

# **B&C Collection social report**

Reporting period (Financial year: 2020)



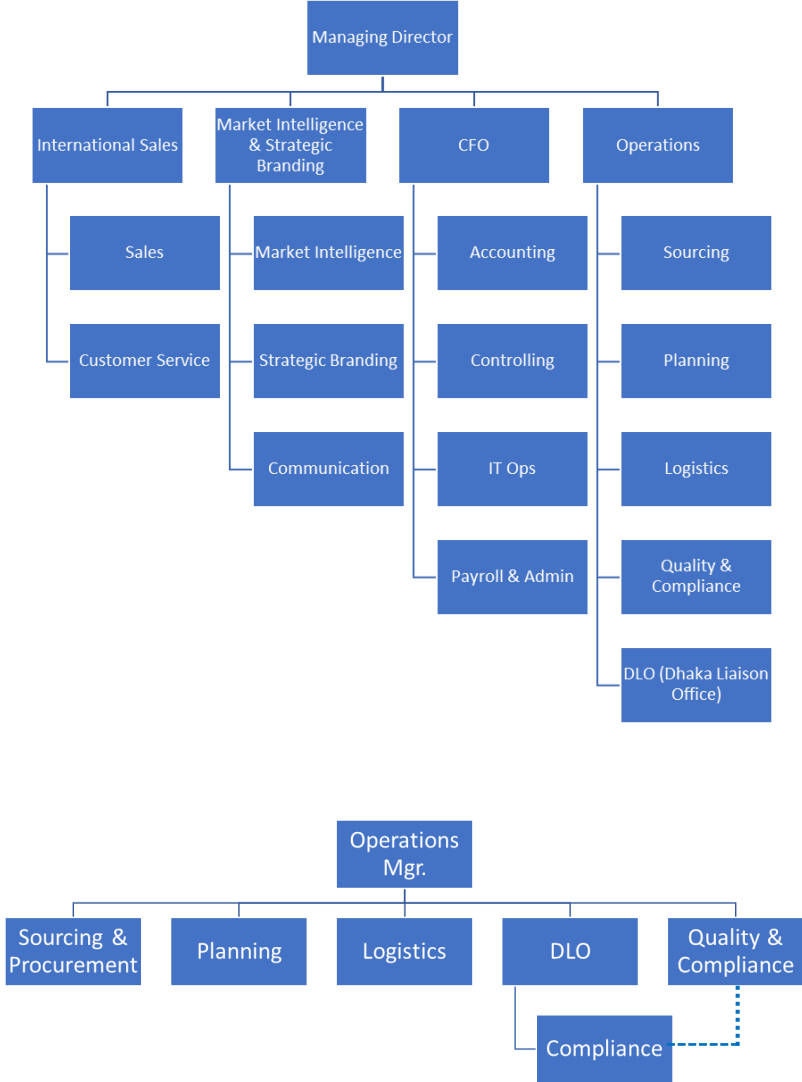
*By The Cotton Group SA/NV*

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# The Cotton Group SA social report

## Organizational chart



## Summary: 2020 goals & achievements

At The Cotton Group S.A., we commit ourselves to continuously try to make a positive impact on our environment. We strongly believe that social corporate responsibility and sustainability deliver added value to our customers, employees and business partners, throughout our complete value chain.

The same vision that drives our business strategy, drives our commitment to social and environmental sustainability. That is why we encourage all our employees to take part in making sustainability a reality. Our sustainability engagement is incorporated into our organization and goals plus objectives.

For over 10 years now, The Cotton Group is member of FWF. Firstly in 2008, as part of Kwintet, later in 2015 as part of the Fristads Kansas Group and since 2017 independently.

Besides FWF, all our suppliers have received, acknowledged and embraced The Fristads Kansas Group code of conduct. Our suppliers have also been audited by other organizations, as BSCI and Accord. Although The Cotton Group has not signed for Accord, the majority of our suppliers are part of the Accord remediation. Fristads Kansas Group also embraces the 10 principles of the United Nations Global Compact in the fields of human rights, labour law, environment and anti-corruption and the Code Conventions of the International Labour Organization.

Where 2020 started off with an ambitious workplan, during March 2020, it became clear that plans had to be adjusted. 2020 has been a year we will all remember as the year where the Covid-19 pandemic changed all our lives. Some goals could not be worked on, other goals received a higher focus and, in some cases, parameters which were considered as being “obvious” before became a point of concern:

- Would we have to exit a factory?
- Would workers lose their jobs?
- Could wages and income for the workers be guaranteed?
- Would workers be able to stay safe?

Special concerns were raised related to the impact and consequences of the pandemic on the lives of workers producing our garments in countries far away.

The consequences of the Covid-19 pandemic on B&C's business were strong and very difficult. The Cotton Group S.A. had to take several measures, impacting the life of many of the HQ- and DLO- workforce, resulting in a small group of colleagues left in the daily operations.

Nevertheless, we managed to follow, stay alert and monitor the situation of the people producing our garments. The B&C-team in our Dhaka Liaison Office (DLO) has proven to be a key-partner by monitoring and informing the HQ-team on a weekly basis on the situation in (mainly) Bangladesh in general, and more specific related to our suppliers. We have received correct and true information, firsthand about workers' situation in our factories.

This made it possible to act immediately where needed.

Starting from July 2020 onwards, our teams were again present in the factories, on the floor, monitoring the working-conditions of workers.

Towards our suppliers, we have always aimed for a correct, honest, and open communication. No decisions were taken unilaterally from our side. For every business-decision taken, consultation in advance took place at management levels. Always, the impact of decision on workers' situation was kept in mind.

Below is what was communicated to Fair Wear Foundation:

At the time Corona Virus crisis hits us last March, some strategic decisions have been made by B&C top management.

All those decisions, at all company levels, were linked to a “wise” use of the cash flow in order to clearly maintain The Cotton Group S.A. alive (In March & April B&C has lost 90% of its turnover...).

Having said that, at supplier level, the implications that occurred were linked to the liabilities with our Asian partners with:

- 1/ Placed orders/contracts not produced (yarn booking stage) and not shipped
- 2/ Placed orders/contracts in production and not shipped
- 3/ Placed orders/contracts shipped and sailing at sea

To be honest, our first intention was to get all orders in situation 1 & 2 above cancelled. However, considering the nature of our business (we are not a retail brand with seasonal collection) and our long-term relationship with our suppliers, we then realized that cancellation was not an option.

B&C Top management, discussed individually with all suppliers during the month of April and here are the main conclusions:

1/ All suppliers have been proposed and agreed with a payment plan for the sailing and delivered orders. As October 2020, all B&C delivered orders have been paid based on an agreed plan and no due payments are pending for those delivered goods!

2/ For the yet to be shipped orders (ready goods at factory or linked to booked raw materials), our main suppliers agreed to keep the goods/raw material at their premises and ship them/produce them based our needs reviewed on monthly basis. Those goods have started to be shipped from last June on still going on.

(Different from retail brands, B&C does not work with seasonal collections. B&C is producing timeless products which run for a long period of time. Orders of the same products are placed as “repeat” orders periodically, on a monthly basis in constant volumes. This made it possible for us to only “delay” or postpone orders: the raw material and trims present at the factories were not lost but could be used later in time to produce our B&C-products. In an open discussion, a plan was agreed with our suppliers, without the need for any mere cancellation of orders).

