

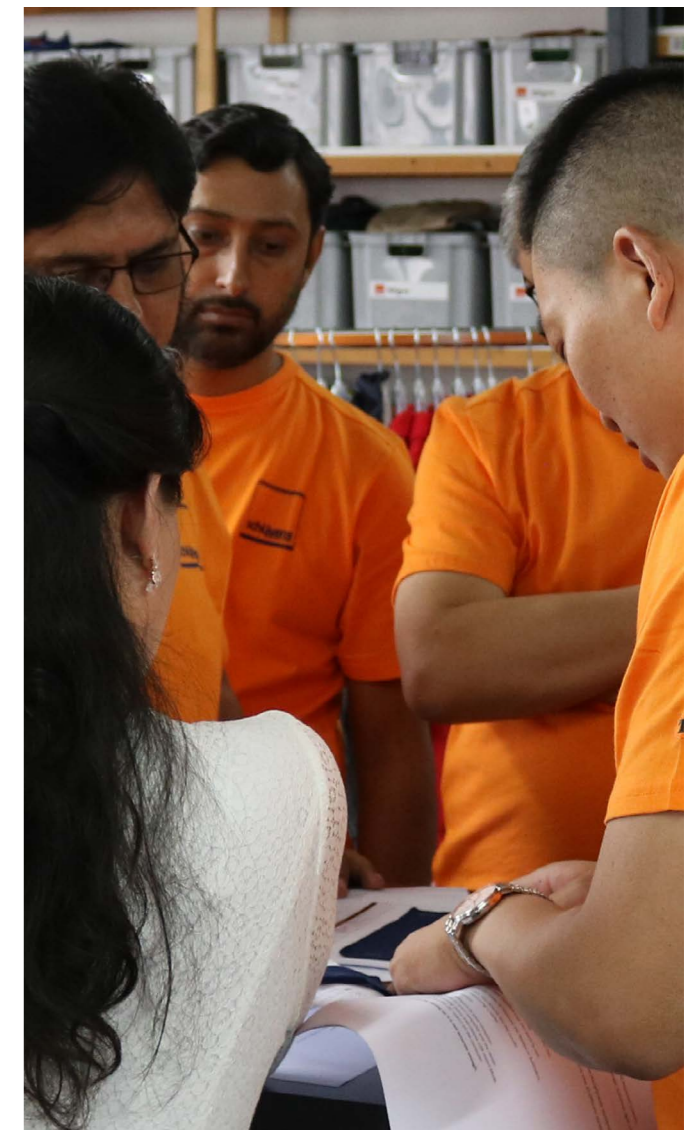
We also noticed that it was better to channel our production: too many factories require much more audits and we as a customer become less important for that supplier, because we give lower order quantity because our turnover has to be divided over many factories. And being less important to a factory also means that they will work less hard to improve the points you would like to see improved. So we decided to lower down our supplier base to a small number of key suppliers: who do we really need? That was the birth of our **Value Chain**. In 2013 they met each other for the first time, the 'producers of Schijvens', in Hilvarenbeek, during our 150th anniversary. They got to know our customers, for whom they made corporate clothing every day and they got to know each other. They also learned that they are not competitors but that they complement each other, creating trust to share things and learn from each other. Every year we meet somewhere in the world, our Value Chain, which is educational but above all a lot of fun. And there is daily contact in the app group. And this **trust** is important, because you stick to each other, for better and for worse.

Because 'for worse' is happening during this spring, with the outbreak of the **Covid-19 virus**. And how does our industry suffer as a result. Not necessarily in corporate clothing, but the fashion industry has come to a stop, which means that many orders are cancelled or postponed at the factories where employees often do not have any reserves in their bank account. A good policy on managing this disaster means that you are also on the barricades for each other in bad times. And that is a 2-way system. Because if a company here in the Netherlands eventually goes bankrupt because it has to pay all its suppliers immediately, the supplier has no benefit of this situation either, because he will never receive orders from a bankrupt customer again. That is why **dialogue** is so important: what do you need and what can I do? And vice versa. We called all our partners in the Value Chain and discussed what they need and how Schijvens can help ("thank you for caring"). You can read this in our Action Plan.

Due to her approach, Schijvens now scores 86 out of 100 points on the Fair Wear Brand Performance Check and thus falls into the Leader category. Many social matters are therefore well arranged at the Schijvens Value Chain. That has taken a lot of effort from our

partners and our people, but improving people's lives also makes you very happy, so it is all worth it. But you also sometimes come across things that have not gone well. And even then due diligence is extremely important. You have audits carried out to see what is going on in a factory: in the field of **discrimination**, **freedom of union** (also in countries where unions are even banned), **security measures**, **child** and **forced labour**, but also research of bookkeeping to check the **payment of wages**, and recently we have also started mapping the **environmental risks** at the dyehouses we work with: which chemicals are used? How is the water drainage arranged? Is there a smart use of energy? And in addition to all this complicated research, we at Schijvens also have to design, produce, supply and recycle company clothing.

And then you find something: a 14-year-old boy works on our production. It's a new Value Chain partner audited by BSCI, a good report. Nevertheless, Schijvens also wanted to have the factory audited for its own Fair Wear standards, after all it was a new partner, so we have to know for sure. The factory had its own workforce in order, wages were paid neatly, factory was safe. Only because the factory was growing so much, they had built an extension, in which they employed temporary workers hired from a contractor. And when



our Schijvens' employees visited the factory together with the audit team, they saw that things were not in order. Production was immediately stopped. The same day, a construction team started to improve health & safety issues: fire extinguishers were hung, emergency exits were installed. And of course the 14-year-old boy was fired immediately. He turned out to be the breadwinner of his family. Is dismissal the best way? Yes. But with a safety net behind it. Umer (because that is his name) is immediately enrolled in school, where he had been taking classes for a few weeks before the corona crisis. He is paid his salary monthly so that he does not necessarily have to work. In addition, a training has been planned for the factory, where they will receive explanations about hiring temporary workers. That is a difficult theme, in some countries or provinces it is prohibited by law to work with these employment agencies, but as an entrepreneur I fully understand that you need extra hands when dealing with peaks, which we also have in the Netherlands. . Only then is it extremely important that you know which employment agency you are hiring. Does this agency have its administration in order? Are all personal data of the employees known. Are they at least 15 years old? And at 15 to 18 years: are these employees deployed according to the rules that apply to underaged employees (as is also the case in the Netherlands). Are employees paid enough and are social security contributions also paid? For many countries and factories it is not at all self-evident to check all this. That is why **training** is important and **awareness** of why you want to deal with 'your' employees in this way.

And there is also a responsibility for the consumer (in our case our B-to-B customers). By choosing products from companies that do good due diligence and take their chain responsibility, you contribute to improving the world. Because by your contribution, by buying something, your supplier can use part of the turnover to do those audits, give the training,

pay fire extinguishers, pay a higher price for better chemicals, achieve a living wage, set up a recycling process and continue to innovate. Everyone has their responsibility, including you. And also Umer, who hopefully continues his school and does not fall back into his old pattern and disappears off the radar.

But how can you be sure that you as a consumer make the right choice? Everyone shouts everything, but what is true? Do I get the correct information? Maybe the brand with the largest advertising budget (who could also have invested in living wages....) gets the most attention? How do I see through that? That is actually your own due diligence. And you can rely on independent parties, so-called NGOs such as CNV, FNV, Unicef, Fair Wear Foundation, Clean Clothes Campaign, Solidaridad, Four Pawns and so on. Fortunately, most of these NGOs are united, together with the textile industry (or at least the part that finds due diligence and cooperation important), with the trade associations and with the Dutch government in the **Dutch Covenant for the Sustainability of Clothing and Textiles**. Together we work on due diligence and improving our chain. For some this is not going fast enough, but as a member of the steering committee I see how much heart and soul everyone is committed to give to the people on the other side of the world, for a better environment, for better animal welfare. We are not there yet, but we have taken the right path. And if we continue to believe in it and continue to work on it, with all the hurdles involved, then there is a world to be won!

Shirley Rijnsdorp-Schijvens
Schijvens Corporate Fashion Hilvarenbeek
23 May 2020

Introduction

At Schijvens we are always considerate of our planet and the well-being of people. The textile industry is the second most polluted industry in the world after the oil industry. Therefore we have started thinking about a solution, in which we can contribute to improving the world and taking our responsibility. Starting with producing circular corporate clothing in which we recycle textile and mix it with recycled pet. In this way a lot of Co2 emission, water and energy can be saved. In addition to producing circular corporate clothing, we are also concerned about the labour conditions of employees in the factories where our clothing is produced. We are affiliated with the Fair Wear Foundation, an organization dedicated to good labour conditions. As a Fair Wear member we continuously work towards a good working environment at all of our production facilities. We are devoted to make a product that makes everyone happy. Not only us and the end user, but also the people who make it.

Our aim is to create a circular economy, where products are reusable as much as possible – preferably 100% – and where damage to the environment and raw materials is limited as much as possible. The circular

economy offers new chances and opportunities. Together with co-innovation partners, we are constantly looking for improvements and are actively working on the further sustainability of corporate clothing collections and the production process. Collaboration is needed to realize this ambition. Circular business, that is business with and for each other.

A family business as ours has the intrinsic value that it thinks in the long-term. We must hand it over to the next generation. We are driven to make the world a little better and to build a thriving business. We have worked very hard and it was not always easy to keep bumping your head when you find out, for example, that the return logistics are too expensive, or when a test with new materials fails. But if you push on and see things change, there is also a lot in return .

Jaap Rijnsdorp - Schijvens CEO
Shirley Rijnsdorp - Schijvens Owner
Hugo Schijvens Owner
Jeske van Korven CSR



Our story

A family business with over 150 years of experience

Schijvens is a Dutch family business that has been designing, manufacturing and distributing corporate clothing for over 150 years. All the departments to supply a high-quality production process are in house, including a design department, quality department, workshop, purchasing department, sales department with office and field staff, distribution centre of 5000 m2 and supporting staff departments. We have been around since 1863 and have always been a producer of corporate clothing. A long history, ample experience. Until 2005, Schijvens was a real production company with 100 seamstresses in Hilvarenbeek. Nowadays, we have a business with a head-to-tail construction and outsource the production to low-wage countries.

Circular T'riffic brand

Apart from designing and producing customer-specific corporate clothing, we also own the workwear brand T'riffic, an extensive and permanent collection of trousers, overalls, poloshirts, sweaters, t-shirts, jackets and thermal clothing, which is all deliverable from stock. Since last year our T'riffic brand is converted into a sustainable circular collection. The corporate clothing is produced from 50% recycled cotton / 50% recycled polyester, or 100% recycled polyester and available in various colors.

Production factory in Turkey

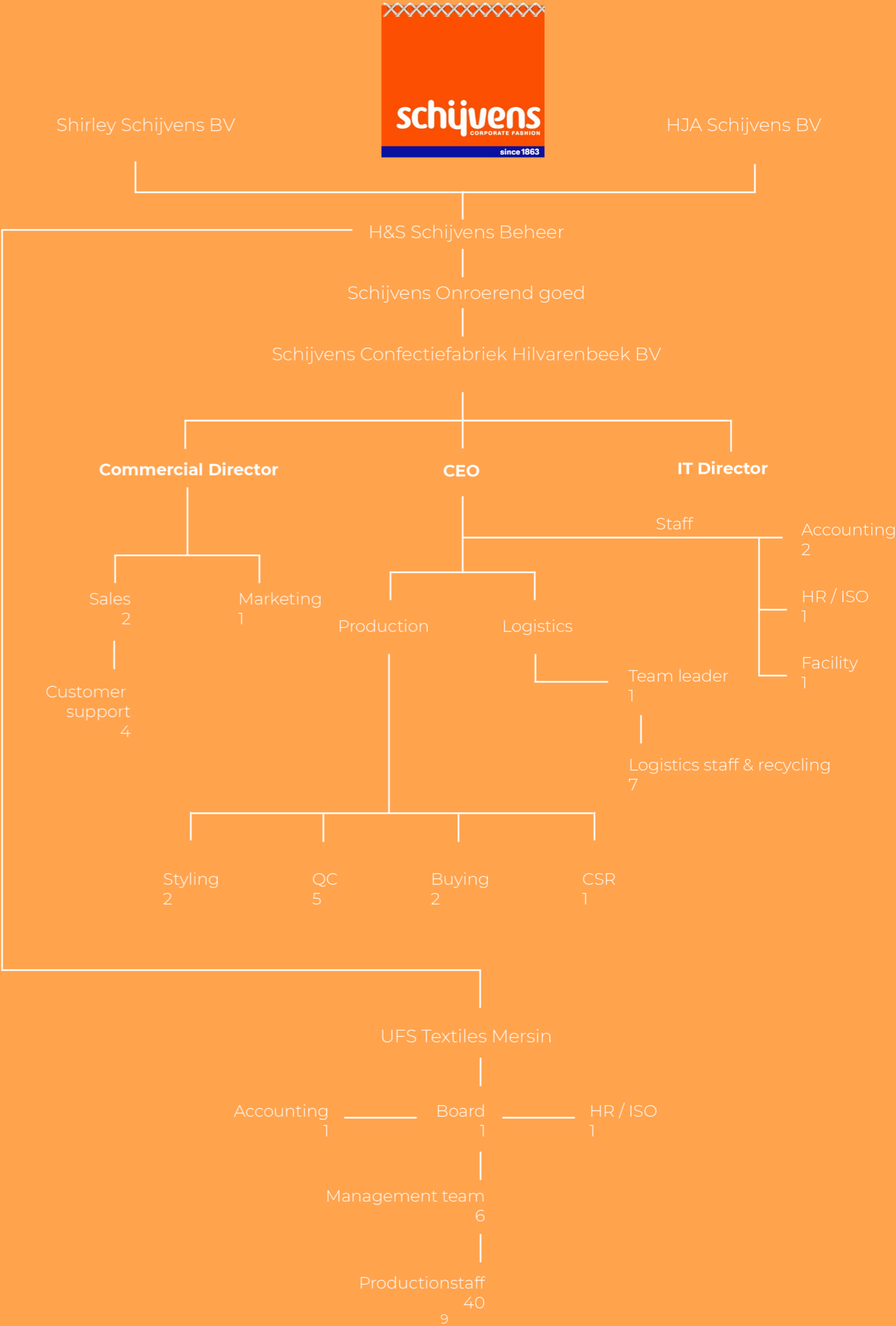
As of 2016 we invested in our own production factory in Mersin, Turkey. This factory employs approximately fifty people. As a consequence Schijvens can continue switching fast, produce small quantities, perform fast deliveries, produce samples or fitting sets and this factory supplies a pool of information that we can use to steer our other production locations, e.g. wage minutes per product and patterns.

Full-service concept

The customers find the power of Schijvens in the full-service concept from designing to production. We have won the Dutch Corporate Fashion Award on several occasions for our appealing designs. We supervise the production at a fixed group of producers, with personal experience in this matter from the history and with an in-house quality control department, which is ISO9001 certified. Collections can be kept on stock for our customers and ship out to the establishments of the client. To this end it disposes of properly equipped software systems, e.g. an EDI portal, customer specific web shops and a budget control system.

Our mission

Our mission is to ensure that the employees who wear our clothing feel good in their workwear, so that this radiates to their customers and provides reassurance to the buyers. We realize this by supplying a fashionable design, a great fit and a good quality and by making the products in a sustainable way.





Social responsibility

Dedication to a good working environment

We are dedicated to manufacture our collections under the best possible working conditions. Therefore we are affiliated with e.g. Fair Wear Foundation, the Dutch Agreement on Sustainable Garments and Textile and the Bangladesh Accord, that helps us to monitor the working environment at our production locations. All first tier factories are audited by an independent third party after which we will work together with the factories on improving the labour standards in their facilities, that is of course an on going process. We have a small base of suppliers, which we consider all valuable partners.

Fair Wear Foundation

Since 2010 we are a member of Fair Wear Foundation, which is a non-profit organization that works with brands, factories, trade unions, NGO's and sometimes governments to verify and improve workplace conditions for garment workers in 11 production countries in Asia, Europe and Africa. Fair Wear is an independent foundation, which is supported by the Dutch government and it operates in accordance with the ILO-standards. Membership of Fair Wear results in an obligation to submit all production information, including all factory details.

'Leader' status

Annually we as a brand are reviewed by Fair Wear on all of our efforts and accomplishments. As of 2018 we are rewarded with the title 'leader'

8,9

social score
100% audited

**FAIR
WEAR
LEADER**

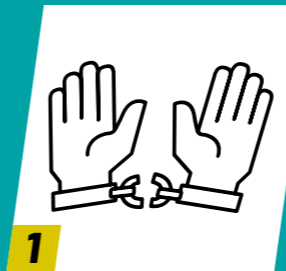
which is the highest category within Fair Wear.

Our key labour issues

Our biggest priority is making sure employees at our production facilities are paid during this crisis as a result of the COVID-19 virus. In addition factories must provide a health and safety working environment to ensure workers health, which comes first of course. In addition we will continue our journey towards living wages. Furthermore our focus remains on common issues within the garment industry such as the reduction of excessive overtime, social dialogue on labour rights and gender-based violence, investigating and increasing the number of woman in supervisory roles and the prevention of child labour. Improving labour conditions at our factories is an ongoing process, and different priorities are specified for each production facility, depending on what priorities come to the fore during audits. We continuously work hard on making sure the fundamental rights of our workers are respected, and step by step improvements are realized in all production facilities that we are affiliated with.

