

# Tailor & Stitch

# Social Report 2024

(Financial year: January, 2023 – December, 2023)



[WWW.TAILORENSTITCH.NL](http://WWW.TAILORENSTITCH.NL)

FAIR WEAR MEMBER SINCE 27 JANUARY, 2013

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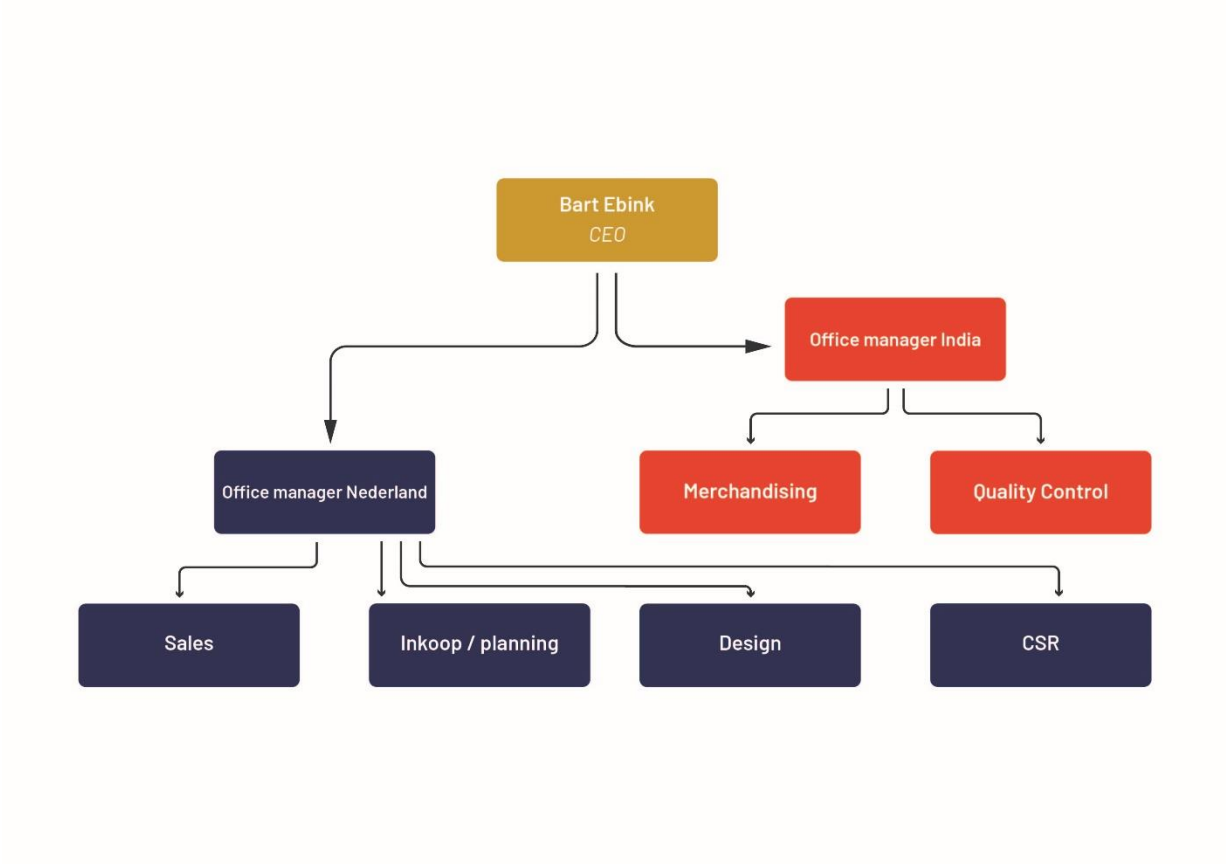
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# Tailor & Stitch Social Report

## Organisational chart



## Summary: 2023 goals & achievements

2023 has been a year in which Tailor & Stitch worked towards professionalizing its commitment to Fair Wear. Thorough revision of existing policies, finetuning the risk assessment and developing a Prevention Plan are examples of steps taken to better our monitoring efforts. We hired a junior CSR manager in order to intensify sustainability and social compliance in the upcoming year.

