

Anchor Workwear social report

Reporting period 2021



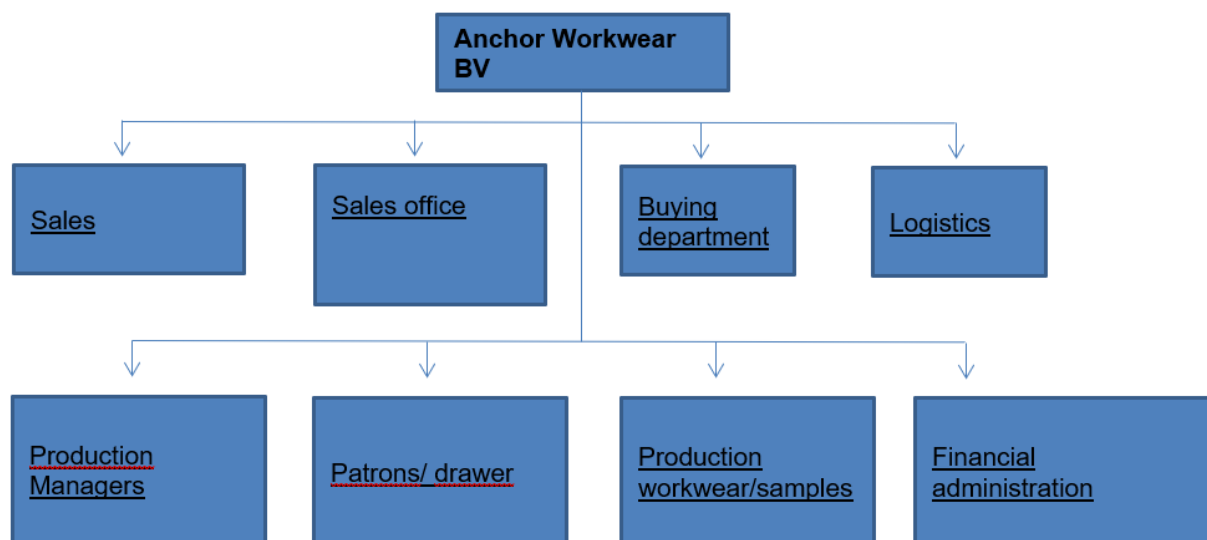
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Factory B/Country B	Fout! Bladwijzer niet gedefinieerd.
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Organisational chart



Summary: 2021 goals & achievements

We want good labour conditions to be a normal aspect in the factories, where our garments are manufactured. The people, that work on our garments must be happy to produce them. We have long-lasting relationships with our production companies. In that way we can give the production people stable labour contracts.

2021 was a difficult year, due to the effects of the Covid'19 pandemic, which caused lockdown in Vietnam. In this period there was a program from the Vietnamese government, from which the workers were partly paid during the lockdown. We supported the people in our factory by paying a part of the normal wage in this period.

In Bulgaria we didn't face a lockdown. There were some Covid infections amongst our workers, but the impact was only small.

2021 has not brought about any changes in our sustainable strategy. We want to produce as much in own factories as possible and produce the rest in a few selected other factories. We try to build up good and long-lasting relationships with these factories.

Sourcing strategy

SOURCING STRATEGY & PRICING

We try to produce as much as possible in own factories and remaining production in a few selected external factories. We source based on production quality, price, social factors and availability.

Decisions about production locations are taken by the management team.

Together with the buying department we select new production companies. In 2021 we selected a new factory in Bulgaria.

Pricing is based on calculation and evaluation of the first production run.

PRODUCTION CYCLE

Anchor Workwear buys most fabrics and accessories and supplies patterns. These are transported to the production locations. The production companies cut the fabric and produce the garments. The ready-made garments are transported to The Netherlands. Lead time for production Europe is normally 7-9 weeks. Lead time for production Asia is 12-16 weeks.

We make a planning with our own production factories in Bulgaria

We make a production schedule in consultation with our own production companies in Bulgaria and Vietnam. We know the capacity and plan it fully. We don't plan more than 100% to support reasonable hours of work. More production is transferred to our external production companies. We have regular orders at these companies, but we only fill their capacity partially.

FACTORY RELATIONS

We needed extra production capacity in 2021, which we couldn't place in our existing factories.

Therefore we started a relationship with a new factory in Bulgaria. First contact dates from January 2020. During 2020 we got to know each other. We have had quotations and samples were made.

After we determined that the quality was good, we discussed further issues, such as working methods, working conditions and other topics. We have sent the letter to announce the code to suppliers of own production.

The production company completed the questionnaire and posted the Code of Labor Practices in the production area.

We did not terminate relationships in 2021

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

Our main objective stays to fill the complete capacity of our own factories. We outsource the rest to a few selected companies, with which we want to have a stable relationship. If monitoring leads to issues of improvement, this will not result in outsourcing to other production companies, but in solving the issues at the existing relationships. In 2021 we had no complaints from workers. We also had no audits of our production facilities, due to Covid'19. For the same reason we were not able to visit the production locations ourselves.

In our factory in Vietnam we still have a few remaining points from the previous audit, which could not be handled in 2021. They will be handled in 2022. All our production companies support good labour conditions, so there will be no reason to terminate relationships.

