

# TRICORP

■ LOOK LIKE A TEAM ■ WORK LIKE A TEAM ■

Tricorp Workwear – Jasper van den Dungen – CSR department  
Fair Wear Foundation member since April 2007  
Reporting period covering January 2019 – December 2019

## Introduction to this Social Report.

Dear reader,

Welcome to this Social Report, written by Tricorp in order to communicate our progress over the year 2019 regarding social labour practices in our supply chain. This progress is based on a workplan that Tricorp has established in collaboration with the Fair Wear Foundation, in order to actively improve and implement fair labour standards.

Tricorp is putting serious efforts in sustainable business practices and is maturing in its Due Diligence processes and buying practices. We continuously get a better grip on our supply chain and that pays off in the collaboration between Tricorp and our suppliers.

In this report we will firstly introduce Tricorp to you as an organization and explain how we organize our business. Next we will discuss our sourcing process and include specific examples from countries and suppliers we source from. Later on we discuss how we handle complaints and how we provide training for both our suppliers and ourselves in order to prevent and mitigate any complaints that may arise. Finally we include our stakeholders and overall Corporate Social Responsibility (CSR). We hope this report provides new insights into CSR and that you will enjoy reading.

#TeamTricorp.

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## Goals and achievements over 2019.

What a year has it been! It has flown by, with ups and downs, that is certain. However, we ended with more ups than downs, which is the most important. Below is a summary of last year, with our struggles, achievements and goals.

Tricorp has been a Fair Wear Foundation member since 2007 and we have gained a lot of experience over these years, both in terms of social- and environmental compliance. Last year, however, we had to make a difficult decision within our company. Our company has grown enormously, and it grew really fast as well. This led to many quick changes: new departments, new colleagues, new customers, new markets, and go on. We slightly lost track of our past when it came to social compliance and therefore we chose to reorganize ourselves, and so we did. 2020 will be the year Tricorp comes back stronger than ever before, because we have a passion for being the best in everything we do.

It started with creating an individual department for socially and environmentally related topics, the *ICSR Department*, with an I for *International*. This makes that one department is now able to fully focus on CSR, both with suppliers and internally. However, the ICSR department is closely connected to all the other departments within Tricorp and this leads to quicker gains.

Then, one of the most important steps was evaluating our Due Diligence process again. Therefore we created structure in the way we store information, communicate with our suppliers, and book continuous improvement. With this new process we were able to set priorities straight, by thoroughly evaluating country Due Diligence reports and the individual audit reports and CAPs from our suppliers, to combine this in one clear analysis. Next to this analysis we wrote many different procedures to create clarity between different departments. We believe we are far more structured and ready for the future.

This also led to a more structured way of communicating with our suppliers to discuss developments regarding CSR and the CAP documents from audits. Our suppliers are far more aware of what Tricorp expects from them plus what they can expect in return. We booked progress with creating knowledge with our suppliers. Two of our suppliers have finished a training by the Fair Wear Foundation, one in China and one in Bangladesh. But also we know more of our suppliers and deeper tiers than before.

We are busy with determining how we can more closely collaborate with some key (strategic) suppliers. Consolidation is therefore also taken into account, which unfortunately led to ending the partnership with some suppliers via the Responsible Exit Strategy. These exit strategies are still ongoing for now.

With one of our suppliers we were also able to help financially, because there had to be made some investments into preparing the building for future business. Last year the construction work started and this will lead to a safer and more comfortable factory to work in.

Last year we were able to have audited more than 80% of our FOB, and for 2020 this will be more than 90%. This means that we also had to create a more structured planning, because data tends to change quickly and we have to keep up with our buying practices. This is done for both audits and trainings.

*“The demand for more sustainable products grows quickly and just from that perspective it is a not-to-miss opportunity to take. We need to dive into our supply chain because we see the worlds necessity for better labour conditions and use of sustainable resources. I have seen great examples with our supplier of how business can be arranged and we need to make this our standards within our whole supply chain, for we are responsible for our influence on it.” – Ruud Kuijpers, Tricorp.*

## Let's meet Tricorp.

We are Tricorp, a team of 70 garment enthusiasts who collectively work on developing the best workwear. Tricorp is found in the heart of the Benelux-region and is both locally and internationally selling its products. We are the 'one-stop-shop' for high quality workwear. It's predecessor, ROM88, started in the nineties as a producer of workwear because of lacking quality and fit. However, until then no other company was able to meet the ever growing high standards. This had to be done differently according to Mr. Van der Poel, which is why he created ROM88. Years later, Tricorp, who was still active in selling video tapes at that time, adopted ROM88 and our company has evolved enormously ever since. The name Tricorp comes from *The Amazing Spiderman*, of which the Tricorp Research Foundation made its debut in 1999. Within this foundation, innovation and development were the key to unlocking Spiderman's power, which was the inspiration we used for our company name.

Still, shortly after the current owner Mr. Gertjan van Eck took over Tricorp, he found himself in a local cafeteria to provide a simple but delicious evening dinner. He noticed the employees wearing workwear that neither fitted very well nor were particularly good looking. Being the curious man he is he went to ask for the brand they were wearing. He was amazed when he found out the workwear was produced by his own company! This was the moment he knew things had to be done differently. People should work in good looking, fitted workwear in which they can optimally perform.

One of our unique selling points is that our collection is readily available the whole year because of our well-stocked warehouse. The stock is continuously monitored to make sure we can always live up to the standards of our customer. We invest a lot in IT systems to make our work better, quicker and more customer oriented. We believe that all employees should be able to wear the same workwear, regardless of their posture. Besides a good fit the workwear should also be good looking and well fitted, which is why we create workwear for a diversity of people (our products range from XS to 8XL) and not restrain ourselves to unisex models. Our workwear is found in different labels:



### [Safe, Strong and Reliable]

Within the Tricorp Workwear label we create robust workwear for professionals in construction, industries and logistics. We pay attention to all details and functionalities the professional needs and the strict requirements that are set. Ranging from parka's to soft-shells, and from working trousers to underwear, Tricorp Workwear has it all.



### [Fashion, comfort and durable]

Tricorp Casual contains a substantial collection of high quality basic workwear to work both easily and comfortably and at the same time be representative to the company. This label contains t-shirts, polo's, sweaters and other basics.



### [Safety through visibility]

The Tricorp Safety label offers a collection with high visibility and multi-norm workwear. Next to being of high quality and comfort, it is highly important to be visible and protected in various circumstances.



### [Fashionable, functional and representative]

We are proud of our own collection Tricorp Corporate, consisting of fashionable, well-fitted corporate workwear for both women and men. Wearing this you will certainly make the best possible impression.



### [Innovative & trendy]

We aim to dress all employees in modern, comfortable workwear made out of durable materials. However, for some occasions our workwear can be *extra special*, for which Tricorp Premium has come to life. This workwear is made out of the highest quality, most fashionable materials available.



### [Customized, no limits]

Companies with the desire for customized workwear can turn to Tricorp Specials. We can develop single products of whole collections, each with their own logo's, colours and styling. Anything is possible.