As part of professionalizing processes within our organisation we worked every single process out in protocols. With this in order we were set to apply for ISO 14001, the internationally recognized standard for environmental management systems as well as ISO 9001 for quality management and were successful in obtaining them.

This year we've been active in exploring expanding opportunities, looking into facilities that can offer suitable fabric, that have the capacity to handle big orders. In this quest we have managed to explore several partnerships, some with success, some not so successful and even some that require a little more time and energy like establishing a joint venture.

We intensified our efforts to a secure and long-term relationship by visiting our suppliers. By doing so, we create a better awareness of suppliers' situations and thus a better position for mutual understanding. During visits we want to see a suppliers' daily operations, we aim to speak to workers, management and supervisors and we plan an Onboarding Training, in which the Code of Conduct is set out. We discuss important things with management, lay down expectations and make agreements.

We have found out that working with Pakistan and China on social compliance is a challenge for us. We have tried to work together with stakeholders, other Fair Wear members, to enhance social compliance but did not succeed in establishing a fruitful partnership for Fair Wear commitment. By mutual agreement, successful exit strategies were implemented with three factories. With this we established a focus on India for productions.

Sustainability is still a very important aspect of our organisation. Under the Extended Producer Responsibility Act, we are required to organize and manage the waste streams of our products from 2024 onwards. In line with our ambition to produce 50% of our workwear circularly and have 80% of

the materials used fully traceable to the source by 2026, the Extended Producers Responsibility Act challenges us to speed up the process of a full transparent sustainability integrated supply chain.

Our strategy to become a leader in producing fair and sustainable corporate clothing to compete in the Dutch market and ultimately inspire others can only be achieved through exceptional efforts to achieve transparency in the chain by improving labour conditions, among other things. Under the guise of 'good things take time', our strategy is underlined by the CEO's words "*it's an ongoing process*".

## Sourcing strategy

### HUMAN RIGHTS DUE DILIGENCE

#### *Step 1: Responsible business conduct policy*

We revised our Responsible Business Conduct policy (hereafter: RBC policy) to ensure better alignment with the OECD Guidelines.

#### *Step 2: Identify actual and potential harm*

Supplementary to the risk assessment, a risk scoping exercise was conducted of the more general risks we encounter in the countries where we produce. Furthermore, a root-cause analysis was performed based on the most prevalent risks in our supply chain, providing insight as to which risks are structural and which are incidental.

#### *Step 3: Cease, prevent, mitigate harm*

With the newly established Prevention Plan, Tailor & Stitch offers an overview of preventive actions for mitigating risks in partnerships with suppliers. Preventive actions include training, worker involvement sessions, questionnaires and reviews of our purchasing practices. Improvement programs have been up and running, corrective action plans are periodically checked and updated where needed, so that everything should be in order for the next audit.

#### *Step 4: Track progress*

First and foremost, the hiring of new capacity to work on CSR and Fair Wear ensures more timely and ongoing verification, monitoring and validation preventive and mitigating actions. We have developed an annual monitoring plan in which is set out our monthly, quarterly and yearly check-in moments; calls, questionnaires, meeting notes of worker representatives, audits, supplier evaluation etc.

*Step 5: Communicate*

We have a web page dedicated to Fair Wear, here an easy accessible and thorough explanation is given on our efforts. On this page we share a social report and a brand performance check report annually, as well as our RBC policy. Through these channels we share our efforts publicly.

*Step 6: Remediation*

Identified potential harms are being prevented or mitigated as shown in our root cause analysis, however prevention and mitigation are also used as means of remedy when an actual harm has been found. An effective grievance mechanism has become one of our goals, where this year we actively worked on ensuring proactive involvement of workers or worker representatives by means of periodic questionnaires and check-ins. Ongoing Corrective Action Plans follow-ups are our main tool to gauge remediating progress of any adverse impacts.

