



Social Report 2018

Confectiefabriek De Berkel B.V.



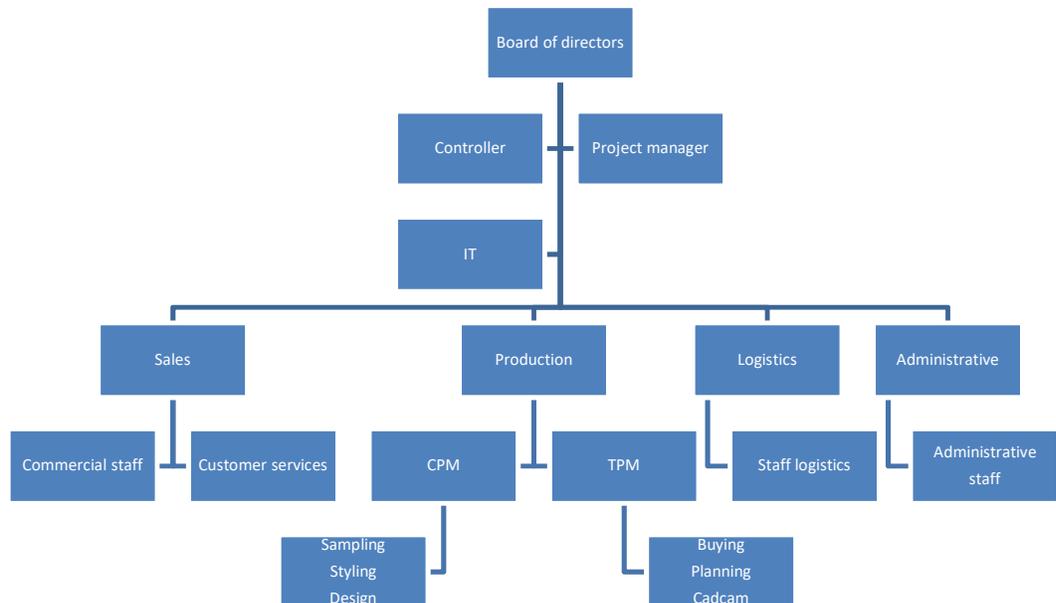
finest professional clothing

www.deberkel.nl

Member of Fair Wear Foundation since June 2007

Reporting period (2018)

1st January to 31th of December





Contents

Summary: goals & achievements 20183

1. Sourcing strategy4

2. Coherent system for monitoring and remediation5

3. Complaints handling6

4. Training and capacity building6

5. Information management7

6. Transparency & communication7

7. Stakeholder Engagement8

8. Corporate Social Responsibility8



Summary: goals & achievements 2018

Summary

"De Berkel B.V." clothing factory was established in 1948 and manufactures high-quality industrial clothing, particularly in the healthcare, hospitality, industrial and representative segments. Distribution takes place primarily through an active dealer network that De Berkel B.V. has built up in the Netherlands, with the aim of national coverage. In addition, direct deliveries only take place if it concerns larger medical institutions, launderettes or business to business projects.

The head office in Varsseveld employs approximately 30 employees. Within the dealer network, De Berkel B.V. has 2 own sales outlets in industrial clothing where 10 employees work. (all converted on a Full Time Equivalent basis). De Berkel B.V. is part of Teamdress Nederland B.V.

De Berkel B.V. is very committed to ensuring that its products are made in a socially responsible manner. This means that we are committed to good working conditions in the factories where our products are manufactured.

In order to give this serious emphasis, De Berkel B.V. became a member of the Fair Wear Foundation in 2007, which means that De Berkel B.V. is working towards implementing the Code of Conduct.

De Berkel B.V. manufactures its products under the following brand names:

- De Berkel B.V. Industrial clothing for health care and industry
- Teamdress Representative workwear
- Robini (licensed) Company clothing for the hospitality sector

First responsible persons within De Berkel B.V. for the implementation of the Code of Conduct drawn up by the FWF in the factories are:

- Wilfried Rasing, General Director De Berkel B.V.
- Ronald Klunder, Technical Product Manager De Berkel B.V. and contact person FWF.
- Roland Seidel, Managing Director Teamdress Holding GmbH, with final responsibility for production.
- Ronald Klunder, QM-manager De Berkel B.V. responsible for complaints handling, internal training, communications, production location data, information management.

