

# **Anchor Workwear**

## **social report**

Reporting period 2022



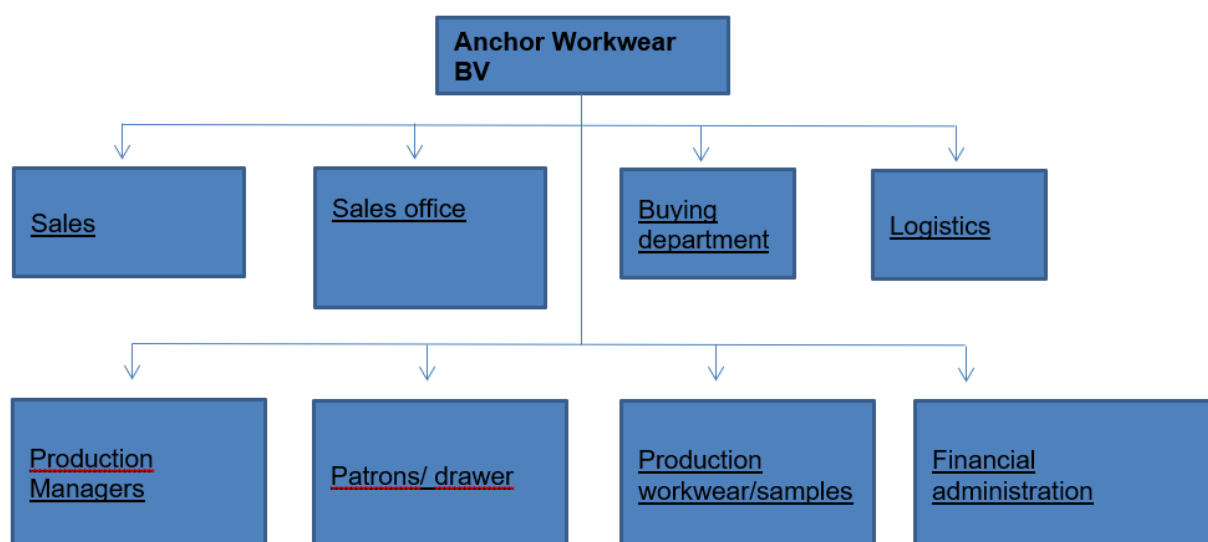
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# Anchor Workwear social report

## Organisational chart



## Summary: 2022 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.

2022 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

### HUMAN RIGHTS DUE DILIGENCE

We have a good and steady long term relationship with our current production locations. We have intensive contact with our partners are aware of the county risks. The "Vietnam & Bulgaria country study" are tools from FWF that we use as a basis to be aware of the risks in those countries. During visits we have discussed and will discuss topics among the workers for labour conditions and wages. Besides that, all locations are visited at least once per 3 years by an audit team (by FairWear or SA-8000).

We have a major influence on our own production companies, because Anchor Workwear provides the full production capacity. Therefore we feel a responsibility to fill 100% of the production capacity.

In this long-term cooperation we see a low drop out of workers in the factories, which also indicates that workers are doing well and enjoying working in the factories. The CoLP is visible in the factories, so they have access to it, also the Worker Information Sheet will be hand over to the workers.

As mentioned, we have intensive contact with our existing relations. During visits and through email contact we discuss topics among the workers for labour conditions and wages. If risks are present / noticed by the factory manager or came out of an audit, this will be assessed by Anchor Workwear and follow-up actions will be set up for this.

These follow-up actions that aims to improve these points will be discussed with the relevant persons.

### 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.

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 & Vietnam

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 maintained the relationship with all our suppliers.

Due to the Covid-19 pandemic and the lockdown in Vietnam we had to select a new supplier outside our preferred countries Bulgaria and Vietnam. We were not able to make all production with our existing partners. We selected a new factory in China, which was already SA8000 certified.

We did not end a relationship with suppliers in 2022.

## **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 2022 we had no complaints from workers. We had audits of our production facilities in Bulgaria and Vietnam. We visited our production locations in Bulgaria in July. Visits to our factories in Vietnam are planned for 2023.

## Coherent system for monitoring and remediation

### FACTORIES BULGARIA

In our own factory in Bulgaria we had an audit in August 2022. 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 will be handled in 2023. During visits we discuss labour conditions with staff and workers. Our last visit to Bulgaria was in July 2022.

We also produced in two other factories in Bulgaria in 2022. In one factory we made some productions several years ago. The other factory was new for us since 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. We visited both factories in 2022. Both factories will be audited in the coming years. We discussed labour standards during our visits with the factory managements.

In our factories are no other members of Fair Wear producing garments and the factories have no other factory audits.

### FACTORIES VIETNAM

We have had an audit in July 2022. Most of the points have been solved in December 2022. In 2023 we made a plan to improve points on management systems in the factory & safety health.

During visits we discuss labour conditions & living wage with staff. Due to Covid 19 we couldn't visit the factory since 2019. We plan a visit in 2023 to Vietnam. Communication via Skype and email has continued as usual in 2022. In our factory are no other members of Fair Wear producing garments and the factory has no other factory audits.

The other production company in Vietnam has been audited by SA8000 in 2022. During the audit there were no major issues, only a few minor issues.

## **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.

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. There is a box for complaints and for new ideas but it is not used by the workers.

In 2022 we have not received any complaints from any production location.

## **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 visited our factories in Bulgaria in 2022 and discussed working conditions in the factories with the management. We plan a visit to Vietnam in 2023 and will discuss working conditions in our Vietnamese factories.

## **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 2022 the management of Anchor Workwear visited the production locations in Bulgaria. We plan a visit to Vietnam in 2023. 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.
- We put the social report and brand performance check on our website.

## Stakeholder engagement

We discussed the country studies and risks that follow from these studies with our production locations in Bulgaria during our visit in July 2022 and discussed 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.