**FAIR
WEAR**

*the 8 elements of Fair Wear's
code of labour practices*



1

Employment
is freely chosen



2

Freedom of association
and the right to
collective bargaining



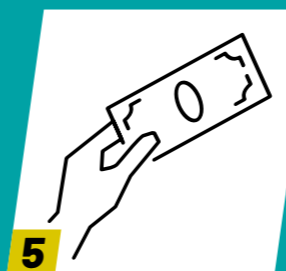
3

No discrimination
in employment



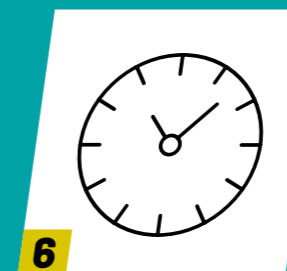
4

No exploitation
of child labour



5

Payment of a
living wage



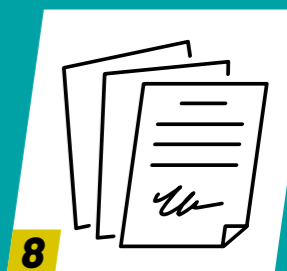
6

Reasonable hours
of work



7

Safe and healthy
working conditions



8

A legally binding
employment
relationship

WITBOEK – In de ogen van de ander

Schijvens participated in this research about family businesses. Click [here](#) to read the full report.

Na de olie-industrie is de textielindustrie een van de meest vervuulende ter wereld. Ook halen de arbeidsomstandigheden in lage lonen landen regelmatig het nieuws – met als dieptepunt de instorting in 2013 van het Rana Plaza gebouw in Dhaka. Het incident vormde geen aanleiding voor Schijvens het beleid verder te verduurzamen, maar gaf wel een impuls aan de wil om het welzijn van anderen te bevorderen. Concreet zet het bedrijf vol in op circulaire productie van bedrijfskleding. Schijvens is een van de weinige producenten in de wereld van 'corporate fashion' die oude kledingstukken mengt met petflessen om er bedrijfskleding van te maken. In 2021 wenst het volledig over te zijn op garens uit gerecyclede textiel, petflessen of andere grondstoffen¹⁰⁷. Eenvoudig is dat niet. Alle textiel wordt vervaardigd in, onder meer, Turkije, Pakistan, Bangladesh, China en Marokko. Hoewel een van de grootste fabrieken voor de verwerking van gebruikt plastic en het 'vervezelen' van oude kleding in Turkije staat, is het niet vanzelfsprekend dat de gerecyclede garens kunnen worden ingevoerd in de overige landen waar partners van Schijvens actief zijn. Ook vraagt het enig omdenken van de partners zelf om Schijvens te volgen in haar streven naar circulariteit.

Naast circulariteit vormt aandacht voor de werkende mens een speerpunt in het bedrijfsbeleid. Het verbeteren van de arbeidsvoorwaarden en arbeidsomstandigheden voor medewerkers van partners – de term voor haar toeleveranciers¹⁰⁸

– is voor Schijvens van groot belang. Om deze reden heeft de onderneming zich al in 2010, ruim voor de ramp in Dhaka, aangesloten bij de Fair Wear Foundation¹⁰⁹ en haar streven naar een leefbaar loon en gezonde arbeidsomstandigheden¹¹⁰. De standaarden gelden voor alle partners, al treden wel verschillen op in de snelheid waarmee veranderingen kunnen worden doorgevoerd. In China zijn denkbeelden over circulariteit, duurzaamheid en arbeidsomstandigheden langzaam maar zeker geaccepteerd. Pakistan en Bangladesh moeten nog een inhaalslag maken. De onderneming probeert haar doelstellingen te realiseren als een familie. Die familieband is voelbaar in Hilvarenbeek, maar ook tussen het hoofdkantoor en de partners. *"Je bent er voor elkaar en door oog te hebben voor elkaars zorgen en positieve ontwikkelingen komen de mooiste resultaten tot stand"*, aldus Shirley Schijvens. Om de onderlinge band te verstevigen organiseert Schijvens elk jaar een door haar gefaciliteerde Suppliers Day¹¹¹. De partners komen dan ergens in de wereld bijeen. Dit geeft de leveranciers 'het gevoel hebben erbij te horen' – iets dat ook blijkt uit de WhatsApp groep waarop leveranciers en Schijvens vrijwel dagelijks met elkaar communiceren. Hierin worden nieuwtjes en belangrijke (privé) momenten met elkaar gedeeld. Het leidt tot een gevoel van saamhorigheid, hetgeen onder meer tot uitdrukking kwam in de woorden van de Pakistaanse partner tijdens een Suppliers Day: *"I'm glad that I can now say that I have a friend in India"*.



Environmental responsibility

The 2nd most polluting industry

The textile industry is known as the 2nd most polluting industry in the world. The production of textiles has a huge impact on the environment. This has to do with various aspects, of which the most important ones are shown below.

- The use of pesticides during the cultivation of cotton, which is very harmful to soil and public health;
- The cultivation of cotton demands huge amounts of land and water;
- The use of chemicals during the fabrication process, i.e., the dyeing and finishing of the fabric, as well as the discharge of the residual water;
- The non-reuse of the waste caused by the disposal of textiles.

The solution is a circular model

The solution to the increasing demand for textiles and run-off of dyes and synthetic materials ending up in the soil is in applying a circular model for the closing of the textile chain. Schijvens endeavours to reduce the impact on the environment and to leave a better footprint. This is done by making an informed choice in the use of sustainable materials and substances for its corporate clothing collections. As of 2017 old clothing are collected from our customer of which new garments are made. The old clothing is shredded or melted at the recycling factory in Turkey, together with recycled PET, new yarns are made from this, which are used for making new garments

Where do we stand?

We are pleased that over the last few years many of our customers have switched from virgin to circular collections. In addition we are also very excited with our new customers that all share the same vision as us and are committed to a sustainable collection. In our last book year Schijvens delivered 68% of its total production in recycled yarns. In addition, so far it collected over 200.000 pieces of worn old clothing from its customers. This saves on average, 40% CO₂ emission, 99% water and 40% energy.



99% water



40% CO₂



40% energy



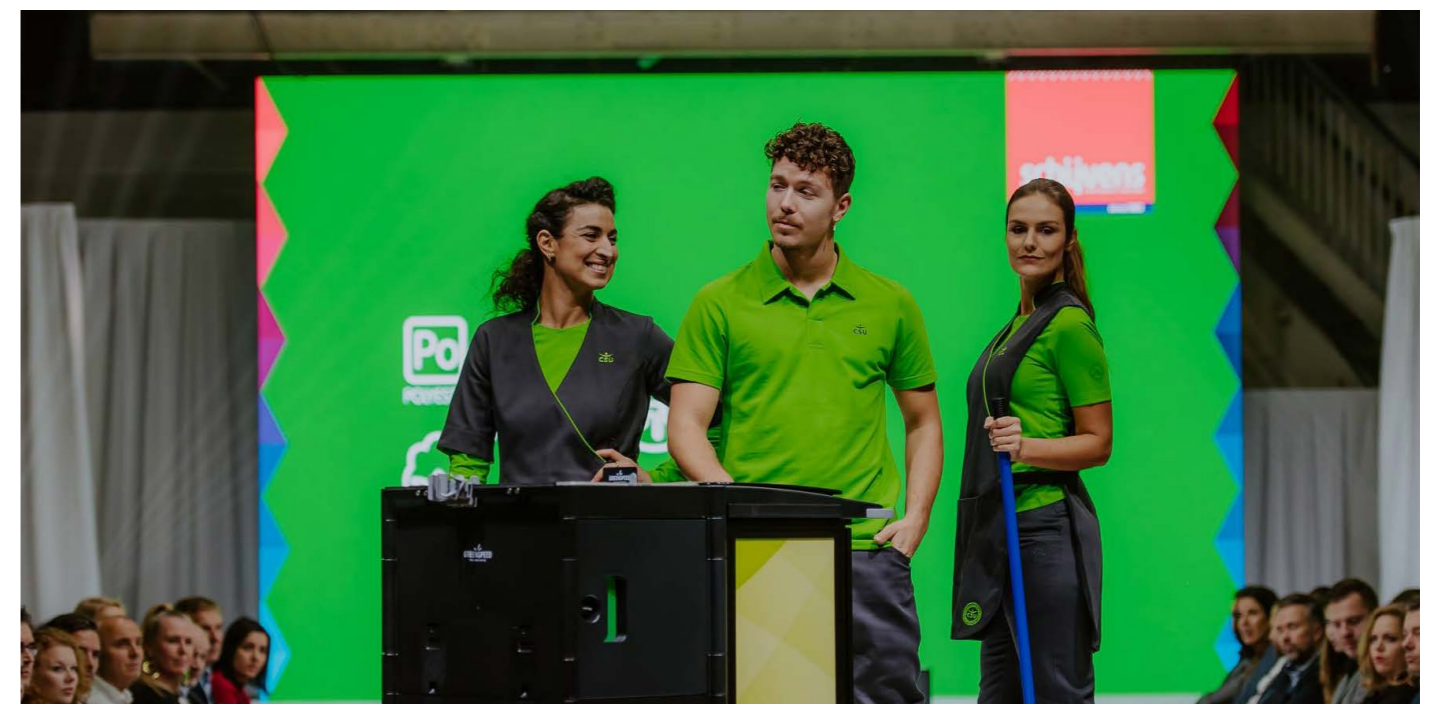
ANKARA: Schijvens Corporation Fashion and Gama Iplik Recycling have extended their contract in the presence of Minister Kaag (NL) and Minister Pekcan (TR), in order to raise the recycling of used (corporate) workwear up to a higher ground. The existing trade barriers which slow down the circular economy were raised and extensive attention devoted to female entrepreneurship.

Still a long way to go

Meanwhile we are still working with RVO and the embassies in Turkey, Pakistan, India and China on creating breakthroughs in the present legislation, which is not set to circularity yet. We realize that we are a small player, however we are a trendsetter and a disruptor who can open doors, can set examples and make sure that in time the scalability of our projects can work internationally and can be followed or improved by big players as a result of which the environment will shortly no longer suffer from our industry. We made a step in Turkey by signing partnership with our recycling partner by the presence of the Dutch and Turkish Ministers, where they discussed the trade perspective between the two countries, specifically looking at technology, innovation and circularity in various different industries.

Our efforts are rewarded

During the last edition of the Corporate Fashion Awards in 2018 Schijvens also won the award in the sustainability category, with the CSU collection, that we are very proud of. According to the Jury the picture is complete with this collection and it shows that CSR does not need to be boring at all. In addition we are very pleased to be rewarded with the 2020 circular award business for our innovative contribution to a circular economy.





Winner Circular Award Business 2020!

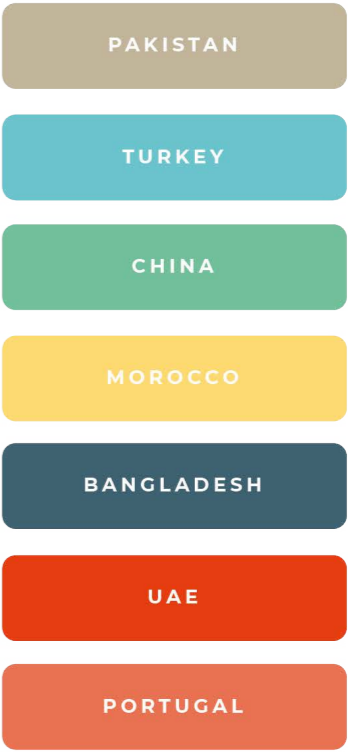
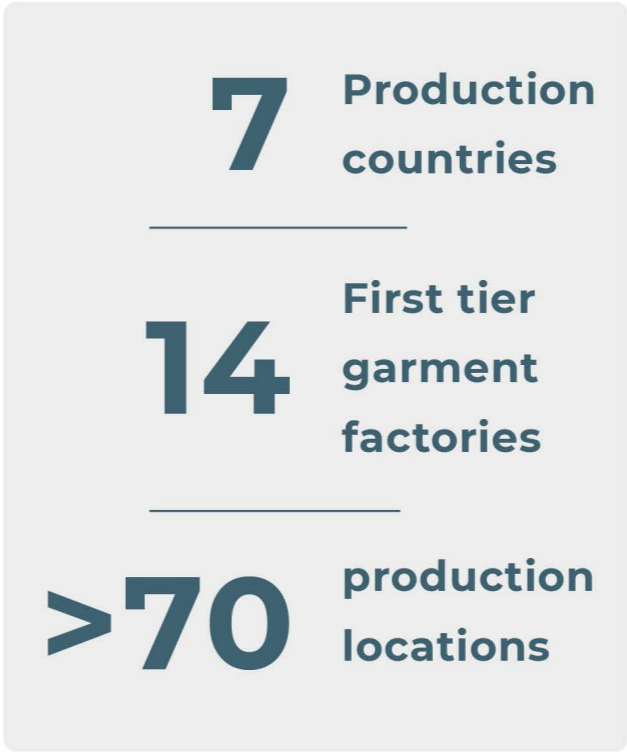
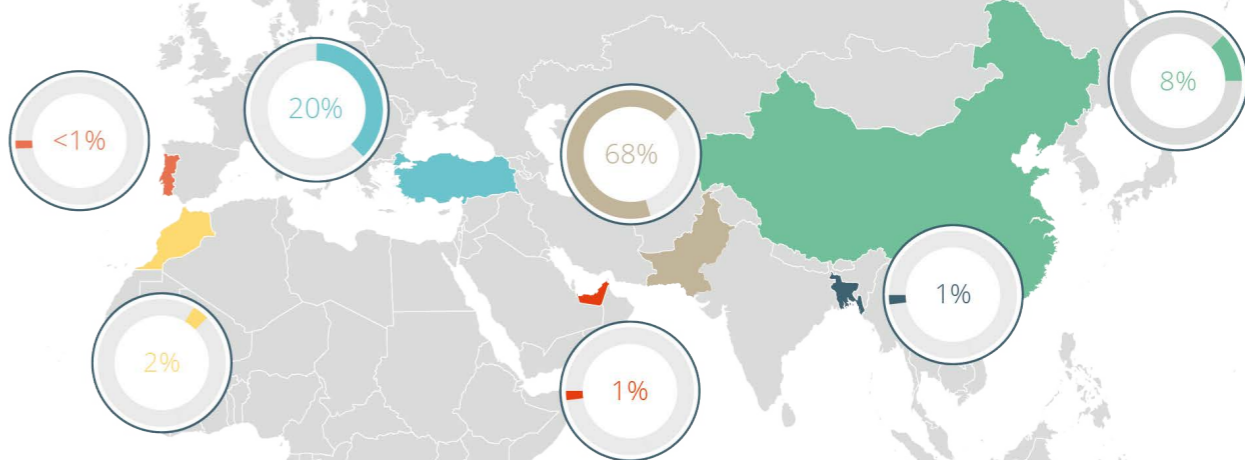
03 February 2020

Yessss! We did it!! We are very happy that we were able to win the Circular Award Business 2020!! The Circular Award Business goes to the company that innovates the most within their own operations and shows what a circular economy can mean for the Netherlands. With our registration and the 60-second pitch, we managed to convince the jury of our circular workwear.

The jury praises Schijvens for closing cycles in the textile chain higher up the R-ladder (cycles ladder). Jury chair Mark Groot Wassink (Royal Auping): "Schijvens is a company that is versed in the textile industry, one of the most polluting industries worldwide. They understand the impact of their products and production methods and have succeeded in contributing to a solution."

We have been collecting old corporate clothing from our customers since 2017. We shredder this clothing into fibers and mix it with fibers from recycled PET, fishing nets and sportswear. From these recycled fibers we make "new" 100% recycled work clothing for our customers. This way we no longer need any new raw materials and we save 99% water, we use 40% less CO2 and 40% less energy. Hopefully by winning this prize, we have managed to inspire people and show that everyone can contribute to the circular economy.

Strategy





Value Circle

Our first tier suppliers

Our long-term partnerships with our producers are highly valued. We cooperate with 14 garment factories, distributed over the countries Turkey, Pakistan, China, Bangladesh, UAE, Morocco, and Portugal. Every country has its own specializations. For instance, in Turkey and Portugal we can produce small quantities with a fast delivery time. In China they work well on technical products, e.g. waterproof all-season jackets and fire-retardant clothing. In Sharjah we work with an excellent costume factory. In Pakistan the specialization can mostly be found in knitted products, such as poloshirts and sweaters. In Bangladesh we work with a wonderful facility for shirts and trousers, and in Morocco we produce knitted sweaters. Most of the production takes place at our own factory in Turkey and in Pakistan.

The Annual supplier meeting

Since 150th anniversary of Schijvens in 2013 a supplier meeting has been organized annually where all our partners come together. The last edition took place in The Netherlands and was again a success. During this meeting mutual dialogue is key and we discuss everything openly together with each other, including the points for improvement that come to the fore during audits and matters that factories run into, so they can also learn from each other. It is good to see that our suppliers try to help each other and look forward to this event every year. The suppliers are also assessed on their performances in the course of which an award can be won every year. Last year our Bangladeshi supplier won this award. In addition we visited some of our customers, so our suppliers could see their clothing in action in the stores, and we organized a meet and greet at our office, where suppliers, customers and stakeholders came together, what lead to very nice conversations. We finished this three day event with a nice barbeque and old Dutch games. The next meeting will take place in Morocco, when the situation allows it again to travel, which everyone looks very much forward to.

