

Social Report 2020-21

Proud member of Fair Wear Foundation.

Introduction

As required by the terms of our membership of Fair Wear Foundation (FWF), each affiliate is obliged to report progress in implementing the Code of Labour Practices. In this social report we describe how we have implemented the previous year's work plan. The affiliates' social report is an important tool in communicating our efforts towards fair labour standards.

This Social Report is written by Saartje Boutsen and approved by Fair Wear Foundation. Belconfect is an affiliate of Fair Wear Foundation since 2016.

Images used in this report:

All images in this report are made by staff members of Belconfect. They show real workers from factories Belconfect works with in Tunisia, Turkey, Bangladesh, India and China.

Social Report 2020-21

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it's not about
ideas,
**it's about
making ideas
happen.**



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About Belconfect

Belconfect designs and manufactures functional and qualitative workwear and protective clothing that meets the client's particular requirements. We also specialize in the design and manufacture of safety footwear.



“Belconfect wants to offer its customers high-quality safety work- and footwear, to assure a safe and comfortable work environment. That is what we also want to offer the textile workers in our supply chain: a safe working place where international social standards are respected.”

Christ Segers, owner

“We intend to grow in our Fair Wear engagement. Our commitment to sustainable supply chains affects our buying decisions, and it is an ongoing process that demands transparency and an innovative approach to our whole long-term business.”

Filip Lietaer, owner

Belconfect profiles itself as the best possible partner in assuring a safe and comfortable working environment. We achieve this by investing in knowledge, design, production resources, logistical facilities and by offering innovative, flexible, and effective solutions in the areas of custom-made or standard workwear and safety footwear.

It means also that Belconfect attaches significant importance to improving the overall working conditions in the clothing industry, and we want to take an active role. Because improvement of working conditions is a complex issue, Belconfect is convinced that joint initiatives, cross-country and with all stakeholders involved, can give more energy and can accomplish things on a larger scale. That is why Belconfect has been a member of the Fair Wear Foundation (FWF) since June 2016.

Summary

Our 2020-2021 financial year was a challenging one. After a first and second wave of COVID in 2020, COVID remained prominent in 2021 as well. On top of that, in 2021 the entire industry was confronted with gigantic price increases in raw materials and transport.

Passing all this on to the end customer is no mean feat, especially for contractual orders with fixed prices. The result was and is that the margins in the sector - in combination with the COVID troubles - are under extra pressure. It was not easy to push through our living wage policy at the same moment, but it was one of our goals, we did our best, and we are extremely happy that we were able to reach an agreement with one of our most important suppliers on this issue.

In 2021, we also launched a new ERP system, in which we created additional capabilities for more structural due diligence applications in the procurement process and for more far-reaching transparency. In this way we professionalized and institutionalized the due diligence processes that we had already built up in the past years.

Furthermore, we continued to support our suppliers through the pandemic. We had close dialogues with our suppliers and we have monitored developments in each production country. We continued to prefinance suppliers and we did not cancel any orders. We provided flexible delivery dates. We were flexible with production locations on suppliers' request, within our monitored supplier base. We continued to monitor developments in each country and acted responsibly toward all our stakeholders. We provided mouth masks, sanitation gels and COVID tests to suppliers. We sponsored respirators in local hospitals in the region of our Tunisian suppliers. We supported global initiatives released during the year, like the ILO – Call to Action. In addition, we signed up for the New Accord on Fire and Building Safety in Bangladesh.

“In terms of our sustainability ambitions and work, last year made it even more clear that sustainability is embedded in our buying decisions. Much of our sustainability-related work was carried out as planned despite that the pandemic affected our daily life and other parts of the business. We managed to complete some important projects such as our living wage project at one of our main suppliers.”

Filip Lietaer, owner

We are proud of what we have accomplished so far, and by continuing our practical approach to sustainability, we will take further steps to take up a leading position in the workwear industry. In the coming years, the focus will be on adapting the business model to future challenges and to take an active part in working towards a more sustainable society.

Our sourcing process

Sourcing strategy & pricing

For our professional clients, we undertake to guide the entire production process, from the design phase to production and delivery. Models, colors, logos, technical aspects of fabrics and the desired functional characteristic are being worked out in consultation with the client.