## **SOURCING STRATEGY & PRICING**

In our sourcing process our aim is to source in line with privileging production locations where workers can freely join a trade union and/or bargain collectively. Therefore, we use different channels for sourcing;. our production manager in India has a great network in India because she owned a couple of factories herself. When sourcing in India, we like to make use of her network in the sourcing process, she gathers information on potential factories and shares this with the Dutch team and the CSR manager in particular. When sourcing outside of India we like to do a factory check with fellow Fair Wear members which already work with specific factory or have been working with the factory in the past. We do not immediately exclude factories if they cannot be found in the Fair Wear system and neither are they known to our fellow Fair Wear members. We carefully consider whether it is worth an investment to audit the factory by Fair Wear, one consideration here is whether the factory is interested in long-term cooperation.

Our focus is mainly on sourcing in India because a part of our team is also located in India. As a result, we are well acquainted with human rights and labour laws in India. The team in India is a beacon of knowledge for suppliers and they oversee the daily operations in the factories with frequent visits. Having a focus country makes it possible to combine transport of different factories to the Netherlands in this way, contributing to sustainability and cost saving. For selected items, notably accessories, we currently work with a European supplier in Portugal, a fairly regulated and compliant country when it comes to social compliance.

## **PRODUCTION CYCLE**

We start production when we receive an order, this is because we do not want to produce more garments than necessary. We do not work with seasonal collections and many orders are repeat orders which in principle end up with the factory that last produced it. All factories have their own lead times, the lead time of a repeat order is shorter because the process is one step less, there is no new fit sample necessary. When we upload the order in our ERP system, we ask the factory to confirm the order and lead time by means of a TNA.

### *Production cycle steps*

- Receiving an order from our customer
- Adding this order as project in the tracker with all information
- New project: ask 2 factories to fill in the enquiry within 48 hours so we can decide who gets the order (decision based on capacity, lead time, price). Repeat order; we ask the previous factory if the timeline works for them.
- Adjust project as discussed with the factory (price, timeline, qty). Timeline is depending on capacity and if the fabrics/trims are already in house or need to ordered.
- Share OC with our customer and PO with the factory.
- Factory follows the timeline we settled on together. We get an update every week to confirm the timeline is still followed. If the timeline is not followed, we try to find a way to win back time. Otherwise we inform our customer that the goods will have delay.
- Before production starts we pay 30% in advance.
- We always get pre-production samples, even for all repeat orders. We let our customers approve the samples so we always know for sure bulk production will be fine.
- Our quality manager visits the factories during every bulk production to check the quality. He also checks if they are still working according to the timeline we settled. He confirms if they will catch the planned shipment.
- We plan a sea shipment for every three weeks and an air shipment once a month. The minute we enter the project into our system, we link it to a shipment. If the order is not totally finished we can send the last pieces by airfreight so we can deliver all at once to our customer.



- The minute production is finished and approved by our quality manager, they arrange the shipping docs and ship out the goods to our forwarder. This is also the moment we settle the rest of the payment.

With our ERP system (or as we call it Tracker-system) we work towards more transparency in our supply chains. Each factory has access to this system with their own log-in. The system offers a clear timeline where delays can be checked and the timeline can be adjusted. TexTracker is our main channel of communication with the supply chain

## **FACTORY RELATIONS**

We are always searching for partners with high quality, enough capacity, respect the CoLP, competitive pricing, the ability to fulfil timeline and deadlines and is a Fair Wear member. When a factory meets our requirements, we request an open costing and a sample. Hereafter our team in India visits the factory to check quality of the products and meet employees to discuss the labour standards. If the decision is made to work with a new partner, our CSR manager gathers all necessary documents. Examples of these include external audit reports, questionnaires, health and safety checklists, code of conduct, etc. We collect pay slips, engage in discussions with worker representatives, and assess all risks. After receiving all necessary information, our buyer/production manager plans a test order. After the test order we proceed with establishing a contract including communication, prices, MOQ's, HRDD, payment terms and lead times. When everything is checked and signed, we are ready to work with the supplier. We make sure our CSR manager plans an onboarding training session for suppliers and workers within the first year of the first purchasing order, here we share the basics of our HRDD principles.