However, we cannot deny that one supplier has rejected our payment plan proposal and that besides, closed their factory without informing anyone of us at B&C (See FWF complaint we sorted out in June 2020). As of today, that is the only dispute we have with our active suppliers.

Social Report Year 2020 – past financial year

Today, when writing the Social Report for 2020, we can say that:

- We did not have to exit a factory
- Except one supplier, all our suppliers are still in a business-relationship with us, moving forward and aiming to a future together,
- We could stay true to our responsible sourcing practices. No prices had to be bargained and no orders had to be cancelled, which could otherwise have resulted in wages not being paid or workers having to be laid off.

Even during the difficult Corona-year 2020, workers' rights and the FWF Code of Labour Practices were our highest concern at all our suppliers, next to the focus to make The Cotton Group SA to survive the crisis, along with the long-term relationship with our suppliers.

#### Social compliance at factories:

B&C is part of a bigger organization where specific and designated people have as only responsibility to make sure that all goods and products, through the whole value chain, are the result of a fair and correct sourcing (socially and environmentally). Own teams with specific knowledge and experience, operating locally, are also available to the B&C brand for auditing, follow-up and action.

Although not obvious during the Covid-19-year (with many restrictions for visiting factories), we managed, for the financial year 2020, to have all suppliers audited for social compliance, using FWF audits, BSCI or Smeta SEDEX audits (or to have audit-reports and related CAP's valid for this period of time).

Resulting CAP's are followed-up closely by HQ and local regional offices and teams.

#### Accord

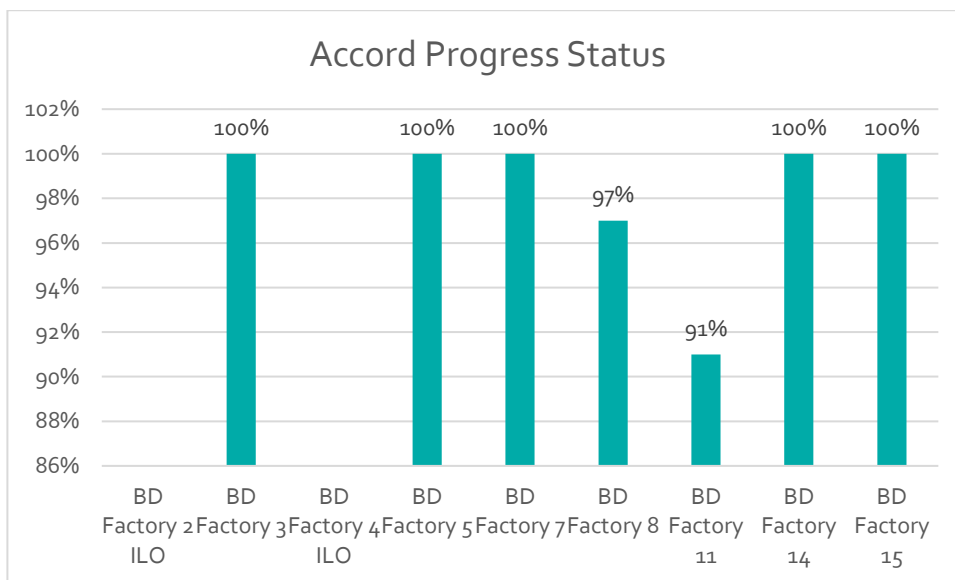
Although The Cotton Group SA is not a signatory of the Bangladesh Accord for building and fire safety, as building and fire safety is a point of high concern for factories in Bangladesh, we aim to work with factories that are part of the Accord for auditing and remediation. At time of writing this social report, all, except one, factories are monitored by the RSC (RMG Sustainability Council, the successor of the Accord).

For factories not being part of this program, we request audits to be conducted by qualified 3rd party organisations, resulting in detailed reporting and CAP's to make sure remediation is taking place. For one of our suppliers, this audit will take place during April 2021.

Below an overview of the average status for each of our factories in Bangladesh:

- 8 factories are monitored by ACCORD/RSC
- 2 factories are in process of being brought under RSC
- 1 factory, not under the RSC is planned to be audited by a qualified 3rd party organisation.

Social Report Year 2020 – past financial year



Consolidating the supply chain

We started further relocation production from China and Pakistan to Bangladesh especially for the sweatshirt range.

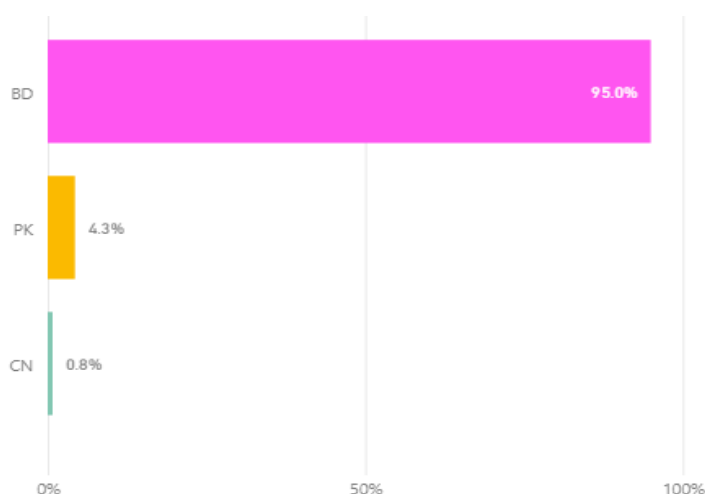
Active Supplier count evolution:

	2017	2018	2019	2020
<b>Supplier Group</b>	16	15	14	11
<b>CMT Production units</b>	19	18	17	13

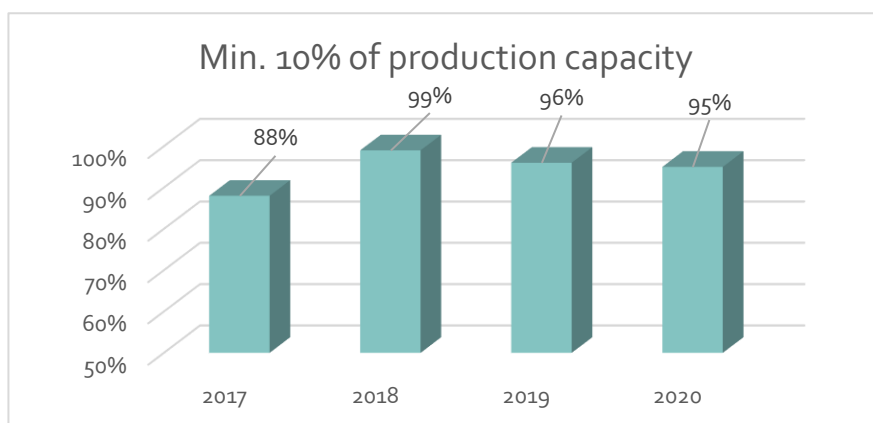
	2017	2018	2019	2020
<b>Count of suppliers representing less than 2% of Total FOB Value</b>	9	7	8	9
<b>Vs Total FOB</b>	3,78%	2,08%	4,45%	7.50%

- ⇒ In 2017, 7 supplier Groups represented 96,22% of total FOB
- ⇒ In 2018, 8 supplier Groups represented 97,92% of total FOB
- ⇒ In 2019, 6 supplier Groups represented 95,55% of total FOB
- ⇒ In 2020, 3 supplier Groups represented 92.50% of Total FOB

### 2020 Sourcing Origins



Percentage of production volume from production locations where member company buys at least 10% of production capacity:



At the time of writing this Social Report for 2020, it was announced that some changes took place related to the Fristads Kansas Group. Several brands belonging to the group were sold, for the remaining brands to start off under the name of The Cotton Group AB, starting March 1st, 2021.