Have a look at the aftermovie of the supplier meeting of 2019 in the Netherlands on our website <https://www.schijvens.nl/en/partners/productiepartners/>



PURCHASING POLICY

18

The purchasing department

The purchasing department consists of the CEO (head of buying), project coordinator and CSR/junior buyer. The CEO is responsible for sourcing, innovation and handles new projects and requests. The project coordinator is responsible for the planning and is in daily contact with the factories. To keep an accurate focus on the planning a PLM system is used. This is updated and discussed with all our suppliers bimonthly. Delivery times can thus be monitored accurately and it is possible to intervene, where required, in a timely manner. CSR/junior buyer is responsible for everything that is related to sustainability and also handles small projects that are produced in the Netherlands. Our joint goal is that our collections are produced in the best possible conditions for everyone within the supply chain.

What do we expect from our suppliers?

We believe in cooperation as partners conforming to a two-way communication. It is very important to us that our suppliers share the same vision with regard to sustainability, otherwise cooperation is not possible. Schijvens applies a manual for all our suppliers in which it is mentioned how we believe a partnership should work. Purchasing terms such as delivery dates, prices and payment terms are agreed on and fixed, no changes are made by us during the production process. Besides the general purchasing conditions our manual includes also our Code of Conduct, WECH policy, 9 IMVO themes, audit monitoring programme, and The Transparency Pledge.

Sourcing

When sourcing for new production countries the risks in a particular country are always analyzed. In order to identify these risks, Modint's due diligence tool and Fair Wear's country studies are used. Before starting sourcing in a new country all of these risks are taken in consideration upfront and furthermore existed audit reports are collected from a potential new supplier, to investigate the situation at the particular factory. In addition sustainability is discussed with the factory management and they must agree with our standards and sign our Code of Conduct before we can start a partnership.

Delivery, PLM system & forecast

Internal measures that we implement to monitor our productions well include moreover the PLM and the generation of a monthly forecast for our clothing. This

way we keep a close eye on the stock levels and we can start new productions in a timely manner. Because we have continuous orders, our production locations are able to fill seasonal gaps in their production with our consistent orders. Regarding the delivery terms, all of our goods must comply with all of the respectively applicable, Dutch, legal regulations, especially those which refer to the areas of protecting consumers and health. We apply standard delivery times, three months for European production and five months for the Far East, however always in consultation with the supplier of course. In addition we do not make any adjustments to designs or technical specifications during the production process. With all these measures we try to, in any case, give the factories sufficient time for our productions and to properly monitor the production process in order that interventions are, where required, possible in a timely manner.

Quality

All our partners work according to our AQL requirements and samples are tested by Intertek, an independent international laboratory. We have set up a comprehensive database where each item is being stored with all its information: size schedules, artworks, technical drawings, production results and comments from our QC or customers. During the production processes our supplier submits different kind of samples to monitor the quality in a timely manner, which are all checked by our own QC department:

- Labdip to check the colour of the fabric
- Proto samples in available material
- Fabric swatch of the bulk fabric
- Approval samples, which are the final samples in all sizes, right quality and colour
- Shipment sample from production to perform final check before shipment

Open cost price calculations

We expect from our suppliers to work with open cost price calculations. This means we have insight in the labour costs for each style. 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. We also 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 actually see if the price seems fair for everyone.

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Payment terms

Regarding the payment terms, thirty percent of the order is paid in advance, and other seventy percent once goods are shipped. If one of our suppliers has specific demands, because they might need financial help then we can always deviate from the standard payment terms in consultation with our supplier.

Audit programme

In addition, every tier first tier supplier must be audited and it is also expected that they continuously work on the improvement of the working conditions at the facility. It is not a pass / fail system but an on going process. When it becomes apparent that one of our suppliers is not willing to keep working on this or is not transparent about the progress then we are, unfortunately, held to terminate the partnership eventually. Of course this is only done if we truly see no other solution anymore and in consultation with the factory. Other restrictions in our Code of Conduct are child labour and subcontracting to tier first tier facilities that are not included in our auditing programme.

Supplier performance

Our first tier suppliers are rated on below indicators and the suppliers with the highest score will receive our annual award and a bonus as a stimulation to perform well, and also to learn from each other.

Chemicals, water & energy (WECH)

The production of apparel from raw materials to finished products is a complex and chemical-intensive process. For this reason, Schijvens is committed to developing and implementing responsible chemical management procedures throughout its supply chain and for all manufacturing processes and product components (including accessories / trims attached to garments, prints and packaging materials). Our suppliers must comply with R.E.A.C.H. and in addition with RSL (within one month after introduction) and MRSL (within maximum two years after introduction).

Transparency Pledge

We signed the Transparency Pledge in 2019, which contains a promise to be transparent about our production by publishing a list of locations where we produce our clothing. We expect our suppliers to comply with this transparency commitment. If for any

reasons a production location cannot be published, the supplier has to contact us to discuss the issue. If there are any updates on the production locations further down the supply chain we must be informed within 10 days. We need to have fully insight in all production locations within the entire supply chain. If changes take place at sewing locations, the suppliers has to inform us immediately before production takes place.

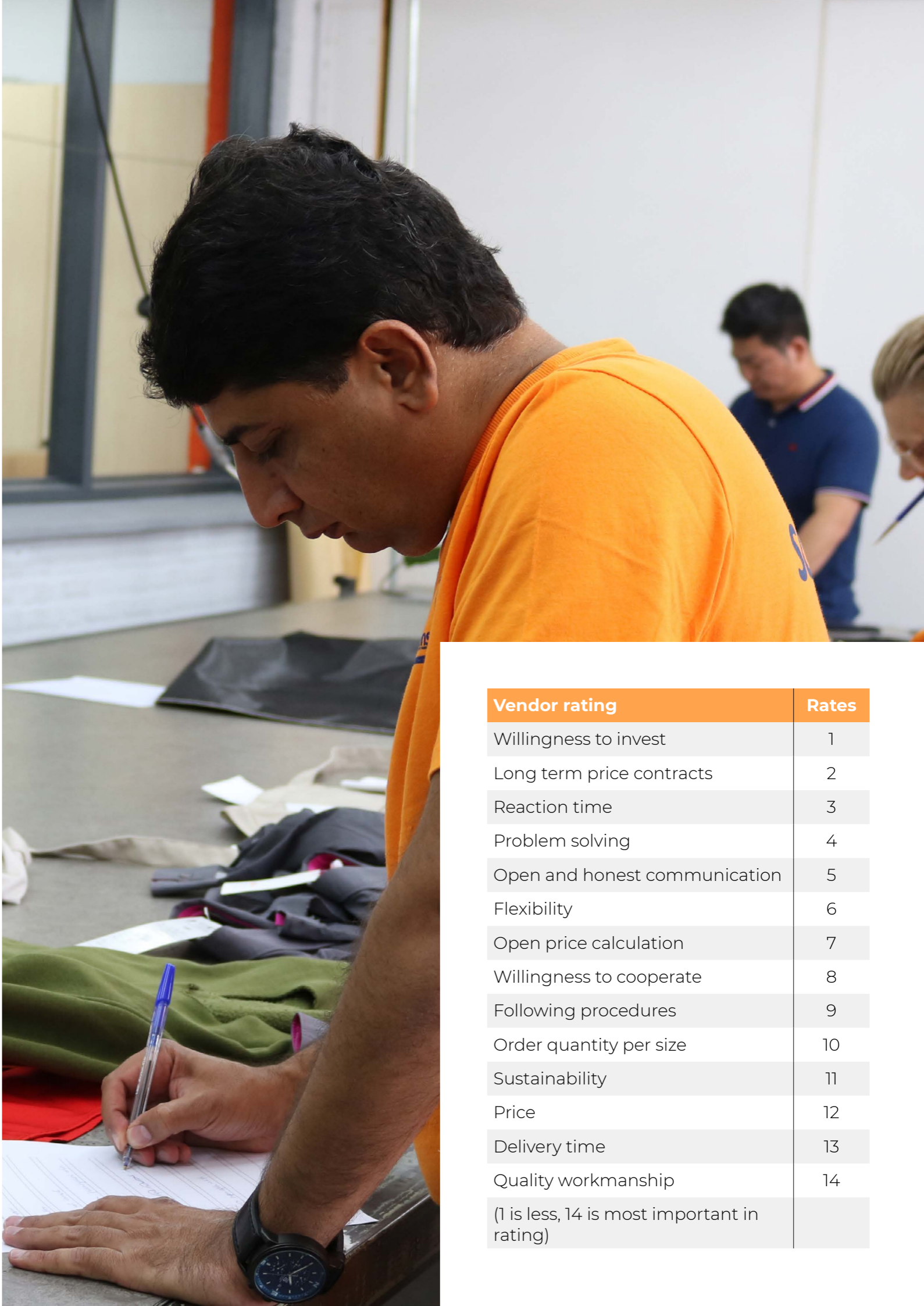
Business during a crisis

During a pandemic or crisis it is highly important that manufacturers are supported and that employees' income and health are protected. Suppliers must stay in close contact and keep us updated on the situation frequently, so we can interfere in a timely manner if necessary. All employees must remain access to Fair Wear's complaint system, so they can reach out for help at any time.

IMVO themes

Besides making sure employees are getting paid during a time of a pandemic, which is the key priority at this moment, we consider below nine IMVO themes where the most risks are within the textile industry, in addition we added overtime to this list. These all require priority attention:

- Discrimination and gender
- Child labour
- Forced labour
- Freedom of association
- Living wage
- Safe and healthy workplace
- Raw materials
- Water pollution and the use of chemicals, water and energy
- Animal welfare
- Overtime



Vendor rating	Rates
Willingness to invest	1
Long term price contracts	2
Reaction time	3
Problem solving	4
Open and honest communication	5
Flexibility	6
Open price calculation	7
Willingness to cooperate	8
Following procedures	9
Order quantity per size	10
Sustainability	11
Price	12
Delivery time	13
Quality workmanship	14
(1 is less, 14 is most important in rating)	





Code of conduct

Our Code of Conduct consists of the eight labour standards derived from ILO Conventions and the UN's Declaration on Human Rights, animal welfare and environmental standards including water pollution and the use of chemicals, water and energy. All of our suppliers must sign our Code of Conduct and agree with our terms and conditions in terms of sustainability. We ask all our suppliers to notify us of any risk of adverse impacts relating to labour rights, animal welfare and environmental hazards during the manufacturing of our garments.

Employment is freely chosen

There shall be no use of forced, including bonded or prison, labour. (ILO Conventions 29 and 105)

There is no discrimination in employment

Recruitment, wage policy, admittance to training programmes, employee promotion policy, policies of employment termination, retirement, and any other aspect of the employment relationship shall be based on the principle of equal opportunities, regardless of race, colour, sex, religion, political affiliation, union membership, nationality, social origin, deficiencies or handicaps (ILO Conventions 100 and 111).

No exploitation of child labour

There shall be no use of child labour. The age for admission to employment shall not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years." (ILO Convention

138) "There shall be no forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour. [...] Children [in the age of 15-18] shall not perform work which, by its nature or the circumstances in which it is carried out, is likely to harm their health, safety or morals." (ILO Convention 182)

Freedom of association and the right to collective bargaining

The right of all workers to form and join trade unions and bargain collectively shall be recognised. (ILO Conventions 87 and 98) The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all workers. Workers' representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to carry out their representation functions. (ILO Convention 135 and Recommendation 143)

Payment of a living wage

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. (ILO Conventions 26 and 131). Deductions from wages for disciplinary measures shall not be permitted nor shall any deductions from wages not provided for by national law be permitted. Deductions shall never constitute an amount that will lead the employee to receive less than the minimum wage. Employees shall be adequately and clearly informed about the specifications of their wages including wage rates and pay period.

No excessive work hours

Hours of work shall comply with applicable laws and industry standards. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every seven-day period. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate. (ILO Convention 1)

Safe and healthy working conditions

A safe and hygienic working environment shall be provided, and best occupational health and safety practice shall be promoted, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Appropriate attention shall be paid to occupational hazards specific to this branch of the industry and assure that a safe and hygienic work environment is provided for. Effective regulations shall be implemented to prevent accidents and minimise health risks as much as possible (following ILO Convention 155). Physical abuse, threats of physical abuse, unusual punishments or discipline, sexual and other harassment, and intimidation by the employer is strictly prohibited.

Legally-binding employment relationship

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment. Younger workers shall be given the opportunity to participate in education and training programmes.

Animal welfare

We find it important that animal friendly materials are used for the production of our garments, thus no animals are suffering during the production process. All animals should be treated well and should be cared for in ways where no abuse, suffering and stress takes place.

Chemicals, water & energy (WECH)

We expect our suppliers to respect the environment and always consider the impact that production processes have on the planet and footprint. The production of apparel from raw materials to finished products is a complex and chemical-intensive process. For this reason, we are committed to developing and implementing responsible chemical management procedures throughout our supply chain and for all manufacturing processes and product components.

R.E.A.C.H.

All of our delivered goods, including trimmings, must comply with the latest REACH and other chemical restrictions of the E.U.

RSL and MRSL

We have developed a Manufacturing Restricted Substances List (SCHIJVENS MRSL 1.0) and a Restricted Substances List (SCHIJVENS RSL 1.0) as a reference for suppliers regarding all chemicals that are banned or restricted in our production processes and finished products.

The SCHIJVENS MRSL which is based on the Zero Discharge Hazardous Chemicals (ZDHC) MRSL and the SCHIJVENS RSL is communicated to all raw material suppliers. All chemicals used in any production process must meet within a maximum of two years the requirements of the SCHIJVENS MRSL starting one communicated to the supplier. All products delivered to us must meet the requirements of the RSL within one month after announcement.

Water and energy

We expect suppliers to always consider the environment and guarantee the safety of their employees. Our suppliers must have insight in their water and energy consumption and limit the use of it. A sufficient environmental management system must be in place, so the pollution of the environment is being measured, corrective actions can be set in order to work on improvements.



Stakeholders

IMVO Covenant

Schijvens joined the IMVO Covenant Sustainable Clothing and Textile from the start, which was signed by Minister Ploumen in 2016. We work together with more than seventy other Dutch textile companies to further improve the sustainability of the sector.

Fair Wear Foundation

Fair Wear works towards good working conditions in the clothing industry and is one of our most important affiliates. Our first tier factories are audited by Fair Wear after which we work on improving the labour environment in association with the factories. Because of our performances we are, as a brand, 'leading' within FairWear, which is the highest category and we obtained a score of 86 points during our last Brand Performance Check. For production countries where Fair Wear is not active, we work with other local organizations, Innovatus in Pakistan and Saxa in the United Arab Emirates, that all follow the same guidelines as Fair Wear. Furthermore where possible existing audits will be used from other local organisations, such as BSCI and SGS in production countries where Fair Wear is not active, if the quality is good enough, so the number of different audits at suppliers can be limited.

Bangladesh Accord

Bangladesh Accord was incorporated in 2013 after the collapse of Rana Plaza in order to monitor and improve the safety of clothing factories in Bangladesh. This also includes our supplier in Dhaka, which is a continuous process. A lot of progress has already been made on safety within the country and also at the production facility that we work with.

Modint

Modint is the textile trade organisation in the Netherlands of which we are a member. Modint supplies the EcoTool, amongst other in collaboration with Remo, that we use to calculate the environmental impact of our garments. The entire life cycle of a product is considered (LCA). The LCA calculations include the entire production process and the final environmental score includes water, energy, CO2, chemicals and land use. By entering the material composition of a corporate clothing article into the tool, the tool does not only calculate the environmental impact of that particular article but also compares the article to another, so that a customer can see at a glance what the environmental impact is on the choice that is made. In addition Modint helps us by setting up and monitoring a sufficient chemical policy, which we are implementing this year. Furthermore Modint provides training courses and the due diligence tool, that we are making use of to get good insight in the risks within our supply chain.



The Sustainable Trade Initiative (IDH)

IDH brings governments, companies, CSOs and financiers together in action driven coalitions. They orchestrate the powers of law, of entrepreneurship and investments to work together to create solutions for global sustainability issues at scale. The results of the questionnaires in Pakistan were processed by IDH and a benchmark was determined.

True Price

In addition to Fair Wear and IDH, we have also involved True Price with our living wage project in Pakistan and they have reviewed our methodology of which we received positive feedback.

European Clothing Action Plan (ECAP)

The focus of ECAP was to develop a pan-European framework in which environmental and economic advantages can be introduced in the clothing industry by creating a circular approach throughout Europe. Schijvens was the first pilot to market a circular collection. The ECAP pilots show that it is possible to make textile in a circular manner as a result of which a sustainable future at the European level is within reach.

ISO 14001 via SGS

The annual audits of SGS in respect of the ISO 14001 certificate of Schijvens ensure that we regularly check our environmental aspect register and verify this, where required, with our suppliers.

GRS and OCS certifications via Control Union

Our partner where our recycled yarns are produced is

Global Recycle Standard (GRS) certified. In addition the organic cotton that is used for our production is certified according to the Organic Cotton Standard (OCS). Control Union is used to verify that yarns are indeed made from recycled yarns or organic cotton.

MVO Nederland

We are a member of MVO Nederland, that creates a network of partners who innovate and implement with each other in order to attain the New Economy. In addition, we participated in a survey on agape within businesses (titled, in de ogen van de ander) and centres the question to what degree businesses pay attention to the wellbeing of the other and the manner that they give substance to this. The full report is available on our website.