We work towards a fair supply chain in which the norm is to freely join a trade union and to collectively bargain, living wage and a safe working place. In all our relationships we greatly appreciate full cooperation to meet ethical standards. We therefore support our suppliers through capacity-building programs such as training on the matters of fair labour practices and social responsibility. You can think of; facilitation of and participation in supplier training, providing evidential materials indicating encouragement or allowed freedom of association, facilitation of worker representatives or worker committee meetings, safe & healthy working environment, no excessive working hours and working towards living wages. We have found that when a supplier is not cooperating with us on these matters and not active in pursuit of the Code of Labour Practices, a partnership in line with Fair Wear requirements is not feasible. In such cases we need to reconsider our cooperation with the supplier as a mitigating measure. We are careful with terminating a

collaboration because we do appreciate long-term relationships. When the decision to terminate a relationship does fall we implement our *Exit Strategy*;

- We try to inform the supplier as soon as possible and we will not immediately stop working together.
- Determining the social impact of our decision.
- Determine what costs are involved and whether these costs can be covered
- Asking Fair Wear for advice
- Making a plan with supplier. Based on this evaluation we will make a timeline and phase-out plan
- Inform all stakeholders in the supply chain.

In this financial year, we have encountered findings that required such mitigating or remedial actions. We consulted with the suppliers about the proceedings of our partnerships and mutually agreed to terminate these partnerships as they were. In all instances an Exit Strategy was activated.

We stopped working with our partners in Pakistan and in China. China would not work with us on labour conditions improvements and would not respond to emails. In China Freedom of Association is prohibited. Altogether, there were too many risks in China. Pakistan turned out to be a good fit for our needs, as it allowed us to offer cheaper soft shells to our buyers. We ran two test orders. However, Pakistan and India do not go well together, thus we could not use our own T&S Quality Controller from India. Additionally, it was also difficult to work on HRDD. It was close to impossible to schedule trainings as we could not visit the factory ourselves due to our office in India. We decided to find another solution to the demands of the market.

Our sourcing strategy contributes to making sure all our factory collaborations are on the same Fair Wear level (enough capacity, good payments, no overtimes etc.). We prefer working with a small number of suppliers in order to really establish leverage with these suppliers. There is the risk of being over-reliant on these suppliers but on the other hand we establish great leverage and cooperation, which is better for the long-term relationships we value the most. Our focus for sourcing is on India, here we have a team and so they share the Tailor & Stitch vision. On a daily basis we communicate with this team about production planning, progress and delivery as well as HRDD. Sourcing new factories in India thus comes with the benefits of having a team in India which understand the national cultural and legal norms. Additionally, frequent visits i.e. auditing, checking and monitoring are easier to perform with a team based in the sourcing country. In financial year 2023 we applied this idealization in sourcing a new supplier in southern India; EM.

## **INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS**

After having determined which risks are of more structural nature by means of monitoring, we decided to overcome a couple of these risks with providing a transparent Prevention Plan. Because this Prevention Plan is developed for sharing with our suppliers, the next step is to verify our Prevention Plan by discussing the plan and the root cause analysis with our suppliers. Engagement with our suppliers and workers has intensified for the purpose of more involvement in the due diligence monitoring process. With this we work towards uncovering potential risks at an early stage allowing for more preventive action and less mitigating and remedial actions.

In November of each year we plan Supplier Evaluations, by means of a periodic check we assess whether our suppliers are in compliance with HRDD guidelines; regarding freedom of association, forced labour and social dialogue and living wage. A risk assessment per country is done or is updated beforehand to clearly factor in country-specific risks on supplier evaluation. When suppliers do not comply with our requirements and are not in line with our organization's values on ethical and sustainable practices, or country-specific risks are constraining our suppliers in pursuing HRDD principles we will rank the supplier low in overview. In this way, country-specific risks are not necessarily determinants of a collaboration with a factory but are certainly defining factors in how a collaboration with a supplier will proceed. Thus, risks can affect a sourcing decision.

