

2025

SOCIAL REPORT



B&C Collection



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ABOUT US

B&C is a brand of blank garments created and distributed by The Cotton Group SA (TCG). Our core mission is to offer customisable clothing for use in various areas, including workwear, corporate events, promotional activities, and the tourism industry.

At B&C, we are deeply committed to sustainability, both socially and environmentally. We believe that every company has a responsibility to uphold ethical standards and contribute to a better world. Our approach is holistic: we integrate human rights, environmental protection, and responsible business practices across all aspects of our operations.

We strive to make a positive impact throughout our entire supply chain, from farm and factory to the end customer. To guide these efforts, B&C adheres to internationally recognised frameworks, including the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment Industry. These principles inform our commitment to human rights, environmental sustainability, and ethical conduct across all our activities.

To reinforce this commitment, we have established an internal Sustainability and Compliance team. This team comprises five members with three based at our headquarters in Belgium and two at our liaison office in Dhaka. Their role is to implement and uphold labour standards as outlined in our Code of Conduct, the Fair Wear Foundation's Code of Labour Practices, and the BSCI Code of Conduct. They also ensure that all products are sourced responsibly throughout the value chain. Additionally, the team is proactively aligning our practices with upcoming EU and local regulatory requirements.

In 2024, B&C began the certification process for one of the most respected standards for companies committed to continuous improvement and social and environmental responsibility.

As of early 2025, B&C is officially B Corp certified.

B&C, sustainability every day.