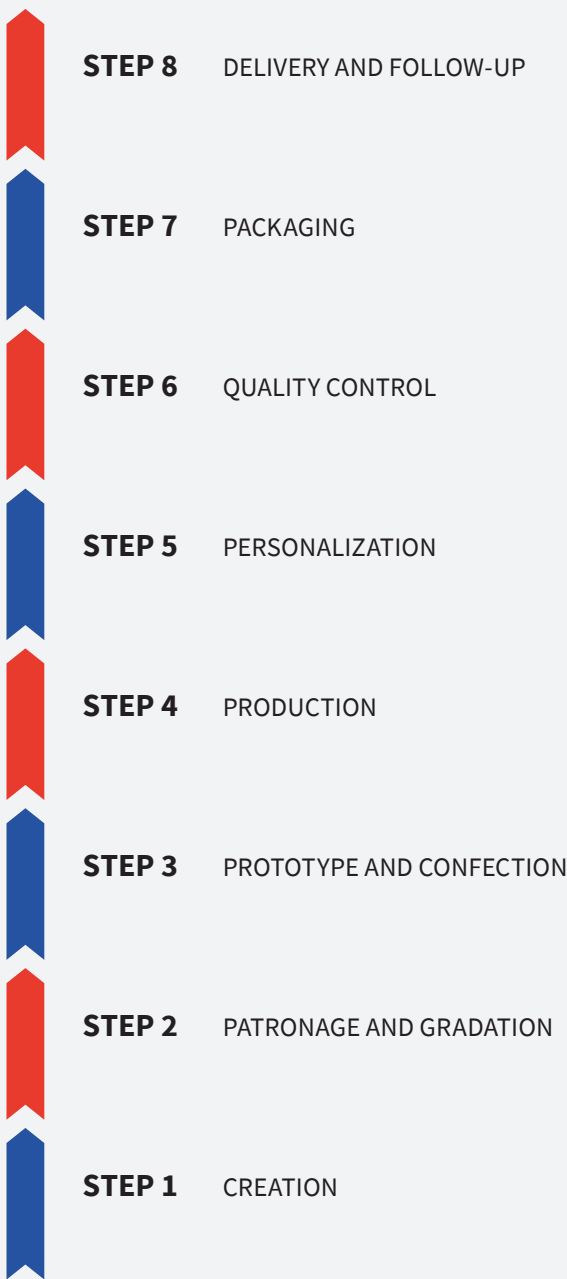
Furthermore, we maintain a permanent stock of more than 80.000 articles of work clothes, outfits designed for use during welding and machine assembly operations, signalization, rain, winter outfits, and the like. Our clients are also given the opportunity to select from an inventory that contains more than 15.000 pairs of safety footwear items including accessories for use in the most divergent applications.

D-FORCE is a private label developed by Belconfect. It comprises a collection of casual work clothes and safety footwear, for immediate delivery out of our permanent stock. In 2020 we also launched ‘D-Force Green’ with workwear made from recycled and recyclable materials.

Belconfect also delivers standard and client-specific image clothing such as T-shirts, polo shirts, fleece vests, sweaters and pullovers, soft shell jackets, parkas, ... These provide for diverse print-on possibilities such as silk-screen printing, transfer prints and embroidery.

” A good price-quality ration must go hand in hand with a Fair Wear engagement of the supplier.

CUSTOM MADE PROCESS



Our sourcing process

To produce our work wear, we worked in 2020-2021 together with suppliers in Tunisia, Turkey, China, Albania, Hungary, Bangladesh and India.. With all our suppliers, we have a very regular direct contact and we have developed cooperative long-standing business relations. For production in Asian countries, we work with a limited number of agents. Also with these agents, we have open and cooperative long-standing business relations. They are also aware of our Fair Wear engagements. For shoes, we collaborate with some external producers, like for example ISM and Robusta.

People that are involved in sourcing decisions are the CEO, the procurement manager, the CSR manager and the project manager. Criteria for selecting a supplier are quality and workmanship, compliance with our Fair Wear policy, the capability of the supplier to produce the product, availability of required technologies/ machines, and price. A good price-quality ratio is our objective and must go hand in hand with a Fair Wear engagement of the supplier. For this reason, in 2021 we decided to stop placing new orders with our Albanian supplier Manifaktura. After repeated requests, they explicitly refused to allow an audit in their factory, while allowing audits is part of the Fair Wear commitment of both Belconfect and the supplier.

The procurement manager can select new suppliers when necessary, but only after a due diligence check and positive feedback of the CSR manager, orders can be placed. We formalized this procedure within our new ERP system: orders can only be placed if they are linked to the factory where they will be produced. Only the CSR manager can input new factories into the ERP system after a 'Fair Wear check'.

More than 50% of our workwear production is made in Tunisia. We fully equip our production locations in Tunisia, and we guarantee a stable income in a long-term relationship. Belconfect delivers the fabrics and furniture of the garments – from which we know the prices – to our Tunisian production locations.