Transparency Pledge

The Transparency Pledge is an initiative established by nine labour and human rights organizations to help the garment industry reach a common minimum standard for supply chain disclosures by getting companies to publish standardized, meaningful information on all factories in the manufacturing phase of their supply chains. Making production locations public is an important step towards better working conditions. This allows local parties to directly report abuse to the clothing companies, so that action can be taken. We signed this Transparency Pledge in November of last year. In addition we participated in research by CCC amongst textile suppliers on transparency and living wages.

Stakeholders	Themes	Actions	Logo
IMVO Covenant Sustainable Clothing and Textile	9 IMVO themes	<ul style="list-style-type: none">Brings stakeholders and companies together to work on sustainability of the sectorSupports in conducting due diligence within the entire supply chainTraining courses	IMVO Convenanten Convenant Duurzame Kleding en Textiel
Fair Wear Foundation	Social conditions according to The eight fundamental ILO Conventions	<ul style="list-style-type: none">Conducting social audits at first tier suppliersTraining for members, factory management and employeesFair Wear's complaint mechanism and helpline for employeesReviewing methodology of living wage projects	FAIR WEAR
Innovatus	Social conditions according to The eight fundamental ILO Conventions	<ul style="list-style-type: none">Conducting social audits in Pakistan (Fair Wear is not active in Pakistan)Training for factory management and employees	Innovatus
Saxa	Social conditions according to The eight fundamental ILO Conventions	<ul style="list-style-type: none">Conducting social audits in UAE (Fair Wear is not active in UAE)Training for factory management and employees	SAXA QUALITY CONTROL
Bangladesh Accord	Health & safety	Monitoration of fire, electrical and building safety at production facility in Bangladesh	ACCORD on Fire and Building Safety in Bangladesh
IDH, True Price	Living wage	Processing results from questionnaires for setting the right living wage benchmark	idh the sustainable trade initiative
ECAP	Raw materials	Schijvens was the first pilot to market a circular collection. The ECAP pilots show that it is possible to make textile in a circular manner as a result of which a sustainable future at the European level is within reach.	ECAP european clothing action plan
ISO 14001 via SGS	Raw materials & WECH	Environmental management system	ISO 14001 SGS
GRS and OCS certifications via Control Union	Raw materials	Our partner where our recycled yarns are produced is Global Recycle Standard (GRS) certified. In addition the organic cotton that is used for our production is certified according to the Organic Cotton Standard (OCS). Control Union is used to verify that yarns are indeed made from recycled yarns or organic cotton.	CONTROL UNION
Modint	Raw materials & WECH	<ul style="list-style-type: none">Assisting in WECH policyEcoTool for LCA calculationsTraining coursesDue diligence tool	MODINT
MVO Nederland	9 IMVO themes	Creates network of partners who innovate and implement with each other in order to attain the New Economy (circular, climat neutral and fair).	MVO NEDERLAND
Transparency Pledge	Living wage &trans-parancy	<ul style="list-style-type: none">Schijvens signed Transparency Pledge and production list is availableSchijvens participated in research on transparancy and living wages by CCC, that is one of the endorses of the Transparency Pledge	#GoTransparent

Risk analysis

Discrimination and gender

Unfortunately, discrimination within the clothing industry is a common problem, in particular in countries like Bangladesh, India and Pakistan where women are often in a worse position compared to men. For instance, women are admitted to managerial positions less quickly and there is a risk of sexual intimidation in the workplace. This theme is very important to us, and is also part of our audit programme. Our factory in Bangladesh participates in a programme of Fair Wear, which is aimed at the prevention of sexual intimidation and the incorporation of an anti-harassment committee. In addition, we are in the process of rolling out such a programme at our long-term partner in Pakistan.

Child labour

We always communicated to our customers it is expressly mentioned that if child labour would be detected, we immediately terminate the relationship. We believe that the facilitation of child labour is so wrong that we feel that we cannot convince the management intrinsically of ILO standards. Unfortunately, this year child labour has been detected at one of our factories that we only recently started working with. This was detected before our production was running, and we immediately undertook remediation actions. This fourteen year old boy has been hired on temporarily basis via an employment agency, the management was not aware of the situation, as their system is not working properly to verify ages in a sufficient way for these temporarily workers. In agreement with the factory we established a plan to tackle this urgent issue, to guarantee the safety of the worker and his family. We will continue providing the salary, but instead he has to go to school. In addition the factory must improve its system, in order to avoid these kind of urgent manners in the future.

In addition there is an increased risk in countries like Turkey with many Syrian refugees who often set to work without the correct papers. As a consequence the risk of child labour of Syrian origin has increased. We monitor this in the best way possible at our production locations in Turkey. In addition, we also monitor that younger employees and pregnant women at the factories work under good working conditions. They must receive additional protection and can, for instance, not perform overtime. This is also checked during an audit.

Forced labour

Our factories all have a policy against forced labour. Thus far we did not experience this to be a problem occurring at our factories, however unfortunately it does occur in general within the clothing industry. The risk in China is high, especially amongst minorities, such as Uyghur people, what has recently emerged by the Australian Strategic Policy Institute.

We try to monitor this in the best way possible. Forced labour is always checked during audits, and via off-site interviews, in order that employees feel safe to discuss issues relating forced labour.

Freedom of association

There are several countries where trade unions are not allowed or are subject to restrictions, e.g. the United Arab Emirates, Turkey and China. What is in any case important to us is that a worker committee or a representative is active at each production location. However, a problem that we frequently encounter is that the committee is set up by the management whilst these members should be elected by the employees. If this emerges from one of our audits then we try to enter into relevant discussions with the factory and to elections must be carried out again. Training from, for instance Fair Wear, can assist in this matter. In addition, Fair Wear's Worker Information Sheet is available at all our factories, which also includes the complaint system with telephone number. If an employee at the factory cannot reach agreement with the worker committee then the complaint hotline of Fair Wear can be contacted.

Living wage

One of our highest priorities is on living wage. Unfortunately in the textile industry most people are only receiving a minimum wage, which is often not enough to live from. In 2016 we started our first living wage project at our own factory in Turkey. We developed a tool to calculate the living wage benchmark and to apply this in the cost price. Since then we successfully implemented the living wage, besides Turkey, also at MYM Pakistan. We subsequently roll this out to our other suppliers.



Safety and health in the workplace

All our factories are audited by a local team of Fair Wear, including a health and safety specialist who thoroughly checks the safety at the factories. Think about the fire safety, the safety of the building and whether training and inspections are carried out in a timely manner. Due to the high risks in Bangladesh we are also affiliated with the Bangladesh Accord, they specifically inspect and monitor the safety of the building, electricity and fire safety at production locations within this country.

Raw materials

As already discussed, the production of raw materials entails many risks for people and planet. Cotton requires huge amounts of water to cultivate. We try to use recycled and organic materials as much as possible in order that these risks are limited. Many processes for the production of raw materials are exhaustible, emit hazardous substances or are, for instance, produced in an animal unfriendly manner. We aim to be completely circular in order that minimal water and energy are required to produce our clothing.

Water pollution and use of chemicals, water and energy

The production of the raw materials is usually an environmentally unfriendly process. Think about the considerable volume of water that is required to wash raw cotton, the dyeing of the fabrics, which again returns waste into nature, and the finishing of the fabrics, where often hazardous chemicals are used. This year we set up a new chemical policy, including RSL and MRSL restrictions that our suppliers must comply with. We also conduct due diligence at production locations further ahead in the production chain in order to also obtain insight into the risks at these kinds of facilities and to also take steps there. For instance, there is a project from the SER in association with Arcadis at one of our dyehouses in China to implement improvements on environmental issues there. In addition we will conduct audits next year at two of our most important dyehouses in Pakistan and Turkey.

Animal Welfare

We use almost no animal raw materials but the small percentage (<0.1%) that we do use, we want to convert into animal and environmentally friendly alternatives, such as organic or recycled wool in the upcoming two years to come. We find it important that no animals suffer during the production of our clothing.

Overtime

Overtime is a common practice in general in the textile industry and also at our suppliers we encounter this issue as well. We see this problem in production countries where often short leadtimes are required such as Turkey, but we face this also to be a problem in the Far East, mainly at our Chinese suppliers. We are at least trying to avoid excessive overtime and of course overtime must always be performed voluntarily in agreement with employees, not on a regular basis and always against the right compensation. Furthermore we expect our suppliers to be transparent on their wage records, so we have good insight in the situation.

COVID-19

In addition to these nine themes the biggest risk at the moment might be considered the disastrous consequences the COVID-19 virus has on the world and therefore also on the textile industry. These are uncertain times and unfortunately many employees are facing poverty due to the loss of income and possibly lay-offs. We try to monitor our supply chain in the best way possible and provide support where needed. We work with a permanent group of partners and are in close contact with them. We are in consultation with each supplier regarding the status in their factories, the needs, challenges and how we can support them. Each supplier has filled in our questionnaire, followed up by a face-to-face call. In any case Schijvens has not taken any unilateral measures, has not negotiated discounts under the threat of cancellation of orders and certainly has not cancelled any orders. We have paid all our produced orders in accordance with set agreements. In addition we paid all expenses that our producers have already had to make for the purchase of raw materials and labour if ordered items have already been taken into production. All down-payments are made in a timely manner. After a period of lock-down most of our suppliers are slowly starting production again, after which all the necessary health measures at the facilities have been implemented, so employees can work under safe and healthy conditions. A big risk when factories are running again, is that excessive overtime may occur. We are also in close contact with our suppliers within this matter and have not yet experienced this to be a high risk at the moment. Schijvens endorses the content of the ILO Global Call and the MSI statement, and furthermore joined the Call to Action. This initiative is launched by international labour organizations to support manufacturers and to protect employees' income and health.



COVID-19

Production Country	Production Capacity	Payments employees	Lay offs employees	Financial status	Support Government	Support Schijvens
Bangladesh	Factory is closed	Done	None	Ok	None	Providing more orders, regular capacity booking basis, ontime payment and general CSR support
China	In general our factories in China are running, but not yet with full capacity due to less orders. One of our suppliers is struggling and their facility is still closed at the moment. We are in contact with this supplier on possibilities for factory to re-open.	Done	None	Ok to difficult. One of our supplier indicates facing bankruptcy.	None	Providing more orders, no cancellations and provide deposit for orders.
India	Factory is running with reduced production capacity.	Done	None	Ok	None (application for support is still in process)	Provide consistent orders, so workers and staff are occupied
Morocco	Factory is running with reduced capacity.	Done	None	Ok	Yes, financial support of 2.000 MAD monthly for each employee during lockdown.	More orders and good prices.
Pakistan	Factories are running with reduced capacity.	Done (only contract workers are not being paid, they're are hired on temporarily basis via an agency and are depending on Government support (3.000 rps per person, which does not cover basic needs).	None	Ok to difficult	No support on short term, only long term due tax returns and they are giving support with high interest and strict collateral.	Regular orders placement, timely payments, down-payments, extension in shipment dates due to less working hours.
Portugal	Factory is running with reduced capacity.	Done	None	Ok	None, you only get financial support when you need to lay-off employees.	Mostly orders at the moment
Turkey	In general our factories are running, some with reduced capacity. One of our suppliers is still closed due to low orders.	Done	None	Ok to difficult	Support from Government is provided for one of the factories, to help with salary payments	Mostly orders at the moment
UAE	Factory is running with reduced capacity.	Done	None	Difficult	None	More orders

Covid-19 can have its downfall on the following themes and increase risks:

- Child labour
- Forced labour
- Freedom of association
- Living wage
- Safe and health in the workplace

Due to the cancelled orders and closure of factories, people can lose their jobs or only get paid partially and therefore do not receive a living wage. When this occurs, a good trade union is needed to stand up for these employees. Otherwise the situation will lead to a low salary, which does not cover basic needs that has disastrous personal consequences. This will also encourage child labour in the future, if families do not earn enough to make ends meet. In addition, it is in these times highly important that a safe and healthy working environment is provided at the production facilities. You can watch this video to see how this is ensured at our suppliers. <https://www.schijvens.nl/en/responsibility/covid-19/>

We took the following steps to monitor the situation within our supply chain:

- Contact with all of our suppliers, of which the global outcomes are shown in the overview
- Communication on our website (www.schijvens.nl)
- Communication for the sector with Minister Kaag and key notes are summarized



The current situation at our suppliers during the COVID-19 crisis

We are in close contact with our suppliers regarding the current COVID-19 crisis and sent out a questionnaire to get insight in the situation within our supply chain, followed up by a video call. This approach was highly appreciated by our suppliers, and it was good to see that most of them are doing ok and their factories are heading in the right direction. Factories are starting up again. However unfortunately for a few the situation is disturbing and we are currently



Stakeholders call with minister Sigrid Kaag about the call to action on COVID-19

checking what we can do the help these factories. In general they do not get any support from the Government, so far they have been able to pay all their employees, however it is important that the situation will improve soon. We also asked each partner what we can do to support them, and the main finding is provide more orders. Luckily we are still receiving orders from our customers, so we are still providing new orders. In addition we did not cancel any orders, provide timely payments and down payments to help factories financially.



Schijvens risk analysis









We have of course checked the current situation with our partners as a first priority with regard to Covid19. We have made an inventory of how we can help them and we have looked at which health care measures have been taken. We have fulfilled all payment obligations and no orders have been canceled. As long as we can maintain this, we want to focus on continuing our 3 strategic priorities:








1. Calculation and payment of Living Wages
2. Raw materials: working towards a 100% sustainable circular raw material model
3. WECH: improving dyehouses in the field of water, energy and chemicals







Of course, during the year there are always daily priorities in between when there have been audits (eg as in Pakistan), but in general we choose the above 3 priorities that we want to (continue to) work on this year, as you can see in our risk analysis schedule in these themes the highest amount of red flags appear.









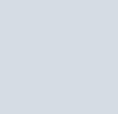


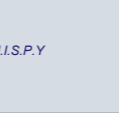














COMMON CHAIN RISKS

	PROCES	Cotton plant	Polyester plant	Spinning	Weaving	Knitting	Dyeing	Sewing	Printing	Embroidering	Trimming	Packing	Transport	Customers	End of Life
RISK	tier	4	4	3	3	3	3	1	2	2	2	2	1	1	1
1. Discrimination & gender															
2. Child labour															
3. Forced Labour															
4. Freedom of association															
5. Living Wage															
6. Health & Safety															
7. Raw Materials															
8. WECH															
9. Animal Welfare															
Overtime															