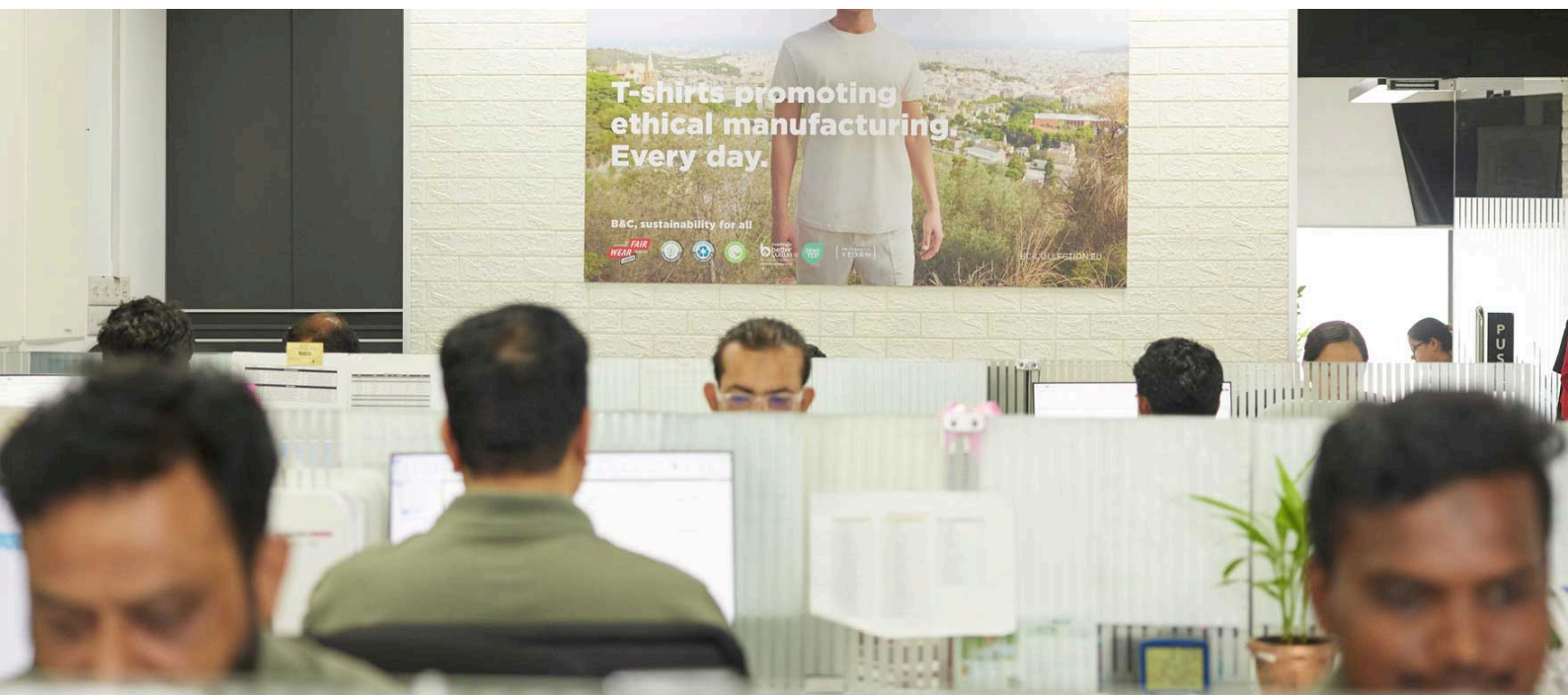
ETHICAL SOURCING STRATEGY

At B&C, we have always placed great importance on conducting business responsibly, respecting human rights and protecting the environment. While recent years have seen a growing demand for ethical business practices, these values have long been embedded in our company's DNA.

We have taken meaningful steps to ensure that our operations and supply chains meet ethical and responsible standards. As previously mentioned, B&C has implemented a robust due diligence process aligned with internationally recognised frameworks. By adhering to the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Supply Chains, we have established a solid foundation for promoting human rights, environmental sustainability, and ethical practices across all aspects of our business.

Our commitment to due diligence reflects our broader goal: to contribute to a more responsible and sustainable textile industry. Since 2022, we have embraced the Human Rights and Environmental Due Diligence (HREDD) Directive as a guiding principle that informs both our strategic planning and day-to-day operations.

The HREDD Directive is designed to ensure that businesses proactively address any adverse impacts they may cause or contribute to, both within their own operations and across their value chains. It is structured around six key steps, which we will outline throughout this report.



STEP 1: B&C POLICIES AND PROCESSES

B&C is fully committed to upholding the principles of the Human Rights and Environmental Due Diligence (HREDD) Directive, recognising the vital role that due diligence plays in promoting ethical and sustainable business practices. As part of our alignment, we have developed five policies that define our strategic approach to responsible business conduct.



Due Diligence Policy

At the core of these is our Due Diligence Policy, which provides clear operational guidelines for B&C and its partners. This policy outlines the processes and systems we've implemented to manage responsible practices effectively and ensure compliance with emerging legislation. It also promotes a shared responsibility model across our operations and value chain.



Responsible Business Conduct

Our Responsible Business Conduct (RBC) Policy defines the key principles we follow to minimise negative impacts and enhance our positive contributions to both people and the planet. It includes our commitments to labour and human rights, non-discrimination, anti-corruption and anti-bribery, environmental protection, animal welfare, and stakeholder engagement.



Code of Conduct

The Code of Conduct (CoC) sets out the standards that guide our day-to-day operations and overall business strategy. It reflects the expectations we have for ourselves and our suppliers in upholding social and environmental responsibility. All suppliers are required to sign this policy to ensure alignment with B&C's values and compliance requirements.



Other Policies

To strengthen our framework further, we have adopted specialised policies—such as the Forced Labour Policy and the Environmental & Biodiversity Policy—which reinforce our dedication to socially responsible and environmentally sustainable practices.

FACTORIES RELATIONSHIP & NEW PARTNERSHIP PROCESSES

In 2024, B&C initiated new partnerships with two additional partners.

The company has established a systematic process for evaluating potential new suppliers, which must be followed before entering any business partnership. This comprehensive approach involves close collaboration between the Sustainability, Sourcing, and Dhaka Liaison Office (DLO) teams.

In addition, B&C has developed a detailed Sourcing and Planning Strategy, which serves as a guiding framework when initiating new partnerships. This policy outlines the structure and expectations of future collaborations.

First, the sustainability team must conduct a thorough country risk assessment for the country of any prospective new supplier. This systematic approach guarantees that the country's risk assessment is consistently integrated into all decision-making processes concerning B&C suppliers.