For the financial year 2020, The Cotton Group SA (B&C Collection) was still part of the FK Group of companies and, related to sustainability and social compliance, following the procedures and processes set in place by the FK Group CSR department.

Starting March 1st, 2021, The Cotton Group SA will define the B&C Collection Sustainable Strategy. The Cotton Group SA will have its own CSR department, lead by the newly hired Head of Sustainability. The team will have people at HQ in Belgium as well as at DLO in Bangladesh.

During 2021, a review and projection of all CSR activities, challenges and procedures will be planned and executed.

<https://www.bc-collection.eu/en/sustainability>



## Sourcing strategy

### SOURCING STRATEGY & PRICING

#### Year 2020, the effects of Covid-19:

As of March 2020, B&C sourcing and purchasing has been put on hold due to the Covid-19 crisis. In March and April B&C top management had to find solutions to keep the company alive while maintaining the relationship with the suppliers by giving them regular update on the business situation.

In April 2020, a complete lock down happened also in Bangladesh and all our suppliers were closed.

As of May 2020, the restrictions went smoother and B&C could start selling again while keeping close communication with our suppliers and open orders.

B&C Top management, discussed individually with all suppliers here are the main conclusions:

1/ All suppliers have been proposed and agreed with a payment plan for the sailing and delivered orders. As of today, all B&C delivered orders have been paid based on an agreed plan and no due payments are pending for those delivered goods!

2/ For the yet to be shipped orders (ready goods at factory or linked to booked raw materials), our main suppliers agreed to keep the goods/raw material at their premises and ship them/produce them based our needs reviewed on monthly basis. All those goods have been shipped out as business activity resumed in Europe

3/ Our key suppliers could maintain their workforce and were able to pay wages to all workers during March and April 2020. Majority of our suppliers could resume operations early May 2020.

#### Prices paid:

The Cotton Group, owner of the B&C brand is one of Europe's specialized companies in developing and selling garments for the promotional wear market. Our products are produced with the intention to be "customized" by applying different techniques of printing, embroidery, and others. Our products are being used in many different areas as there are: promotion, hospitality, tourism, workwear.

The promotional wear business is quite different structured compared to business in which fashion-brands are working:

- Products and colors developed are part of the collection, not just for one season but for several years. Consistency in quality is thus a key for promotional wear brands.

## Social Report Year 2020 – past financial year

- Prices are determined once per year, at the moment of releasing the yearly catalogue. Once prices are set, they remain fixed for the specific year. This gives factory management a guarantee and allows them to be able to pay workers correct and continued wages.

For Year 2020, between July and December, we started purchasing to replenish our stock. At that time, prices were set based on raw material-prices at that time.

- The prices for products purchased are set based upon a detailed breakdown of all factors involved in costing: labor cost, fabric cost, financial costs as local inflation costs, ...Prices are negotiated and based upon an open and transparent costing. As such, we want to make sure that prices paid for our products which allow the manufacturing location to pay at least minimum wages to the workers, always in line with national legal requirements.

Also, during the Covid-year 2020, and continuing in 2021, prices are agreed as such that a payment of at least the legal minimum wage is guaranteed for all workers.

- B&C places order monthly. Planning and Sourcing departments need to make sure that during the order placement, quantities are allocated to suppliers with whom we have booked capacities for a specific time frame. Suppliers will find their reserved capacities booked at prices which are defined ahead in time and for a specific time-period. We aim to fill capacities evenly over months (whenever possible), considering all suppliers constraints.

For year 2020: During Covid19 lockdown from March2020 until July2020, we have kept close communication with suppliers and started assessing capacity needs to plan gradual increment of sewing capacities from July 2020 onwards.

- B&C is working based on a Long-Term planning tool of recurrent styles (difference with Retail and seasonal collections). This system allows our factories to avoid overtime. In case of delays, our Dhaka office provides feedback to B&C Planning department and usually delays are solved without Air shipment and overtime!
- B&C discusses the Overtime Policy with all suppliers during order placement to make sure suppliers adhere to this policy when they offer capacities. The B&C Overtime Policy encourages the supplier to plan and calculate capacities based on legal working-hours and without any overtime hours. The B&C Overtime Policy also informs and emphasises the financial benefits for the supplier as a result of elimination / reduction of over-time hours. As B&C goods are shipped to and received at the warehouse in Europe, we can manage occasional delays to avoid any subcontracting or excessive overtime hours of work.
- Products are sourced in Asia only. Below the list of sourcing-countries and their respective relative amount of goods sourced in 2020:
  - o Bangladesh: 95%
  - o Pakistan: 4%
  - o China: 1%

Important for B&C is to be able to build and maintain a long-term business-relationship with its suppliers. B&C main (core) suppliers that have been partners for more than 5 years represented 82% of total volumes in 2020 (our buying quantities in 2020 drastically dropped and we focused on core products)

Besides long-term relationship, B&C is also looking for new opportunities and potential new suppliers.

New potential suppliers are evaluated before start of cooperation, not only on product, capacity, and price, but as well on their commitment and implementation of social compliance and necessary labor-standards. The actual status on achieved certifications is being checked and evaluated. This information is incorporated in our sourcing data base going forward.

Some of our suppliers had to close their facility during the pandemic and we had to start with new supplier to replace them.

## PRODUCTION CYCLE



As production capacities are defined by product and location (country of source and manufacturing location), planning department can feed factories with production orders in the most efficient way and according to suppliers' requirements and constraints.

For 90% of our total units purchased, we use >47% of the factories 'total capacity.

For 97% of our products, we work with vertically integrated factories. These are producing the fabrics (knitted and woven, dyed and finished), followed by own garment-manufacturing, until finished garments are packed and shipped.

This results in factories being able to plan production in the most efficient way and avoiding overtime for workers.