Our monitoring system and our yearly Brand Performance Check with Fair Wear push us to be critical of our own actions. It will also put the sourcing strategy under scrutiny because it is our gateway to our goal of striving for a fair and sustainable supply chain. Adjustments are made throughout the year by means of periodic checks and more important, supplier feedback and evaluation.

## Coherent system for monitoring and remediation

This year we worked on professionalizing our monitoring activities by means of a more systematic approach. Our Human Right Due Diligence monitoring efforts have been established in an iterative process grounded on the Fair Wear HRDD steps;



**Prevention Plan** > preventive and mitigating actions

Audits > **Corrective Action Plans** > mitigating and remediating actions

**Risk assessment** (ongoing) > remediating actions

**Risk Scoping** > **Root Cause Analysis** > preventive/mitigating/remediating actions

We have established systems to verify the implementation and effectiveness of our due diligence activities, with a particular focus on ensuring that we address prioritized risks and impacts effectively. In instances where our actions may prove ineffective, we conduct thorough analyses to understand the reasons. Furthermore, we recognize the importance of engaging with stakeholders, including workers and factory management, throughout the monitoring and validation process. Our commitment extends to updating our risk profiles and action plans based on the findings, ensuring that our purchasing practices are aligned with our commitment to addressing risks effectively.

Following up on remediation involves assessing the effectiveness of corrective actions, engaging with stakeholders for feedback, and implementing ongoing monitoring to ensure sustained positive outcomes. We document the process, integrate preventive measures, and foster continuous improvement, demonstrating a commitment to legal compliance and transparency through regular reporting. This iterative approach aims to address and prevent adverse impacts while maintaining accountability and responsiveness to stakeholders.

### TT/ INDIA (36,3%)

With the takeover of TTs management in 2022, our leverage has grown and expanded to almost 100%. Our wishes around Fair Wear have been taken to heart making the partnership with TT very pleasant. In the past year we have truly noticed that this partnership can serve as an inspiration for our future collaborations. It has also enabled us to test a number of new things in terms of monitoring HRDD principles and Fair Wear labour standards. For instance, we introduced an Employee

Performance Evaluation at TT where things like appraisal, wage increment and promotions are captured and evaluated based on workers' performance.

Corrective Action Plans are a tool we use for monitoring what was found in audits. Findings are categorized by Fair Wear labour standards and are initially time bound. The last audit for TT was in 2022 but we want to keep/elongate momentum of making improvements. That is why we have broadened the one time-based checkpoint of the CAP to a longer monitoring period, adding 3 checkpoints, namely, after 3 months, after 6 months and after one year.

#### Most important findings Fair Wear labour standard

- Employment is freely chosen

*Tailor & Stitch Sneek visited India during this year. This was mainly to get in direct contact with the workers in the factories, to discuss working conditions and to provide awareness training for them. After last year's training (not provided by us), this training highlights the most important things from our point of view and keeps the workers up to date and their memories refreshed.*

- Freedom of association and the right to collective bargaining

*The awareness training emphasized workers' rights to collectively bargain and provided legal information around freedom of association, unions and their role. The grievance redressal committee was discussed during this visit, this committee was proven to be democratically elected, and the list of grievance committee members is posted on the notice board for workers.*

- There is no discrimination in employment

*During the visit the T&S Sneek employee checked if all policies were in place, in local language and posted on various highly visible and easily accessible places. There have not been any complaints about discrimination in this facility. Additionally, for monitoring we introduced an annual Employee Performance Evaluation where things like appraisal, wage increases and promotions are captured and evaluated based on workers' performance.*

- No exploitation of child labour

*Our T&S Dehli team makes daily visits to the factory and thus has oversight of employees in the factory. In this way it is monitored whether the factory employs children.*