Second, a thorough examination of the factory profile is conducted. This review involves verifying all certifications' validity and conducting compliance checks. In line with B&C's due diligence process and as a measure to reduce risk, the decision has been made to collaborate exclusively with factories that have a valid RSC (RMG Sustainability Council) audit in Bangladesh. Those audits include checks for structural integrity, electrical safety, and fire and life safety measures. This process ensures a proactive approach to addressing safety and health risks within the supply chain. Since 2024, all Bangladesh factories have a valid RSC audit to ensure security for the workers.

Third, if the factory profile is approved by all departments involved, B&C will arrange an initial visit to the factory. This visit includes the participation of the sourcing team from the headquarters, the merchandising team, and the country manager from the Dhaka Liaison Office.

Fourth, our Corporate Responsibility manager in Dhaka conducts a thorough audit. This audit assesses all aspects of sustainability, including social, environmental, and governance compliance. During the audit, workers' labour rights are carefully monitored. This monitoring includes no forced labour, no discrimination, correct wage payment, no excessive overtime, and healthy and safe working conditions for the workers. Furthermore, an initial risk assessment is conducted based on the sustainability audit outcomes. This assessment enables the sustainability team to evaluate the factory's compliance with B&C's standards and commitment to responsible sourcing before starting any business relationship. The audit report and Corrective Action Plan are shared with all departments involved in order to evaluate the factory commonly.

Fifth, potential suppliers are required to sign CSR-related documents. These documents include the B&C Code of Conduct, the B&C Forced Labour Policy, the FWF Code of Labour Practices, and the BSCI Code of Conduct. Once all these documents are signed, B&C will consider the supplier. The factory is also expected to complete and familiarise itself with several guidelines provided by B&C. These guidelines include a Suppliers Self-Assessment (SSA), a Restricted Substance List, and Supplier CSR Guidelines. Finally, the factory is required to prove the efficiency of its Effluent Treatment Plant if needed.

After completing the evaluation process, the sustainability team must provide approval before initiating business with the factory.

In cases where B&C needs to end a partnership with one of its suppliers, a comprehensive exit strategy has been designed to guide the process responsibly and thoughtfully.

STEP 2: HARM IDENTIFICATION

As part of the second step of the HREDD Directive, B&C conducts a comprehensive risk assessment grounded in Environmental, Social, and Governance (ESG) principles. This process allows us to gain a broader and deeper understanding of the sustainability performance and risks present within our supply chain.

We begin by analysing our key production countries, to identify and evaluate potential human rights, environmental, and ethical challenges. Recognising that each context presents a set of unique risks, we tailor our assessment accordingly to each country and develop a responsible and coherent sourcing strategy that aligns with our values and minimises negative impacts on communities and ecosystems.

At the production facility level, we assess compliance with our Code of Conduct, with a strong focus on core labour and social standards. Our evaluation considers both the severity and likelihood of identified risks, allowing us to prioritise issues and implement appropriate mitigation and remediation strategies that align with our responsible sourcing objectives. Additionally, we apply a gender lens to our analysis to ensure that each risk is accurately identified and reflective of the experiences and needs of all workers.

In addition, we examine product-level risks, evaluating each stage of the product life cycle to mitigate any hazards. This includes reviewing for example:

- Use of chemicals in production
- Handling of hazardous technologies and cutting tools
- Availability and use of personal protective equipment (PPE) in factories

We also review our sourcing strategy to ensure it aligns with ethical standards and minimises negative impacts on both communities and the environment. In the textile industry, one of the key risks related to sourcing is the limited control over sourcing locations. This risk is therefore carefully identified and taken into consideration in our New Supplier Process, ensuring responsible and informed decision-making.

We also assess our overall business model and value chain to identify potential vulnerabilities and drive continuous improvement. Given the complexities of the promotional industry, it is essential to evaluate risks related to social compliance, environmental sustainability, and ethical practices across the entire value chain.

B&C has established a rigorous and ongoing monitoring system to keep this risk assessment up to date. This includes weekly reviews of country and factory-specific risks during our Sustainability and Sourcing meetings, ensuring reliable insights for informed decision-making across the company.

