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Start date membership

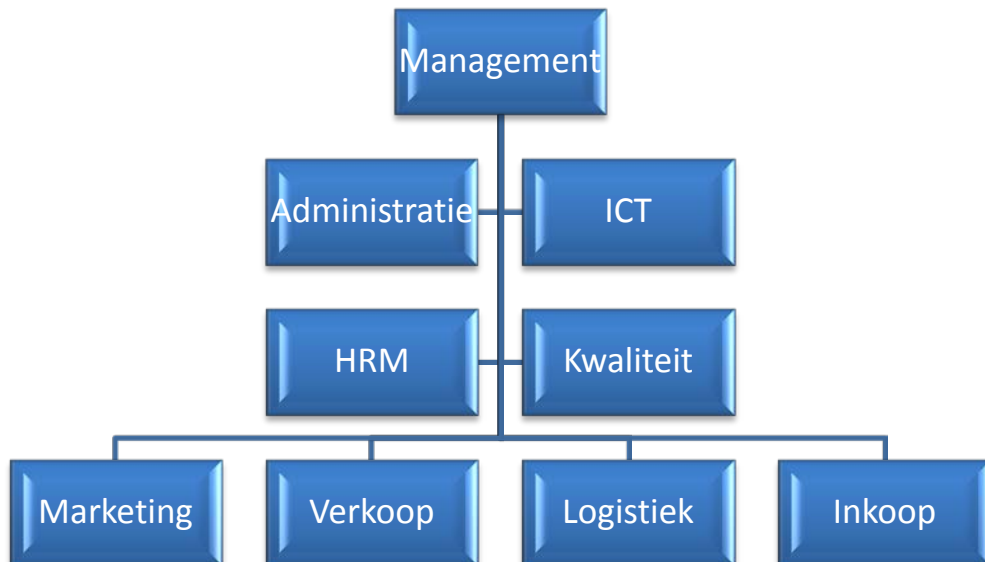
September 2005

Reporting period (financial year)

01-01-2017 - 31-12-2017



Organisation chart





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Summary: goals & achievements 2017

Describe what you have achieved in the past financial year in terms of implementing the FWF Code of Labour Practices along your supply chain.

-We achieved that all our suppliers of own production and also external suppliers have updated the FWF Questionnaire and also updated the photos in their production facilities of the latest version of the FWF Code of Labour Practices. We also explained and discussed with each individual manufacturer and supplier the Questionnaire and also the FWF Code of Labour Practices to understand if everything is clear for the manufacturers/suppliers. We achieved results in terms of higher and improved commitment from manufacturers and suppliers in implementing the FWF Code of Labour Practices. We achieved results and higher and improved commitment along our supply chain in terms of reasonable hours of work , no discrimination in employment, no exploitation of child labour, employment is freely chosen. We also achieved that complaints@fairwear.org is accepted and implemented by the suppliers. Also in the own production Varna Confectia we achieved that their is higher and improved awareness about the FWF Code of Labour practices among the management, staff and workers

During the year 2017 we bought more from other FWF members like Tricorp, Texowear , Havep, Greiff. We also have moved production and purchase from non FWF members to our own production location in Bulgaria Varna Confectia. And we moved production from Far East to Varna Confectia in Bulgaria. We moved purchase in corporate wear to FWF member Greiff and to polen as low risk country.

Include a statement from the most senior decision maker of the organisation about the relevance of improving labour conditions to the organisation and its strategy.

Mr Piet Goossens statement: improving labour conditions to the organisation and its strategy is part of our company DNA. Not only in the own production facility in Varna Confectia but among our complete supply chain and among our complete Heigo team in elst Holland. Besides that improving labour conditions must be part of our company DNA also the economic and commercial part are becoming more and more important to offer the customers continuous higher level of improving labour conditions. This is not any more a wish from the customer/market to do business with Heigo it is coming a claim and requirement from the customer/market. Special the government market is asking for improving the Social performance/compliance and this is our core business.