The objectives set for the year 2018 were:

- To further promote the membership of the FWF and the code of conduct for the clothing industry to De Berkel B.V.'s own staff through the Management System Audits held.



- To continue informing our production sites about membership of the FWF and the associated code of conduct in order to ensure that they are complied with.
- To raise the labour conditions at the production locations, which have been mapped out, to a higher level by means of points for improvement. To contribute to the fight against poverty in the countries where we manufacture. Introduce the possibility to report complaints in the factories.

Achievement of objectives for 2018

- The staff at De Berkel B.V. as well as at the production locations with which we do business are continuously informed about the wellbeing and misfortunes of the FWF and its objectives.
- The working conditions in our own production locations are sufficiently well understood. In 2018, we continued to work on further assessing and improving the working conditions at the subcontractors.
- In Moldova we contribute, through donations and gifts of materials and clothing to local institutions, for the improvement of their living conditions.
- Since 2010 we have been a donor to the Mother Teresa Foundation in Ulft. This foundation builds among other things social houses for the poorest in Eastern Europe. De Berkel B.V. also contributes to the improvement of living conditions in these areas.

At all of our production sites, a form is attached to the production with instructions where staff can report any complaints. No complaints were received from the production locations in 2018.

Due to a lot challenges las year. De Berkel did not meet the full membership requirements and has therefore started a joint membership with her mother company Teamdress.

1. Sourcing strategy

Purchasing

Inspired by the 2017 brand performance check, a transition process has been started in which Teamdress Holding GmbH will take over the responsibility and production management. Within De Berkel B.V. a distinction is made between the purchase of raw materials, the purchase of finished products according to "external production" and the purchase of finished products according to "own production". The responsibility for purchasing raw materials and purchasing "external production" still lies with the Technical Product Manager. For the time being, he selects and assesses the suppliers of De Berkel B.V.

The responsibility for purchasing "own production" is determined by this transition process at the Managing Director Teamdress Holding GmbH. He is ultimately responsible for the production of the Teamdress group to which De Berkel B.V. belongs.

Both the Technical Product Manager and the Managing Director assess on criteria such as purchase prices, delivery times, delivery reliability, quality and compliance with labour standards in the factories where the products are manufactured.



De Berkel B.V. releases new collections for the retail market every year. In addition, customer-specific models are continuously developed.

The production sites are targeted with fixed capacity plans over certain longer periods. They are therefore continuously provided with orders and can thus also make fixed agreements with their personnel. This means that investments are made in long-term relationships with the production locations, which of course benefit the stability of production.

Annual contracts are used and are automatically renewed from year to year. The contracts specify, among other things, capacities and prices.

When selecting new suppliers, the working conditions in the factories and the willingness to implement improvement plans in this respect are taken into account as key criteria. In the case of existing suppliers, the periodic contract renewals will include passages in the contracts on working conditions in the factories concerned, including the agreements and improvement plans made.

From 2014, we have adapted our production system by moving from production lines to skill groups. The production locations are therefore better geared to smaller orders and the diversity in models. The production staff specializes in certain fixed operations with the aim that the staff can perform more and therefore receive a better compensation.

De Berkel B.V. started in 2015 to notify its suppliers about FWF. In the talks held, all preferred suppliers indicated to sign the questionnaire for external suppliers and to act in accordance with the FWF labour standards. In addition, De Berkel B.V. encourages its preferred suppliers to join FWF.

2. Coherent system for monitoring and remediation

Monitoring system and implementation of improvement

Three official audits were carried out in 2018. In addition, all production units in Moldova and Ukraine were visited.