- Payment of living wage

*During the visit to this factory in 2023, an extensive discussion about labour minute costing has taken place. We discussed a target with TT to work towards, every year there is an increase in income. Right now, we are providing wages and other benefits to state law.*

- Reasonable hours of work

*We intensified our efforts in forecasting, with weekly planning calls we discuss capacity at our factories for upcoming projects. When we expect repeat order, we make sure everything is available at the factory in advance in order for them to start producing whenever there is a lean period. We oversee and actively promote reasonable working hours with alignment in planning and capacity. Tailors in TT do not work on our projects on evenings and on Sundays.*

- Safe and healthy working conditions

*Tests to ensure a healthy and safe working environment are done frequently at TT. Certificate and plans are updated accordingly, and trainings are conducted in order to empower workers in their own safety.*

- Legally binding employment relationship

*Our terms are reasonable. When a production gap occurs, we try to fill this lean period with stock production. We make sure we offer as much work as they have capacity, but in the case, we have a gap we cannot fill, TT and their workers will be paid. This is crucial to us because we really value our tailors and want to proceed working with them. Our contract with TT is updated to include a long-term relations clause. All copies of appointment letters are kept in personal files.*

## **VT/ INDIA (52,9%)**

VT does a big portion of our production. We really appreciate the partnership with this factory because they are really willing to cooperate and think along with us about Human Rights Due Diligence. Their work on our products is of real good quality and we never experience significant issues with them. T&S Sneek has contact with VT on a weekly basis, T&S Dehli are daily in contact with this factory. When minor issues occur, we always find a way to solve the problem to share the detrimental outcome.

### Most important findings Fair Wear labour standard

- Employment is freely chosen

*Registering all workers proved important at VT last year. A systematic method of registration should only allow complete records of all workers, including those staying in dormitories. Registers will be better monitored by T&S Quality Control to ensure complete registers.*

- Freedom of association and the right to collective bargaining

*VT has to make sure that workers are democratically elected. With the Onboarding Training T&S provides explaining the freedom of workers and management to unionize, the importance of worker representatives addressing day-to-day issues in the plant. The worker committee as it is unfortunately proved to be ineffective.*

- There is no discrimination in employment

*Women workers do not avail the benefits available under The Maternity Benefit (Amendment) Act 2017. VT needs to make women workers overly aware of these benefits in order for them to avail to them. VT management should be transparent and informant about the laws pertaining to worker's welfare, benefit and safety.*

- No exploitation of child labour

*There is no exploitation of child labour, VT is very strict about their no child labour policy.*

- Payment of living wages

*T&S will enhance efforts to help guide VT in the calculations of legal wages. There is an agreement on target wages that we as T&S are working towards with our suppliers. Alignment with Fair Wear on living wages and minimum wages is ongoing.*

- Reasonable hours of work

*T&S will enhance efforts to guide VT in registering all data regarding working hours. T&S as well as VT and the workers will benefit from a valid and verifiable record systems. VT needs to make sure that every variation in operations is registered, considering machine time, maintenance and deviations.*

- Safe and healthy working conditions

*VT has implemented the health and safety requirements, but needs to step up their efforts in monitoring the health and safety within the factory. T&S will instigate periodic meetings and will intensify monitoring efforts to ensure compliance. T&S recommends VT to include workers in the Health and Safety Committee, to ensure a voice at the employee level.*

- Legally binding employment relationship.