So, the price we pay them is the cost for sewing the garments. We also receive a 'grille de salaire' from our suppliers. This means we have a quite clear idea on how prices are built, and we can link this to our pricing strategy and our engagement to pay decent living wages (see infra).

In our other production countries, we buy ready-made garments and we work with a piece rate. As we choose to build up long term relations, and as quality is an important criteria, price is important but not the only key factor. We have learned in the past that quality and CSR often go hand in hand.

Since 2017 a small part of Belconfect's production is taking place in Bangladesh (only 1.77% in 2020-2021), so Belconfect became a member of the Bangladesh Accord on Fire and Building Safety to ensure good and safe working conditions. This means that all our factories will be inspected on fire, electricity and building safety and remediation before a deadline will be required by the Accord. In 2021, Belconfect signed the new Accord agreement, called the International Accord for Health and Safety in the Garment and Textile Industry. In financial year 2020-2021, we produced in two factories in Dhaka, which are on track with its remediation status.

Market insight.

Tunisia	China	Turkey
64.0%	16.0%	12.0%

How we produce globally.

Hungary	Bangladesh	Belgium
3.0%	2.0 %	1.0%
India	Albania	
1.0%	1.0%	



Our sourcing process

” Through dialogue with our suppliers, the economic and social COVID situation was closely monitored.

The impact of COVID-19 Pandemic

The foregoing describes our normal purchasing procedure. But when the COVID pandemic broke out in full force in 2020, we suddenly faced a lot of challenges: some customers canceled or postponed their orders, we were faced with logistical challenges in getting raw materials delivered to suppliers, there was suddenly a capacity reduction at production locations, and also in our own head office in Dottenijs we were forced to use temporary unemployment as a crisis measure. The COVID crisis immediately made it clear that many orders for workwear were put on hold. However, the demand for mouth masks suddenly turned out to be enormous. We immediately started producing fabric mouth masks in our own steel workshop in Dottenijs, as well as at one of our Tunisian subcontractors. In this way we were able to limit the number of people in our Tunisian workshops who fell back on technical unemployment. Orders for mouth masks, medical aprons and gloves were also placed in China. Thanks to a good and long-standing relationship with our agent in China, who is also very well aware of the content of our Fair Wear engagement, we easily found a supplier here who could deliver us the orders and who also provided a sufficiently good report of their social audit.

In 2021, COVID continued to set the context. New waves in Tunisia, China, India, Bangladesh, Turkey and Belgium determined the rhythm of production and delivery. We remained flexible and followed the situation in the various production countries through information from and conversations with the suppliers. Travel to Asia remained impossible in 2021, but we did travel to Tunisia as much as possible between lockdowns.

Just like the rest of the world, Tunisia has to suffer the consequences of the COVID-19 pandemic. The clothing and shoe industry, which accounts for 20% of the total value of Tunisian exports, experienced difficult times in 2020 and 2021. Many ateliers barely kept their heads above water, or disappeared. Two of our smaller and most recent suppliers, Tulytex and Samartex, went out of business. Our main suppliers held their own. Due to the close contacts between Belconfect and its suppliers, the dialogue remained constant and the economic and social situation was closely monitored.



Atelier Diamant, Tunisia

Our sourcing process

Living wage project

We decided that COVID should not be an excuse to postpone our good intentions regarding the pursuit of living wages. We actively worked on this in the past two years.

First, an analysis was made for Crown East - one of our main Tunisian production locations - to gain a better understanding of the differences between current wages and wages that the local unions consider a living wage. After participating in the FW living wage seminar in Tunisia and using the FW labour minute costing tool, we enrolled in the FW Living Wage Incubator. Participation in the FW living wage incubator stimulated us to draw up an action plan around this. So we started an active dialogue on living wages with the manager of Crown East. We had a more in depth look at the cost breakdown of a garment. We examined the difference between a pants produced at the current wage of the workers, and what it would cost with a living wage as basis. The outcome was that it would be a relatively small difference.

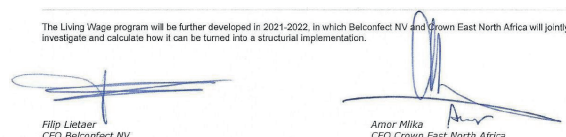
The next step was analyzing where that money could come from, as Crown East's margins were not high for the moment. From efficiency gains in the production process? We concluded that investments in extra machines could generate efficiency gains, but that option would also mean that we would have to let people go, which was not the intention. Crown East had to increase his prices towards customers? Not the right moment in the middle of the COVID crisis.