Describe broader trends affecting the organization's sustainability strategy.

-See for this point also the information above. The customer/market is claiming/require a complete and wider scope of the sustainability strategy. This need has a positive effect on our sustainability strategy. Not only the ILO part(the labour part) is important but also the sustainability of the fabrics and raw materials is becoming more and more important. But also circularity of clothing is coming more and more important. the return service programm is becoming important. But also energy, waste etc is becoming more important. that's why we are also ISO 14001 certified besides ISO 9001. And we are also FIRA certificated to measure our performance level in sustainability. We are also member of MVO

Briefly list key events, achievements and failures during the reporting period related to social compliance.



-If we look internal in our company than we achieved much more and higher awareness about FWF and about the FWF Code of Labour Practices among our complete staff of around 50 employees. During our weekly Monday lunch meeting we keep our staff updated about information/news/developments relating to Social compliance. Also achievement in 2017 is that we join the Covenant Sustainable Clothing and Textiles which is also supported by the Fair Wear Foundation and we fulfill all requirements. If we look to our own production facility in Bulgaria Varna Confectia we worked hard on the CAP in 2017 to fulfill all the requirement and solve and improve all the remarks as mentioned in the CAP. We made efforts and achieved results to get the production in Bulgaria on the required level in terms of Social Compliance. We are proud of this because the own production in Bulgaria is the key producer/supplier in our complete supply chain.

Also achievement in 2017 is that we studied living wages in the different production countries and we studied also living wages in Bulgaria. We are proud of it that the wages in Bulgaria are growing step by step more to the living wage level so that also in the near future we can start a living wage project in Bulgaria at Varna Confectia. We also discussed this before with FWF that our goal is to start a living wage project in our own factory in Bulgaria Varna Confectia. This is the target to start a living wage project in our own factory in Bulgaria Varna Confectia.

-Failings: Up to now we could not start up a living wages project in our own production in bulgaria. Even that we studied the living wage and we have good picture on the living wage in Bulgaria we did not start up a pilot project in living wage in Bulgaria. For 2018 this is our goal to start with a living wage project in Bulgaria Varna Confectia. This project could be succesfull because we have controle in Bulgaria in our own factory over the main processes, figures and circumstances

1. Sourcing strategy

1.1. Sourcing strategy & pricing

Our sourcing strategy is to focus on our own factory Varna Confectia in Bulgaria and besides this our sourcing strategy is to buy as much as possible from other FWF members. Also our strategy is to produce as much as possible in low risk countries like Portugal if we can not produce the product in our own factory in Bulgaria. Our strategy is also to move production from Far East to Europe and specially to our own factory in Bulgaria and low risk countries like Portugal for knitwears.

For potential new suppliers we focus if they are already member of FWF. FWF members are our preferred suppliers. In 2017 heigo implemented a partnership with Fristads/Kansas and we are working on a longterm partnership with Fristads/Kansas for the future. Besides our own factory Varna Confectia also Fristads Kansas became a strategic longterm partner for Heigo in workwears. One of the reason for this is that we focus on current FWF Members.

Our sourcing strategy is also more focused in 2017 on sustainability like more sustainable fabrics and sustainable raw materials. Focus is also on more suppliers within European Union for fabrics and raw materials for reasons of sustainability in terms of for example less CO2 emissions during transport, environmental circumstances in the production locations, but mainly also to respect the FWF Code of Labour practices in all stages of the production processes for fabrics and raw materials.

1.2. Organisation of the sourcing department

Organisation of the sourcing department is in hands of our purchase department with supervision of the management. Supervisor is Piet Goossens

1.3. Production cycle

The product cycle is over many years. This is different for each style and collection and is influenced by new developments/trends in combination with demands from the market. We developed circular workwear with view on MVO and corporate social responsibility. This is circular workwear can be recycled up to 8 times. In Varna Confectia we use a lead time between 8 – 12 weeks. At Varna Confectia the factory is already informed about orders during the development of the article/collection. Varna Confectia is involved in the development of articles and collections from the beginning. For other suppliers we use lead times of 8 – 10 weeks.