*VT management does not follow laws sufficiently for personnel documents. VT should be aware of the importance of complete personnel documents. Monitoring efforts by T&S Quality Control will be intensified to ensure a legally binding employment relationship.*

## **EM/ INDIA**

Exploring new suppliers that would meet our standards and the customer's wishes, we found SS/EM. Since we decided to stop working with CM, MT and CW, but want to maintain, or rather increase our orders and turnover every year, we were searching for a factory with big capacity for producing knits in India. One of the requirements; the supplier is willing to work with us on FW or should already have been audited. EM has a great variation in sustainable qualities we can use for our orders, they seem like a perfect fit for the market demands. The partnership is still in its beginning stages as we placed a trial order with them which is still ongoing. Before placing the trial order, we send an extensive email with and Explanation Letter for CSR documents. Here the necessity and importance of reading and signing these documents is highlighted. In this same email we ask additional questions regarding previous audit reports and regarding worker representation. It is also announced that we would like to do an audit at the factory in the foreseeable future (first half of 2024), once the test order turns out to be successful.

## **AF/ PORTUGAL (5,7%)**

AF in Portugal is our supplier for thermal clothing and socks. These products represent a rather small portion of our total production. As AF is producing its garments in Europe, the factory poses less risk of non-compliance. Therefore, no priority was given this financial year to plan a visit with this factory because cooperation runs smoothly. We enhanced our monitoring efforts (at distance) in order to continuously proof that AF is still complying to the CoLP.

## **MT/ PAKISTAN (0,9%)**

MT has been a great supplier for us, the quality they delivered was good, prices were good, and their delivery times were good as well. Altogether MT was a fine partner, they delivered very good work, work neatly, and keep good contact. Nevertheless, after careful consideration we had to decide to terminate the cooperation with MT because some difficulties have been identified regarding sourcing and monitoring in Pakistan; no Fair Wear in Pakistan and geopolitical dispute/history with India. Where we appreciate but also require cooperation on social compliance, in this partnership it was not



fruitful. Identified continued violation of labour rights after failed attempts to prevent and mitigate impacts have led us to make this decision.

### **CM/ INDIA (4,2%)**

In 2022 and 2023, CM turned out to serve more as a fall-back base for us when we couldn't place any more orders with our own factory. For us, there are many advantages to working with our own factory versus working with a factory where we do not have or cannot create the necessary leverage for HRDD. By mutual consent, the partnership was brought to an end. On CM's part, the motivation was that T&S accounted only for a fraction of their total production that they could not fulfil a commitment to our social mission of Fair Wear. From our side we fully agreed with them, CM is growing much faster than we are. Our leverage decreased even further as a result, so the partnership was no longer sustainable in terms of Fair Wear. Therefore, we executed an exit strategy with CM.

### **CW/ CHINA (0%)**

CW has been our supplier for accessories only, so it comprises only the smallest fraction of our production. Although the cooperation with this factory was good; prices were good as well as delivery times, we decided to terminate the partnership with this factory. Country-specific risks related to HRDD prevail for Tailor & Stitch in this collaboration. We have seen that factories in China are not cooperating well on social compliance, this has also been the case with CW. Therefore, we decided to stop working with any factories from China.

## **Complaints handling**

Tailor & Stitch makes sure that workers at our suppliers know how to file a complaint. By means of the WEP basic training and Fair Wear Awareness training we devote attention to the grievance mechanism as a whole. Here three ways to file a complaint are given; complaint box in the factory, discuss your complaint with a worker representative/ management or supervisors, and the Fair Wear complaint helpline. Once we have shared these channels, we ask Quality & Control to periodically check whether complaint boxes are in place, the details for the complaint helpline are posted and if worker representatives/management or supervisors have received any complaints.

Experience has shown that workers and factory management have an informal relationship where short lines of communication allow them to informally discuss and resolve problems that arise. Despite these short lines of communication between management and workers, we encourage that

all problems do get documented. By collecting these records, we can identify the root causes of the most common problems and take preventive action on them.

## Training and capacity building

### ACTIVITIES TO INFORM STAFF MEMBERS

Tailor & Stitch Sneek staff is divided into departments, not all departments are trained on Fair Wear Membership but at the very least are aware of it and what it roughly means. CSR manager and junior CSR manager are trained through Fair Wear Member Hub webinars and resources. Once a month there is a meeting with the CEO, where updates on Fair Wear matters are shared. Every three months there is a meeting with the whole team where important information regarding Fair Wear is shared with all staff.