We made a new calculation, based on the gap between current wages and living wages per employee per year, and based on the yearly share of Belconfect in this atelier, and we found out how much it would cost to Belconfect to pay our fair share of a living wage.

It was no discussion that we were willing to pay our fair share, but we had to discuss with the Crown East management how this money could be paid to the workers, as we had to take into account some specific rules of the Tunisian salary law. But on October 21st 2021, the moment was there: Mr. Amor Mlika, General Manager of Crown East, and Mr. Filip Lietaer, CEO of Belconfect, signed an agreement on a money transfer from Belconfect to Crown East: Crown East will guarantee that this money will equally divided among the employees, paid as a yearly 'bonus offered by Belconfect'. Also the worker representatives of Crown East were involved in the process and agreed on the decision.

As Belconfect, we feel very proud of this result and of the fact that we were able to discuss this so constructively with this supplier. This living wage project was an important pilot project for us, which we would like to scale up to our other suppliers in the years to come.

The Living Wage program will be further developed in 2021-2022, in which Belconfect NV and Crown East North Africa will jointly investigate and calculate how it can be turned into a structural implementation.



Filip Lietaer
 CEO Belconfect NV

Amor Mlika
 CEO Crown East North Africa

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Signatures Living Wage Contract

Mr. Amor Mlika, manager of Crown East North Africa

Mr. Filip Lietaer, CEO of Belconfect

Our sourcing process

Living wage project

” This living wage project was an important pilot project for us, which we would like to scale up to our other suppliers in the years to come.



Mr. Amor Mlika, manager of Crown East North Africa

Mr. Filip Lietaer, CEO of Belconfect

Production cycle
in sourcing

Belconfect works custom made and project based. So we place an order only after full agreement on the product by the customer.

Sometimes this process can take several months. Then we need to buy the fabrics, the dyeing process can take 6 weeks. Then the production process follows, which will take 4 to 6 weeks. We always provide 2 extra weeks as buffer, in case this is needed.

We communicate very clearly with the supplier on the needed production time, without an absolute deadline. It is an advantage that our production locations do not need to work under pressure, we are convinced that this improves the quality of the garments.

Due to the fact that Belconfect manages the projects in this way, and the fact that we work with permanent stock, we have a production planning system that guarantees Belconfect does not have to put pressure on the production locations, meaning that overtime work - a common problem in the fashion clothing sector - is not encouraged.

Due to the COVID lockdowns, we accepted the delay in running orders that was caused (instead of putting pressure), and we communicated this open and transparent to our customers.



Mrs. Mieke De Kerpel, production manager of Belconfect
Mr. Besbes, manager of Soniatex

Customer/project review

Research and calculation
2 to 3 weeks

Detailed quote

Customer agreement

Launch of new project
3 weeks

Lab dip and first sample

Customer agreement
4 weeks

Pre production sample

Customer agreement

Launch of production

Confection and QC
4 to 12 weeks

Transport and reception
1 to 6 weeks

Delivery customer

Our sourcing process

” Our production planning system prevents overtime for workers in production countries.

Supplier relations

Belconfect has a very regular direct contact with all its suppliers and has developed cooperative long-standing business relations with most of them.

More than 50 percent of the total order volume is produced by our supplier factories in Tunisia, they are visited every month by our Procurement Manager (or as much as possible in COVID times). Also CEO Filip Lietaer has direct contact with all Tunisian suppliers and he visits on a regular base the factories. CSR topics are part of the agenda: follow up of the Corrective Action Plans after audits, health & safety issues (related to COVID), the organization of Workplace Education Programs,... After our successful living wage project with Crown East, we also started to discuss living wages and social dialogue with another main Tunisian supplier.

For our production in Asian countries, we work through several agents, but normally we also visit the factories by ourselves. Unfortunately, the country specific COVID measures did not allow us to travel to Asia in the past year. But we work with one agent for China and one agent for Bangladesh. They know the local context very well, they are familiar with our Fair Wear engagement, and they keep us updated on important issues, f.e the follow up on Corrective Action Plans, due diligence issues,...

New suppliers always need to sign the FW Code of Labor Practice and to fill in the FW questionnaire on production location information. They must display the Code of Labor practices at the work floor in the local language, at a visible, private place for employees, where they can read it privately (so not where a camera or the management team is watching them).

We ask also for a performed audit report, which needs to have a positive evaluation. If they are not compliant with crucial issues like respect for legal minimum wages, reasonable working hours, no child labor,... We will not start with this factory.