As of November 2014, a new own production location has been initiated in Moldova. This concerns a joint venture in which De Berkel B.V. has a 75% stake. It goes without saying that the Fair Wear Foundation's code of conduct will apply right from the start.

An official audit took place here in 2018. Based on the findings of this audit, improvement plans for 2019 were drawn up.

All production sites have been informed about the FWF Code of Conduct and have expressed their willingness to act accordingly. We provide the subcontractors with the necessary sewing machines where needed. All this to improve the quality and to offer the seamstresses the possibility to produce more and thus earn a better salary.

One of the subcontractors produces 100% for our group. The other one works for several clients. Last year our share in his production was about 50%. The Managing Director of Teamdress Holding GmbH visits the production sites with some regularity. Based on the audits held, improvements are implemented.

The subcontractors, as well as our own production sites, make use of our accumulated knowledge in the field of systematically calculated time registrations, production routings for the models, skill group production control as well as clear systematic reward systems for the personnel.

As stated in the factory register, samples and size sets are manufactured at our production site in Poland and our own production company in Moldova. At our production site in



Poland, we do not think it is necessary to carry out an audit as this involves a small number of production employees and it concerns a 'low-risk' country.

De Berkel B.V. produces in Poland where the government has good labour legislation and where the government monitors working conditions and minimum payments to employees. Since our employees are paid according to the number of pieces they produce, there are many who earn considerably higher wages than the minimum wage set by the government.

We frequently use instructors who guide the seamstresses towards better efficiency, and therefore better salaries. Through the local management all employees are informed about our activities within the Fair Wear process.

The QM-Manager of De Berkel B.V. is periodically informed about the Fair Wear news as it is present in the factories almost continuously and is involved in the implementation of the monitoring activities.

The QM-Manager is also authorised to discuss audit findings and improvement plans with the production companies.

Regular official audits, supported by the Fair Wear Foundation, are carried out at the sites to assess whether the suppliers not only subscribe to the Code of Conduct but actually implement it in reality.

3. Complaints handling

Complaints

Complaints procedure

As a result of the transition process, the QM Manager is currently responsible for monitoring complaints. It is also authorized to make decisions about the need for an investigation, to discuss the complaint with the management of the production companies and to reach agreement on improvement plans. The employees report in writing to the Managing Director or the QM-Manager. If an oral explanation is desired, an opportunity is provided to do so.

Complaints in 2018

No complaints were submitted in 2018.

4. Training and capacity building

Training and capacity expansion

The personnel of De Berkel B.V., as well as the personnel of the production sites, are sufficiently informed about the Code of Conduct for the Clothing Industry. The employees involved in the implementation of the monitoring activities have not yet been trained to fulfil this role. A training activity is planned for this in 2019.



5. Information management

Improvement of labour standards

As a result of the findings of the official audits carried out so far, improvement plans have been drawn up which also relate to the labour standards in the factories. The production locations are supported in the implementation of improvement plans by the QM-Manager. The QM-Manager can guide the improvement plans during implementation. If required, necessary financial investments are made.

Information management

The supplier register of De Berkel B.V. is well known among all employees in the purchasing department. The register of suppliers is kept up to date by the Technical Product Manager. The Managing Director of Teamdress Holding GmbH determines where and where production will or will not take place and which production companies meet our requirements in terms of working conditions. Since the supplier register at De Berkel B.V. is not extensive, the various suppliers are known to everyone in the company.

6. Transparency & communication

Transparency

Customers regularly inform us whether our clothing has been produced in a responsible manner. Currently, participation is communicated to the outside world as follows:

The FWF logo is used in the following ways.

- a) On our website
- b) On our stationery
- c) On our promotional material
- d) The Annual Social Report will be published on the FWF website.

Evaluation and improvement of the management system

The implementation of the Code of Conduct for the Clothing Industry has taken place both at De Berkel B.V. itself and at all the production sites where we manufacture.

Joining the Fair Wear Foundation is highly appreciated by all our relations, both on the sales side and on the production and purchasing side.