Name production location	Country production location	Product (category)	Certifications/audits	1. Discrimination & Gender	2. Child Labour	3. Forced Labour	4. Freedom of association and the right to collective bargaining	5. Living Wage	6. Health & Safety	7. Raw Materials	8. Water pollution and use of chemicals, water and energy	9. Animal Welfare	10. Overtime
United Fashion Service Sentetik Torba	Turkey	Woven and knitted garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* It was noted that one worker representative has been elected freely by the workers. The representative represents workers only in safety related activities and has joined H&S committee meetings on a regular basis. The factory does not have an effective worker representation system on labour related issues. Remediation on new elections in process. * Fair Wear's complaint helpline in place. * No possibilities for a trade union in the free trade zone	Living wage implemented in 2017	* ISO 45001 certified for a safe and healthy working environment Health and safety audits and training from Government * Social audit conducted: remediation regarding minor health and safety corrective actions in process	N/A	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	New policy on overtime, only for exceptions overtime can be done
Baskent Konfeksiyon Sanayi ve Gıda Dis Ticaret Ltd. Sti.	Turkey	Woven and knitted garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* No possibilities for a trade union in the free trade zone * Worker representative available and Fair Wear's complaint helpline in place	* Although Schijvens covers living wage in their prices, no living wage is yet provided for all employees * Social benefits are paid under the table, which is a common issue in Turkey	Social audit conducted: no outstanding corrective actions regarding health and safety	N/A	N/A	No animal-unfriendly materials are used for our productions	Overtime take place, but no excessive overtime was observed during the audit
Ndf Konfeksiyon San. Tic. Ltd. Sti.	Turkey	Woven garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* No possibilities for a trade union in the free trade zone * Worker representative available and Fair Wear's complaint helpline in place	* Although Schijvens covers living wage in their prices, no living wage is yet provided for all employees * Social benefits are paid under the table, which is a common issue in Turkey	Social audit conducted: remediation regarding building permit in process	N/A	N/A	No animal-unfriendly materials are used for our productions	Excessive overtime was observed during audit, weekly overtime hours must not exceed 12 hours. Remediation in process.
MYM Knitwear Pvt. Ltd. Manufacturers Exporters of Knitted Garments	Pakistan	Knitted garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* There is no registered union in the factory. * Worker committee (Joint Worker Management Council) is available * Fair Wear's complaint helpline in place	* Living wage implemented in 2019 * Convert new employees in new building to permanent contract including living wage in 2020	Social audit conducted: * Improvements fire safety in process and training regarding fire safety will be scheduled in 2020 * Improvements regarding electrical safety, such as proper wires and maintenance in process * Waste disposal must be improved in a timely manner Required sheets in electrical panels and at chemical storage must be available	N/A	N/A	No animal-unfriendly materials are used for our productions	As per time records, overtime hours are within legal limits, however all employees must receive same overtime compensation based on their actual salary, not the minimum wage, this also applies to the new piece rate workers in the new building. Remediation in process.
Lucky Textile Mills Pvt. Ltd.	Pakistan	Woven garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Worker committee available * Fair Wear's complaint helpline in place * There is no trade union available in the factory	No living wage is yet provided for all employees	Social audits conducted: no outstanding corrective actions regarding health and safety * WRAP certified	* GRS certified * OCS 100 certified * OCS Blended certified	* ISO14001 certified (environmental management system) * GOTS certified * Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	No excessive overtime was observed during audit and overtime premium is paid correctly.
Amna Ashraf Apparel Pvt. Ltd.	Pakistan	Kitted garments		Policy against discrimination and gender in place	High risk child labour, because two juvenile employees were found in the factory during audit. Urgent remediation actions in process, which includes training, set up sufficient age verification system for temporarily employees and providing safe working environment and follow rules strictly for younger workers. Training for prevention of child labour will be conducted once the situation regarding COVID-19 allow this again and assistance called in from local organization.	* Policy against forced labour in place * No findings regarding forced labour during audits	* There is no trade union available in the factory * Worker committee (Joint Worker Management Council) available * Fair Wear's complaint helpline in place	* No living wage is yet provided for all employees * Minimum wage for contractor workers paid on piece rates is not ensured. Some workers earned less than minimum wage due to less work. * There are 7 loaders which are factory employees and are paid below the minimum wage i.e. PKR 16,200 instead of PKR 17,500. Urgent remediation in process.	Social audit conducted: * Outstanding corrective actions regarding fire safety in process (urgent issues are resolved) Improvements regarding electrical safety and evacuation are implemented * Training regarding Code of Labour Practices and Health and Safety will be scheduled in 2020 * WRAP certified	N/A	N/A	No animal-unfriendly materials are used for our productions	Attendance records were only available for factory employees. The records for contractor workers were not available. No excessive overtime was observed, however this cannot be verified for contractor workers. System must be improved and factory must keep record of in-out times of contractor workers. Remediation in process.
A.L. Garments Pvt. Ltd.	Pakistan	Knitted garments		Policy against discrimination and gender in place	High risk child labour, 14 year old worker detected during audit. Urgent remediation actions in process, which includes providing salary for this boy, employment relationship is terminated and instead education will be provided after Covid19-school closure, in addition factory has to set up sufficient age verification system for temporarily employees and training for prevention of child labour will be conducted as soon as the situation regarding COVID-19 allows this again and assistance called in from local organization.	* Policy against forced labour in place * No findings regarding forced labour during audits	* There is no trade union available in the factory * Worker committee (Joint Worker Management Council) available * Fair Wear's complaint helpline in place	* No living wage is yet provided for all employees * Facility is not maintaining the proper wage and time records of workers in the second building. Urgent remediation in process.	Social audit conducted: * Outstanding corrective actions regarding fire safety in process (urgent issues are resolved) Improvements regarding electrical and evacuation are implemented * Training regarding Code of Labour Practices and Health and Safety will be scheduled in 2020	N/A	Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	Attendance records were only available for factory employees. The records for contractor workers were not available. No excessive overtime was observed, however this cannot be verified for contractor workers. System must be improved and factory must keep record of in-out times of contractor workers. Remediation in process.
Nantong Zhuohui Clothing Co. Ltd.	China	Woven garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Factory is not unionized and there is no worker representative. Workers were not aware of union or its function, neither were they aware of the right of freedom of association. Remediation in process and training must be provided. * Fair Wear's complaint helpline in place	* Living wage project running * As factory did not completely record the working hours of workers, the audit team cannot fully verify the wages situation. To ensure that a reliable time recording system (e.g. swipe card, time clock) must be implemented to completely and accurately record employees' working hours. Remediation in process and follow-up audit must be scheduled.	Social audit conducted: improvements regarding fire safety and training of staff in process	N/A	N/A	No animal-unfriendly materials are used for our productions	The estimated working hours of workers are more than 60 hours/week, up to 75 or more hours/week. Factory only uses the '\ ' symbol to record the workers attendance without time in/out information, and the overtime hours were not completely recorded; as a result, the working hours situation in the factory cannot be fully verified. System including in-and out time must be implemented and overtime hours must be reduced. Remediation in process

Name production location	Country production location	Product (category)	Certifications/audits	1. Discrimination & Gender	2. Child Labour	3. Forced Labour	4. Freedom of association and the right to collective bargaining	5. Living Wage	6. Health & Safety	7. Raw Materials	8. Water pollution and use of chemicals, water and energy	9. Animal Welfare	10. Overtime
Ningbo Zhenhai Jienuo Garments Co. Ltd.	China	Knitted garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* There is no trade union available in the factory * Worker representatives assigned in the factory, however employees are not aware of the representative and their rights of freedom of association. Remediation in process and training must be provided. * Fair Wear's complaint helpline in place	* No living wage is yet provided for all employees * Due to incomplete attendance records the situation on wages could not be fully verified, remediation in process and follow-up audit must be scheduled.	Social audit conducted; improvements regarding fire safety and evacuation in process	N/A	N/A	No animal-unfriendly materials are used for our productions	Due to incomplete attendance records exact overtime hours could not be verified, however As per interviews with management, most workers have 2 days off in a month and they work consecutively for more than 7 days up to 20 or more days. System including in-out and time must be implemented and overtime hours must be reduced. Remediation in process.
Foshan Ka Chun Garment Co Ltd	China	Woven and knitted garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Trade union available in the factory, however employees are not aware of the trade union and their right of freedom of association. Fair Wear's WEP training on labour rights is scheduled in May 2020. * Fair Wear's complaint helpline in place	* No living wage is yet provided for all employees * As not all overtime hours were properly recorded, the audit team cannot fully verify the situation on wages, remediation in process and follow-up audit must be scheduled.	* ISO 45001 certified for a safe and healthy working environment and social audit conducted Social audit conducted: one area denied access to during audit because of competitive interest regarding new developments from other customers, which is not acceptable and this area must be checked during next visit or audit, and our agent has to provide an internal audit including photos. There are no further urgent outstanding corrective actions.	N/A	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	Excessive overtime Due to incomplete attendance records exact overtime hours could not be verified, however As per interviews with management, most workers have 2 days off in a month and they work consecutively for more than 7 days up to 20 or more days. System including in-out and time must be implemented and overtime hours must be reduced. Remediation in process. excessive overtime hours. Remediation in process.
Geebee Garments Industries Ltd.	Bangladesh	Woven garments		* Fair Wear's WEP training regarding anti-harassment and setting up worker committee * Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Fair Wear's WEP training in process regarding anti-harassment and setting up worker committee	No living wage is yet provided for all employees	* Under monitoring by Bangladesh Accord regarding fire, electrical and building safety * Social audit conducted * ISO 45001 certified for a safe and healthy working environment	GRS certified	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	No animal-unfriendly materials are used for our productions
Geebee Garments (FZE) Sharjah	United Arab Emirates	Costumes		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Fair Wear's complaint helpline in place * No unions or worker committee allowed in UAE, worker representative must be assigned. Training for implementation must be provided	No living wage is yet provided for all employees	Social audits conducted: no outstanding corrective actions regarding health and safety	N/A	N/A	No animal-unfriendly materials are used for our productions	Facility has restricted normal working hours to 8 hours per day and 48 hours per week. Further the facility performed 2 hours overtime per week.
THA SA.	Morocco	Flat knit garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Worker committee (enterprise committee) available * Fair Wear's complaint helpline in place * Fair Wear's WEP training regarding anti-harassment and setting up worker committee	No living wage is yet provided for all employees	Social audit conducted: no outstanding corrective actions regarding health and safety	Wool is used in productions, which must be converted into an animally friendly alternative	N/A	Wool must be converted to an animally friendly alternative, such as organic wool or recycled material	No excessive overtime was observed during audit, there is only a difference in knitting section (48 hours of overtime weekly) and for other departments 44. The weekly working hours should be 44 hours for all functions.
Ultra creative Ida	Portugal	Woven garments		Policy against discrimination and gender in place	* Policy against child labour in place * No findings regarding child labour during audits	* Policy against forced labour in place * No findings regarding forced labour during audits	* Worker representative available * Fair Wear's complaint helpline in place * Fair Wear's WEP training regarding anti-harassment and setting up worker committee	No living wage is yet provided for all employees	No audits conducted because Portugal is a low risk country, health and safety checklist is conducted during visits	No productions running at the moment, but we will start tests with recycled yarns	N/A	No animal-unfriendly materials are used for our productions	No audits has been conducted, but factory confirmed overtime is exceptional and within regulations.
Al-Nasir Garments Pvt. Ltd.	Pakistan	Embroidery, printing	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Zaib Apparel Industries Pvt. Ltd.	Pakistan	Embroidery	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
M.N. Embroidery Pvt. Ltd.	Pakistan	Embroidery	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Asian Enterprises Pvt. Ltd.	Pakistan	Embroidery	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Artistic Embroidery Pvt. Ltd.	Pakistan	Embroidery	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Ultra Embroidery Ltd.	Bangladesh	Embroidery	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Screenline Embellishers BD Ltd.	Bangladesh	Printing	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Yuda Embroidery Co. Ltd.	China	Embroidery	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Shu Yang Print Co. Ltd.	China	Printing	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Foshan City Shunde District Leliu Zhisheng Garment Manufactured Co. Ltd.	China	Printing	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Wan Xing Long Computer Embroidery Uniform Co. Ltd.	China	Embroidery	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Ultra Estampa Lda.	Portugal	Printing	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Mek Decor	Morocco	Embroidery	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Hai'an Tianlong Print and Embroidery Co. Ltd.	China	Embroidery, printing	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	Fair Wear's complaint helpline in place	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y
Nantong Tianzhu Textile Co. Ltd.	China	Weaver		N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
JSTEX Fabric Co. Ltd.	China	Weaver	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y

Name production location	Country production location	Product (category)	Certifications/audits	1. Discrimination & Gender	2. Child Labour	3. Forced Labour	4. Freedom of association and the right to collective bargaining	5. Living Wage	6. Health & Safety	7. Raw Materials	8. Water pollution and use of chemicals, water and energy	9. Animal Welfare	10. Overtime
Jiangsu Zongcheng Print & Dyeing Co. Ltd.	China	Dyehouse		N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* OCS 100 certified * OCS Blended certified	* ISO14001 certified (environmental management system) * Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Nantong Sanfa Dyeing & Finishing Co. Ltd.	China	Dyehouse	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Texhong Textile (Huaian) Co. Ltd.	China	Spinner	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin yarns	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
S.B. Knitting Pvt. Ltd.	Pakistan	Knitter	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
J-Tex Pvt. Ltd	Pakistan	Knitter	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Gul Ahmed Textile Mills Pvt. Ltd.	Pakistan	Weaver, dyehouse	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Rayan Knitting Pvt. Ltd.	Pakistan	Knitter	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Al-Ghani Export Pvt. Ltd.	Pakistan	Knitter	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Shafi Textile Pvt. Ltd.	Pakistan	Weaver, dyehouse	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
JB Industries Pvt. Ltd.	Pakistan	Dyehouse		N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	WRAP certified	Started to dye virgin fabrics by recycled circular yarns and local recycled or organic yarns	GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Humera Industries Pvt. Ltd.	Pakistan	Dyehouse		N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Social audit conducted	Started to dye virgin fabrics by recycled circular yarns and local recycled or organic yarns	* Oeko-Tex 100 certified * GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Al-Abbas Fabrics Pvt. Ltd.	Pakistan	Dyehouse		N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to dye virgin fabrics by recycled circular yarns and local recycled or organic yarns	* Oeko-Tex 100 certified * GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Premium Textile Mills Pvt. Ltd.	Pakistan	Spinner	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Starting to replace virgin by recycled circular yarns and local recycled or organic yarns	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Metco Textile Pvt. Ltd.	Pakistan	Spinner	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Starting to replace virgin by recycled circular yarns and local recycled or organic yarns	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Gadoon Textile Mills Pvt. Ltd.	Pakistan	Spinner	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Starting to replace virgin by recycled circular yarns and local recycled or organic yarns	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Husnain Textile Mills Pvt. Ltd.	Pakistan	Spinner, raw material processing	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Starting to replace virgin by recycled circular yarns and local recycled or organic yarns	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Ellicot Spinning Mills Pvt. Ltd.	Pakistan	Spinner, raw material processing	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Starting to replace virgin by recycled circular yarns and local recycled or organic yarns	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Suzhou Kai Ling Co. Ltd.	China	Weaver	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Wujijang Tang Textile Co. Ltd.	China	Spinner, raw material processing	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Recycled yarns are running	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Shenghong (Suzhou) Group Co. Ltd.	China	Dyehouse	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Zhongshan Chengxinyi Textile Co. Ltd.	China	Knitter	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Zhongshan Tianxingjian Textile Co. Ltd.	China	Dyehouse	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Sichuan Yilong Dyeing & Printing Co. Ltd.	China	Weaver, spinner, dyehouse		N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin yarns used	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Cixi Jinhui Knitting Co. Ltd.	China	Knitter	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Wuxi Yimian Textile Group Co. Ltd.	China	Spinner	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin yarns used	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Sinopec Yizheng Chemical Fiber Co. Ltd.	China	Spinner, raw material processing	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin yarns used	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Yuyao Fengying Printing and Dyeing Weaving Co. Ltd.	China	Dyehouse	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Ningbo Youmao Textile Co. Ltd.	China	Finishing fabrics	N/A	N.I.S.P.Y	Statement sent out by Schijvens that forced labour is not acceptable and policy and Fair Wear's complaint line must be in place.	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
E. Mirogljo EAD	Bulgaria	Spinner, dyehouse		N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Wool is used in productions, which must be converted into an animally friendly alternative	Oeko-Tex STEP certified	Wool must be converted to an animally friendly alternative, such as organic wool or recycled material	N.I.S.P.Y
Rifer Industria Textil SA	Portugal	Weaver, dyehouse	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	No productions running at the moment, but we will start tests with recycled yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y

Name production location	Country production location	Product (category)	Certifications/audits	1. Discrimination & Gender	2. Child Labour	3. Forced Labour	4. Freedom of association and the right to collective bargaining	5. Living Wage	6. Health & Safety	7. Raw Materials	8. Water pollution and use of chemicals, water and energy	9. Animal Welfare	10. Overtime
Vardhman Textiles Ltd.	India	Weaver, spinner, dyehouse	 	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* Tests for recycled fabrics are running * GRS certified * OCS 100 certified * OCS Blended certified	* Oeko-Tex 100 certified * GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Reliance Industries Ltd.	India	Raw material processing	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Tests for recycled yarns are running	N/A	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Rayon Tekstil Sanayi ve Dış Ticaret Ltd Şti	Turkey	Dyehouse	  	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	ISO 45001 certified for a safe and healthy working environment	GRS certified	* ISO14001 certified (environmental management system) * Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Arkum Tekstil	Turkey	Knitter, dyehouse	     	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	ISO 45001 certified for a safe and healthy working environment	* GRS certified * BCI certified	* ISO5001 (energy management system) * Oeko-Tex 100 certified * GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Anıkan Mensucat	Turkey	Dyehouse	   	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	ISO 45001 certified for a safe and healthy working environment	GRS certified	* ISO5001 (energy management system) * GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Zafer Tricot	Turkey	Knitter	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Virgin fabrics	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Himteks Mensucat San. Ve Tic. Ltd. Şti.	Turkey	Knitter	N/A	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	Started to make virgin fabrics by recycled circular yarns and local recycled or organic yarns	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Çağdaş Dokuma San. Ve Tic. Ltd. Şti.	Turkey	Weaver		N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* GRS certified * OCS 100 certified * OCS Blended certified	GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Gama Recycle Elyaf Ve İplik San. A.Ş. (Gaziantep)	Turkey	Spinner	  	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	ISO 45001 certified for a safe and healthy working environment	* Recycled yarns are spun * GRS certified * OCS 100 certified * OCS Blended certified	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Gama Recycle Elyaf Ve İplik San. A.Ş. (Gaziantep)	Turkey	Raw material processing	  	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	ISO 45001 certified for a safe and healthy working environment	* PET Bottles are processed * GRS certified * OCS 100 certified * OCS Blended certified	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Gama Recycle Elyaf Ve İplik San. A.Ş. (Duzce)	Turkey	Raw material processing	  	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	ISO 45001 certified for a safe and healthy working environment	* Old worn clothing are processed * GRS certified * OCS 100 certified * OCS Blended certified	ISO14001 certified (environmental management system)	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
GBTL Co. Ltd.	India	Weaver, spinner, dyehouse	  	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* Social audit conducted * ISO 45001 certified for a safe and healthy working environment	Recycled yarns are running	* ISO5001 (energy management system) * ISO14001 certified (environmental management system) * Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Rivertex Suzhou Technical Fabrics Ltd.	China	Weaver		N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* Recycled technical fabrics * GRS certified	No information yet	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Singtex Industrial Co. Ltd.	China	Knitter	 	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* S.Café fabrics * GRS certified	Oeko-Tex 100 certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y
Tootal Fabrics (Holland) B.V.	China	Weaver	  	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	N.I.S.P.Y	* BCI certified * GRS certified * OCS 100 certified * OCS Blended certified	* Oeko-Tex 100 certified * GOTS certified	No animal-unfriendly materials are used for our productions	N.I.S.P.Y



Our ambitions

	2019-2020	2020-2021	2021-2022
1. Living wage	<p>Living wage is implemented in the factory in Pakistan.</p>	<p>Living wage project running in China; receiving insight in open cost price calculations, questionnaires must be conducted and living wage benchmark must be set in negotiation with the employees, and involve stakeholders to review our methodology and benchmark.</p>	<p>Calculation on cost price, increase prices if necessary, training on new salaries for employees must be provided to complete implementation of living wage in China.</p> <p>Roll out to the next supplier.</p>
2. Raw materials	<p>Recycled collections increased from 22% to 68%. 9% organic cotton has been used for our garments. In total 77% of our garments are made from sustainable yarns, In total 23% of our collections are still in virgin materials.</p> <p>T'riffic brand is converted to a circular collection.</p>	<p>Total number of recycled collections will remain the same at around 65%. We expect organic cotton to increase from 9% to 27%. In total around 92% will be sustainable. Approximately 8% of our collections are still in virgin materials.</p>	<p>100% circular collections.</p>
3. Water pollution and the use of chemicals, water and energy	<p>Investigation opportunities environmental audits and finalize audit programme</p> <p>Joint sustainable dyehouse project in China is running in cooperation with Arcadis and IMVO Covenant.</p>	<p>Developing WECH supply chain management system</p> <p>Conduct environmental audits at two of our most important dyehouses in Turkey (Çağdaş Dokuma) and in Pakistan (Al-Abbas fabrics)</p> <p>Joint sustainable dyehouse project in China in cooperation with Arcadis and IMVO Covenant is finalized and all correct actions must be implemented.</p> <p>Our suppliers must comply with RSL restrictions in 2020 (within one month after receiving instructions).</p>	<p>Two key dyehouses are audited and are under monitoring, corrective actions are implemented within given timeframe.</p> <p>Our suppliers must comply with MRSL restrictions by 2022 (within two years after receiving instructions).</p> <p>Roll out to the next supplier(s)</p>

1. Our journey towards a living wage

Our first living wage project in Turkey

In the textile industry, employees in the production facilities are usually paid only a minimum wage, which is in most cases not sufficient to make a living. Therefore in 2016 we started with tackling this complex matter and launched our first living wage project at our own factory in Turkey. The factory calculated all the working minutes for each type of garment, so we got insight in how much labour is needed for producing our clothing. Next to that we did research on the monthly costs of all employees in the factory. We involved the workers in setting the right benchmark as they were asked to provide all their monthly costs and advised what they think they should receive to cover all their expenses. For more information on our project in Turkey and how the factory employees have experienced this, you can check Fair Wear's Best Practice video, which was launched in 2018 on <https://www.schijvens.nl/>.