For Bangladeshi partners, we inform them on our role as signatory of the International Accord for Health and Safety in the Garment and Textile Industry. We can only enter a partnership if also the supplier is a partner of the Accord and is open for inspections and remediation. New suppliers will not be registered in our buying system and orders cannot be placed, before we have received all this info. New suppliers this past financial year were:

- Binzhou Zhijie Knitting Apparel Co Ltd (China) - supplier had to change factory as the usual atelier had to close during lockdown periods
- Diamant (Tunisia) – an extra supplier in Tunisia was desirable as we prefer to produce in Tunisia
- Amrit Exports (India) – this atelier is linked to a specific public tender
- Logos Apparels Ltd (Bangladesh) – test order
- Big Dream (Tunisia) – test order

From our external producers, from who we purchase mainly safety shoes, we expect quality, but also trust, respecting commitments and CSR engagement. They are asked to fill in the FW questionnaire for external producers. In this way we know which initiatives they take to monitor labor conditions in their supply chains. Some of them are also member of Fair Wear Foundation.

Our sourcing process

Supplier relations in COVID-19

Due to the COVID pandemic, less supplier visits to Tunisia and no visits to Asia were possible since March 2020, but suppliers relations were maintained by phone, mail and digital meetings.

In 2021 we continued the dialogue with our suppliers about the situation in their country and in their factory. Our production has never stopped completely, and we have never canceled orders with suppliers. We continued to work well with our suppliers and made agreements about, for example, the acceptance or delay in stock orders. We accepted a delay in shipments without any penalties toward the suppliers. We have been able to fulfill financial commitments towards suppliers, and we have always - as we always do - continue to pay our suppliers in advance.

Examples of questions we asked for:

- Which social safety nets are available in your country when employees lose their job due to COVID 19?
- If employees get infected by the coronavirus, are they covered by health insurance?
- Can you meet several prevention measures in your company such as ventilation, social distancing, hand hygiene and paid sick leave?
- In case of lock down, are at least legal minimum wages guaranteed?

We were relieved to receive many satisfactory responses and to see that suppliers took up their responsibility towards their workers. But we also detected needs, such as a shortage of mouth masks and sanitary hand gels in some smaller factories.

In that case we sent these from Belconfect, to help a little bit to increase a safe working environment for these employees. One supplier also asked Belconfect for financial help in order to pay his social security. We granted this loan which was paid back in different parts. We also co-financed two respirators for a local hospital in Tunisia in the region of our suppliers.

” We never cancelled orders with suppliers, we accepted delays and we continued to pay our suppliers in advance.

Our sourcing process

Integration of monitoring activities and sourcing decisions

✓ New supplier

Each new supplier needs to sign the FW Code of Labor Practice and to fill in the questionnaire on production location data. A “due diligence check” will be done, based on country and/or specific risks and performed audit reports. If a new supplier refuses to sign or to post the Code of Labor Practices, or if he is not transparent on the production locations, we will not work with this supplier. In 2020-2021, all our new suppliers have signed and posted the Code of Labor Practices.

✓ Other suppliers

For other suppliers, if key issues are found during an audit or serious issues are reported within the complaint procedure, our company will immediately start an open discussion with the supplier to see how it can be solved, and which immediate actions are possible. A plan of action will be set up together with the supplier and followed very closely by Belconfect.

All audit and monitoring information on suppliers is now also integrated in our new ERP system, that we launched last year. This means an extra incentive to place orders at suppliers with the best Fair Wear conditions. So buyers are now in a more structural way stimulated to place orders at factories know for their living wage policy or with excellent audit results.



Code of Labour Practice, Atelier Abidtex

Our sourcing process

Integration of monitoring activities and sourcing decisions

Our company will stop placing orders in case of unwillingness to improve, unwillingness to negotiate and set up a corrective action plan, or in case of refusal to take action. This was once the case in 2018 after a negative audit report for one of our Tunisian suppliers. In 2021 we decided to stop placing new orders with our Albanian supplier, as they explicitly refused to allow an audit in their factory.

” With the integrated CSR info in our new ERP system, buyers are stimulated to place orders at factories know for their living wage policy or with excellent audit results.

Furthermore, our CSR advisor informs the CEO and CSR manager on possible risks, for example on the context in Turkey. As there are still millions of Syrian refugees who live and work in Turkey now, there is an increased risk for illegal Syrian workers and child labor in the Turkish garment sector. Belconfect discussed this topic with its Turkish suppliers and received sufficient guarantees that they are not working with illegal Syrian workers. If Syrian workers would be working there, we'll make sure they can work under the same conditions as other workers. The latest audit report stated that this factory performed outstanding in comparison with the average Turkish fashion factory.