The planning and merchandising teams in Belgium and Bangladesh follow up the production of orders closely together with the factories. There is a daily follow-up of

orders (as well fabric-production as garment-manufacturing). This means that B&C teams know exactly in which stage of production specific orders are at a certain moment in time and, in case problems arise, they can anticipate and find a solution together with the manufacturer to avoid:

- Delays
- Overtime
- Quality issues

## **FACTORY RELATIONS**

### **New suppliers for 2020: 2 new suppliers in Bangladesh as of end 2020**

The selection process for new suppliers consists out of below mentioned steps:

1. Contact the new supplier by e-mail
2. Review the full factory profile (compliance, production integration, machines, capacities, skills, ...)
3. Review of B&C Sourcing needs versus the factories' core products
4. First visits by *Operation manager, Sourcing manager and Dhaka Liaison Office Country manager.*
5. Spot selected B&C styles for price review and check if prices are workable
6. *Group regional compliance manager* to visit the factory for first CSR assessment
7. If CSR assessment is positive, following steps are taken:
  - a. Review of their profile
  - b. Review of their existing suppliers
  - c. Review on B&C products
  - d. Product development process
  - e. Quality approval process after *visit by Quality manager*
  - f. Prices & payment terms
  - g. Fabric/Color/Style development can start
  - h. Once everything is approved, we place a test order
  - i. If test order is successful, we can consider the supplier as fully active for B&C

New suppliers are visited by different people who must give their approval for each of their specific area:

- Country manager
- Sourcing manager
- Operations manager
- Quality and Compliance manager
- Local CSR manager

Decisions to start with a supplier and/or to terminate with a supplier have a big impact on the B&C operations.

Also, the nature of our products (long lifetime and need for consistency) does not allow us to "jump" and change and switch suppliers each year.

**Termination with suppliers for 2020:**

- **2 suppliers in Bangladesh**
- **1 supplier in Myanmar**

In general, it could happen that after a successful test order we should re-consider the relationship with the potential new supplier because of CSR malpractices, Our Dhaka office and Regional compliance manager for CSR are monitoring each factory on a regular basis, They report to the Belgian HQ on a monthly basis on all CSR project/issues/processes we may face with our suppliers.

At B&C, only direct sourcing is used. This enables us to guarantee transparency and traceability in our supply chain.

**INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS**

Monitoring activities are important and are used to confirm to continue the collaboration with suppliers.

The offices in Bangladesh and Hong Kong and multiple visits by the B&C operations and sourcing managers make sure that suppliers are followed and monitored closely.

All factories are regularly visited by the HQ-teams (including the MD travelling very often) and Dhaka-office-teams. They systematically review if there is any non-compliance with our Code of Conduct. Remarks refer, for example, to child labor, health and safety standards on the factory floor, ... Any deviation is immediately reported to the Groups SCR team and if needed, an escalation process will be executed.

Compliance auditor's visits always include in-depth discussions with the management regarding Code of Conduct implementation, corrective action plans that the management has to sign off, and how the factory management intends to maintain good working conditions in the factory.

Depending upon the purpose of the visit, compliance is reviewed. Remaining non-compliance issues that need remediation will be detailed in an agreed frame (CAP).

Although both sourcing and compliance managers are positioned in the operations department, both managers will perform their checks and evaluate existing and potential/new sources in independence from each other. Both managers will come to an objective decision when performing supplier evaluations.

The decision by the compliance manager will determine whether sourcing from a potential/new supplier can take place. Without the approval and consent from the compliance manager, no sourcing can take place from that specific supplier.

In case of findings of non-compliance at existing factories during the monitoring process (most of the time as a result of an audit by a qualified external organization), a remediation plan in form of CAP's will be set and together with the factory to improve

and correct the non-compliant findings. Only after repeatedly showing no improvement on the findings, the decision can be taken to phase-out the factory.

During 2020, monitoring continued with all suppliers through virtual means of communication. Starting from July 2020 onwards (limited) visits to factories were made where possible.

Monitoring continued during this Covid-year as much as possible, by means of regular communication with suppliers and starting physical visiting the factories as soon as it was allowed.

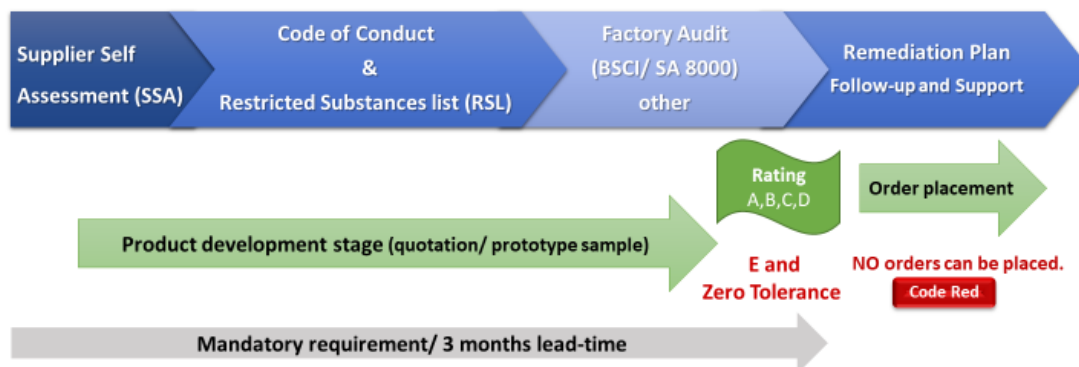
Follow-up of audit-reports and related CAP's continued to be done. All B&C's factories active for 2020 were in possession of a valid audit-report by FWF, BSCI or Smeta SEDEX.

When selecting and deciding to cooperate with new suppliers, a process of preparation, reviewing and assessment takes place as described before under 1.4 Results of monitoring are considered when taking sourcing decisions. As mentioned before, it could happen that after a successful test order, the relationship with a supplier is reconsidered because of CSR malpractices. Our local offices in Bangladesh and regional compliance manager for CSR are monitoring each factory on a regular base. A monthly reporting to the HQ in Belgium informs the operations and sourcing-teams on potential risks or issues with certain suppliers.

Below is the FK Group Compliance Process, that was also applied during 2020:

## COMPLIANCE PROCESS

Mandatory and Applicable to all suppliers/ factories across all branded product categories and nominated raw materials



- **Specific mandatory requirement and monitoring:**
  - ✓ All factories in Bangladesh under the Accord remediation
  - ✓ Effluent Treatment Plant quarterly review in Bangladesh,
  - ✓ China fabric mills: review of environmental inspections and schedules.

FWF Compliance Program v03042019

FRISTADS KANSAS GROUP

Red graded issues are prioritized and must be addressed immediately, a Code Red process has been implemented involving sourcing, product development, supply chain reporting even up to CEO and board level.

New suppliers submit all CSR related documents to the Group Regional Compliance Manager and HQ. These documents include:

- Supplier Self-Assessment (SSA)
- Code of Conduct (COC)
- Restricted Substances List (RSL)

After review and positive result, an inspection visit will follow.

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Only after being accepted, B&C can continue to build relationship and start up potential developments and production.

- We check other certifications (WRAP, BSCI, SEDEX, STANDARD 100 by OEKO-TEX®, ISO, ...)
- Are factories involved with any type of SCR related projects?
- Do factories have a vertical (preferred) set up?
- Are factories working with or engaged with NGO's or working on environmental projects?
- Factories with green projects plans or already implementing these plans will have priority.

## Coherent system for monitoring and remediation

### **BANGLADESH**

For financial year 2020, the majority of our suppliers were in Bangladesh, where we also have a local team with dedicated people, guaranteeing a continue monitoring of the suppliers. As mentioned earlier in the report, even during 2020, starting from July 2020 onwards, our team members were again physically present in the factories.