1.4. Supplier relations

Describe whether you have selected new suppliers last year. If so, describe the selection process of new factories.

Last year 2017 we selected Fristads/Kansas as a new supplier. This process was already started in 2016 but was more effective in 2017. During the selection process membership of FWF was very important for us. Besides Varna Confectia we sourced for a second main supplier for workwears and we discussed with Fristads/Kansas and with Havep about a potential partnership. At the end we selected Fristads/Kansas as one of our key suppliers for the future in workwears. Important topic in this selection was the membership of FWF from Fristads/Kansas.

In 2017 we also selected Bestex as a new potential supplier for workwears. We are in the process to start and implement a partnership also with Bestex for the coming years. Also in this selection FWF membership was an important key topic.

Our focus on selecting new suppliers is among the current FWF members.

Of course instead of new suppliers our main focus and strategy is on producing more and more garments/workwears in our own factory in Bulgaria Varna Confectia. Instead of looking for new suppliers first we look if we can produce the garments also in our own factory in Bulgaria Varna Confectia.

In case you have terminated relationship(s) with supplier(s) last year, describe the process and reasoning behind it.

We stopped working with Suit Supply, reason behind is that the contracts with the end users stopped for the Suit Supply garments. So reason was not bad performance of Suit Supply, the reason was only that the contracts for the suit supply clothing stopped. Of course if we will get new contract than we will start again buying from Suit Supply.

1.5. Integration monitoring activities and sourcing decisions

Describe the way in which (the outcomes of) your monitoring activities influenced your sourcing strategy in 2017.

-We decided to buy more and more workwear from suppliers like Tricorp, Hydrowear Fristads and Bestex. We monitored the brand performance check of Tricorp, Hydrowear Fristads and Bestex and decided to increase the purchase volume at these suppliers. From Tricorp and Hydrowear the volume is already increased in 2017. Fristads and Bestex we start business in 2017 we will increase the purchase volume during 2018.

State how supplier code performance was connected with sourcing decisions, including policy for termination and selecting new suppliers.

-Because of the situation in turkey we decided to move production to Portugal as low risk country and we decided to buy more workwears for suppliers like Tricorp , Hydrowear and other FWF members

When tensions arise between the prevention or mitigation of impacts related to a salient issue and other business objectives, how are these tensions addressed?

Does not apply

2. Coherent system for monitoring and remediation

2.1. Factory A/Country A

Describe per country (one country per paragraph) and per factory¹ your monitoring activities and outcomes and how you followed up on Corrective Action Plans. Also describe how workplaces are selected for auditing.

Our own factory in Bulgaria:

-Bulgaria - 8 visits in 2017 to Varna Confectia visited by Piet Goossens

-87% of our total production is sourced from Varna Confectia

-During factory visits during the year 2017 Piet Goossens discussed the progress of the corrective action plan, code implementation, informing staff

-the factory has been audited several times latest in 2016

-Because this is our own factory other clients are not involved in corrective actions.

-See detailed audit report and CAP for Varna Confectia 2016

-Yes their is a CAP, We can provide a complete overview of all the corrective actions which have been solved in 2017 , we can provide and show all this information during the coming brand performance check. During coming brand performance check we will present a complete overview of the corrective actions we solved during the year 2017