Tailor & Stitch Dehli are all informed on the most important updates by T&S Sneek and need to be somewhat knowledgeable about Fair Wear because of their role in monitoring fair working conditions when they visit the factories, specifically Quality & Control as well as the Production Manager.

### ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

We try to be as transparent about Fair Wear matters as possible. We worked this year towards more systematic Fair Wear communication towards factories and workers. By means of the Fair Wear Awareness training in November of this year we trained and informed workers and management about their rights and responsibilities regarding the complaint mechanism, freedom of association and about the Code of Labour Practices. In 2024 we further expand our efforts to keep factories in the loop and have frequent check-ins with them about their social performance.

## Information management

The fact that T&S does not work with a whole lot of suppliers is a benefit for the information management. Up until now the overview of FW related information per supplier is still in order. Next year we want to establish this more thoroughly in systems and with defined and clear information streams for both parties. T&S Dehli plays a crucial role in this; being in direct daily contact with the factories, they can more easily communicate with the factories through shared norms and values than we can from our office in Sneek. We have established an annual plan with annual, quarterly and monthly check-ins with factories about FW matters through our Quality & Control manager Rajiv.

## Transparency & communication

Tailor & Stitch has been a proud member of Fair Wear since 2013, marking a 10 year anniversary this year. From the start we have been transparent about this membership and its importance within our organisation has been growing each year. We are convinced that this membership is of great value, both commercially as well as socially of course. We also aspire to become LEADER and will make a tremendous effort in the coming years. Last year we created a CSR annual report with a chapter dedicated to Fair Wear, this annual report will be widely shared through various channels which will, among other things, increase visibility for Fair Wear and all that comes with it towards customers and the public.

We have experienced enhanced interest in our sustainability and social efforts from our clients and from our buyers. Sharing information about working conditions and the Code of Labour Practices that we promote and ensure still has to find its most effective and efficient form. We will work on this the coming year.

Transparency extends to sustainability. Further transparency at T&S is offered once our goal to launch Digital Product Passports has been executed. This passport will contain information about the entire supply chain and include energy savings, sustainability benefits and information on the post-consumer collection, recycling and disassembly process. Embedded in this objective, naturally, is the provision of insight into all this information to the buyer through the customer portal in our ERP system.

## Stakeholder engagement

We have used Fair Wear resources such as country studies, approaches to enhance our risk assessments and action plans and tools to align our contracts, strategies and our own tools with Fair Wears requirements.

We have been looking into establishing a joint venture to jointly achieve a stronger market position through supply chain integration. In alignment with our focus on India, we want to give other brands affiliated with Fair Wear an entry into the Indian network. By intensifying partnerships with our suppliers and getting Indian Connected involved, we hope to become shareholders of production sites and in doing so broaden and share our commitment to Fair Wear with like-minded brands. We

will create a win-win scenario where factories do not have to compromise on order size and buyers do not have to compromise on flexibility and their smaller runs.

## Corporate Social Responsibility

If applicable, describe other activities undertaken in the field of corporate social responsibility. Any policy regarding gender or corruption can be added here to when it is not covered in the report.

- Hired a junior CSR manager in December 2023 to enhance efforts of social compliance and sustainability in 2024.
- We changed all our standard fabrics to recycled fabrics with certificates. Mostly 100% rPET polyester which is made in one of the factories we work with. Ng finish on products with which the products stay fresher for longer by keeping the bacteria away. This saves lots of water and energy!
- We changed all our standards labels on the garments to recycled labels.
- Much of our time is dedicated to planning and shipments. With this we attempt to transport as many products as possible in one shipment. Our standard transport option is sea freight, if a customer chooses air freight, we charge extra for this as it is for the sake of the environment not our preference.
- Customer can use our Thirtyfour configuration system to customize and order their own collections. In this system we only offer recycled materials and sea shipments. We created this brand for small companies. They can order all styles from 10 pieces. We have fabric in stock for these orders.