- **Risk severity** helps determine the level of attention a risk requires by evaluating the potential impact and how easily it can be remedied.
- **Risk Likelihood** refers to how widespread a risk is and the probability of it occurring, both at the country level and within the specific supplier facility.

OUR PRIORITISED HARMS

Safe and Healthy Working Conditions

Over the years, there has been growing attention from brands on the importance of ensuring safety and security in textile production factories. At B&C, we do not accept unsafe or unfair working conditions. We are committed to working closely with our suppliers to make sure all workers, especially women, can work in safe, respectful, and fair environments. Improving health, safety, and gender equity is not just a priority for us; it is a core responsibility we uphold with seriousness and consistency.

Our approach focuses on two key principles:

- Safe Working Environments

Suppliers must ensure that factory conditions meet rigorous standards for occupational safety and security, safeguarding workers throughout their workspaces.

- Protection and Empowerment of Women

Women are entitled to work in environments where they feel safe, respected, and free from any form of discrimination or harassment.

Despite efforts made, many of our partner factories continue to face challenges related to these two essential areas particularly in ensuring secure, healthy working conditions and gender-sensitive protections. As a result, we continue to strengthen our engagement, monitoring, and collaboration with suppliers to drive concrete improvements.

ACTIONS 2024

In 2024, we organised theatre-based training sessions in our two main partner factories. This engaging format enabled us to reach approximately 5,000 workers and involved both workers and management in a more impactful way, reinforcing their understanding of Human and Labour Rights. These performances focused on important topics such as grievance handling and the key role of anti-harassment committees in creating a safe and respectful work environment. The play highlighted how both internal and external complaint mechanisms, including the Fair Wear Foundation hotline, can help reassure workers that their concerns will be heard and addressed.

The performance also placed strong emphasis on the importance of empowering women in leadership roles. It explored the barriers women often face, the impact of discrimination, and the positive changes that happen when those barriers are removed. By raising awareness, the theatre aimed to support a more inclusive workplace culture, reduce the risk of harassment, and promote respect for everyone.

As part of our broader commitment to women's health, dignity, and empowerment, we also organised a training session on menstrual hygiene. The session aimed to raise awareness, challenge taboos, and provide a safe space for open discussion. 1500 female workers at the factory received a free pack of sanitary napkins, supporting their well-being and comfort at work.

Overall we have developed a complete strategy with regard to risk remediation related to health and safety. Our local Corporate Responsibility manager conduct regularly meeting sessions with the workers representative and the anti harassment committee to discuss current issues and improvement plan.

Together with our theatre-based trainings, these efforts contribute to building a more inclusive, respectful, and empowering workplace for all.

OUR PRIORITISED HARMS

No Payment of Living Wage & Payment of Required Wage

Wage risk remains one of the most pressing challenges brands face within their textile supply chains. In some cases, factories may struggle to pay workers their legally required wages and entitled benefits on time.

Moreover, many garment workers still do not earn a living wage. The gap between minimum wages and living wages presents not only a labour rights issue, but also a broader human rights concern. In many production countries, while national minimum wages are legally mandated, they are often insufficient to cover the living wage. As a result, workers are frequently forced to rely on excessive overtime to supplement their income.

With upcoming regulations, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), brands will be required to show how they identify, prevent, and mitigate wage-related risks throughout their value chains.

At B&C, we make sure our purchase practices allow factories to pay the legal wage and all benefits fully and timely. That is why we are committed to fostering greater transparency with our suppliers, enhancing workers' buying power, and encouraging open dialogue between management and workers. We believe that ensuring fair wages is not only the right thing to do but also vital for building a resilient and responsible supply chain.

Together with our sourcing team and local offices, we conduct open costing exercises to verify and ensure that our pricing supports fair wages and explore how we can contribute to more equitable wage practices by working on livelihood improvement. These exercises provide deeper insights into our partners' cost structures and help strengthen transparency in the way we do business. However, we remain aware that wage levels in each country are shaped by factory benchmarks, local practices, and sometimes by government or industry associations. As one brand, B&C recognises that its impact on a country's legal landscape is limited. Therefore, we support multi-stakeholder initiatives, such as the Fair Wear Foundation, to be part of a collective effort to improve workers' livelihoods in Asian countries.