## *Our mission and vision.*

We have worked on building our brand for many years and it is formed out of the determination to be the best on every level. Our workwear is subject to many requirements and we make sure every detail is thought of to work safely, pleasantly and comfortably. Therefore, our mission is:

*“Tricorp aims to dress professionals in comfortable and representative workwear in order for the professional to take the maximum out of the working day. Professionals deserve workwear with a nice fit and modern look. We create uniform workwear for the whole team, regardless of posture and sex, which is why our slogan is: Look like a team, work like a team.”*

Now and in the future Tricorp works on completing this mission. We are doing a great job already, but we can always do better. Why? Because countries, whole industries and customer demands are subject to change and our customers have higher demands on multiple levels. We need to adapt. Only by adapting we are able to realize our vision:

*‘The largest and best workwear supplier of Europe. Tricorp is convinced that something beautiful can always be more beautiful, and something good can always be better.*

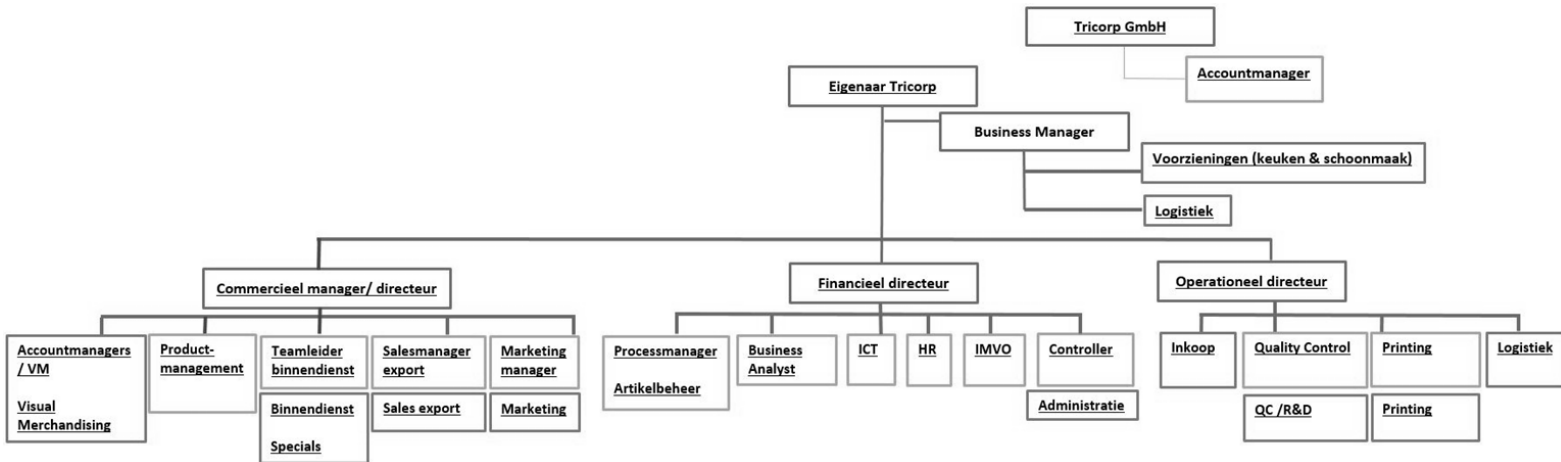
We are developing ourselves in different ways, for instance in logistics (by currently making sure we can live up to the standards that are held in the future) and by incorporating sustainability in all our processes. Internationally there are different standards compared to the Netherlands, therefore continuous improvement is what we aim for. Our mission and vision are goals for Tricorp to work towards. We can describe Tricorp with the following 9 core values:

1. **Durable.**  
Tricorp provides workwear with added value, which is why our customers return to us. We build trust and relations, which in turn grow collaborations that are worthwhile in the future.
2. **Future.**  
To continue producing workwear we need our resources to be available. With the ever growing population growth and need for resources, the degradation of fertile soil and the changing climate, scarcity of resources is close by. For that reason we work on circular business concepts.
3. **Responsibility.**  
Not only our resources, but also the people who actually create our workwear need to be taken into account. We do everything we can to protect these people from extortion, unfair and unsafe labour conditions. This is not talking the talk, it is walking the walk.
4. **Quality.**  
Tricorp does not make any concessions when it comes to quality and functionality. We guarantee that our products are comfortable and safe to work in and will always continue to do that.
5. **Collaboration.**  
By collaboration we achieve more. For that reason Tricorp collaborates with a multitude of international organizations, e.g. the Fair Wear Foundation, the ECAP, the SEC (Social Economical Council), and AMFORI BSCI. With these collaborations we strive for continuous improvement.
6. **Representative.**  
We should all feel comfortable in our workwear. We represent a brand, an ambition, a need to be the best in what we do. Therefore functionality and being representable go hand in hand.
7. **Dynamic.**  
We adapt and overcome. Customer demands, both nationally and internationally, make that we are not afraid of change but embrace it.
8. **Honest.**  
We expect transparency from the people and organizations we work with, because our customers demand transparency from us. Therefore we are transparent in what we do, our production processes, our impact on the environment and labour conditions.

9. Unburden.

To *unburden* our customers is the basis for what we do, because this represents Tricorp as a whole. We make sure the products we offer can be worn and worked in safely, comfortably and without concerns.

Our organization can be visualized in the following way:



**Sourcing strategy.**

***Sourcing strategy and pricing.***

Tricorp sources from mostly Eastern countries, of which all are classified as ‘high risk’ according to the Fair Wear Foundation. These are China, Vietnam, Bangladesh, Cambodia, Pakistan, India and Turkey. We do not own any of these production locations, however we only work with long-term business suppliers. Tricorp produces workwear and does in no way benefit from short-term (one-season-only) suppliers given we have to produce the same product in the exact same quality for multiple years. Our products range from basic t-shirts, to multi-norm high visibility workwear able to withstand the harshest circumstances. Whenever we introduce new products to our product range we always check if our current suppliers are able to produce it, because we are already aware of their capabilities and quality. Knowing that we also benefit from a higher signatory share we try to get this number up the longer we stay with our suppliers. This also means that we try to consolidate our suppliers where we can and we say goodbye to some suppliers in a responsible manner. However, we stay with the same suppliers for multiple years because this is beneficial for both Tricorp and the supplier. The average amount of years of collaboration with our suppliers is slightly over 7 years! We do not aim to sell our products for the lowest price, however we aim for the best quality of products for a price that represents that.