Coherent system for monitoring and remediation

FACTORIES BULGARIA

In our own factory in Bulgaria we have had a WEP-training and an audit in 2018. The result of the audit overall was good and showed only some points for improvement. Most points have immediately been solved and the remaining minor issues were handled in 2019. During visits we discuss labour conditions with staff and workers. Our last visit to Bulgaria was in January 2020. Due to Covid 19 we couldn't visit the factory since then. But communication via Skype has continued as usual in 2021. A new audit is planned for 2022.

We also produced in two other factories in Bulgaria in 2021. In one factory we made some productions several years ago. The other factory was new for us in 2021. We have sent both factories the letter to announce the code to suppliers. Subsequently both factories have posted the Code of Labour Practices and filled in the questionnaire. Both factories will be audited in the coming years.

In our factories are no other members of Fair Wear producing garments and the factories have no other factory audits. In 2021 we did not have direct contact with workers. We look forward to picking this up again in 2022.

FACTORIES VIETNAM

We have had an audit in our own factory in Vietnam in 2018. The most important points for the CAP have been solved in January 2019. Several remaining points were handled in 2019 and we made a plan to solve the rest of the (minor) issues in 2020. For solving these issues we needed visits from an external company. Due to covid'19 we had to postpone these issues and they will be handled in 2022. This concerns for example safety training, health check and working environment test. During visits we discuss labour conditions with staff. Due to Covid 19 we couldn't visit the factory since then. But communication via Skype and email has continued as usual in 2021. In our factory are no other members of Fair Wear producing garments and the factory has no other factory audits. A new audit is planned for 2022.

The other production company in Vietnam has been audited by SA8000 in 2018. All major issues and most minor issues have been solved in 2018, the rest has been solved in 2019. Due to Covid 19 we couldn't visit the factory in 2021. But communication via Skype has continued as usual in 2021. A new audit by SA8000 is planned for 2022.

EXTERNAL PRODUCTION

Anchor Workwear imported shoes from Ecco. Ecco has own production companies in Portugal, Slovakia, Indonesia, China, Thailand and Vietnam to produce their shoes. Ecco has signed the Code of Labour Practices of FWF. Ecco has its own, expanded version of a Code of Conduct (60 pages) in which in detail is described how audits are organized, and how improvements are carried out after audits. The audits are carried out by two participants from the Ecco Global Code of Conduct Audit Team. Ecco's Corporate Conduct team is responsible for the training of the auditors and will randomly participate in audits to check if the auditing system and the auditors are working effectively and efficiently.

Complaints handling

We have posted the code of labour practices in our factories. Workers can put their requests and complaints to the management of the factory.

We received several requests from the workers regarding repairing or replacing the machines. These were handled by the management of the factory.

Social Report 2021 – past financial year

During the audit in Bulgaria workers were asked for a system for complaints. People answered, that if they have questions or complaints, that they can address them to the management of the factory and the management is capable to solve the issues. They don't need another system for complaints.

In 2021 we have not received any complaints.

Training and capacity building

ACTIVITIES TO INFORM STAFF MEMBERS

During monthly meetings we inform the staff about the FWF membership and audits of production locations. We inform our membership on our website and during fairs and visits to our customers. The staff of Anchor Workwear were informed in November 2016 during a training by Fair Wear Foundation.

ACTIVITIES TO INFORM AGENTS

Not applicable

ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

In 2018 we organised a Workplace Educational Programme in our own factory in Bulgaria. A selected group of workers and the management of the factory attended this WEP.. We had a Workplace Educational Programme in our own factory in Vietnam in 2016. During visits to factories we have informed manufacturers of our membership and the importance of social responsibility Due to Covid'19 we couldn't visit any production factory in 2021. We will pick this up again in 2022, if the situation around Covid'19 allows visits again.

Information management

We monitor progress in the implementation of the Code of Labour Practices through audits that FWF performs as well as external audit by SA8000. In the years following the audit, we discuss the CAP that follows from the audit and monitor the progress of resolving the issues in the CAP. In addition to the audits and CAPs, we follow the progress of the implementation of the Code of Labour Practices during the visits to the workshops. During these visits, meetings are held with management and staff, including discussing progress in the implementation of the Code of Labour Practices.

In 2021 the management of Anchor Workwear did not visit the production locations, due to the restrictions resulting from Covid-19. We had frequently contact by Skype and email.

Transparency & communication

The general public and customers have been informed through various channels;

- We have put the Fair Wear logo in our emails
- We mention our Fair Wear membership on our website.
- We mention our Fair Wear membership in our offers to clients.
- Anchor Workwear writes an annual social report
- We put the social report and the brand performance check on our website.

Stakeholder engagement

We did not make use of any FWF stakeholder resource, because there has been no issues to be discussed.

We will discuss the country studies and risks that follow from these studies with our production locations in 2022 and discuss how they handle and/or prevent these risks.

Corporate Social Responsibility

- Anchor Workwear has an internal CSR policy regarding reducing energy consumption, reducing waste and regarding discrimination. Apart from that, CSR is a natural issue during daily processes. Anchor Workwear is ISO 14001 certified.
- Anchor Workwear also considers the external CSR issues. We produce safe garments (with Öko-tex) under good circumstances. We support an orphanage with clothes. We use organic and recycled materials for fabrics to deliver a contribution to the environment. We collect and recycle used garments to new products.
- We have our own brand RE//WEAR. Under this brand name, we produce circular clothing items that are recycled at the end of their lifespan into raw materials for new clothing.