In 2020-2021, Belconfect was also informed about the possible risks related to forced labor of Uyghur minorities in China. As soon as we were well informed about this issue, by FW seminars and by info from specialized media, we contacted our Chinese agent and suppliers to ask for the current status.

Coherent system for monitoring and remediation

FWF Code of Labour Practices

Belconfect makes use of a coherent monitoring program, which includes factory audits, the follow up of corrective action plans, informing agents, manufacturers and their employees about the Code of Labor Practices, questionnaires, a complaint helpline for workers, and factory visits.

All our current manufacturers have received a letter and a questionnaire to inform them about the FWF Code of Labor Practices, which contains 8 specific standards derived from the ILO conventions and OECD Due Diligence framework:



FW Code of Labour Practices

By filling out and signing the questionnaire, they endorse the labor standards of the Code of Labor Practices. All current manufacturers must display the Code of Labor Practices at the work floor in the local language, at a visible, private place for employees, where they can read it privately. During audits and during visits by Belconfect staff, this is verified and followed up.

CSR is now a standard topic during all factory visits. In the financial year 2020-2021, due to COVID we only had the chance to visit our factories in Tunisia, Asian suppliers were contacted by mail or video meetings. We also use a Health & Safety Checklist during factory visits. This is a useful tool to have a Health & Safety overview, and if there are points for improvement, these are quickly detected, named, and resolved.

Coherent system for monitoring and remediation

Audits

Audits are based on the FWF Code of Labor Practices. In the past three years, we organized audits at most of our main supplier. Over 90% of Belconfect's production has being audited within the past three years. In 2021, despite the COVID limitations, we managed to organize four audits.

Soniatex

During the first audit in 2018 at Soniatex in Tunisia, several problems in the area of health and safety and in administrative aspects of social management were identified. The most notable aspect of this re-audit was that most of the discrepancies initially identified were resolved. Moreover, the auditor noted that the system is really active. Staff meetings, for example, do take place and are documented.

There is still one discrepancy, which concerns a fire certificate. Soniatex reports that this certificate will be difficult to obtain because of administrative difficulties at the municipal level. Unfortunately, this is a relatively frequent situation in Tunisia. During the site visit, the auditor did not find any deviations related to the fire safety of the building.

The COVID 19 health crisis has, of course, had an impact on the impact on the plant. Due to the reduced activity of the textile industry in general and Soniatex in particular, the production lines have slowed down. However, everything shows that the factory has nevertheless kept its staff while interviews have shown that many factories in the area have closed their doors. The workers are therefore particularly satisfied to have kept their jobs and their salaries. This is a sign of strong commitment on the part of the company, as it would have been quite possible to reduce the workforce by rehiring when they took over.

So Soniatex demonstrated a positive and responsible approach that prioritizes staff stability. The conclusion of the audit: we can be confident that the plant will maintain its very good social level.

Abidtex

This Tunisian atelier produces around 50% for Belconfect and they deliver good quality and are also very flexible to combine large orders with small series/sample series. In May 2021 they were audited by Wethica for a second time. Some issues detected in 2018 were still not resolved: lack of transparency, no clear worker representation, salary slips not available in the factory and bad working hours registration. Our CEO and procurement manager visited the factory afterwards to discuss the CAP. The manager is a nice person, well dedicated to his staff and company, but he is also suspicious and is reluctant for transparency especially regarding CSR audits. We have explained several times that CSR audits are not an inquisition, but a help to improve working conditions, output quality and strengthen our long term relationship. During our unannounced visit we noticed that the atelier, the toilets, emergency exits were clean, fire extinguishers were at place, CoLP was displayed, ... the main work is transparency in HR documents. We have urgently requested action and data on this issue. The manager promised us to be cooperative and send us all necessary papers on salary slips, working hours, etc.

Coherent system for monitoring and remediation

Audits

Diamant

Diamant is a new supplier in Tunisia. As the factory had no recent audit report available, we organized an initial audit in the factory in December 2021 by Wethica. Before placing the first order, we visited already the factory and we had a positive impression of it. So we were surprised to receive an audit report that was rather negative: Serious shortcomings have been identified, such as the workers work without employment contracts, there was no age verification, a whole series of health & safety rules were not in order, etc. So this site was identified as a high-risk production site.

So we will not increase orders at Diamant for the moment, but nevertheless, we keep trust in the management of Diamant. We are convinced that they are open for improvements. We will visit them to discuss the CAP as soon as possible and we will follow up the CAP closely. In response to our COVID related question to show us some proof that workers received at least legal minimum wage during the last lockdown in Tunisia, they were the first to show us salary slips. So we give them the benefit of the doubt, perhaps they were not yet sufficiently familiar with the auditing process.