Summery of how we follow up the CAP: -Varna Confectia has special team involded with the FWF Code of labour pratices. This team is responsible in continuous improving the social compliance of Varna Confectia. This teams is responsible for the corrective action plan and responsible for the requirements/recommendations in the CAP. For exemple: Varna Confectia established a system to monitor and improve social compliance. The management organize a training to explain the workers about the aim

and meaning of the FWF Code of Labour practices. The management established a way of effective communications with workers, through information board postings, regular meetings. Varna Confectia establish an effective written grievance mechanism and train the workers on how to use it. Varna Confectia informs workers about the possibility to elect worker representatives, in a management-free meeting and voiting process. Varna Confectia established a transparent and detailed system how the salary is formed and explained this system to the workers. Varna Confectia want to start with a living wage project. Varna Confectia has official documentation from the Fire Bridage for Safety and Health circumstances in the factory. Each worker has a individual contract with Varna Confectia with all details in the each individual workers file. All requirements/ recommendations in the CAP have been handled and implemented in the Varna Confectia factory.

Report the most important findings per FWF labour standard. See the guidelines.

-Employment is freely chosen. We do not have home working in our factory in Bulgaria.

-Their is no discrimination in employment and no any gender based discrimination. More detailed information we can provide and show during the brand performance check

-No exploitation of child labour. All employees in the factory have contracts and part of the contract is a copy of the ID from the employee. So we can see exactly the age of the employee on the ID and be sure their is no child labour involved.

- -During the brand performance check we will present and show exactly our policy and practices regarding wages and payments. During 2017 we discussed with FWF our goal the start with a living wage project in our factory in Bulgaria Varna Confectia. We studied the Living wage figures for Bulgaria and we see opportunities to start and implement succesfull a living wage project in Varna Confectia.

-No excessive working hours. Working hours are from Monday till Friday 8.00 – 17.00 oclock. Overtime is only needed if we have more orders and definition of overtime is working time after 17.00 oclock and on Saturday. Working hours on Saturday is also definite as overtime. Our production capacity has been in 2017 on such a sufficient level that their is nearly no need for overtime work. Our actions to prevent excessive and forced overtime are that we increased the production capacity and increased the number of employees. We changed some operations in the factory with the result of more efficiency and output. We changed the production planning and increased the leadtimes of orders from 6 weeks to 8 -10 weeks in general. Result of these actions is that their is nearly no need for overtime work.

Specifically about the use of the FWF Wage Ladder: what conclusions can you draw from the Wage Ladder?

-FWF wage ladder we used for the own factory in Bulgaria Varna Confection and our conclusion this that we are in the correct process and on the correct track for wages in Bulgaria. Difference between the actual wages for the employees and the living wage for Bulgaria is not so big difference anymore in Bulgaria.

For monitoring our own factory in Bulgaria Varna Confectia we used the Bulgaria Country study 2016. this country study is effective tool and provide relevant information we used for monitoring Varna Confectia. The country study provide relevant information

of the industry, labour law, labour conditions and relations within bulgarias textile and garment industry.

Bulgaria - 1 visit in 2017 to Maiatex visited by Piet Goossens

We increased the prices for Maiatex during 2017 so that they can continue work and produce our orders. We pay all the invoices immediately after shipment so that they can pay the workers on time. We give them block/forecast orders so that they can make their own continuous production plannings for every 4-6 months time. Result and outcome is that they do not need overtime anymore for our production orders. We started with this way of working in 2016 and continued in 2017 to give forecast for every 4-6 months time. This works perfect. FWF Code of Labour Practices have been discussed in detail with the management of Maiatex. Also complaints@fairwear.org has been discussed so that workers can send complaints in a confidential way.

Portugal - 1 Visit in 2017 to Ultra Creative visited by Piet Goossens. Also owner of Ultra Creative (Antonio Ferreira) visited our company during september 2017 during his business trip in Holland

Production location has been visited and inspected by Mr Goossens both the sewing factory and also fabric processing factory. Also production plannings have been discussed. Ultra Creative increased the number of employees and increased the production capacity in term of machinery. Also we agreed on a leadtime of 8 weeks instead of 6 weeks. Result and outcome is that they do not need overtime for our orders. Also we agreed on increased prices in 2017 for the garments we produce at Ultra Creative, reason is increasing wages in Portugal and the social responsibility from the manufacturer to the employees. FWF code of labour practices have been discussed in detail with the owner Antonio Ferreira of Ultra Creative. Also complaints@fairwear.org has been discussed so that workers can send complaints in a confidential way. Owner Antonio Ferreira is committed to implement the FWF Code of labour practices in the factory. Really good to see that in Portugal the commitment and awearness of FWF Code of Labour Practices is growing. Also antonio Ferreira is considering a membership of FWF for the near future.