ACTIONS 2024

In line with our commitment to improving working conditions and enhancing the purchasing power of workers within our value chain, we carried out two key initiatives in 2024.

First, we organised three basket distributions throughout the year as a gesture of appreciation for workers' efforts. These baskets, which included a variety of essential food items, were distributed to around 6,000 workers. While modest in scale, the initiative plays a meaningful role in supporting workers by helping to reduce their monthly expenses and acknowledging their valuable contributions.

Second, we supported the Fair Price Shop at one of our supplier's factories by subsidising the cost of the products. This initiative aims to ease workers' financial burdens by offering essential goods at discounted prices. While we do not have influence over government-set wages for garment workers, we are committed to improving their buying power through meaningful, supportive actions like this.



STEP 3: CEASE, PREVENT, AND MITIGATE HARM

Sourcing strategy & pricing:

Long term partnerships:

Over the years, the strategy has been adapted to incorporate inputs from the due diligence process and risk assessment. B&C has also developed a system that allows the sourcing department to source only from factories that have undergone necessary due diligence measures. We strongly focus on building and maintaining long-term partnerships with our suppliers to ensure this consistency. As of 2024, our core suppliers, with whom we have been doing business for over 25 years, account for 87.5% of our total production volume. Establishing this relationship allow us to collectively building a sourcing strategy which is essential to the shared responsibility strategy we are trying to build with our partners.

Limited amount of suppliers:

B&C has established long-lasting partnerships with suppliers who share our values and commitment to responsible business practices. To ensure the successful implementation of these practices, we have decided to collaborate with only a select number of suppliers in 2024. It's important to note that most of B&C's production occurs in two main factories, which manufacture most of our styles. This approach allows for a more focused and efficient implementation of responsible practices throughout the entire supply chain. Our close relationships with our partners enable open and productive discussions between managers on both sides for mutual benefit.

For each factory, the sustainability department must have all relevant factory audits available permanently. Failure to comply with this requirement results in no order placement. All factories that B&C sources from must undergo various audits, including:

Audit	Bangladesh	China	Pakistan
Fair Wear Foundation audit	✓		
amfori BSCI audit	✓	✓	✓
Engineered Certified Security audit	✓		
Internal audit	✓	✓	✓
ETP audit	✓	NA	✓

Collaboration:

This system has significantly reduced the risk of social and environmental issues at our factories. The mandatory requirements are well-known to our sourcing team. Plus, B&C has established a weekly meeting between the sustainability and sourcing teams and our Dhaka Liaison Office. This initiative ensures the consistent integration of ethical practices into the sourcing process, including constant updates and monitoring of the sourcing situation.

Open partnership:

Regarding our factories, this open partnership has also facilitated discussions on critical topics such as gender equality, overtime, freedom of association, and wages. In order to establish a trusting relationship with our suppliers, sharing our production forecast transparently is crucial, providing them with a comprehensive overview for the upcoming year. B&C has strategically decided to share its production forecast with suppliers at the start of each year. This proactive measure enables our suppliers to adequately prepare and assess their business models for the year ahead, fostering a collaborative and informed partnership that benefits all parties involved. Additionally, it helps prevent our suppliers from resorting to subcontracting or excessive overtime. At B&C, we have treated wage discussions in our production countries with the utmost importance. To address this, we have selected one partner to make an in-depth cost analysis with the methodology of the Fair Price app tool developed by the Fair Wear Foundation. This tool enables brands to comprehend suppliers' various costs during production.

These actions highlight the close relationship that B&C has developed with its long-lasting partners. Despite these initiatives, close factory monitoring remains a priority to guarantee accurate payment for all workers. Our local Corporate Responsibility manager investigates payment sheets regularly to ensure strict compliance, particularly during local wage increases.

Responsible Exit Strategy:

B&C has also developed a responsible exit strategy that outlines clear guidelines for any partnership termination. This process ensures a smooth transition for management and includes a structured follow-up to safeguard workers' well-being.