Living wage in Pakistan

After finishing the project in Turkey, we rolled it out to our long-term partner in Pakistan and we established to implement a living wage together with Zeeman, that also sources from this factory. All employees were also involved in the process and they indicated what all their costs are and in this respect the question was also asked what they feel a living wage should be. We involved several stakeholders in the process. The results of the questionnaires were processed by The Sustainable Trade Initiative (IDH) and a benchmark was determined. In addition our methodology is reviewed by True Price and Fair Wear Foundation, which is in compliance with their requirements. In October of 2019 living wage has been implemented at our production floor and as of January 2020 all people are lifted to our living wage benchmark.

"I felt responsible for a fair salary and good working conditions. After all, you pay them as a client, which makes them indirectly your colleagues. At the time, we also organized our supply chain differently. By working more intensively with a small group of suppliers, you can become more involved. Therefore you can really call them friends." - Shirley Rijnsdorp-Schijvens (owner).



**target
living wage
39%
factory
employees**

Challenges

Of course we faced some challenges along the way, such as overtime hours being paid under the table, without proper registration systems, and the importance of raising all salaries, not only the lowest ones, to maintain wage difference that reflect workers skills and experience. At the production facility in Pakistan it has been a little more challenging, since this is not our own factory, so we do not have full insight in the bookkeeping and you're depending on costing and labour details from the supplier. In addition although we do take in a big amount of their production, we do not have hundred percent leverage, so it was exciting to work together with Zeeman, so we could lift the entire factory to a living wage. In general we notice that the mark-up on a product to pay the living wage often only amounts to about twenty eurocents.

Roll out to other suppliers

*With our project in Turkey, we started our journey towards living wages, which was rewarded with Fair Wear's Best Practice Award in 2017. Our tool was introduced to all of our other partners during the annual supplier meeting that year. Step by step we want to roll out this project to all our other producers from our 'value circle'. We had the ambition to do this faster however the present experience teaches us that the factories still measure much too little to truly obtain good insight into wage minutes and cost prices, which are all essential data. After finishing the project in Pakistan, it was enrolled to one of our suppliers in China. **The reason why we have chosen Nantong Zhuohui Clothing Co. Ltd. factory is that Fair Wear has audited that factory***

and they did not completely record the working hours of employees, so the audit team cannot fully verify the wages situation. To ensure that, a reliable time recording system (e.g. swipe card, time clock) must be implemented to completely and accurately record employees' working hours. Furthermore we have been working with this partner in China for a long time, has changed more things over the years (for better and also for worse) and we are also curious to see how our programme will work in China (with not much unions).

Open cost price calculations

We expect from our suppliers to work with open cost price calculations. This means we have insight in the labour costs for each style. 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. We also 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 actually see if the price seems fair for everyone.

Living wage	Goal	Actions	Who
Providing a living wage in our costprice for employees that are involved in the production of our garments. Because we are aware that in the clothing industry employees are often paid only a minimum wage, which usually does not cover their basic needs. We want to take our responsibility and investigate whether our cost price is enough to cover a living wage and also establish the right living wage benchmark together with the factory employees. We want to realize this with all of our first tier suppliers by taking on all of these production facilities one by one and roll out the project to a new supplier every year.	Implementation of living wage at supplier Nantong Zhuohui Clothing in China by 2021 Our cost price must cover a living wage at all of our first tier production facilities within five to ten years	<ul style="list-style-type: none"> Our Chinese supplier must provide open cost price calculations to get insight in the labour minutes of our styles by the fall of 2020 Our Chinese supplier must provide an overview of all salaries earned by the factory employees by the fall of 2020 Determine the right living wage benchmark by means of a questionnaire amongst factory employees of the supplier in China by the end of 2020 Schijvens must calculate if its cost price covers a living wage by the end of 2020 and if not increase prices in consultation with our Chinese supplier by early 2021 Involving stakeholders, such as Fair Wear Foundation to review our project and methodology used in China early 2021 Schijvens must review options to implement living wage and making sure this is paid to the workers in consultation with our Chinese supplier by early 2021 Provide training for employees on increasement of wages by local stakeholder early 2021 Reviewing possibilities to change piece rate system to permanent contracts by the spring of 2021 Implementation of living wage by mid 2021 Roll out living wage project to another first tier supplier in our value circle by mid 2021, which will be done every year Check annually by the end of the year if our set living wage benchmark is still sufficient and recalculate if necessary, also when minimum salaries are increasing in a particular region or country 	CEO, Owner, CSR in cooperation with suppliers and stakeholders

Wage gap analysis

We have an overview of the wages paid to the employees within our first tier suppliers, in comparison with an average living wage benchmark, which is based on local details regarding household and income earners per family, which includes in any case one full timer and one part timer. These are estimated benchmarks, based data from [wageindicator.org](#). We are aware of the fact that there are all different kinds of living wage benchmarks available, so we want to do research on the right living wage benchmark within the region where

the production facility is located. It is important that this is done in dialogue with the employees as the best wages are negotiated wages and with the involvement of stakeholders, such as Fair Wear foundation. Our set benchmarks in Pakistan and Turkey are based on results of questionnaires amongst the factory employees, that also included household size, income earners and all the monthly costs of all employees.

Production countries	Minimum wage (2020)	Average wage factories (2020)	Living wage estimate average	Living wage gap (2020)
Bangladesh (one first tier supplier in 2020)	8.000 BDT	10.212 BDT	15.900 BDT (wageindicator.org)	Living wage gap is approximately 5.700 BDT
China (three first tier suppliers in 2020)	1.720 - 2.020 CNY	4.300 - 4.500 CNY	3.270 CNY (wageindicator.org)	These average wages includes benefits and overtime. Wage excluding benefits are not yet available. Wages for a regular working week cover minimum wage, so the gap is still approximately 1.250 - 1.550 CNY
Morocco (one first tier supplier in 2020)	2.699 MAD	2.991 MAD	11.000 BDT (wageindicator.org)	There is a big gap of around 8.000 BDT. There are many different benchmarks, so research has to be done to check which of these benchmarks apply to the region where the factory is located.
Pakistan (four first tier suppliers in 2020)	17.500 PKR	17.500 - 22.500 PKR	22.500 PKR (set benchmark based on family of four and 1,4 income earners)	Living wage is implemented at one of our long-term suppliers in Pakistan (MYM Knitwear). As of last year we started working with three new factories, where there is still a living wage gap of approximately 5.000 PKR.
Portugal (one first tier supplier in 2020)	635 EUR	673 EUR	1.060 EUR (wageindicator.org)	There is a living wage gap of approximately 390 EUR
Turkey (three first tier suppliers in 2020)	2.325 TRY	2.325 - 3.250 TRY	2.805 TRY (set benchmark based on family of four and 1,4 income earners)	No living wage gap at our own factory (UFS) in Mersin as average wages are 3.250 TRY. Schijvens is paying living wage in their cost price, however the other two subcontracting factories are not yet lifted to a living wage and the gap there is still approximateley 480 TRY as employees are mainly paid the minimum wage
UAE (one first tier supplier in 2020)	No minimum wage applicable in UAE	650 AED	4.020 AED (wageindicator.org)	There is a living wage gap of approximately 3.400 AED.



‘Happy employees are the key to success for every company’



Mahmood Nara,
owner MYM Knitwear
(Karachi, Pakistan):

Schijvens Corporate Fashion and Zeeman Textielsupers started in September 2019 a collaboration with the help of IDH (the Sustainable Trade Initiative) to pay a living wage in a Pakistani textile factory. Owner/ director Mahmood Nara stepped with confidence into the project.

“In the two years before this project started, we had long discussions with Schijvens about what living wage is and what standards you apply. Together with IDH, Schijvens drew up a questionnaire that they presented to our employees, with questions about their spending on issues such as food, transport and education. When we saw the answers to those questions, we realized that this is an exciting project that we should work on together. A living wage is a wage that allows someone to fulfill their basic needs. A wage with which a family can afford healthy food, pay for a home and medical facilities and that is enough to get children to go to school. This meant that the wages of the employees in our factory increased by almost thirty percent. The employees were very happy with that. Yet they also had many questions. Sometimes they had hoped for a higher wage. We assume a certain average. But in some families, only one person has an income that all family members have to live on. One employee has more children than the other. Other employees live

together with parents and other family members. Our calculation of a living wage is not calculated for this. So we had to talk a lot with employees, but in the end everyone agreed to our proposal for a monthly wage. The project has certainly improved the image of our factory. People want to work with us, the current employees are extra motivated. In the eyes of others, we may take a risk with this cost increase because we have become more expensive than our competitors. But we have a lot of confidence in our partners Schijvens and Zeeman. With their support, we will continue to improve the lives of our employees. Schijvens also helps us to find other Dutch customers, so that we can continue this project with new partners. With regard to our competitors, we hope that more and more companies will follow our example. But they too can only afford that if they get the support of their customers. This project means a lot to me personally. I feel happy that I can improve the standard of living of the people working for me. I am convinced that happy and motivated employees are the key to the success of any organization.”





Schijvens en Zeeman

Beter salaris in Pakistaanse kledingfabriek

Bedrijfskledingproducent Schijvens en Zeeman werken samen aan de introductie van een leefbaar loon in een Pakistaanse fabriek. Een complex proces, dat om veel doorzettingsvermogen vraagt.

TEKST Berber Bijma FOTO Jeroen Poortvliet

Het klinkt prachtig: twee Nederlandse familiebedrijven zorgen ervoor dat werknemers van een Pakistaanse kledingfabriek – óók een familiebedrijf – binnenkort een leefbaar loon krijgen dat zo'n 30 procent boven het minimumloon ligt. Het is ook een mooie stap, benadrukken beide bedrijven, maar slechts het begin van een ingewikkeld proces dat misschien wel meer vragen heeft opgeroepen dan beantwoord.

Schijvens Corporate Fashion is een familiebedrijf dat bedrijfskleding produceert, vertelt ceo Jaap Rijnsdorp. Een deel van die productie wordt gemaakt in textielfabriek MYM in de Pakistaanse hoofdstad Karachi. Rijnsdorp: 'Als familiebedrijf zit het in ons dna dat we in onze productie het goede willen doen voor mens en milieu. De vraag is alleen hóe. Toen we begonnen met verduurzaming, zagen we door de bomen het bos niet meer. Je kunt wel

Best practices

Leren van anderen is een belangrijke succesfactor bij het slagen van projecten. Daarom een serie over best practices op het gebied van leven lang ontwikkelen, samenwerking, arbeid, diversiteit en de energietransitie. Deze keer: de introductie van leefbaar loon in een Pakistaanse fabriek.

een goed hart hebben, maar je hebt ook structuur nodig. We besloten te focussen op één stap per keer. Zo hebben we eerst in een fabriek in Turkije, waarvan wij voor 80 procent eigenaar zijn, leefbaar loon geïntroduceerd. Daarvoor kregen we in 2017 de Best Practice Award van Fair Wear Foundation. Daarna zijn we ons gaan richten op de fabriek in Pakistan.' →



Arnoud van Vliet: 'Samen zijn we goed voor ongeveer driekwart van de productie van de fabriek in Pakistan.'

Eigen rekentool

Berekenen wat een 'leefbaar loon' is in een bepaald land, is geen sine-cure. Schijvens ontwikkelde daarom een eigen rekentool. Hierin worden de gegevens over de lokale kosten voor levensonderhoud – door de werknemers aangeleverd – afgezet tegen de kosten en de omzet van de fabriek.

Halverwege dat proces benaderde kledingproducent Zeeman Schijvens. Zeeman bleek in dezelfde fabriek orders te plaatsen. 'Samen zijn we goed voor ongeveer driekwart van de productie van deze fabriek', vertelt Arnoud van Vliet, manager

maatschappelijk verantwoord ondernemen en kwaliteit bij Zeeman. 'We hebben contact opgenomen met Schijvens omdat wij geloven in concrete samenwerking op fabrieks-niveau. Schijvens stond bovendien al bekend als best practice op het gebied van leefbaar loon.'

Het berekenen van het leefbaar loon was best ingewikkeld, omdat sommige werknemers alleen zichzelf hoeven te onderhouden en anderen wel acht gezinsleden. Rijnsdorp: 'We hebben als uitgangspunt genomen dat je per gezin anderhalf inkomen nodig hebt om rond te komen – eigenlijk naar Nederlands voorbeeld.

Jaap Rijnsdorp: 'Het was zeker niet simpelweg een kwestie van "iedereen blij".'



best practices

Het leefbare loon waar we op uitkwamen, lag 29 procent hoger dan het wettelijke minimumloon.'

Veel uitleg nodig

Wie zou denken dat alle fabrieksmedewerkers daar om stonden te juichen, heeft het mis. Rijnsdorp: 'Veel medewerkers zijn een soort zzp'ers die van de ene naar de andere fabriek gaan en op basis van productie betaald krijgen. Sommigen zaten daarmee al boven het wettelijk minimumloon. We hebben heel goed moeten uitleggen – en nog – dat deze mensen er toch op vooruitgaan, omdat ze in loondienst ook doorbetaald krijgen bij ziekte of als er tijdelijk minder orders zijn. Het was zeker niet simpelweg een kwestie van "iedereen blij".'

Ook Van Vliet benadrukt de complexiteit van de loonsverhoging. 'Het is ook niet zo dat iedereen nu bijna 30 procent loonsverhoging krijgt. Voor de *unskilled workers* geldt dat wel, maar mensen die al een hogere functie hadden, kregen al een hoger salaris. Hoe we met deze groep willen omgaan, is een van de vele vragen die we nog hebben uitstaan. Net als de vraag wat we doen als in de toekomst het wettelijk minimumloon wordt verhoogd. Voor de fabriekseigenaar is dit ook een grote stap, omdat hij moet vertrouwen op het commitment voor de langere termijn van alle betrokken partijen.'

Click [here](#) to read the full article.

2.Raw materials

Our ambition is to produce our collections entirely circularly, as the textile industry **is the 2nd most polluting industry**, we must take action now. Step by step our collections are made in a fully circular process by collecting old-worn clothing, which are shredded or melted at the recycling factory in Turkey and together with PET, new yarns are made from this. These recycled yarns are distributed over our fabric producers, who in turn can produce new cloth, that is used for the manufacturing of new collections. The footprint of recycled yarn is considerably lower than traditional yarn and furthermore the waste dump is also reduced, because worn clothing will not be thrown away. In

order to reach our goal to be fully circular, we can of course only work with customers that share the same vision and choose a sustainable circular collection. We are very pleased that our own T'riffic brand is converted into a circular collection. Partly by means of this sustainable collection and also because of the enthusiasm of our customers, that care about our planet, we were able to increase the recycled collections from 22% to 68% last year. These recycled garments are mainly produced in Pakistan, Turkey and China, by using recycled yarns from Turkey or local recycled yarn.