Portugal - 1 visit to Barlope visited by Piet Goossens

Social and financial situation in Portugal and special at Barlope factory has been discussed with the management of Barlope and with agent Carmo Saraiva. Situation in Portugal is hard for manufacturers , increasing wages and social responsibilities are reason for increasing price levels in Portugal. Also we agreed on increasing prices in 2017 to Barlope. Production factory has been visited an inspected by Mr Goossens. Also we agreed to give more forecast purchase orders so that they are free to make their own production plannings. Result and outcome is that the they can make their production plannings more efficient and without overtime to finish our orders.

Belgium - 1 visit Turnicon visited by Johan Peters. We discussed the FWF code of labour practices in detail and also complaints@fairwear.org has been discussed and explained. Our intention is to switch over from Turnicon to Greiff a FWF member , to Kummel former FWF member but maybeen also for the future FWF member again and



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ECC former FWF member but also member of the Covenant duurzame Kleding en Textiel.

Hungary – 1 visit Body Wear Kft. Visited by Piet Goossens. Wages and social responsibility are increasing in Hungary. Result is that purchase prices have been increased for the garments in 2017. Also we agreed on increased purchase prices in 2017 to Body Wear. Factory has been visited and inspected in Hungary by Piet Goossens. We send more forecast orders to Body Wear so that they can prepare their own production planning in a more efficient way. FWF Code of Labour practices have been discussed with the management of Body Wear and also complaints@fairwear.org has been discussed so that workers can send complaints in a confidential way. Besides our visit the owner of Body Wear Mr Andre fleer visit also our company during September 2017.

China – 1 visit. Mr Cutizen from Mingyide Co Ltd visit our company in 2017. We discussed in detail with Cutizen about our membership of FWF and we discussed in detail FWF Code of Labour practices and also complaints@fairwear.org. Labour conditions in China are becoming more and more important and also wages are increasing in China. Also we agreed on increasing prices for the garments we buy from Mingyide Co Ltd in 2017. Not only labour conditions are more and more important in China also environmental and safe and healthy working conditions are becoming more and more important in 2017.

2.2. Factory B/Country B

For other countries this was discussed during the annual supplier evaluations.

2.3. External production

-Meetings during 2017 with other FWF members like Hydrowear, Fristads/Kansas, Tricorp, De Berkel, Suit Supply, Greiff, Bestex. During these meetings the FWF membership has been discussed as an important part of our relationship with these suppliers. Brand performance check of these suppliers has been discussed during the meetings and also CAP have been discussed during these meetings. External production supplier we received up-to-date questionnaires and we received photos from the FWF Code of Labour Practices in the production facilities. With the external production suppliers we discussed the FWF Code of Labour Practices during the yearly performance check with these suppliers. Important part of the yearly performance check with the external production suppliers is the social performance of these suppliers in 2017.

3. Complaints handling

In case there were complaints received at your supplier(s) please describe how you dealt with the complaints.

-no complaints received during 2017



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Describe what you have done to make sure workers at your suppliers are aware of the FWF complaint mechanism.

-In Varna Confectia the complaint mechanism is explained by the management to the workers.

-At all other manufacturers and suppliers the FWF complaint mechanism was discussed between Heigo and the management of the manufacturer / supplier.

Report on the policy for receiving, investigating and responding to grievances and complaints.

Is there a system in place to post and monitor information regarding complaints? Have you investigated if the root causes of the complaint are present in other factories, and if so taken corrective action?