Organisation of the sourcing department

B&C Sourcing department operates as part of the Operations department at our Waterloo Headquarters, based in Belgium. Conducted by a sourcing manager with over 20 years of experience in the textile industry, the team collaborates closely with our Dhaka Liaison Office (DLO) in Bangladesh. This office is a valuable asset, providing extensive knowledge of our suppliers and our primary production country, Bangladesh.

No Subcontracting:

At B&C, we prioritise direct relationships with our production partners, which is why we do not engage with agents. We firmly prohibit our factories from using third parties for production. It is important to know that subcontracting is not allowed except in particular circumstances (e.g., energy breakdown, etc) if notified and agreed upon.

Production Cycle

Consistency

B&C specialises in the European Imprint market, where we sell garments for promotional and corporate wear. This market is different from the traditional retail market in many ways. We do not produce in seasonality and create garments that are made to be long-lasting in time. This business model allows us to have a stronger relationship with the workers of the factories that know our products, which do not vary over the years. Consistency in quality and colour is crucial in this market, so we produce large quantities of each style every year. This also underlines our strategy of long-lasting partnerships with suppliers to ensure this consistency.

Reliability:

B&C places orders with suppliers based on pre-booked capacities and negotiated prices. We aim to distribute the capacity evenly across months while considering any constraints from suppliers. We calculate the monthly quantity of orders based on factories size and capacity, to ensure that workers are not subjected to excessive overtime. Our suppliers are required to comply with national labour laws. If a factory encounters difficulties in delivering the ordered garments on time, B&C maintains a collaborative approach by refraining from imposing any penalties. Our philosophy is to establish a shared partnership with our suppliers, and adopting a penalty-oriented strategy does not align with our long-term vision. Our goal is to resolve delays without resorting to air shipment, excessive overtime, or subcontracting.

Stability:

Additionally, B&C collaborates with a warehouse in Belgium, enabling the maintenance of a substantial stock. This strategic partnership provides significant flexibility in adapting to suppliers' lead time requirements. Our lead times vary among suppliers and are calculated based on historical production data. Our stable relationships with suppliers contribute to our flexibility and provide an in-depth understanding of their production processes, allowing us to consider their interests in our evaluations. This level of familiarity supports efficient collaboration and improves the overall effectiveness of our supply chain management, taking all parties into account. Adopting this strategy allows us to share openly with our partners regarding our forecast production and keep our suppliers regularly updated on any changes occurring during the year.



In 2024, ten out of ten factories were visited 44 times, and 7 internal audits were conducted. Additionally, a sustainability audit, led by our Corporate Responsibility manager, was carried out at a new production location.

Dhaka Liaison Office (DLO):

B&C has made regular monitoring of our factories an integral part of our business model. One of the key implementations we have made is establishing a Liaison office in Dhaka, the capital of our primary production country. The Dhaka Liaison Office (DLO) is comprised of 25 full-time staff members who are dedicated to managing relationships with factories and controlling B&C production.

The headquarters sustainability team travels annually to Bangladesh to visit the factories and challenge any non-compliance in production locations. It is a great occasion also to remind the factories on the importance of a shared collaboration how the upcoming legislation will impact business as usual.

Internal process:

Our internal audits involve full-day assessments to verify social and environmental compliance with our established policies, including our Code of Conduct, Forced Labour policy, Fair Wear Foundation Code of Labour Practices, and amfori BSCI Code of Conduct. Regular audits lead to close monitoring of non-compliance issues identified in all audits, followed by thorough discussions with management and compliance managers to address any issues effectively. This proactive approach ensures that our factories uphold our ethical standards and comply with international regulations. Non-compliance issues identified in audits are categorised as low, medium, or high priority, allowing us to prioritise necessary actions at the factory. High-priority issues are closely monitored, and management must sign all Corrective Action Plans (CAPs) while outlining how they intend to maintain positive working conditions within the factory.

In addition to our risk assessment, we have implemented a factory scorecard that is regularly updated and shared with our sourcing department. This scorecard enables us to evaluate and grade factories on sustainability topics and relevant aspects for the sourcing team. Furthermore, the scorecard is sometimes shared with our suppliers, providing them with a clear overview of significant areas for improvement and fostering transparency in our partnerships.