The countries where De Berkel B.V. produces have legislation on working conditions and wages. The government in these countries actually ensures that this legislation is complied with.

De Berkel B.V. offers help to the most impoverished in Eastern Europe through the provision of clothing and the sponsorship of the Mother Teresa Foundation.

The production locations are periodically visited by our own people who verify whether the agreements made in the area of working conditions are being permanently observed. The improvement plans for feasibility and realisation are also discussed.

Regular official audits, supported by the Fair Wear Foundation, are carried out at the locations to check whether the suppliers not only subscribe to the Code of Conduct but also actually implement it in practice.



7. Stakeholder Engagement

This year, another customer survey was conducted in which various questions regarding sustainability were raised. A large number of customers indicated that sustainable products are becoming increasingly valuable and that these criteria are also taken into account when purchasing clothing. Furthermore, there are no current topics to report.

8. Corporate Social Responsibility

The corporate culture of De Berkel B.V. is based on continuity. Choices are therefore determined by the effects on Planet, People and Profit. Explicitly, De Berkel B.V. wishes to point out that it is not driven by short-term profit, which is often at odds with the principle of "continuity".

For De Berkel B.V., Sustainable Entrepreneurship is the interplay between Corporate Social Responsibility (CSR) and Ecological Responsibility (EVO). The consistent attention for Sustainable Enterprise has been translated into a number of guaranteed systems.

De Berkel B.V. is a member of MVO Nederland (Corporate Social Responsibility of the Netherlands).

More information about this declaration can be found at www.mvonderland.nl

ISO-14001 environmental management system

De Berkel B.V. is a certificate holder and complies with the laws and regulations. We are committed to continuous improvement of our environmental performance and control of environmental risks. Based on the chain philosophy, all preferred suppliers of De Berkel B.V. have been selected on the basis of ISO-14001 certification.

Oeko-Tex standard 100

Oeko-Tex Standard 100 is a test and certification system for textiles. The standard focuses on the limitation of the use of harmful substances in relation to the health of the end user. Although the label is thus focused on health aspects of the textile product, the guidelines for the use of harmful substances also overlap with the ecological dimension of sustainability.

De Berkel B.V. requires its preferred suppliers of textiles to be certified in accordance with this standard. This is guaranteed by the ISO-9001 quality management system.



Fair Wear Foundation

De Berkel B.V. is a member of the Fair Wear Foundation. This is a Dutch organisation that aspires to have good working conditions in the clothing industry in countries where clothing is produced for the Dutch and European markets. The means Fair Wear Foundation uses for this purpose is a code of conduct for clothing companies. This code of conduct is based on the internationally recognised standards of the International Labour Organization (ILO).

Companies that participate in the Fair Wear Foundation implement the labour standards mentioned in the code of conduct and accept the Fair Wear Foundation's control of actual improvement of working conditions at their suppliers. Furthermore, the Fair Wear Foundation is a widely-accepted initiative, supported by Dutch employers' organisations in the fashion industry (MODINT and Mitex), trade unions (FNV) and development organisations (Clean Clothes Campaign and Novib). More information can be found at www.fairwear.nl

Supporting Mother Teresa Foundation

The Mother Teresa Foundation offers help in all forms to the most impoverished people in Eastern Europe. This without distinction by origin, religion, gender and age. They generate funds through sponsorship and the sale of new clothing in the Netherlands and new and used clothing in Romania. The proceeds are used to support many projects by providing food, fuel and clothing packages to those who need them. Many schools are equipped with good furniture and sometimes they have been restored. In addition, several hospitals and clinics have been provided with good beds, instruments, operating tables and clothing. De Berkel B.V. supports the Mother Teresa Foundation financially and by sending unsaleable clothing to Romania.

Our school in Moldova

Near its Starline Textile factory in Moldova, De Berkel B.V., as a participant in a subsidy project, trains around 25 Moldovans a year. These are 16/17-year-old girls who are trained to become a needlewoman in one year after finishing high school. After a successful conclusion, they get an employment contract with Starline Textile.