Sunay (Beotextile)

FW conducted a verification audit at Sunay (Beotextile) in Turkey in December 2021. We share this supplier with another FW member. But at this date of writing, we are still waiting for the audit report.

Positive Outcome

A positive outcome in all audits at our Tunisian suppliers is that excessive overtime – which is a very common bottleneck in textile industry – is shown to be no real issue in our production locations in Tunisia. As we work project based, we do not have strict deadlines for the production units. We also communicate always very clearly with the supplier on the production time that is needed, without an absolute deadline. It is an advantage that our production locations do not need to work under pressure.

For smaller suppliers, who are not yet audited by FW or Wethica, we always ask for other available audit reports. In this case, most factories send us a BSCI or Sedex audit report. We use the Audit Quality Assessment Tool of Fair Wear Foundation to screen the quality and value of these audit reports.

Audit reports executed by FW or Wethica are always sent to the CSR manager and CSR adviser. After receiving an audit report, Belconfect discusses the results with the supplier. In case of the Tunisian audits in 2021, the CEO and procurement manager discussed the results directly with the suppliers during their visit in October 2021. For suppliers in other countries, follow up is mostly done by email conversations.

Follow up of Corrective Action Plans

We also continued to work on the follow up of the Corrective Action Plans of the audits we organized in 2019-2020. By doing this we want to give a clear signal to our suppliers that social compliance is an important requirement for Belconfect. We will reward production units that perform well and we will give clear signals to factories that do not take up the Corrective Action Plan.

We will continue to invest in the close follow up of the CAP as part of every regular contact with suppliers, in Tunisia and in other production countries. The CSR manager and procurement manager are always involved, supported by our CSR advisor, and by our CEO where useful. On-site visits are planned on a regular basis (in Tunisia at least ten times per year in non-COVID times), and the CAP is always an important topic on the agenda.

Furthermore, we made a Health & Safety check questionnaire for staff visiting factories, to keep the supplier also attentive on these issues between audits, and to react immediately if there are incompliances.

Between on-site visits, we communicate by email with our suppliers or agents to get updates on the CAPs and to ask for updated pictures. If they come up with updates, we give them feedback and we encourage them to continue.



Atelier Diamant, Tunisia

Complaints procedure

We use the FW helpline and complaints procedure offered to FW members.

All current factories have send us pictures to prove that the FW Code of Labor Practices (that includes the complaints number) was displayed at the work floor in the local language and available to all employees. This is checked during audits and by Belconfect staff when visiting the factories. This is also a requirement for new suppliers, an order can only be possible after we receive a picture of the Code posted in the factory.

Our CEO and CSR manager are responsible for dealing with complaints from workers or their representatives against their employer within the supply chain of Belconfect. We want to do everything within our power to resolve a complaint in a timely manner, in close cooperation with FW. We will always guarantee anonymity of the worker or representative during the complaints procedure.

We will also further invest in making the complaint procedure better known to workers. The Worker Education Program trainings that we had planned for 2020-2021 and in which the complaint procedure is explained to workers, could not take place due to the COVID situation. But we hope to reschedule them in 2022.

In 2020-2021 neither Belconfect nor FW's country contact persons received complaints from factory workers or management involved in our supply chain.

Training and capacity building

New suppliers are always informed by Belconfect on FW membership through the questionnaire and explaining our FW membership and the Code of Labor Practices during meetings and through information by email. The code and the contact details of the complaints handler are posted in the factory in the local language. This is monitored in the audits and during factory visits. It was planned in 2021 to conduct a **FW's Workplace Education Program (WEP)** session on social dialogue at one of our main Tunisian factories. But due to the COVID situation, only basic WEPs were available in Tunisia, a WEP already conducted at this supplier. Also a WEP planned in Turkey could not take place due to COVID. We hope 2022 will be a year of several interesting WEPs actually taking place.

We also continued to invest in communication with our **agents** who are in control of our Far East production. We inform them on the Code of Labor Practices, the due diligence procedure that we introduced for new suppliers, CAP monitoring, ... For an effective follow up and remediation process, it is important that also our agents are familiar with Belconfect's Fair Wear engagements, as we expect them to discuss CAP issues with our suppliers in China and Bangladesh. We saw the last year the benefits of these efforts. For example, our agent in Bangladesh is closely monitoring the progress of the respective factories under the (new) Bangladesh Accord.