***Organisation of our sourcing department.***

The purchasing department (sourcing) is responsible for purchasing all our products. Given that Tricorp handles a ‘never out of stock’ principle, these products need to be available at all times. This is also part of the Tricorp DNA: ordering today, delivery tomorrow. In order to keep track of the stock levels, a planning system is incorporated to always know when orders should be placed. We communicate with our suppliers a long-term forecast, 12 months from now, to make sure they have enough time for production. Tricorp also works with agents which are in charge of communication with the actual supplier, which is for multiple reasons. First, the agents have a good connection with the supplier and are able to communicate quickly and in the correct language. At the same time it is not always easy to get access to the supplier without leverage, therefore the agents often works with multiple companies who he represents in order to gain leverage and access to the supplier. Preferably Tricorp stays in direct contact with the supplier, given that the route to communicate, check the quality of our products, discuss any issues that might occur in the production facility, is longer. Our sourcing department is led by our Director of Operations, thereafter the Head of Purchasing and then the actual purchasers.



***Production cycle.***

Our stick items are ordered with a lead-time of approximately 12 months which enables our suppliers to take into account Tricorp production time way in advance. This has the benefit that Tricorp has less back-orders in the future because the supplier has enough time, we create extra margin in time for ourselves because we are able to overcome and foresee future struggles, and we know way in advance when we can expect the next delivery. Our Tricorp Specials are ordered when requested by our customer. Most often, these specials are ordered once a customer places a repeat order. Only when the sales of a specific article is particularly low (within all possible sizes) a product will be removed from the catalogue.

***Supplier relations.***

We have not started new collaborations with new suppliers in 2019, however we have investigated the possibility of new suppliers. We assess new suppliers in different ways, before coming to a conclusion. There are approximately 30 questions that should be answered before the supplier can be added to our supply chain, of which some examples are below:

- Are we able and allowed to visit the production location to see for ourselves how the supplier incorporates safety, social issues and the environment?
- Can the supplier deliver the right product, quality, price and delivery we require?
- Is the supplier financially viable (towards the future)?
- Is it open for transparent, honest communication?
- If it is not the case yet, is it open for auditing parties as the FWF, BSCI, SEDEX 4?
- Does the supplier have proper chemical management?
- Does the supplier sign procedures and guidelines of both Tricorp and the FWF and/or BSCI, e.g. the Code of Conduct and the Code of Labour Practices?

Before we have these questions answered, we analyse the supplier and the country in which it produces in our risk analysis. After having consulted both the R&D and CSR department, the Director of Operations then gives the final call. We want to prevent future major issues from happening.

Now that we have created better internal structures, both regarding CSR and Sourcing, we have to say goodbye to some suppliers that we have collaborated with. This is done according to the Responsible Exit Strategy by the FWF to make sure the suppliers are aware and able to find new clients and to prevent (major) dismissals. For some suppliers this has started in 2019 already, with some suppliers this will be initiated in 2020.

***Integrating monitoring activities and sourcing decisions.***

In 2019 we have created a better structure for analysing our suppliers by adding them in our risk analysis. This has resulted in that we were able to structurally set priorities and determine what focal points each supplier has. By using this structure, we analysed a possible new supplier in Myanmar for instance. We analyse all the countries for specific risks (living wages, sexual harassment, child labour, subcontracting, overtime, human rights, freedom of labour, occupational health and safety, discrimination, social dialogue, freedom of association, corruption) and give a value to this based on severity (scale and scope), irreversibility, probability and action perspective by Tricorp. Based on this analysis, the fact that there are high risks of sourcing from Myanmar, and also the amount of extra work that comes with it to make sure all standards are adhered to, it was decided that this was not desired. We perform audits with all our suppliers to check the extent to which the COLP are actually implemented and we periodically discuss with all our suppliers the amount of progress that has been booked.

**Monitoring and remediation.**

As mentioned before, Tricorp has implemented a more analytical way of analysing our sourcing countries and suppliers. This makes that we can more easily include any new countries and/or suppliers

in the future. Most of our products come from 7 countries (Bangladesh, Cambodia, China, Vietnam, Pakistan, India and Turkey) and a fraction of our products comes from Poland.

Tricorp works with more than the 8 FWF standards, however for the ease of visualization the 8 standards and the systematic way of analysing them are provided hereunder:

	Bangladesh	Cambodia	China	Vietnam	Pakistan	India	Turkey	Total
01. Freedom of labour	17,3	18,2	14,7	17,0	14,9	14,5	12,9	14,4
02. No discrimination	21,1	17,4	14,9	15,5	15,4	14,0	10,8	14,5
03. No Childlabour	18,0	19,0	14,5	16,2	15,3	14,7	14,9	14,8
04. Freedom of association	23,1	22,2	21,0	19,3	17,9	18,5	14,8	18,8
05. Living wage	29,4	29,0	27,1	25,8	26,9	25,6	19,8	24,7
06. Excessive overtime	23,7	19,4	23,2	19,7	18,8	16,9	17,5	20,2
07. Health & Safety	23,6	21,7	18,4	20,8	18,8	16,5	14,6	17,9
08. Legally binding employment	21,2	18,3	18,8	15,2	16,4	16,6	16,1	17,2
<b>Total</b>	<b>22,2</b>	<b>20,6</b>	<b>19,1</b>	<b>18,7</b>	<b>18,0</b>	<b>17,2</b>	<b>15,2</b>	<b>17,8</b>

These risks are currently scored based on desk research, however in the future these scores will also be evaluated by stakeholders who have more specific insights into the country risks. The scores in the table are a combination of national risks and individual risks at suppliers. This shows that, regarding the 8 FWF standards, Bangladesh and Cambodia pose a higher risk than Turkey. This does not mean that there are fewer risks in India than in Bangladesh in general, but for Tricorp there is less specific risk because we only source from one supplier in India. Because we take into account a diversity of aspects (scale, scope, irreversibility, probability and action perspective) this is reflected in the final score per supplier and country. Per country and per supplier an analysis is given about the FWF Code of Labour Practices. Regarding the individual suppliers, when there is too little information from the audit reports this aspect is not addressed. It could therefore be that not all 8 aspects are included extensively with each supplier.

**China**

China has approximately 1.4 billion inhabitants of which more than 10 million are active in the garment industry. The garment industry accounts for approximately 4% of the total export value. It still is one of the fastest growing economies in the world, however more Asian and African countries are upcoming in terms of economic growth.

1. Freedom of labour. The risk for modern slavery is not as high as it was two decades ago. China has developed itself into a more modern country with many western influences. However, there is still the possibility that it occurs. The chance, according to numbers, is indexed at +- 40%, so not at all negligible.
2. Discrimination. There are many concerns for China by the International Religious Freedom Act because China seems to totally control religion and to saturate it with Chinese influences. Especially Tibetans and Uighurs experience discrimination and intimidation. It is not prohibited to discriminate based on sexual preference and gender identity. There also seem to be discriminatory practices based on religion and ethnicity with passport checks, probably to prevent religious traveling.
3. Child labour. As with freedom of labour, the risk for child labour has also become lower over the last decades (speaking for the garment industry). There are not many exact numbers on it, therefore we also turn to our own suppliers and the MVO Riskchecker to judge this risk somewhat.
4. Freedom of association and CBA. There is one state-controlled union which workers can join, however given the controlling ability of the Chinese government not many people prefer to join this. It is not possible to start another union.
5. Living wages. China maintains a minimum wages, however it does not speak off a *living wage*. The law guarantees a minimum wage per month and this can differ between local governments and provinces. The FWF has set living wages, but there are really *high* differences between current and living wages.