The process of monitoring during 2020 was somehow different from previous years. Due to many restrictions implied by governments (for physical visiting factories), reduced workforce at The Cotton Group SA, ... some of the procedures in place before had to be adjusted.

Highest level of attention was given to:

1. Making sure workers were paid / have enough means to cover for their living during 2020
2. Making sure workers were safe

For the financial year 2020, all factories were monitored by making sure audits and verification could take place by 3rd party organisations. This resulted in a 100% monitoring threshold for our suppliers in Bangladesh.

Audit reports and proposed CAP's were the most important tools for identification of non-compliance and remediation of these.

The Fair Wear Foundation Complaints Hotline was also an important tool for us to understand the situation of workers at our factories. Non-compliance practices were brought to light by workers using the complaint line.

Our teams were in continuous communication with factory owners and management team members to make sure no single issue of non-compliance found would be left without remediation and resolution.

Following pages show audit-results from BSCI or SMETA audits. We have listed, by factory, the results:

- The amount of non-conformities found for each performance area
- The "grade" or score for each performance area (\*)

And these results are shown for consecutive years. Improvements are indicated in green colour, areas for which a reduced score is found in the following-year are indicated in red. These are the areas of concern to be addressed.



(\*) Grades:

Grade	Meaning	Consequence
A	Very Good	The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit
B	Good	The auditee has the level of maturity to maintain its improvement process without the need for a follow-up audit.
C	Acceptable	The auditee needs follow up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days
D	Insufficient	The auditee needs follow-up to support its progress. Following the completion of the audit, the auditee develops a Remediation Plan within 60 days
E	Unacceptable	Amfori BSCI Participants shall closely oversee the auditee's progress as the producer may represent a higher risk than other business partners
Zero Tolerance	A Zero Tolerance issue was identified	Immediate actions are required. The amfori BSCI Zero Tolerance Protocol is to be followed.

During 2020, because of the Covid-19 pandemic, special attention was given to the Health & Safety in the work environment.

Next to this, the main focus during 2020 was on:

- Fair remuneration
- Workers protection

Bangladesh enhanced monitoring program: As the majority of our suppliers is based in Bangladesh, special attention is given to the FWF Enhanced monitoring program. This will continue in 2021 and onwards.

1. Fire and Building safety: special attention is given to factories that are not covered by the Accord (and later RSC). The Cotton Group SA has committed itself to make sure that no sourcing takes place from factories that are not safe for the workers to work. (factories need to be submitted to monitoring by Accord, RSC or other qualified and FWF-accepted auditing organisations) (re diagram pg. 7)
2. Violence against women: through the FWF Complaint hotline, WEPs and correct and accessible grievance mechanisms, we aim to be able to immediately react against any violence against women.

## BANGLADESH

Following pages show audit-results after the BSCI-audits for all (except one\*) the factories in Bangladesh (\* one factory was audited by Smeta). The overview shows:

- The amount of non-conformities found for each performance area
- The grade or score for each performance areas

These results are shown for consecutive years. Improvements are indicated in green colour, areas for which a reduced score is found in the following year are indicated are indicated in red. These are the areas of concern to be addressed. (see pg. 17)

### Bangladesh-Factory2:

# POINTS OF IMPROVEMENT	PA	BD Factory 2			Rating per Performance Area	PA	BD Factory 2		
		2018	2019	2020			2018	2019	2020
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	4	2	1		E	C	B	
	WORKERS INVOLVEMENT AND PROTECTION	5	2	2		D	C	B	
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	2	2	0		B	B	A	
	NO DISCRIMINATION	2	0	2		C	A	C	
	FAIR REMUNERATION	3	2	4		B	C	D	
	DECENT WORKING HOURS	3	1	0		E	C	A	
	OCCUPATIONAL HEALTH AND SAFETY	15	5	11		E	D	D	
	NO CHILD LABOUR	1	0	0		A	A	A	
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0	0		A	A	A	
	NO PRECARIOUS EMPLOYMENT	2	1	2		B	B	B	
	NO BONDED LABOUR	1	1	1		A	A	A	
	PROTECTION OF THE ENVIRONMENT	1	0	2		A	A	B	
	ETHICAL BUSINESS BEHAVIOUR	2	1	1		B	A	A	
	<b>TOTAL</b>	<b>41</b>	<b>17</b>	<b>26</b>		<b>C</b>	<b>C</b>	<b>C</b>	

### Bangladesh-Factory3:

# POINTS OF IMPROVEMENT	PA	BD Factory 3			Rating per Performance Area	PA	BD Factory 3		
		2018	2019	2020			2018	2019	2020
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	3	3	3		D	D	D	
	WORKERS INVOLVEMENT AND PROTECTION	2	3	3		B	C	C	
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0	0		A	A	A	
	NO DISCRIMINATION	0	1	1		A	B	B	
	FAIR REMUNERATION	1	2	1		A	B	B	
	DECENT WORKING HOURS	2	0	0		D	A	A	
	OCCUPATIONAL HEALTH AND SAFETY	6	9	5		A	B	A	
	NO CHILD LABOUR	0	0	0		A	A	A	
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0	0		A	A	A	
	NO PRECARIOUS EMPLOYMENT	1	0	0		A	A	A	
	NO BONDED LABOUR	0	0	0		A	A	A	
	PROTECTION OF THE ENVIRONMENT	2	2	2		A	B	B	
	ETHICAL BUSINESS BEHAVIOUR	1	1	1		B	A	A	
	<b>TOTAL</b>	<b>18</b>	<b>21</b>	<b>16</b>		<b>C</b>	<b>C</b>	<b>C</b>	

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Bangladesh-Factory4:

# POINTS OF IMPROVEMENT	PA	BD Factory 4			Rating per Performance Area	PA	BD Factory 4		
		2017	2019	2020			2017	2019	2020
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	3	2	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	D	D	C
	WORKERS INVOLVEMENT AND PROTECTION	3	2	2		WORKERS INVOLVEMENT AND PROTECTION	D	B	B
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	1	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A	A
	NO DISCRIMINATION	2	1	1		NO DISCRIMINATION	C	C	C
	FAIR REMUNERATION	3	1	1		FAIR REMUNERATION	B	A	A
	DECENT WORKING HOURS	2	1	0		DECENT WORKING HOURS	D	C	A
	OCCUPATIONAL HEALTH AND SAFETY	17	8	7		OCCUPATIONAL HEALTH AND SAFETY	E	D	A
	NO CHILD LABOUR	0	0	0		NO CHILD LABOUR	A	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A	A
	NO PRECARIOUS EMPLOYMENT	0	1	1		NO PRECARIOUS EMPLOYMENT	A	A	A
	NO BONDED LABOUR	0	1	0		NO BONDED LABOUR	A	A	A
	PROTECTION OF THE ENVIRONMENT	4	3	2		PROTECTION OF THE ENVIRONMENT	C	C	B
	ETHICAL BUSINESS BEHAVIOUR	1	0	1		ETHICAL BUSINESS BEHAVIOUR	A	A	A
	<b>TOTAL</b>	<b>35</b>	<b>21</b>	<b>17</b>		<b>TOTAL</b>	<b>D</b>	<b>C</b>	<b>B</b>