To keep our staff in our HQ in Dottenijs informed, our Fair Wear engagement and progress is discussed regularly in monthly staff meetings. The COVID period offered also an opportunity for our CSR manager and CSR advisor to attend several **FW online trainings**, f.e. on living wages, alternative trainings for supplier, excessive overtime tools, how to deal with the COVID situation in Tunisia, Bangladesh and China, communication guidelines, etc.

FWF living wage incubator

Belconfect also participates in the **FW living wage incubator 2.0**. As it is a good mix of informative and interactive sessions, it was a good way to dive into the issue and to learn more about the complexity of various aspects of striving to living wages. The incubator meetings gave the opportunity to discuss the topic with other FW brands who could tell about their experiences and learnings, as well we could get direct feedback on our own actions and next steps from the FW experts. It was an interesting and stimulating trajectory to build up our own capacity to strive to real living wages for all textile workers in our supply chain.



Transparency & communication

We believe in an open and transparent communication with our suppliers. There are several ways through which the Code of Labor Practices is communicated to manufacturers and workers: distribution of questionnaire and lead letter, visits to suppliers to explain Belconfect's FW engagement,... As our number of suppliers is limited, we prefer discussions on CSR matters during face-to-face discussions in a constructive dialogue. Our main suppliers in Tunisia are visited on a monthly basis (if COVID allows us), and CSR issues are on the agenda regularly.

Towards our customers and stakeholders, we communicate on our FW membership during company PowerPoint presentations, in our brochures, and through our website (where also the Brand Performance Check Report is published). On our corporate website, more information can be found on our sustainability engagements. We attach our Social Report at every private and public tender.

For many years, we have worked hard to build strong, long-term relations with our suppliers, based on mutual trust and transparency. This allows us to disclose the names of the factories we work with without major concerns about the ongoing competition on the best available production capacity in our industry. The suppliers that produced for Belconfect in financial year 2020-2021 were:

Factory	Country	Product group	Production process	Auditor
Soniatex	Tunisia	Woven	CMT	Wethica
UBNA	Tunisia	Woven	CMT	Fairwear
Abidtex	Tunisia	Woven	CMT	Wethica
Sunay	Turkey	Knitted	Full	Fairwear
Binzhou Knitting	China	Knitted	Full	BSCI
Socovep	Tunisia	Woven	CMT	Wethica
Quanzhou	China	Knitted	Full	BSCI
Diamant	Tunisia	Woven	CMT	Wethica
Gete Garments	China	Knitted & Woven	Full	BSCI
Bodywear	Hungary	Knitted	Full	NA
Textilium	Turkey	Knitted	Full	NA
Cpro	Tunisia	Woven	CMT	NA
Manifaktura	Albania	Woven	CMT	NA
Amrit	India	Knitted & Woven	Full	SGS
Logos Apparels	Bangladesh	Knitted	Full	SEDEX
Sadaatia Sweaters	Bangladesh	Knitted	Full	BSCI
Covabel	Belgium	Knitted	Full	NA
Big Dream	Tunisia	Woven	CMT	NA

Corporate responsibility

Our commitment to more sustainable business practices is important to Belconfect. The related expectations of stakeholders and customers are also increasing. We are pleased that we have already taken many steps in recent years, and we are ambitious to grow further in this engagement.

In addition to our Fair Wear commitment, we also strive for more environmentally friendly production. Some of our initiatives are:

- We developed our own brand D-FORCE Green, work wear made of recycled and recyclable materials
- Together with Kringwinkel, we are developing overcoats from recycled jeans
- As a partner in the Hack your Jeans projects, we try to innovate in circularity for textiles
- We are member of the Green Deal Circular Procurement in Wallonia
- We collaborate with Circletex, a collection system for discarded work wear
- We offer our customers a repair service
- With specialized software 'Diamino Expert of Lectra' we can optimize and reduce cutting waste

In 2022 we will follow up recommendations that came out of our Carbon Footprint Calculation and we have the ambition to get an ISO 14001 environmental management certification by Spring and to replace our Ecovadis Silver medal by a Gold one.





We work hard to build strong, long-term relationship with our suppliers, based on mutual trust and transparency.

Belconfect is committed to communicating in a uniform and transparent manner about economic, environmental and social performance, to both internal and external stakeholders.



We focus on 4 important CSR reports: Ecovadis where we obtained the Ecovadis Gold Label, CSR scan according to ISO 26000 guideline, sustainability report according to the GRI guideline and a social reporting that is part of our Fair Wear Foundation involvement.

it's not about
ideas, it's
about making
ideas happen.



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