6. Excessive overtime. It is not allowed to do more than 48 hours of work per week in a factory, also one cannot work for more than 10 executive days without a day off in between. Still this occurs and often has to do with the factory customers who have high demands for productivity, small batches and low prices.
7. Health and safety. There still are relatively high risks for health and safety issues, mainly due to the large demand for cheap products. We indexed the risk for unhealthy and unsafe workplaces at 50%.
8. Legally binding employment. Especially labour migrants face the risk for not receiving legal contracts which is why their economic and social status won't improve as quickly as could be. They also have longer working days, lower wages and higher risks for violation of basic human rights.

### ***Suppliers in China***

#### ***Leadfine.***

With this company in 2019 we bought approximately 4% of our FOB. This factory has been visited by the purchasing team in September 2019. The COLP have been discussed with Leadfine. The factory is already BSCI audited, and they think this is enough for now given the amount of audits they have to participate in, also given the BSCI aspects are *alike* the FWF. Leadfine is also being audited for ISO 9001 and 14001. They were willing to provide any information necessary to comply with FWF, BSCI or the Dutch AGT. No complaints were filed with the FWF. We have no information of other FWF companies sourcing at this factory. Leadfine has not been audited by the FWF yet, however have in the past accounted for a really small percentage of the FOB. In 2020 new audits will be planned. Regarding freedom of labour, discrimination, child labour and contracts there is not a lot of information available other than, according to Amfori BSCI, there were no improvements to be made. Regarding wages, a living wage is not paid yet, as with most suppliers. They have made good steps towards higher wages, however, after workers jointly addressed the wages. Given that Leadfine is becoming a more important supplier for Tricorp in the future, this provides a higher hope for discussing living wages. Regarding overtime, some workers have worked +- 80 hours of overtime in one month which is really high. This is an important topic that Tricorp needs to discuss with the supplier. Regarding health and safety this supplier scores really well. This was concluded both by BSCI, but also found by Tricorp during the visit. Leadfine is also open for extra training possibilities for its employees.

#### ***Gete***

Approximately 30% of our total FOB comes from GETE in China. This is one of our strategic suppliers who produces highly difficult products for us. This factory has also been visited in 2019, not only by our purchasing department but by *all employees* (+- 70) of Tricorp. A trip to China has been booked for all Tricorp employees to get a better grip on social- and environmental circumstances in the factories we source from, so that we better understand what our purchasing practices entail in abroad countries. The CSR department discussed the COLP as well as the Health & Safety check, however this was not easy given the trip in general did not have the sole purpose of discussing these topics.

For the topics forced labour, discrimination and child labour there were no improvements mentioned neither by the FWF nor by BSCI. Regarding freedom of association, the FWF mentioned that workers were not aware of their rights on this topic. There should be three representatives, however, most workers were not aware of having chosen representatives or their presence within the company. During a company visit in the Netherlands we discussed this topic, agreeing that internally they would discuss re-electing representatives.

A living wage is not paid right now, the management of GETE says that this is unrealistic compared to the current wages that are paid in China and the region. They always pay the minimum wage and think this is a governmental decision to be made, otherwise they would price themselves out of the market. Given this is a strategic supplier for us, we discussed with them the option for paying higher wages and to calculate together what this would mean for the garment prices (goal for 2020).

As was mentioned by both the FWF and BSCI, workers made to many overtime hours. The management explained that this was indeed the case, however that in general there are not too much overtime hours. In peak seasons they make more hours than they would normally do, and workers always agree with it. According to the FWF, there are some (minor) health and safety issues that should and can be dealt with on the short term (permits, fire extinguishers in the right place, certificates, etc.). Also GETE sometimes works with homeworkers who take off small threads and do small finishing work. We spoke about the necessity to document all relevant information of these workers. There are no complaints filed with the FWF, the factory received all explanation regarding the complaints mechanism. There are no other FWF members sourcing from this factory. The factory has been audited three times by the FWF and will be re-audited by the FWF in the future.

### ***Zhejiang Lanxiang***

In 2019 we sourced for approximately 3% of our FOB with Lanxiang, making them a moderate supplier for our total FOB value. This supplier has not been visited by Tricorp in 2019, however it has been in the past given we visit all our suppliers ourselves. Also there were no complaints filed from this supplier. It has been audited by SMETA, however they did not conclude any non-conformities regarding forced labour, discrimination or child labour. It was concluded that workers were aware of the fact they could join the labour union and there was an active worker committee that meets each quartile. Workers mentioned that the representatives were chosen by other workers, which is a good thing.

Lanxiang pays at least the minimum wages to its employees, but not a living wage. Lanxiang is not a strategic supplier to Tricorp, so we will discuss this topic with them but not focus on it. Also a sample concluded that 10/10 employees made to much overtime. In 2020 we will determine what the influence is of Tricorp production on overtime, with all our suppliers. Regarding health and safety there were only minor improvements possible, and therefore no priority.

### ***Ningbo Huarui***

In 2019 we sourced for approximately 4% of our FOB with Huarui, making them a moderate supplier for our total FOB value. This factory has also been visited in 2019, not only by our purchasing department but by *all employees* (+- 70) of Tricorp. There are no other FWF members sourcing at this supplier. This supplier has been audited in 2019 by the FWF and the CAP has been discussed with them (before and after the audit). Regarding forced labour, discrimination and child labour there were no issues mentioned neither by the FWF nor by BSCI. The audit concluded that the worker representatives were chosen already 10 years ago and that they needed to be chosen again. The management of Huarui said Tricorp did not pay enough for the products to support a living wage, but that it was not possible for Tricorp only to realise a living wage there. During the Skype meeting we discussed what was possible for Tricorp and Huarui to do together for better wages. Also, the time registration of hours worked was not done as properly as could be and this had to change rapidly. They did conclude that too much overtime was done and too many days worked consecutively. Lastly, we discussed the health and safety issues. Management of Huarui did not agree with some improvements because these would lead to less productivity (e.g. ergonomic chair which would make the work harder). They have sent us a facial mask they use, of which was concluded that the workers did not wear it all the time. We have used this facial mask as for some hours and we understand that they are not comfortable for a longer period of time, therefore the possibility for other masks is to be discussed.