Raw Matererials	Goal	Actions	Who
Because of the huge environmental pollution caused by the textile industry, we strive for a circular economy by collecting old-worn clothing from our customers, which are shredded or melted and together with recycled PET, new yarns are made from this. We aim to be fully circular, which we want to realize by 2022 to leave a better foot print and reduce waste dump.	<ul style="list-style-type: none">■ In 2021 our sustainable collections will be increased to 92%, total recycled collections will remain same at approximately 65% and virgin collections will be reduced from 23% to around 8%.■ In 2022 all of our productions are made from recycled garments and we are fully circular.	<ul style="list-style-type: none">■ Perform and finalize tests with recycled yarns for blouses, that are strong enough for production and pass our quality standards in 2021.■ By-products that take in only a small percentage (<2%) of our production must be converted to sustainable alternatives that can be recycled, therefore in 2021 we must have a plan for each material and a recyclable alternative must be available.■ In order to become fully circular we want to involve our remaining customers in the recyclingprocess by collecting their old-worn clothing by 2021.■ By using the EcoTool for LCA calculations we can annually calculate the environmental impact of our garments.	CEO, owner and circular coordinator in cooperation with customers, suppliers and stakeholders



New collection Albert Heijn







Recycled items for the circular process
 Schijvens 01-02-20

Collected at client

2	1	1	.	9	6	4
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Delivered in rec.

3	1	4	.	4	5	9
---	---	---	---	---	---	---

In production rec.

8	7	2	.	8	6	1
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First circular workwear & Corporate Fashion saves every year

99% water

40% CO₂

40% energy

schijvens
toegewijd

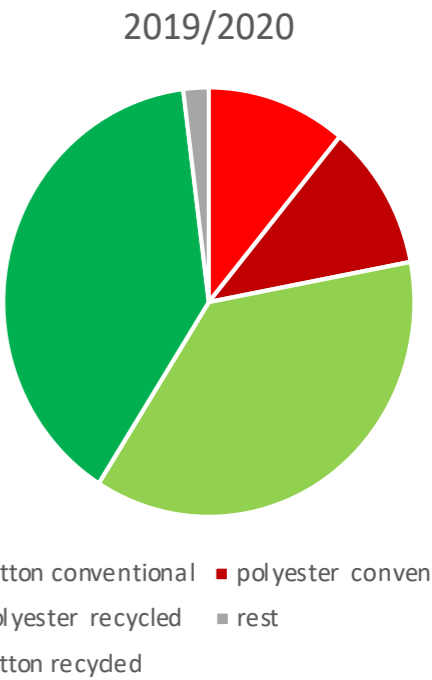
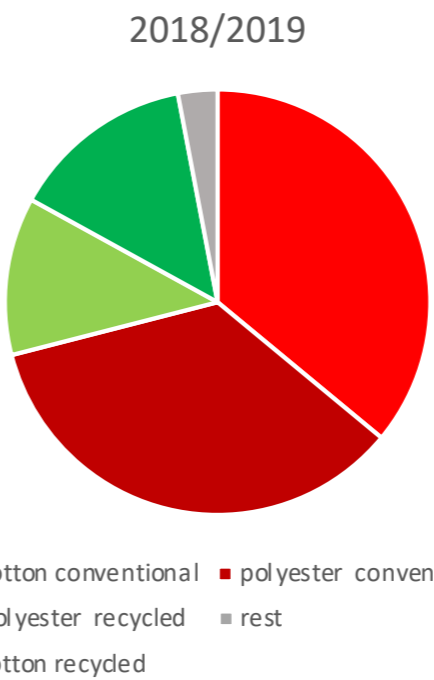
In general all of our are goals are achieved except for the use of elasthane, acryl and wool, which concerns in total less than 1% of our garments:

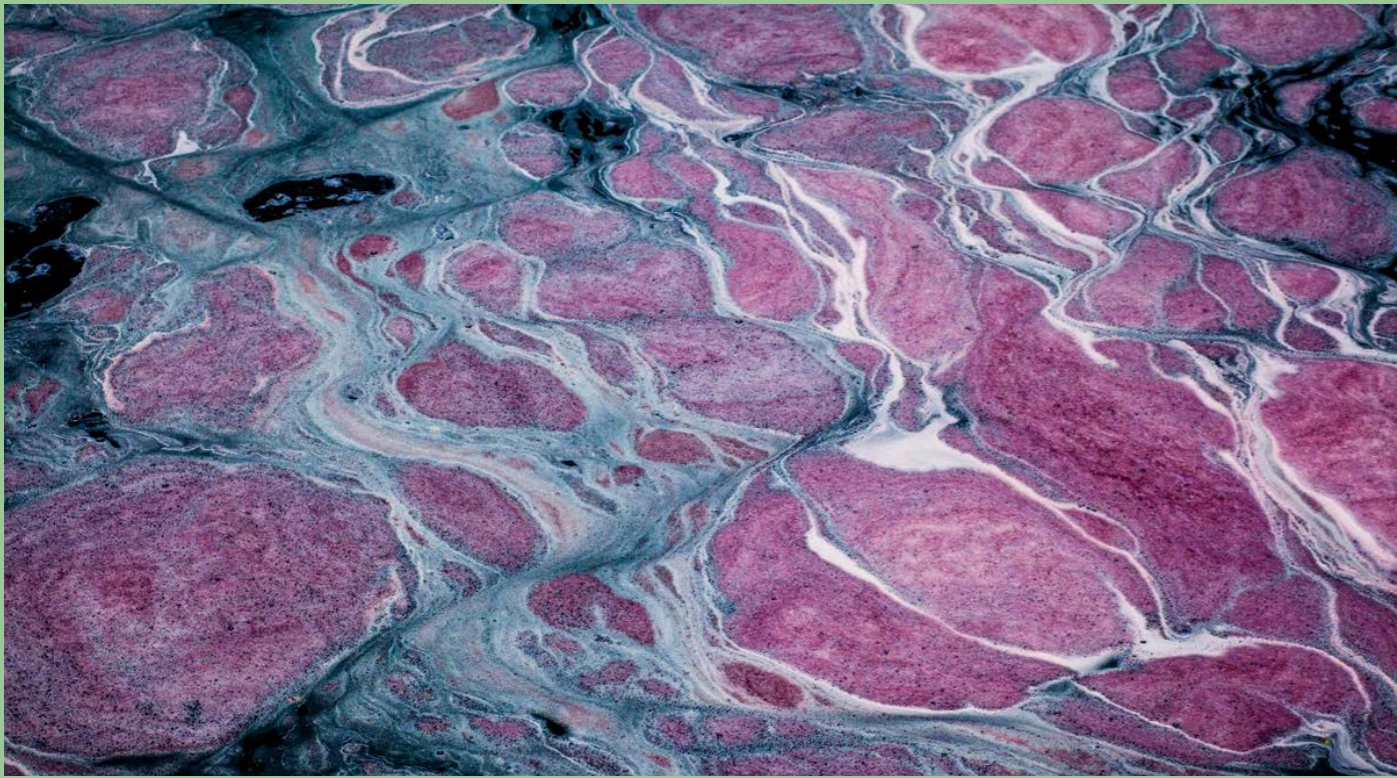
Elasthane: we intended to completely convert this to mechanical stretch. For 50% this is converted to a more sustainable alternative Sorona. Partially we did not use any elasthane at all, and about 25% is still not sustainable, which is 0,1% from our total garments.

Acryl: our goal was to convert this to poly lana, however we did not find any channels. This is not our priority, since it only concerns 0,34% of our total materials.

Wool: This should have been converted to organic wool, but we have not found any channels yet. This is not a priority, because it is only 0,36% of our total.

Productions 2018-2019	Realized 2019-2020
Cotton conventional (36%)	Cotton recycled+organic (37%)
Polyester conventional (35%)	Polyester recycled (39%)
Cotton recycled (12%)	Cotton conventional (11%)
Polyester recycled (14%)	Polyester conventional (11%)
Acryl (0.4%)	Acryl (0.4%)
Leather (0.1%)	-
PU (0.1%)	Polyamide / nylon (0.2%)
PVC (0.5%)	PU/PVC (0.2%)
Viscose / Rayon (0.2%)	Viscose / Rayon (0.1%)
Wool (0.2%)	Wool (0.4%)
Elastane (0.4%)	Elastane (0.1%) & Sorona (0.2%)





3. Water pollution and the use of chemicals, water and energy

In addition to make the production process more environmentally friendly, we are working on conducting due diligence in respect of the production locations further ahead in the chain, such as dyehouses. Only the sewing facilities are covered by the scope of Fair Wear, which focuses on the social conditions of these kind of production locations. In the years to come we also want to delve deeper into all the other locations where more environmental risks occur due to the fact that processes can be detrimental to people, animal and the environment. We therefore also want to have more insight in the situation at our facilities. The production of apparel from raw materials to finished products is a complex and chemical-intensive process. For this reason, Schijvens is committed to developing and implementing responsible chemical management procedures throughout its supply chain and for all manufacturing processes and product components (including accessories / trims attached to garments, prints and packaging materials).

Audits dyehouses

In 2020 we will conduct audits at two of our most important dyehouses in Pakistan and Turkey, **which cover approximately over half of our produced**

fabrics. Our joint sustainable project in one of our dyehouses in cooperation with Arcadis and IMVO Covenant is still running and will be finalized in 2020.

Reach, RSL, MRSL

Our garments must comply with the latest REACH and other chemical restrictions of the E.U. In addition we recently developed a Manufacturing Restricted Substances List (SCHIJVENS MRSL 1.0) and a Restricted Substances List (SCHIJVENS RSL 1.0) as a reference for suppliers regarding all chemicals that are banned or restricted in our production processes and finished products.

Every 50th production that we have produced at our factories is already tested at random for a longer period of time according to REACH. REACH is a European regulation on the production of and the trade in chemical substances. It describes what businesses and official authorities must comply with. REACH stands for: Registration, Evaluation, Authorization and Restriction of Chemical substances. This way we can verify whether our productions comply with the specific standard from the European legislation.

The Schijvens MRSL which is based on the Zero Discharge Hazardous Chemicals (ZDHC) MRSL and the Schijvens RSL should be communicated to all raw material suppliers. All products delivered to us must comply with RSL restrictions within one month after receiving instructions. All chemicals used in any production process must meet within a maximum of two years when introduced the requirements of the Schijvens MRSL starting once communicated to the supplier.

Furthermore we expect suppliers to have insight in their own water and energy consumption and limit the use of it to a minimum. Our suppliers have to give us insight in their situation, in order that we can set goals together and check what is achievable to realize in regard to improvements. Continuously monitoring and keep improving is key.

WECH	Goal	Actions	Who
In order to make our production processes as sustainable as possible, we have to look into the ways that our suppliers handle their water, chemical and energy consumption. Less environmental pollution by using non hazardous chemicals and implementing a good system to manage water and energy use in a sustainable way within the upcoming 2 years	<ul style="list-style-type: none">Conducting audits at dyehouses Al-Abbas fabrics in Pakistan and Cagdas Dokuma in Turkey by the fall of 2020 to get insight in their environmental performances at two of our most important dyehouses.Mapping of environmental impact in production process at dyehouses with regard to chemicals, water and energy, which are production locations where there are a lot of risks in this field in 2020.Corrective actions that come to the fore during audits must followed up in the required timeframe in 2021Environmental project at dyehouse in China will be completed in 2020 and corrective actions must be followed up within the given timeframe.Factories must comply with RSL requirements within one month of receiving instructions by mid of 2020.Factories must comply with MRSL requirements within 2 years by May 2022.	<ul style="list-style-type: none">Developing policy on wet processing (WECH) by mid of 2020Start mapping your supply chain & products and set criteria for a wet processing benchmark by mid of 2020Ask (fabric/wet processing) suppliers for their policies and product and process certifications/assessments (use online questionnaire) and fill out the wet processing benchmark per processing step by mid 2020.Share information – be clear about what you want and give suggestions (using Modint tools like SMG, factsheets, this ppt, certification overview, DD Tool, PACT Decision Guidance by mid 2020Develop a water/energy/chemical supply chain management system with the assistance of Modint by mid 2020:Make an explanation of product responsibility internally and externally and test/audit proceduresUpdate and communicate our RSL / MRSL requirementsMake a seasonal risk scan on the products and testing programmeIntroduce the chemical inventory for wet processing facilitiesFinalize audit programme with a third party and schedule audits at Al Abbas in Pakistan and Cagdas Dokuma in Turkey by the fall of 2020Conducting tests on garments to check if it all meets our requirements by performing random checks via Bureau Veritas starting starting mid 2020CSR responsible person will follow training courses in 2020-2021 via Modint and IMVO Covenant to get more knowledge in regard to WECH	CEO and CSR in cooperation with stakeholders and suppliers

Budget CSR

In order to realize our ambitions in regard to sustainability we have drawn up below budget.

Annual budget CSR		
Wages (including employer's costs)	CSR	€ 100.000,00
CSR	Audit	€ 20.000,00
Costs developing circular economy		€ 5.000,00
Sponsorship		€ 5.000,00
Contribution return logistics	PostNL	€ 24.000,00
Restricted Substances List & REACH alert	Modint	€ 410,00
Contribution living wage		€ 75.000,00
Saxion project		€ 5.000,00
Membership Fair Wear		€ 4.500,00
Membership Bangladesh Accord		€ 600,00
Modint MVO module		€ 2.500,00
MVO Nederland		€ 400,00
Duurzaamondernemen.nl		€ 1.500,00
Remo		€ 1.800,00
Supplier meeting		€ 20.000,00
		€ 265.710,00

The improvement of the social conditions at the factories is a continuously process. All our first tier production locations are by default audited every three years. These audits are carried out via local audit teams of Fair Wear. Urgent issues are handled immediately. Less urgent aspects are discussed and, in consultation with the factory, it is determined when it can be solved or implemented, preferably within the suggested timeframe. Not a single factory is perfect, hence there is always room for improvement.

All on going action points are discussed regularly with the factory, either by email, telephone or online face-to-face meetings, and also during factory visits and annually openly with all our suppliers during our supplier meeting, in order that we can also learn from each other. In addition, we also cooperate as much as possible with other companies that source from the same factories. This way the leverage at a facility is, of course, increased because you are stronger together. For all our efforts and performances we realized a score of 86 points during the last Brand Performance Check of Fair Wear and we have the leader status, which is the highest obtainable category.

There are many potential risks at clothing factories with regard to, for instance, the safety, freedom of trade union and discrimination. By following the corrective actions that are observed during audits we try to, in association with the factory, improve all these action points within the time frame specified by Fair Wear. In order to thus improve the working conditions for the factory employees who produce our collections. The key actions and challenges for each production country are described in this report.





Labour conditions at our first tier suppliers



Turkey

Risks:

- Excessive overtime and incorrect payment of overtime
- Subcontracting
- Salaries under living wage and social benefits are paid unofficially
- Limited freedom of association
- Unfair or unlawful dismissals
- Unequal rights for Syrian refugees, child labour and unregistered employees

Our own factory UFS was audited last year. A lot has been accomplished already over the past years. Our biggest achievement is the implementation of a living wage. We still have to work on optimizing the grievance mechanism, furthermore there are still some outstanding health and safety actions. In addition, we are working with two other factories when our production line is full or the quantities are too big for our factory. These facilities (Baskent and NDF) are audited by BSCI and Inditex. One of the factories we only recently started working with again, it is a safe and well known factory to us, however we usually do not work with this facility, since our quantities are mainly too small for this production location. Due to the current Covid-19 situation it was not yet possible to conduct a Fair Wear audit, however once the local team will resume their work, the audit will be scheduled after all. For now we will try to monitor risks in the best way possible by conducting due diligence. The main risks within our supply chain in Turkey are overtime, lack of trade unions within the Free Trade Zone and social benefits that are being paid under the table, and therefore also official salaries are below a living wage.

Wages, overtime & Subcontracting

A frequently occurring problem in Turkey is excessive overtime and the undeclared payment of overtime in order to prevent high fees on the national insurance contributions. Of course this has an adverse effect on the employees when they are dismissed or retire. Since the implementation of living wage in 2017 at our own factory this has also been adjusted at the factory and everything is being paid correctly. Overtime and leave does remain a problem at the factory although we worked hard on reducing this, including through better planning, of which we have full insight in. This planning system also includes all available labour minutes and

we always go through the planning together with the factory, which also includes the available labour minutes. Furthermore we have the possibility of outsourcing the production to other facilities when our production line is full, that are also covered by our audit monitoring percentage. As of this year we set the ambition to completely elect all overtime hours, and only for high exceptions and in consultation with the factory employees of course. In particular at the embroidery and printing section ample overtime has always been performed in certain periods. This is caused by the fact that we cannot outsource this process due to a lack of machines and expertise at the subcontractor.

Also for the other two facilities we are providing a cost price that covers a living wage, however that does not mean that employees are indeed also receiving a living wage, as we for instance only take in a small part of their total production. In addition social benefits are paid under the table, which is unfortunately common practice in Turkey, which we still have to keep working on together with these two facilities as it is important that the full salary is paid via the bank.

Syrian refugees & unregistered employees

The arrival of Syrian refugees in Turkey results in an increased risk of child labour. In addition, the risk exists that people of Syrian origin work without a labour permit and do not have the same rights as Turkish employees. Syrians are also employed at the factories that we work with. They have the same rights as any other and are in possession of a work permit. This is often a long process, hence it may happen that an employee is still in the process of obtaining a permit, however they are always treated equally. We continuously monitor the situation at our suppliers to make sure their rights are not violated.

Freedom of trade union & women's rights

Our factories are located in a Free Trade Zone and a trade union is not active here. Instead, a worker committee and an operational complaint mechanism were set up at our own factory. However during the audit it was noticed that the system is not working properly. The factory has to improve their grievance system and provide new elections in a secret vote system. The other two factories have a worker representative at the factory and Fair Wear's worker information sheet available at all facilities.