Have you revised your sourcing/monitoring practices to address root causes of received complaints?

4. Training and capacity building

4.1. Activities to inform staff members

The board is informing and train the management and staff members during meetings about the FWF membership and about the MVO strategy. The management and staff is asked to give their suggestion about the FWF membership

During our weekly Monday lunch meetings all staff is informed uptodate about latest information/news/developments about the FWF membership. Monday lunch meetings we use to inform, train our staff and to show transparency. With the Monday lunch meetings we achieve higher and improved awarenness among all staff about our FWF membership and about our FWF activities.

Also during sales meetings with our sales team we explain them the Code of Labour practices and we inform our sales team about our FWF activities among the supply chain and inform them how to inform customers about our FWF activities. It is important that all our employees but specially also the sales staff can inform the customers/the market about our FWF activities. This is also the reason that for the coming period we ask FWF to give and organise a internal FWF training to our Heigo staff members and sales team to update and improve our knowledge about FWF , about FWF code of labour practices, about living wages, about FWF activities.

4.2. Activities to inform agents

Heigo works with one agent in Portugal thi is Carmo Saraiva. Carma Saraiva is working for many years for Heigo as a agent as Carmo Saraiva is well known with the FWF Code of labour practices, questionnaire and well known with the social compliance we ask from our suppliers etc.

4.3. Activities to inform manufacturers and workers

Describe activities undertaken to inform and train manufacturers and workers. In case you have participated in any of the trainings FWF offered, please describe the process and results.



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All selected manufacturers are workers are informed about the FWF Code of labour practices and also during the yearly visits the FWF Code of labour practices is part of the meeting and part of the evaluation with the supplier. Social compliance and Social performance is part of the yearly evaluation with the manufacturers / suppliers.

During the meetings /evaluations we also offer our support and help to the manufacturers/suppliers.

Describe strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social performance.

For other FWF members. Strategy is that every year during the evaluations we check if FWF members are still member of FWF and we discuss with these members the FWF membership. We check the brand performance check from these FWF suppliers and we want to know their progress.

Social performance is part of our company DNA. Besides that we keep management , workers and staff members at Heigo updated during weekly lunch meetings we also use other tools like website, like news letter to inform also workers and staff.

5. Transparency & communication

Describe the activities undertaken to inform the public in general and consumers in particular about FWF membership and the progress made in the implementation of the FWF Code of Labour Practices.

-Heigo is communicating the FWF membership in all our activities to the public in general and consumers in particular. In all our offers and European tenders we are communicating about our FWF membership. And also sometimes we ask FWF for help to communicate to the market about the FWF membership if this is necessary. For example 2017 we asked FWF to send letter to the city Goes because another competitor in the market claimed that they were still FWF member. But this was not the case. We are keen on these kind of situations that still companies claim that they are FWF member also in case that they are not anymore member. This way of working gives transparency to the market and to the customers. Also during market consultations we always put FWF membership on the agenda. Also in our company film and on the website we mention very clear FWF. In tenders where ILO is not mentioned very clearly we also put FWF on the agenda. In all our communications to the market and to customers FWF membership is part of our communication strategy. Also internal in our company we continuous inform our staff about the FWF membership during our Monday lunch meetings, we keep our staff informed about informations/news/developments from FWF. Also the actual Brand Performance Check is published on our website to give 100% transparency. We use newsletter to inform the public in general and customers about our FWF activities and Social compliance activities. .

6. Stakeholder Engagement

7. 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.

-Heigo has become FIRA certification



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- Heigo is member of the Covenant Duurzame Kleding en Textiel.
- We are producing circular workwear, this 100%circular workwear can be 100% recycled and we can make new workwear again. This recycling process can be done up to 8 times.
- We also monitoring our fabric suppliers for their corporate social responsibility, for example we check if the suppliers have already Step by Oeko Tex.