### ***Ningbo Jaunty Fair***

In 2019 we sourced for approximately 5% of our FOB with Huarui, making them a moderate supplier for our total FOB value. The FWF has audited Jaunty Fair in 2017, and new audits are scheduled for 2020. The company has not been visited in 2019, however has been visited in the past. The most recent CAP has been discussed with them via Skype and they provided explanation for the possible improvements and e.g. cultural aspects that were of influence on that. Tricorp has also provided a WEP training with Jaunty Fair in 2019 to improve the awareness regarding the COLP. The outcome of this training has been

discussed with them. They were really positive about the participation rate and the discussion that took place, and were open for future trainings as well. There are no complaints filed with the FWF and there are no other FWF members sourcing from this factory. Regarding forced labour, discrimination and child labour there were no improvements mentioned by neither the FWF nor BSCI. Employees were not highly aware of their right to join a union and this was also addressed during the WEP training. Jaunty Fair also mentioned that the prices Tricorp pays are not supportive for a living wage, and therefore Tricorp will discuss with them what the possibilities are for reaching a higher (living) wage. Overtime was an issue, however they were to implement an electrical time registration system which would eventually reduce overtime by creating better insight into worked hours. For health and safety there were some improvements to be made: independently switched fire alarm, different lightings, evacuation maps, elevator permits, soap and toilet paper readily available, floor mats and facial masks.

### ***Eastlink Donglian***

In 2019 we sourced for approximately 2% of our FOB with Eastlink, which means they are not a fully strategic supplier for Tricorp when we look at our total FOB value. Eastlink has not been visited by Tricorp in 2019, but in the past. It has been audited by the FWF in 2015, but more recently by BSCI in 2019. There are no other FWF members sourcing from Eastlink, and no complaints have been filed. Regarding forced labour, discrimination and child labour there were no improvements mentioned. For freedom of association, it was mentioned that there were no independent worker representatives. When we discussed this issue they mentioned that this was already a longer time ago and that now these representatives are present. Regarding a living wage, Eastlink pays more than the minimum wage. Still Tricorp could determine what it would mean for the prices if Tricorp would take responsibility for its part in a living wage. The management of Eastlink said that there were many changes in personnel with Tricorp which made it difficult to do business as they were used to. In the past they did not have a correct time registration system, however, recently they have installed this and this makes it a lot easier for them to check and pay the correct hours. Regarding health and safety there were some minor issues (determining evacuation routes, some blocked fire extinguishers, no ergonomic chairs / anti-fatigue floor mats). These aspects and action plan will be discussed with Eastlink during a Skype call.

### ***TMR***

In 2019 we sourced for approximately 2% of our FOB with TMR, which means they are not a fully strategic supplier for Tricorp when we look at our total FOB value. There are no other FWF members sourcing from this supplier and there were no complaints filed with the FWF nor with Tricorp. We work with an agent who is located in the Netherlands, so we have visited the agent a couple of times already. During these meetings both the FWF and BSCI themes are discussed. First of all, regarding forced labour, discrimination, child labour and legally binding contracts there were no direct improvements to be made (BSCI audits). Regarding freedom of association and CBA, there were 3 elected worker representatives of whom most workers were aware. Living wage was not paid, however there were no other issues regarding the payment of wages in general. TMR is open for discussing living wages in the (near) future. At the time of the audit it was concluded that there were too much overtime hours made, but a new time registration system had been implemented to reduce the overtime hours. We will check with TMR if this has already improved the registration, however the agent told us that the amount of overtime that was noted could not be prevented in the future. This was because there were only little overtime hours, and they were only done in certain periods of time (peaks) and all voluntary.

### ***Wuhu Shanshan New Mingda***

This supplier will be re-audited because only old information was available. It accounted for 0,4% of our total FOB and therefore did not qualify as a strategic supplier. However, they are connected to *New Mingda Cambodia* which gives us more leverage. However, in this social report, we chose to not go too deep into this supplier.

## ***Bangladesh***

The garment industry has grown enormously the last 3 decades. More than 80% of the total export value is related to garments. Because of this growth there has been lacking attention towards safety and health on the work floor. The biggest risks are subcontracting, overtime, low wages and the lack for social dialogue. After the Bangladesh Accord the health and safety concerns have gained more attention and since these have improved strongly.

1. Freedom of labour. By law Bangladesh is obligated to act against forced labour, all forms of it are punishable by law. One example of it is to *ask* workers to do overtime when in fact they have no choice.
2. Discrimination. Also by law Bangladesh stated that all inhabitants are equal by law and should be protected as such. However, still there is a high chance for discrimination given there are many forms. For instance, women get paid +- 30% less than men do for the same job.
3. Child labour. No child under 14 years of age can work, and below 15 a child cannot work in an industrial company. However, often there is no correct age verification system available at the factories.
4. Freedom of association and CBA. ILO conventions state that a worker can join a union without interference of (local) authorities, and you cannot be discriminated against based on that fact. Still there have been issues nationally with unions and the government. Most workers are not aware of their rights.
5. Living wages. One third of Bangladesh is below the poverty line. The law does not speak of a specific wage structure, however there is a minimum wage per industry. The last few decades the wages have increased significantly compared to before, however still the wages are too low according to many local stakeholders.
6. Excessive overtime. As in China, workers may work for a maximum of 48 hours per week, 8 hours per day, except when overtime is to be made. No more than 60 hours per week can be made. However, because of low wages and lack of control, finding excessive overtime is no exception in Bangladesh.
7. Health and safety. The standards have improved and many factories are now up to the necessary safety standards. According to 'the accord' a lot of progress has been made.
8. Legally binding employment. Officially there is a binding work-relationship when somebody is formally working in a factory. The employer needs to document worker details and should keep the identity details. Workers should get a minimum of one month salary when they are laid off after one year.

## ***Suppliers in Bangladesh***

### ***Miller***

In 2019 we sourced for approximately 3% of our FOB with Miller, making them a moderate supplier for our total FOB value. In 2019 Miller has not been visited, but this will happen in 2020 again. However, Miller has visited us and we have been able to discuss the CAP documents of both the FWF and BSCI. There are no complaints filed and no other FWF members sourcing from this supplier. Miller has been audited twice by the FWF, but is planned to be re-audited in 2020. Regarding forced labour, child labour and legal contracts there are no improvements mentioned by the FWF or BSCI. Regarding discrimination the FWF noted that factory workers were not aware of the anti-harassment committee and that the amount of women in management positions was too low for the amount of female workers. BSCI, two years later, said there were no real improvements to be made. The same goes for freedom of association since most workers were not aware of their right for unionization, however in 2018 BSCI noted that this improved a lot. Overtime is also made with Miller, but this was only one month which had to do with a peak-season and at the same time this was within the limits spread out over 3 months. Regarding health and safety, there were minor issues that could be resolved relatively quickly. This will be discussed with Miller before the next audit takes place.

### ***Sincere***

In 2019 we sourced for approximately 10% of our FOB with Sincere, making them an important supplier for our total FOB value. Sincere has been visited each year given it is an important supplier for Tricorp. There are no other FWF members sourcing from Sincere, and no complaints have been filed with Tricorp directly or the FWF. Sincere has been audited multiple times, both by the FWF but also by Bureau

Veritas. There have been some issues regarding the FWF aspects and quality issues in general, therefore Tricorp has decided to enter the Responsible Exit Strategy (RES) for this supplier. Given the history between Tricorp and Sincere this is not done easily but it has taken multiple months already. Tricorp has offered a financial loan to implement safety measures in the company which are currently taking place. The most important improvements to be made (socially) are regarding freedom of association, living wage, health and safety and legally binding contracts. Tricorp found it necessary to audit this supplier multiple times, but given the progress (both socially and in terms of quality) the RES has started.