For the upcoming years we will continue our efforts on improving the outstanding priority actions and in addition we will also audit one of our most important dyehouses in Turkey in 2020.



Pakistan



Risks:

- Unequal rights for women
- Limited freedom of association
- Salaries under living wage
- Child labour

We source from four factories in Pakistan, of which three facilities we only recently in February/March 2020 started working with. The factories were audited by BSCI and within our norms. Also we have extra audited the facilities in March of this year, and we joined the Innovatus audit team ("Fair Wear Pakistan") ourselves during these visits. Unfortunately there were urgent issues in two of the new factories (Al Garments and Amna Ashraf Apparels), which required immediate action. This concerns the fire safety, payment of wages and child labour. Both factories started working immediately on improving the fire safety of the building and we scheduled a follow up audit in May to verify the situation. With regard to the juvenile workers these were hired on temporarily basis via an agency, and there was not a sufficient age verification system in place. Two of the workers are between the age of sixteen and eighteen, so they are allowed to work under strict regulations to protect juvenile employees, that restricts performing overtime and hazardous work. They worked in the ironing and finishing department. For the underage worker of fourteen years old we discussed with the management that we will continue paying his salary monthly, however instead he has to go to school. In this way he can still provide for his family, since it turned out he was the main provider and his family depends on this salary. The management fully supports this fortunately. In addition we will provide training for these factories, in order that they can improve their system, so this can be avoided in the future. Also the employment agency must improve their age verification system, that is where the biggest responsibility is. Of course if no sufficient remediation is carried out, we are forced to end the relationship.

However we feel we first need to try on improving the situation, so we can help these younger workers, instead of resigning, as in that case their situation will not improve at all. Furthermore remediation on wage records are in place to verify at least the minimum wage is paid to all employees. "Lastly, we are currently in contact with the Embassy of Pakistan whether it is allowed to hire temporarily employees via labour agencies. It is officially illegal for garment facilities in the area where our production facilities are located, however it is common practice and two of our new facilities hire employees on temporarily basis in peak season. For now all documents of these employees are in place, so their wage and working records are filed and checked. Furthermore both factories indicated their willingness to change their system step by step if necessary and convert all employees to permanent workers".

In addition at our long-term supplier (MYM Knitwear) we were happy to see that a living wage is indeed provided for the employees. The facility has extended the factory this year and hired new people, that started with working on piece rate, however they will also be converted to permanent contractors as soon as possible, within a maximum of one year. Furthermore a lot has been accomplished with regard to the outstanding corrective actions. However because the company has grown, they must comply with different regulations, so we still have to work on improvements regarding mainly the fire safety. The fourth supplier (Lucky Textiles) is audited and under monitoring via several organisations, such as SGS and BSCI and their social compliance system is outstanding. The factory provides a lot of training and puts great efforts in health and safety. For the upcoming year we want to provide training in Pakistan regarding social dialogue on labour rights and gender based violence, fire safety and the prevention of child labour. In addition follow up audits are scheduled in order to check if urgent issues are resolved, and we will also conduct an audit at one of our most important dyehouses in Pakistan.



Bangladesh

Risks:

- Poor fire and building safety
- Subcontracting
- Sexual intimidation against women
- Excessive overtime
- Salaries under living wage
- Limited freedom of association
- Child labour

In 2018 a follow-up audit was conducted at Geebee Garments, with whom we collaborate both In UAE and also in Bangladesh. Corrective actions are now followed up together with also other companies, that source from this facility. In this way our leverage is increased, which helps with the remediation of improvements.

Social dialogue, overtime and anti-harassment

The most important action points still remain social dialogue on labour rights, encouraging woman in supervisory jobs, reducing overtime hours and the incorporation of a properly operational anti-harassment committee. Unfortunately this process is taking a lot of time, however our goal is to finalize this in 2020 in association with Fair Wear. The complaint system is neither working optimally yet. Furthermore we want to make sure that we are paying a living wage in our prices, so we are working with this factory to open cost price calculations.

Fire and building safety

In terms of the safety at the factory most of the points were improved, however actions are still outstanding in respect of the building safety, which must obviously be followed up as soon as possible. This takes place under the supervision of the Bangladesh Accord, which follows and inspects the progress. The remediation score is 92%.



Risks:

- Excessive overtime
- Non legally binding agreements
- Limited freedom of association
- No statutory minimum wage established and salaries under living wage

Main concerns that have to be taken into account in the United Arab Emirates particularly regards the lack of freedom of trade unions, which represents a considerable problem. Geebee Garments, which makes clothing for us in Bangladesh, also has a production location in Sharjah where costumes are produced. This factory was audited in 2018 by Saxa and no corrective actions came to the fore. In 2020 the factory is audited by SGS, of which main corrective action is the establishment of policies and procedures on Universal Rights covering UNGP and land rights.

Freedom of association

We do still have a goal with regard to freedom of association as this is major risk within the country. The factory has Fair Wear's worker information sheet including complaint line and a suggestion box is available in the facility. However we would like to see the incorporation of a worker committee but this is, unfortunately, prohibited by law, hence we have indicated that a worker representative would be a good alternative. We would like to implement this via training and also inform the employees of their rights, the worker representative and Fair Wear's complaint line. We were suppose to implement this all sooner, however this will be extended to the upcoming book year.



UAE



China

Risks:

- Excessive overtime
- Limited transparency
- Salaries under living wage
- Limited freedom of association
- Forced labour

In China we work together with three production locations, which have all been audited and are under monitoring.

Foshan Ka Chun Garment is our most important supplier in China, with which we have already cooperated for a long time. This factory is audited last year. Risks that we want to have insight into includes full transparency, because this remains an issue during audits and as a result of that the wages and working hours cannot be fully verified, which is an unacceptable manner. In addition, overtime and freedom of association are a problem. Training is scheduled in May of this year to the management and employees in order that they obtain more insight into their rights and try to make the worker committee more functional.

Moreover, there are two other production locations (Ningbo Zhenhai Jienuo Garments and Nantong Zhuohui Clothing), where only a small part of our production is produced. These have been audited last year and we are following up the corrective actions together with the factories, which are all similar to the points from Ka Chun. Transparency remains a common issue within China. We have seen improvements during the last audits, however we are not there yet, so we will continue the conversation on the importance of transparency and ensuring them that our audit programme is not a pass-fail system, but we have to get full insight in the bookkeeping and all production areas, otherwise we cannot work sufficiently towards a better working environment. Follow up audits must be scheduled to verify all documents regarding wages and working hours.

Unfortunately we have ended our relationship with our fourth supplier Soundpond. We only represented a very small part of their total production as a result of which we have very little leverage. This is particularly a problem when following up on the social conditions at the factory. Despite the fact that we cooperate with another company the total leverage is still very small. We have provided training in the past, unfortunately, due to limited cooperation of the management, only a small number of employees participate in the training, which is, of course, a pity.

Living wage project

Furthermore at Nantong Zhuohui Clothing we made a start with a living wage project, which is in the beginning stage, so there is still a lot of work to do. We requested our supplier to provide us open cost price



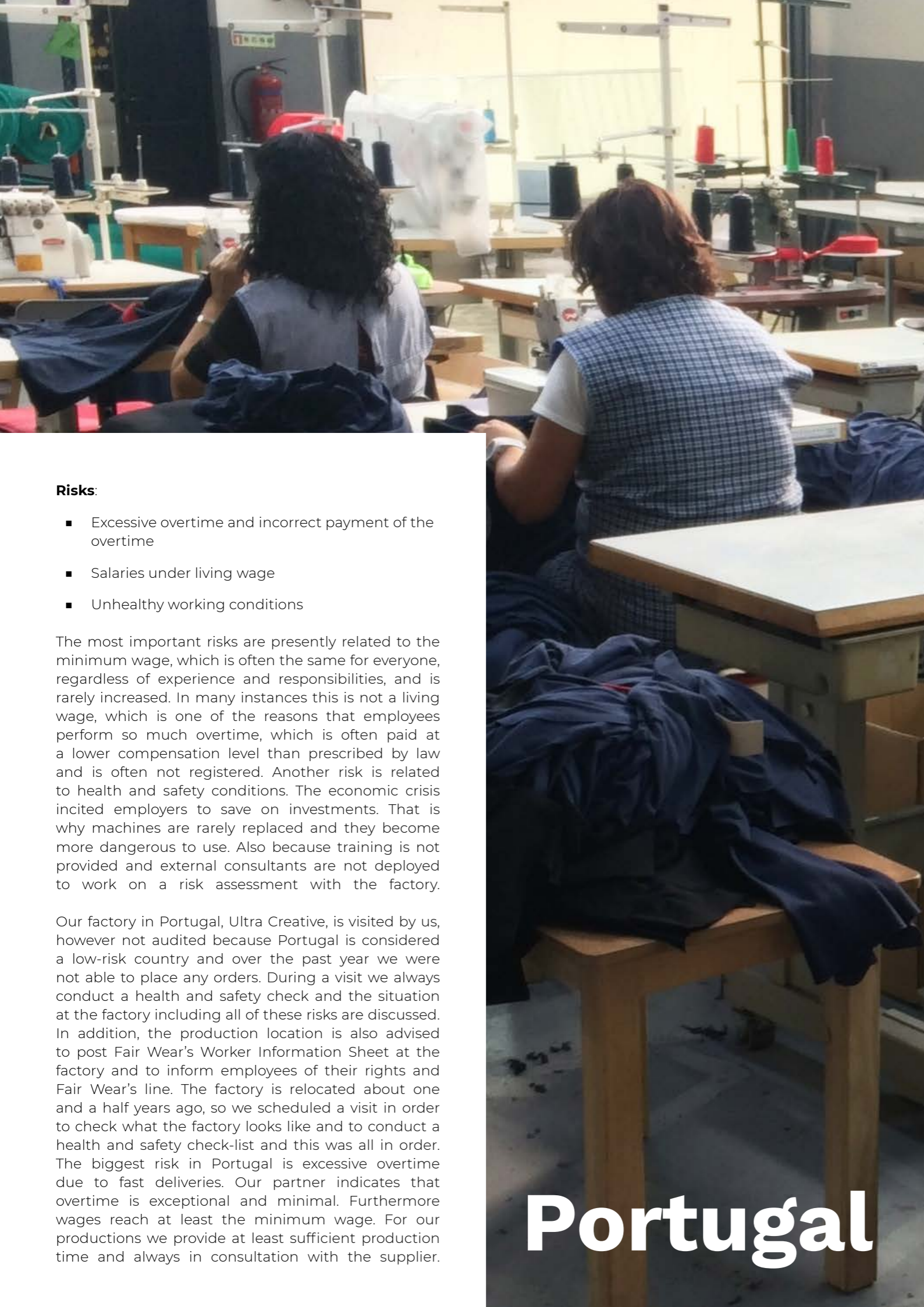
calculations for all of our styles. This means, instead of the CMT price, we need to have insight in the CM (cut-make) and trimmings separately in order to know the labour costs. Furthermore we will start with submitting the questionnaires to all the employees in the factory this year, so we will get insight in their monthly costs and can set the right living wage benchmark. Hopefully the process runs smoothly and a living wage can be implemented by next year.

Limited freedom of association

Limited freedom of association is a common risk throughout the country. At all factories a worker committee or trade union is available, however the issue is mainly that workers are not being freely elected and are not aware of the utility. This is an issue we want to address via training. One of the factories will participate in a training in May of this year, and we will check possibilities for training at the other two facilities. Factory employees must be informed of their right of freedom of association. The decision on whether to set up a trade union or elect workers representatives shall be up to them. In addition Fair Wear's Worker Information Sheet including complaint line is in place.

Forced Labour

In addition we try to monitor the risk of forced labour, which is high in China. There is a high risk in particularly amongst minorities, such as Uyghur people, what has recently emerged by the Australian Strategic Policy Institute. At one of the production facilities within our supply chain there was a high risk, in the region Xinjiang, we already didn't work with this facility anymore. However this is a risk throughout China, so we try to monitor this in the best way possible by staying in close contact with our suppliers, making sure Fair Wear's complaint mechanism is in place for all the employees and factories must have a policy against forced labour. As of now our partners in China have confirmed this is being maintained and there are no cases of forced labour. This is always checked during audits, and via off-site interviews, in order that employees feel safe to discuss these matters. In addition we will check possibilities for training on labour rights including forced labour at our first tier suppliers in China when the situation allows it again to conduct training. As already mentioned one of the factories will participate in Fair Wear's Workplace Education Programme in May of this year.



Risks:

- Excessive overtime and incorrect payment of the overtime
- Salaries under living wage
- Unhealthy working conditions

The most important risks are presently related to the minimum wage, which is often the same for everyone, regardless of experience and responsibilities, and is rarely increased. In many instances this is not a living wage, which is one of the reasons that employees perform so much overtime, which is often paid at a lower compensation level than prescribed by law and is often not registered. Another risk is related to health and safety conditions. The economic crisis incited employers to save on investments. That is why machines are rarely replaced and they become more dangerous to use. Also because training is not provided and external consultants are not deployed to work on a risk assessment with the factory.

Our factory in Portugal, Ultra Creative, is visited by us, however not audited because Portugal is considered a low-risk country and over the past year we were not able to place any orders. During a visit we always conduct a health and safety check and the situation at the factory including all of these risks are discussed. In addition, the production location is also advised to post Fair Wear's Worker Information Sheet at the factory and to inform employees of their rights and Fair Wear's line. The factory is relocated about one and a half years ago, so we scheduled a visit in order to check what the factory looks like and to conduct a health and safety check-list and this was all in order. The biggest risk in Portugal is excessive overtime due to fast deliveries. Our partner indicates that overtime is exceptional and minimal. Furthermore wages reach at least the minimum wage. For our productions we provide at least sufficient production time and always in consultation with the supplier.

Portugal



Risks:

- Excessive overtime
- Subcontracting to smaller workshops
- Salaries under minimum and living wage
- High percentage of female employees without agreement or social protection
- Limited freedom of association
- Unhealthy working conditions

Morocco has, as a production country, often more risks than expected because it is relatively near by Europe and therefore considered safer in general. However, there are indeed big risks, e.g. ample overtime and subcontracting, due to fast delivery times, unequal

rights for women and limited freedom of trade unions.

THA, the factory in Morocco that we work with, organized training courses to inform employees about Fair Wear and the complaint mechanism. Health and safety actions were implemented and moreover the factory indicates that contract employees are converted into permanent employees after two years. All these actions will be verified during a follow-up audit next year. Overtime and subcontracting has not been a risk so far, however this is of course always checked during audits. Focus points remain optimizing the worker committee and complaint mechanism and stimulate women in managerial positions. All employees are being paid at least the minimum wage, but have not yet reach a living wage. We will work on all these elements further in the upcoming years together with our supplier.

Morocco



How do we communicate on sustainability?

We use different channels to communicate about our company and sustainability both internally and externally. We always look for new ways of communication online and offline. For instance we want to improve communication with our stakeholders and include them more in our journey towards a sustainable supply chain, and furthermore improve communication for our customers on their circular efforts and how they contribute to a circular economy. In general, besides online content via our website, social media en blogs, and offline communication in articles and presentation, we will focus in general more on below pointers.

- Include communication regarding sustainability on product packaging.
- Update overview on recycling numbers, which includes total number of garments that have been collected, how many recycled garments are delivered and what is running in production.
- Provide more explanation on sustainability terms, such as plastic soup information
- Focus on support sponsoring projects that are in line with our vision, for instance education for children and women on gender-based violence.

Customer communication

Regarding communication for our customers, we are looking into possibilities for providing more customer-specific information, such as detailed information on their return logistic and average savings and customer-specific movies on the recyclings process. Communication on return logistic and savings.

Stakeholder communication

We also want to continue to feed stakeholders through the following pointers:

- Steering Group Covenant
- Workshops
- Supporting students
- Education schools
- Sectorplan
- RVO



Supplier communication

Besides communicating about sustainability and improvement of labour conditions during visits, we are focusing more on online video calls, because of the current COVID-19 situation and travel restrictions.

- Annual supplier meeting
- Ecotextile subscription supplier
- Supplier group on whatsapp
- Audits and training
- Fair Wear information sheet including complaint helpline for employees
- Fair Wear's worker information cards for employees including complaint system and labour rights
- Factory Guide (system on implementation and keep track of status on corrective actions)

Internal communication

- Weekly newsletter
- Internal meetings
- Annual presentation on sustainability and strategic plan
- Team group on whatsapp

Summary



NOMINATION KONING WILLEM I PLAQUETTE



BNR NEWS RADIO
THE GREEN QUEST



AID AND TRADE ARE
INCREASING TOGETHER



Daarom werkt minister Kaag er in haar
plannen voor komend jaar aan verder.

WINNER CIRCULAR AWARD BUSINESS 2020!!



SCHIJVENS SIGNED TRANSPARENCY PLEDGE

68% of our collections last
year were circular.

In total **77%** of our
garments are made from
sustainable yarns, including
recycled and organic materials,
and **23%** are still virgin
collections



Our own T'riffic brand is
converted to a fully circular
collection

Over **200.000**
pieces of old clothing
have been collected since
the start and more than

300.000
recycled garments have
been delivered to our
customers



Implementation living wage in Pakistan
together with our long-term partner in
Karachi and in cooperation with Zeeman.

8,9
social score
100% audited



**LEADER status at Fair Wear
Foundation and score of 8,6.**

www.schijvens.ae

www.schijvens.nl

SINCE 1863

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