Bangladesh-Factory5:

# POINTS OF IMPROVEMENT	PA	BD Factory 5		Rating per Performance Area	PA	BD Factory 5	
		2018	2019			2018	2019
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	2	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	C	C
	WORKERS INVOLVEMENT AND PROTECTION	3	2		WORKERS INVOLVEMENT AND PROTECTION	D	B
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A
	NO DISCRIMINATION	0	0		NO DISCRIMINATION	A	A
	FAIR REMUNERATION	0	0		FAIR REMUNERATION	A	A
	DECENT WORKING HOURS	0	0		DECENT WORKING HOURS	A	A
	OCCUPATIONAL HEALTH AND SAFETY	6	6		OCCUPATIONAL HEALTH AND SAFETY	D	B
	NO CHILD LABOUR	0	0		NO CHILD LABOUR	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A
	NO PRECARIOUS EMPLOYMENT	1	0		NO PRECARIOUS EMPLOYMENT	A	A
	NO BONDED LABOUR	0	0		NO BONDED LABOUR	A	A
	PROTECTION OF THE ENVIRONMENT	0	1		PROTECTION OF THE ENVIRONMENT	A	A
	ETHICAL BUSINESS BEHAVIOUR	1	1		ETHICAL BUSINESS BEHAVIOUR	A	A
	<b>TOTAL</b>	<b>13</b>	<b>12</b>		<b>TOTAL</b>	<b>C</b>	<b>B</b>

Bangladesh-Factory7:

# POINTS OF IMPROVEMENT	PA	BD Factory 7			Rating per Performance Area	PA	BD Factory 7		
		2018	2019	2020			2018	2019	2020
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	2	2	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	D	D	D
	WORKERS INVOLVEMENT AND PROTECTION	0	0	0		WORKERS INVOLVEMENT AND PROTECTION	A	A	A
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A	A
	NO DISCRIMINATION	0	0	0		NO DISCRIMINATION	A	A	A
	FAIR REMUNERATION	2	2	0		FAIR REMUNERATION	B	B	A
	DECENT WORKING HOURS	2	1	1		DECENT WORKING HOURS	D	C	C
	OCCUPATIONAL HEALTH AND SAFETY	6	6	4		OCCUPATIONAL HEALTH AND SAFETY	A	A	A
	NO CHILD LABOUR	0	0	0		NO CHILD LABOUR	A	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A	A
	NO PRECARIOUS EMPLOYMENT	1	1	1		NO PRECARIOUS EMPLOYMENT	A	A	A
	NO BONDED LABOUR	0	0	0		NO BONDED LABOUR	A	A	A
	PROTECTION OF THE ENVIRONMENT	0	0	0		PROTECTION OF THE ENVIRONMENT	A	A	A
	ETHICAL BUSINESS BEHAVIOUR	0	0	0		ETHICAL BUSINESS BEHAVIOUR	A	A	A
	<b>TOTAL</b>	<b>13</b>	<b>12</b>	<b>8</b>		<b>TOTAL</b>	<b>C</b>	<b>C</b>	<b>C</b>

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Bangladesh-Factory8:

# POINTS OF IMPROVEMENT	PA	BD Factory 8		Rating per Performance Area	PA	BD Factory 8	
		2018	2019			2018	2019
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	2	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	D	C
	WORKERS INVOLVEMENT AND PROTECTION	1	3		WORKERS INVOLVEMENT AND PROTECTION	A	C
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A
	NO DISCRIMINATION	1	1		NO DISCRIMINATION	B	B
	FAIR REMUNERATION	1	1		FAIR REMUNERATION	A	A
	DECENT WORKING HOURS	1	0		DECENT WORKING HOURS	C	A
	OCCUPATIONAL HEALTH AND SAFETY	7	7		OCCUPATIONAL HEALTH AND SAFETY	A	A
	NO CHILD LABOUR	0	0		NO CHILD LABOUR	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A
	NO PRECARIOUS EMPLOYMENT	0	0		NO PRECARIOUS EMPLOYMENT	A	A
	NO BONDED LABOUR	0	0		NO BONDED LABOUR	A	A
	PROTECTION OF THE ENVIRONMENT	2	1		PROTECTION OF THE ENVIRONMENT	C	A
	ETHICAL BUSINESS BEHAVIOUR	1	1		ETHICAL BUSINESS BEHAVIOUR	A	A
	<b>TOTAL</b>	<b>16</b>	<b>16</b>		<b>TOTAL</b>	<b>C</b>	<b>B</b>

Bangladesh-Factory11:

Non-Compliance table		# Issues by line		
	ISSUE	NC	Obs	Ge
0A	Universal rights covering UNGP	0		
0B	Management systems and code implementation	0		
1	Freely chose employment	0		
2	Freedom of assoication	0		
3	Safety and hygienic conditions	5		
4	Child labour	0		
5	Living wage and benefits	1		4
6	Working hours	0		
7	Discrimination	0		
8	Regular employment	0		
8A	Sub-contracting and homeworking	0		
9	Harsh or inhumane treatment	0		
10A	Entitlement to work	0		
10B2	Environment 2-Pillar	0		
10B4	Environment 4-Pillar	0		
10C	Business Ethics	0		
<b>TOTAL</b>		<b>6</b>		

Date of audit: 26/09/2019

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Bangladesh-Factory 14:

# POINTS OF IMPROVEMENT	PA	BD Factory 14		Rating per Performance Area	PA	BD Factory 14	
		2020 (1)				2020 (1)	
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	1			SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	B	
	WORKERS INVOLVEMENT AND PROTECTION	0			WORKERS INVOLVEMENT AND PROTECTION	A	
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0			THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	
	NO DISCRIMINATION	0			NO DISCRIMINATION	A	
	FAIR REMUNERATION	0			FAIR REMUNERATION	A	
	DECENT WORKING HOURS	0			DECENT WORKING HOURS	A	
	OCCUPATIONAL HEALTH AND SAFETY	2			OCCUPATIONAL HEALTH AND SAFETY	A	
	NO CHILD LABOUR	0			NO CHILD LABOUR	A	
	SPECIAL PROTECTION FOR YOUNG WORKERS	0			SPECIAL PROTECTION FOR YOUNG WORKERS	A	
	NO PRECARIOUS EMPLOYMENT	1			NO PRECARIOUS EMPLOYMENT	A	
	NO BONDED LABOUR	0			NO BONDED LABOUR	A	
	PROTECTION OF THE ENVIRONMENT	0			PROTECTION OF THE ENVIRONMENT	A	
	ETHICAL BUSINESS BEHAVIOUR	0			ETHICAL BUSINESS BEHAVIOUR	A	
	<b>TOTAL</b>	<b>4</b>			<b>TOTAL</b>	<b>A</b>	

Bangladesh-Factory 15:

# POINTS OF IMPROVEMENT	PA	BD Factory 15		Rating per Performance Area	PA	BD Factory 15	
		2018	2020			2018	2020
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	2	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	C	C
	WORKERS INVOLVEMENT AND PROTECTION	2	2		WORKERS INVOLVEMENT AND PROTECTION	B	C
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A
	NO DISCRIMINATION	1	1		NO DISCRIMINATION	A	C
	FAIR REMUNERATION	2	2		FAIR REMUNERATION	B	B
	DECENT WORKING HOURS	0	0		DECENT WORKING HOURS	A	A
	OCCUPATIONAL HEALTH AND SAFETY	1	5		OCCUPATIONAL HEALTH AND SAFETY	A	D
	NO CHILD LABOUR	0	0		NO CHILD LABOUR	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A
	NO PRECARIOUS EMPLOYMENT	0	0		NO PRECARIOUS EMPLOYMENT	A	A
	NO BONDED LABOUR	0	0		NO BONDED LABOUR	A	A
	PROTECTION OF THE ENVIRONMENT	1	2		PROTECTION OF THE ENVIRONMENT	A	B
	ETHICAL BUSINESS BEHAVIOUR	1	1		ETHICAL BUSINESS BEHAVIOUR	A	A
	<b>TOTAL</b>	<b>10</b>	<b>15</b>		<b>TOTAL</b>	<b>B</b>	<b>C</b>

## PAKISTAN

The Cotton Group SA has one long-term and strategic supplier in Pakistan. By means of 3rd party audits (BSCI) and resulting reports and CAPs, we are monitoring the situation in this factory.

The overview shows:

- The amount of non-conformities found for each performance area
- The grade or score for each performance area

These results are shown for consecutive years. Improvements are indicated in green colour, areas for which a reduced score is found in the following year are indicated in red. These are the areas of concern to be addressed. (see pg. 17)

	PA	PK Factory 1				PA	PK Factory 1		
		2018	2019	2020			2018	2019	2020
# POINTS OF IMPROVEMENT	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	1	1	1	Rating per Performance Area	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	B	B	B
	WORKERS INVOLVEMENT AND PROTECTION	2	2	2		WORKERS INVOLVEMENT AND PROTECTION	C	C	D
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A	A
	NO DISCRIMINATION	0	0	0		NO DISCRIMINATION	A	A	A
	FAIR REMUNERATION	1	1	1		FAIR REMUNERATION	A	A	A
	DECENT WORKING HOURS	0	0	0		DECENT WORKING HOURS	A	A	A
	OCCUPATIONAL HEALTH AND SAFETY	3	3	3		OCCUPATIONAL HEALTH AND SAFETY	A	A	A
	NO CHILD LABOUR	0	0	0		NO CHILD LABOUR	A	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A	A
	NO PRECARIOUS EMPLOYMENT	0	0	1		NO PRECARIOUS EMPLOYMENT	A	A	A
	NO BONDED LABOUR	0	0	0		NO BONDED LABOUR	A	A	A
	PROTECTION OF THE ENVIRONMENT	0	0	0		PROTECTION OF THE ENVIRONMENT	A	A	A
	ETHICAL BUSINESS BEHAVIOUR	0	0	0		ETHICAL BUSINESS BEHAVIOUR	A	A	A
	<b>TOTAL</b>	<b>7</b>	<b>7</b>	<b>8</b>		<b>TOTAL</b>	<b>B</b>	<b>B</b>	<b>C</b>

## CHINA

During 2020, 3 suppliers based in China were active for B&C Collection. By means of 3rd party audits (BSCI) and resulting reports and CAPs, we are monitoring the situation in these factories.

The overview shows:

- The amount of non-conformities found for each performance area
- The grade or score for each performance area

These results are shown for consecutive years. Improvements are indicated in green colour, areas for which a reduced score is found in the following year are indicated in red. These are the areas of concern to be addressed. (see pg. 17)

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China-Factory-1:

# POINTS OF IMPROVEMENT	PA	CN Factory 1	Rating per Performance Area	PA	CN Factory 1
		2018			2018
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	1		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	C
	WORKERS INVOLVEMENT AND PROTECTION	2		WORKERS INVOLVEMENT AND PROTECTION	C
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A
	NO DISCRIMINATION	0		NO DISCRIMINATION	A
	FAIR REMUNERATION	1		FAIR REMUNERATION	A
	DECENT WORKING HOURS	1		DECENT WORKING HOURS	D
	OCCUPATIONAL HEALTH AND SAFETY	11		OCCUPATIONAL HEALTH AND SAFETY	D
	NO CHILD LABOUR	0		NO CHILD LABOUR	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A
	NO PRECARIOUS EMPLOYMENT	0		NO PRECARIOUS EMPLOYMENT	A
	NO BONDED LABOUR	0		NO BONDED LABOUR	A
	PROTECTION OF THE ENVIRONMENT	2		PROTECTION OF THE ENVIRONMENT	B
	ETHICAL BUSINESS BEHAVIOUR	0		ETHICAL BUSINESS BEHAVIOUR	A
	<b>TOTAL</b>	<b>18</b>		<b>TOTAL</b>	<b>C</b>

China-Factory2:

# POINTS OF IMPROVEMENT	PA	CN Factory 2			Rating per Performance Area	PA	CN Factory 2		
		2018	2019	2020			2018	2019	2020
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	1	1	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	C	C	D
	WORKERS INVOLVEMENT AND PROTECTION	2	2	2		WORKERS INVOLVEMENT AND PROTECTION	B	B	B
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0	0	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A	A	A
	NO DISCRIMINATION	0	0	0		NO DISCRIMINATION	A	A	A
	FAIR REMUNERATION	0	1	1		FAIR REMUNERATION	A	B	B
	DECENT WORKING HOURS	1	1	1		DECENT WORKING HOURS	D	D	D
	OCCUPATIONAL HEALTH AND SAFETY	3	6	5		OCCUPATIONAL HEALTH AND SAFETY	A	A	A
	NO CHILD LABOUR	0	0	0		NO CHILD LABOUR	A	A	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0	0	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A	A	A
	NO PRECARIOUS EMPLOYMENT	0	0	0		NO PRECARIOUS EMPLOYMENT	A	A	A
	NO BONDED LABOUR	0	0	0		NO BONDED LABOUR	A	A	A
	PROTECTION OF THE ENVIRONMENT	0	0	0		PROTECTION OF THE ENVIRONMENT	A	A	A
	ETHICAL BUSINESS BEHAVIOUR	1	1	1		ETHICAL BUSINESS BEHAVIOUR	A	A	A
	<b>TOTAL</b>	<b>8</b>	<b>12</b>	<b>12</b>		<b>TOTAL</b>	<b>C</b>	<b>C</b>	<b>C</b>

China-Factory3:

# POINTS OF IMPROVEMENT	PA	CN Factory 3	Rating per Performance Area	PA	CN Factory 3
		2019			2019
	SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	2		SOCIAL MANAGEMENT SYSTEM AND CASCADE EFFECT	D
	WORKERS INVOLVEMENT AND PROTECTION	2		WORKERS INVOLVEMENT AND PROTECTION	B
	THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	0		THE RIGHTS OF FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	A
	NO DISCRIMINATION	0		NO DISCRIMINATION	A
	FAIR REMUNERATION	2		FAIR REMUNERATION	B
	DECENT WORKING HOURS	1		DECENT WORKING HOURS	D
	OCCUPATIONAL HEALTH AND SAFETY	6		OCCUPATIONAL HEALTH AND SAFETY	E
	NO CHILD LABOUR	0		NO CHILD LABOUR	A
	SPECIAL PROTECTION FOR YOUNG WORKERS	0		SPECIAL PROTECTION FOR YOUNG WORKERS	A
	NO PRECARIOUS EMPLOYMENT	0		NO PRECARIOUS EMPLOYMENT	A
	NO BONDED LABOUR	0		NO BONDED LABOUR	A
	PROTECTION OF THE ENVIRONMENT	1		PROTECTION OF THE ENVIRONMENT	B
	ETHICAL BUSINESS BEHAVIOUR	0		ETHICAL BUSINESS BEHAVIOUR	A
	<b>TOTAL</b>	<b>14</b>		<b>TOTAL</b>	<b>D</b>

## EXTERNAL PRODUCTION

(Not Applicable)

## Complaints handling

The FWF Complaint Hotline is a monitoring tool much appreciated by The Cotton Group SA. Complaints are taken very seriously and are handled immediately with the highest priority by the teams at HQ and local regional office.