### **Visual**

In 2019 we sourced for approximately 1,5% of our FOB with Visual, making them a moderate to *low*-value supplier for our total FOB value. The factory has been visited by Tricorp in 2019, in this case the purchasing and R&D department. The FWF and BSCI have both been discussed; Visual until 2020 has only been audited by BSCI but this year a FWF audit has been planned. There are no complaints filed nor are there any other FWF members sourcing from this supplier. In terms of the FWF standards, freedom of labour, discrimination, freedom of association, overtime and legally binding contracts there were no issues to be mentioned. Regarding child labour Visual was given the advice to create more strict guidelines to prevent any possible confusion. A living wage is not paid but a minimum wage is. We are discussing with Visual the wages that are paid and how to get them to a higher (or possibly living) wage. Lastly, there were some easy-to-solve safety issues in the factory, like doing a periodic risk analysis, applying for permits, measuring temperatures, humidity and light.

### **Cambodia**

The production of garments and shoes is the most important economic activity of Cambodia and the country is rivalling heavily with neighbouring countries. The garment industry accounts for more than 75% of the total export value this is also strongly influenced by Chinese companies who own +- 90% of the garment companies in Cambodia. Also a fair share of this export goes to the Netherlands (12%).

1. Freedom of labour. The general risk for forced labour is high in Cambodia, with supporting numbers this was indexed at 80%.
2. Discrimination. The risk for discrimination in Cambodia is relatively high, especially towards religions and ethnic minorities (often social discrimination of governmental people). Gay marriage is not punishable, but LGBT individuals do not get any legal protection against discrimination.
3. Child labour. The risk for child labour in general is high, numbers indicate that 3 out of 10 children between 5 and 14 perform work. Approximately 6% of the child labour occurs in an industrial environment like the garment industry. Most of the children work in *service* or in *agriculture*.
4. Freedom of association and CBA. Workers do have the right to join a union, however it is often found that these rights cannot be guaranteed. Cambodia is not seen as a comfortable-to-work country.
5. Living wages. Wages have increased, however not enough to support a living wage.
6. Excessive overtime. The maximum of 48 hours per week and 10 consecutive working days also counts in Cambodia, however a lot of excessive overtime is made.
7. Health and safety. More and more producers are checked regularly for health and safety issues and improvements are also made nationally (given there is more attention for this aspect in general).
8. Legally binding employment. Most of the workers receive contracts when they work in a factory, however the contracts often short-term.

### **Suppliers in Cambodia**

#### ***New Mingda Cambodia (NMC)***

In 2019 we sourced for approximately 9% of our FOB with NMC, making them an important supplier for our total FOB value. NMC has not been visited in 2019 but will in 2020. The FWF does not perform audits in Cambodia, therefore NMC will be audited in 2020 again by BSCI. No complaints have been filed from NMC, neither with the FWF nor with Tricorp directly and there are no other FWF members sourcing from this factory. Regarding forced labour, discrimination, overtime and legally binding contracts there

were no improvements to be made. Still, all aspects are discussed with NMC via the Skype meetings. Regarding age verification NMC was first told that the verification system was not in order, therefore they introduced a new policy and system to verify ages. The registration certificate for the Cambodian Labour Union was dated and had to be renewed. NMC pays more than the minimum wage, however this does not meet the living wage yet. Also, there were not enough toilets available for pregnant women which had to be adjusted.

### ***Vietnam***

The Vietnam textile industry is around 10% of the annual growth rate in terms of revenue, especially from exports to the EU, US, Japan and South Korea. The country itself is the third-largest garment exporter and the garment sector accounted for over 50% in total revenue.

1. Freedom of labour. Vietnam scores relatively high for the risk of forced labour, with an index of +- 50%. Even though Tricorp has not found this with its suppliers, we will always have to look out for this risk.
2. Discrimination. Women structurally get paid less than men for the same job and have less social opportunities because they are expected to stay at home or work in an industrial job. This is where most of the discriminatory actions take place.
3. Child labour. Child labour is still found in Vietnam, however the chance of finding it is becoming smaller each year because of economic developments.
4. Freedom of association and CBA. There is one national union and companies should have joined this union in order for workers to join it. Therefore workers often do not have the option to join the union. Collective bargaining does not occur often and many workers do not know what it entails.
5. Living wages. Wages have increased strongly the last few decades, and are now at +- 70% of the living wage. So still there is a lot of room for improvement.
6. Excessive overtime. Overtime is not uncommon in Vietnam, also for Tricorp suppliers. Often the problem is a correct time-registration system, but also the demand for small batches and quick delivery.
7. Health and safety. When unsafe conditions are found this often has to do with unseparated toilets for men and women, lockers and showers. Against women, sexual violence and harassment is often found.
8. Legally binding employment. With +- 5% of the companies no legal contracts are arranged.

### ***Suppliers in Vietnam***

#### ***Venture***

In 2019 we sourced for approximately 1% of our FOB with Venture, making them a relatively low-value supplier for our total FOB value. Tricorp visited Venture at the end of 2018 by the Purchase and R&D department. There are no complaints filed with Tricorp or the FWF, and no other FWF members are sourcing from Venture currently. Venture has been audited in 2014 and in 2016 again, after which they have been audited by BSCI in 2019. A new FWF audit has been planned for 2020. Regarding freedom of labour, discrimination, child labour, freedom of association and legally binding contracts there were no remarks. Though, the FWF audit is more thorough than the BSCI audits when it comes to concluding the individual standards, which is why an FWF audit is planned for 2020 again. Although a living wage is not paid, there were no other comments on the payment system. Given payment of a living wage is a priority for Tricorp this will be discussed with them. There were only minor issues regarding health and safety, like doors that opened the wrong way and certificates that expired showing that the building itself is safe to work in, all of which have been adjusted and improved which is why this supplier received the maximum score of A.

#### ***Global Safewear***

In 2019 we sourced for approximately 1% of our FOB with Global Safewear (GS), making them a relatively low-value supplier for our total FOB value. The factory has also been visited at the end of 2018 in the same business trip as Venture, by the Purchase and R&D department. GS has been audited in December 2017, and will possibly be re-audited by the FWF again depending on the developments with this supplier. No other FWF members source from this supplier. Since the last time the FWF audited GS



they have moved to a new building which is why most of the old data is not highly relevant anymore. However, this is mostly related to organizational and facility management. Main point is that a new audit is most important to show that the latest CAPs have indeed been improved.

### ***Pakistan***

The textile industry was the largest export industry with +- \$3,5 billion, with 11% of the total export value for RMG. There also is a lot of influence from Chinese companies in Pakistan, especially in Lahore and Faisalabad. This also results in really modern companies that arise that are ready for large-scale production of garments.

1. Freedom of labour. The risk for forced labour is not really high in Pakistan, however it cannot be ruled out. With supporting numbers this was indexed at +- 40%, therefore not negligible (it never really is).
2. Discrimination. Of all forms of discrimination, what we found is that there is mostly gender-related discrimination against women.
3. Child labour. This is most often found in agriculture and less in the garment sector.
4. Freedom of association and CBA. There often are certain restrictions to join a union (company – government related) but workers have the option to join a union in general.
5. Living wages. This is a big issue in Pakistan because Human Rights Watch has found that, often, workers get paid even below the minimum wage.
6. Excessive overtime. HRW also found, as we also concluded ourselves, overtime is found often.
7. Health and safety. Often, in many factories there is not enough attention for the safety of workers, especially regarding to clean drinking water, clean working places and safe machines.
8. Legally binding employment. Many workers do not receive any formal contract, therefore they risk being laid off without any defence and right for insurance.

### ***Suppliers in Pakistan***

#### ***Newways***

In 2019 we sourced for approximately 12% of our FOB with Newways, making them an important supplier for our total FOB value. This will probably still grow in 2020 because we are also looking to consolidate our suppliers where possible to have more impact and to get more reliable products. Newways has been visited in 2019 and will probably be visited in 2020 again. Given FWF does not do audits in Pakistan we have BSCI audits performed. According to the BSCI report Newways is a progressive supplier who understands the human rights, fair labour standards and environmental standards really well. This is also what Tricorp concluded from the visits, however there is always room for improvement. Regarding freedom of labour, discrimination, child labour, freedom of association, overtime and legally binding contracts there were no improvements to be made. Regarding health and safety there were really small issues to be solved quickly. For instance a secondary container for oil barrels was missing first and this was fixed. Speaking of a living wage Newways understands what is requested, however did not show any direct intention of paying higher wages than it currently does. It is partially up to Tricorp (our signatory share is good, +- 20%) to investigate the options to discuss higher wages again.

### ***India***

The Indian textile industry is one of the largest industries in India, the second largest industry of providing employment opportunities to more than 35 million people in the country. It contributes to 15% of the industrial export output, 2% of the GDP. India is the second largest cotton producer and exporter of cotton in the world.

1. Freedom of labour. The risk for forced labour, or modern slavery, is relatively high in India. This also has to do with the existence of the *Sumangali System*.
2. Discrimination. In India there still is a *caste system* which is hard to get rid of. For people from a lower *caste* it is difficult to reach a higher class. There is a high risk for discrimination against pregnant women.

3. Child labour. In India there is the *Sumangali System*, highly connected to child labour, because young children (often women) are taken to work in a factory based on a contract. They are often restricted in their rights and liberties.
4. Freedom of association and CBA. The knowledge of joining a union is low, also people can be discriminated against when they indeed join a union. In general membership with a union is low.
5. Living wages. Based on research the current wage differs 45% from the estimated living wage, meaning that a lot of improvement can be made on this issue.
6. Excessive overtime. Normal working hours can be described at 8 hours per day, 6 days a week, with a maximum of 60 hours per week and 50 hours of overtime per 3 months. However, in many areas a normal working day is 9 hours and many overtime is made without proper payment.
7. Health and safety. There is a specifically high risk for women on the work floor, with sexual harassment.
8. Legally binding employment. There is a high risk for workers not having an official contract (+- 70%).

### ***Suppliers in India***

#### ***SuperHouse***

SuperHouse (SH) is a really small supplier for Tricorp, given we have produced +- 0,5% at this supplier. It has not been visited in 2019, it is not sure if this will happen in 2020 again. We are also a really small client for SH so there is very little mutual interest between SH and Tricorp. It has not been audited by the FWF yet but by BSCI it has. We will determine whether it is worthwhile to perform a FWF audit or to have a BSCI audit performed and this will be discussed internally and with SH.

#### ***Turkey***

The garment industry is important for Turkey, with the country being the 6<sup>th</sup> largest supplier of garments in the world and the 3<sup>rd</sup> largest supplier to the EU. Approximately 9,4% of Turkey's total export value is related to the garment industry.

1. Freedom of labour. Generally speaking the risk for forced labour is not really high, however with the arrival of many Syrian refugees this risk has increased a lot. Often these refugees have less rights, lacking legal documents and therefore they face higher risks for human rights violations than Turkish workers.
2. Discrimination. Because of the amount of Syrian refugees, especially women refugees have a weaker status and face gender related violence and sexual harassment.
3. Child labour. Although it is not found very often, there still is a risk for child labour in the garment industry. Especially with children who have fled from Syria.
4. Freedom of association and CBA. There are a lot of unregistered workers, resulting in not being able to join a union and the right for CBA.
5. Living wages. People sometimes work multiple jobs to earn a decent wage, especially in the textile industry the wages are far below the living wage.
6. Excessive overtime. As with many countries, excessive overtime is also a problem in Turkey. We know this from our own suppliers.
7. Health and safety. Since many workers are not registered they lack legal protection or social security. Also the law in Turkey regarding safety and health are not practically workable (based on desk research).
8. Legally binding employment. Most workers do have a contract, but we have also found (desk research and audit reports) that legal contracts are not always adhered to.

### ***Suppliers in Turkey***

#### ***Efeteks***

Efeteks produced approximately 3% of our total FOB making them a moderate supplier in terms of value. Efeteks is run by an agent who visits Tricorp regularly and also speaks Dutch. There is contact on almost a daily basis. The factory has been visited by Tricorp but not in 2019. Given both Efeteks and Loomteks fall under this agent we have some leverage with this agent and a good relation. A new FWF audit will take place in 2020. Currently, regarding the FWF standards, there was little information available out of

the audits. However, the agent understands really well what is required and is also willing to discuss any issues and / or improvements that can be made.

### **Loomteks**

Loomteks has been audited in 2017 by the FWF, but given we only have really small portion of FOB with Loomteks a new FWF audit is not planned. Loomteks, in 2019, was good for approximately 0,3% of the FOB. There were no complaints filed and both with Efeteks and Loomteks there are no other FWF members sourcing from this supplier. Regarding freedom of labour and discrimination there were no improvements to be made. Regarding child labour, at that time, they found missing papers of one workers who still needed approval of his family on paper. Regarding freedom of association, there were worker representatives chosen, however they were both a supervisor and administrative worker and therefore not suitable for that job. Regarding a living wage, this is not paid. It was said that the prices paid for the garments were not supportive of a living wage fully, and therefore they should be renegotiated. Regarding health and safety there were several topics to be resolved, most of them relatively easy (emergency exit opened the wrong way, local fire brigade safety report was missing, a 'you-are-here' notification on the evacuation plan, no smoke detector in a storage room, etc.).

### **G.M.C.**

G.M.C. provided approximately 3,5% of our total FOB in 2019, but this is a supplier that we will stop sourcing from in 2020. This is due to both quality issues, delivery issues, but also CSR related issues (socially and environmentally). The FWF has audited GMC in 2019, but there were issues found with different FWF standards (specifically with subcontractors GMC made use of). Therefore in 2020 the latest orders will be placed at a decreasing rate to give them enough time finding another client.