In case of receiving complaints, we take below steps:

- Communicate with the relevant factory when a complaint is received.
- Communicate with the relevant employee/manager.
- Keep record of the complaints.
- Take acknowledgement from the complaint owner.
- Investigate about the origin of the complaint.
- Follow up on the investigation and act as per necessity.
- Take action according to the results of investigation.
- Resolve successfully.
- Follow up and close out.

Always the supplier's top-level management is involved and questioned. We request the top-level management to remain involved and communicate back to us on the solution for the issue.

Close follow-up of the complaint towards solving the issue is performed by both HQ and local regional teams.

For complaints by workers in factories which we share with other FWF-members, we aim to take initiative and cooperate with the other FWF members.

During the financial year 2020, 9 complaints have been received, related to 3 different factories:

- Factory A: 6 complaints for reasons of:
  - Legally binding employment relationship
  - Safe & healthy working conditions
  - Living wages
- Factory B: 2 complaints for reasons of:
  - Living wage
  - Reasonable hours of work
  - Legally binding employment relationship
  - Safe and healthy working conditions
- Factory C: 1 complaint for reason of: Legally binding employment relationship

Resolution of complaints took place and is still in process at the time of writing this report for some of the complaints (received during December 2020). The complaint procedure as instructed by FWF was followed in order to result in a fast and complete resolution of the issues raised. The complaints are made public and can be consulted on the FWF website.



Besides resolving single and individual complaints, we cooperate with the factory to understand and find the root cause for the complaint. Root cause analysis will result in corrective actions to be taken by the factory.

If factories do not respond in expected manner, sourcing teams are informed and company purchasing decisions are revised.

We insist to the factory management to bring awareness about FWF complaint mechanism to the factory workers by taking below steps. This is mandatory.

- Providing guidance to the factory on the process of remediation.
- Providing necessary training to the workers about FWF complaint mechanism.
- FWF WIS with the local complaint handlers contact number is also distributed by B&C.
- We provide FWF helpline number.
- We communicate with the concerned person at FWF.
- We are seriously taking follow up requirements from FWF concerned person regarding the status of complaints.

## **Training and capacity building**

### **ACTIVITIES TO INFORM STAFF MEMBERS**

We do below activities to inform and to train our staff about FWF membership:

- In person training at HQ and local office: each new arriving colleague goes through an “on-boarding” process. One of the steps during this process is a meeting with the Compliance managers at B&C, in which all useful information is shared on the B&C Sustainability and Social compliance program. Different certificates, initiatives and memberships are extensively explained. The B&C membership to FWF and the FWF Code of Conduct are explained in detail as, as a company, we are proud to be a FWF member. Anybody at B&C can always contact the compliance team with any question.
- Through meetings: regular meetings involving different departments and teams (compliance, quality, sourcing, operations, communication, ... both at HQ and DLO) keep all of these involved and up-to-date related to the B&C FWF membership.
- By using of FWF logo
- By providing FWF website address
- By providing FWF brochure etc.

### **ACTIVITIES TO INFORM AGENTS**

This part is not applicable to us as we do not work with agents. We exclusively work directly with factories to know our suppliers and to be able to secure as much as possible the social conditions.

## **ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS**

To introduce about FWF with the factory workers we usually asked to the factory management to take below steps:

- Provide relevant training to workers.
- Provide FWF leaflet and sticker.
- Organize training through FWF for the worker's representatives to make awareness about FWF roles and responsibilities.

Very often FWF offers to participate their training and the process is not complicated. Some of the main outcomes of FWF training are listed below:

- Training gave us opportunities to know about FWF roles and responsibilities very clearly.
- Got clear knowledge about complaint process and procedure and how to handle it.
- Brings more awareness about anti-harassment procedures.
- Received some good ideas about social dialogue with a workplace.
- Got big network as lot of people attended in that training from various NGO's & factories.
- Knowledge sharing about so many areas (workers' rights, environmental challenges...) which very vital part in our society.
- Training gives courage to raise the voice against some major violations.

In respect of strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social performance, we advise to take and implement below initiatives:

- To work on workplace safety improvement project.
- To attend various training by NGO's or social organization.
- To do internal workshop in factory.
- To attend various workshop regarding labor law and other relevant area (ex: Labor rights training).
- Organize Awareness Training of Maternity workers for to decrease the risk while working.
- To make Periodical visit to the factory to review capacity building from brand.
- Living wages analysis.
- Review maternity benefits.
- Awareness training on environmentally sustainable practices.
- Factory internal audit and so on.

## **Information management**

We keep track on the progress of implementing the code of labor practices in our own database:

- Information will be shared from suppliers to the Group Regional Compliance Manager
- Every progress on implementation or CAP's will be updated
- Information will be shared with stakeholders on a monthly base

To monitor all our production locations (including subcontractors) we keep our own tracking system:

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- We collect all necessary compliance certifications to be sure about production location's compliancy
- Our supply chain maintains all required information and keep track in our database
- We collect all necessary information before the production
- We review and keep all audit report properly
- We do risk assessment as per our internal process
- Track unauthorized Subcontracts: in Bangladesh DLO has seven people working in factories and checking in production which reduce risks of production taking place somewhere else.

## **Transparency & communication**

The general public is informed about The Cotton Group's FWF membership via our website as well as FWF's website. We also communicate on FWF to customers in our catalogue and during customer visits and meetings.

Our Quality & Compliance Manager and Sourcing Manager communicate throughout the year with our suppliers and our customers (through customer service and sales team) about compliance, social responsibility, sustainability and FWF.

## **Stakeholder engagement**

2020 stakeholders involved in our CSR activities:

1. Local Dhaka Liaison Office of The Cotton Group in Bangladesh
2. CSR Group Manager of the holding Fristads Kansas Group based in Hong Kong
3. Operations Department (Director & Sourcing team)
4. Quality & Compliance manager of The Cotton Group in Belgium
5. FWF staff
6. Textile Exchange staff

## **Corporate Social Responsibility**

As a company, we also embrace the 10 principles of the United Nations Global Compact in the field of human rights, labor law, environment and anti-corruption and the code Conventions of the International Labor Organization (ILO).