### **Complaints procedure.**

As we discussed in our social report of 2018-2019, we communicated the complaints procedure of the FWF to all our suppliers by 1) providing an introduction to the complaint procedure and why we use it, and 2) our own procedure to make sure our suppliers are aware of what they can expect from us and vice versa. Until this moment Tricorp has not received any formal complaint, however we will address a complaint according to the following procedure in case one should occur:

Employees at our supplier should have an 'Access to Remedy', it must be possible for employees to file a formal complaint and to have this complaint resolved structurally. Tricorp, together with the supplier, should therefore create (or contribute to) a mechanism in which individuals or groups of people can file a complaint. The Fair Wear Foundation complaints procedure enables employees (and their representatives / agents) to complain about certain circumstances and violation of the FWF Code of Labour Practices (COLP).

According to this complaints procedure, Tricorp should:

- Inform all suppliers about the existence of this complaints procedure,
- Actively promote the Code of Labour Practices (COLP) and this complaints procedure at all suppliers and its employees,
- Have somebody in place to intercept formal complaints and provide service to resolve it,
- Communicate a formal complaint after it has been received,
- Together with the FWF, discuss the formal complaint and provide support,
- Implement the FWF Remediation Plan to prevent future occurrences.

Complaints can be sent to the FWF Complaints Handler: VIA TELEPHONE, WRITTEN OR VERBALLY, VIA COMPLAINTS@FAIRWEAR.ORG, OR SOCIAL MEDIA. After reception, a timeline is created to resolve the complaint. If the FWF decides the complaint is valid / grounded, Tricorp is informed. Tricorp then needs to contact the supplier within 7 days maximum, or within 48 hours depending on the severity of the

complaint. The same goes for the response of the supplier: the supplier should respond to Tricorp within 7 days, or within 48 hours depending on the severity of the complaint.

Tricorp must make the supplier aware of the fact that the FWF keeps track of the process and that retaliation (for filing a complaint) will not be tolerated in any way.

The FWF will then contact Tricorp, after which Tricorp will create an Action Plan together with the supplier, based on:

- The severity of the complaint and on what scale has this occurred?
- How often does this occur?
- To what extent does Tricorp have influence on the situation and can it resolve it?

Tricorp is responsible for the follow-up and implementation of the Action Plan. Tricorp should also communicate the complaint and resolution in the Social Report by the Fair Wear Foundation.

## **Training and capacity building.**

### ***Activities to inform staff members.***

The way staff members are informed about the Fair Wear Foundation and other CSR related issues remains the same as last year. During sales meetings, sourcing meetings, intranet messages and via written procedures CSR topics is discussed. Next to these internal ways to inform, both the CSR, purchasing and R&D department visit workshops and trainings.

### ***Activities to inform agents.***

Sometimes we buy indirectly, with the help of an agent. But only if this agent has an added value for Tricorp, for example if the agent can let us produce in places where we would not be able to by ourselves. In addition, the agent is the overall contact person and is the one that is in constant contact with the production location. All CSR, Fair Wear Foundation and Amfori BSCI related issues and questions are handled by the agent, the same way as our contact person at other suppliers do. We try to regularly visit these production locations to gain insight into the situation and discuss the findings in the CAPS compared to what we see personally at that moment.

### ***Activities to inform manufacturers and workers.***

We inform our suppliers as often as possible about our CSR standards and our expectations towards them. This results firstly in periodically (re-)auditing our suppliers, either by the FWF or by Amfori BSCI. Depending on what has been concluded from the audit, we initiate a Skype-meeting each 1, 2, 3 or 4 months during which we discuss the progress that should have been made the last period. During this meeting both the CSR and Purchasing department are present for Tricorp, and on the other side the supplier provides us with more information. In the case the supplier visited us, we discuss the issues and progress during a personal meeting. Next to that we also held a training with one of our suppliers in China, a WEP (Workplace Educational Program). We received feedback that this training has been helpful for this supplier, and many people attended (workers and managers). In 2020 we will discuss new trainings with our suppliers.

## **Transparency & communication.**

Tricorp communicates as transparent as possible and understands that being transparent is more important now than before. However, last year we chose to not have a brand performance check because we had to reorganize our internal structures and procedures for both CSR and Purchasing. Because this is not something we are *proud of*, we do not communicate this openly. All the communication we do should be beneficial for Tricorp.

Whenever the new Brand Performance Check is done we will publish this on our website, as well as the Social Plan. In 2019 we have managed to discuss all FWF (and more CSR related) themes with our suppliers and create an overview of compliance for all our suppliers. This resulted in serious in-depth conversations with some suppliers about 1) living wages, 2) excessive overtime, 3) health and safety issues and 4) freedom of association. With these suppliers we agreed to partner more intensively

regarding these issues in 2020. As a company we set the following priorities for social aspects (based on our risk analysis):

1. Living wages.
2. Overtime.
3. Freedom of association.
4. (Unauthorized) subcontracting.
5. Social dialogue and complaints.

Regarding environmental aspects we set the following priorities (based on our risk analysis):

6. Chemicals management
7. Sustainable resources

### Stakeholder Engagement.

Stakeholders	Expectations and discussion
Customers	Our direct customers demand affordable and high quality durable workwear. More and more they expect circular workwear. They also expect open and honest communication about how the products are produced. We are held responsible for ethically responsible workwear. We have discussed the collaboration with the Fair Wear Foundation with them, as well as Amfori BSCI. Most of our customers know something about both FWF and BSCI, but mostly request from us a strategy on how we tackle possible issues.
End-users	The end-users demand durable and safe workwear. More and more they become aware of the social and environmental circumstances during which the products are produced which is why we have to inform our customers and the end-users often about our strategy.
Suppliers and agents	Our suppliers and agents expect honest and realistic leadtimes, honest prices for the garments, quick communication about environmental demands, audits, trainings (and more), long-term collaboration based on trust and quality, and high-quantity orders. With only small order quantities they have no direct value for Tricorp. After we created the risk analysis we analysed all our suppliers based on in total 15 aspects, ranging from social to environmental aspects. All these individual aspects have been communicated with the individual suppliers and with some suppliers we have discussed this already according to our procedures.
MSI	<b>FWF:</b> Due Diligence for countries and suppliers, implementation of the COLP, and the Bangladesh Accord with one of our suppliers. <b>BSCI:</b> With BSCI we have discussed the possibility for local projects (China, Turkey and Bangladesh). <b>CNV:</b> With the CNV we had a meeting concerning Cambodia and Vietnam to discuss local projects for Freedom of Association and Living wages (after a FWF meeting in Rotterdam).

### Corporate Social Responsibility.

Next to effectuating CSR in the production location of our suppliers, Tricorp also implements different processes and systems that make Tricorp a more sustainable company in the future. It is not only important to focus on our abroad activities and influence, but also to focus on what we can achieve here, in the Netherlands, to reduce any negative impact. Therefore Tricorp has been working on the following activities:

- ISO 9001 and 14001 certification
- Renewable energy
- Circular workwear
- Recycling waste