Dedicated team:

Our Corporate Responsibility manager monitors our Chinese and Pakistani factories, ensuring that factory managers consider and carefully evaluate BSCI audit CAPs.

Annually, the sustainability team from our headquarters visits Bangladesh to talk to factory owners and compliance managers. Throughout the journey, the sustainability team is joined by the DLO's country manager and the Corporate Responsibility manager. These meetings are a chance to discuss important issues, such as non-compliance identified in Corrective Action Plans (CAPs). Additionally, the team conducts a thorough inspection of all factories, which helps to better understand the suppliers and identify potential risks that need to be prevented, mitigated, or remedied. Apart from meeting with factory directors, a brand needs to engage with workers' representatives and listen to their feedback. This practice helps prioritise actions and ensures workers' perspectives are included in the risk assessment process.



STEP 4: IMPROVEMENT TRACKING

Coherent system for monitoring

Over the years, B&C has developed a robust monitoring system to effectively address any risks and non-compliance within its supply chain. Establishing our liaison office in Dhaka has enhanced our monitoring efforts. With a local presence, we are able to conduct monthly factory visits, enabling in-depth and constantly updated social and environmental compliance monitoring. In addition, our memberships with Fair Wear Foundation and amfori BSCI provide us with third-party audits to assess and uncover issues at our factories. Integrating due diligence into our daily operations ensures that monitoring is embedded across all departments, not exclusively within sustainability.

Our improvement tracking plan is constituted of three main frameworks :



Corrective Action Plan (CAP)

All CAPs undergo close monitoring, guided by our Corporate Responsibility manager's standard operating procedure (SOP). For CAPs related to amfori BSCI and Fair Wear Foundation audits, a report is sent to factory compliance managers, who are then requested to provide evidence of implementation. Similarly, our Corporate Responsibility manager shares the report and requests a signature from factory directors for internal audits, ensuring mutual accountability for required improvements.



Visits' follow-up

Our Corporate Responsibility manager conducts monthly follow-up visits to our main factories once they are made aware of B&C's requirements. In cases where major risks are identified during an audit, and the factory delays to remediate them, the Country manager intervenes by visiting the factory to discuss the issues directly with the director.



Members and Brands Collaboration

B&C collaborates with other Fair Wear Foundation members and brands by sharing audit reports. This partnership enabled both brands to increase their leverage with the factory, strengthening its capacity to improve working conditions for workers. We firmly believe that by joining forces, brands can achieve a greater positive impact on workers' well-being.

BANGLADESH

In the 2024 financial year, the majority of our suppliers (seven out of ten) remained based in Bangladesh, where we maintain a dedicated local team to ensure continuous oversight. This strategic decision underscores B&C's commitment to fostering long-term partnerships, particularly in Bangladesh.

Through our Dhaka Liaison Office (DLO), we actively contribute to improving labour and social standards in our partner factories. To promote accountability and ensure compliance, all facilities are audited by independent third-party organizations. As a result, 100% of our suppliers in Bangladesh are covered by the Fair Wear Foundation. Audit findings and Corrective Action Plans (CAPs) play a key role in identifying and addressing any non-compliance issues, reinforcing our commitment to responsible sourcing.

BC0099 - UNIT 1

- **Percentage of total FOB:** 59.97%
- **Estimated leverage:** 72%
- **Last visit:** May 2025
- **Last audits:** December 2024
- **Complaints received 2024:** None

This factory has been a B&C partner since 1997, fostering a strong, long-term relationship built on mutual trust. Over the years, this partnership has given B&C significant leverage, enabling meaningful improvements in workers' well-being and working conditions. Our Sustainability team has also developed a solid relationship with worker representatives.

While notable progress has been made, further improvements are still needed—particularly regarding overtime practices. In some instances, overtime has occurred without workers' voluntary consent. To address this, the factory has made efforts to improve the tracking of overtime hours, allowing for better monitoring of weekly working hours.

The factory has also faced challenges in maintaining a safe and healthy working environment. Several housekeeping issues have been identified. While the main chemical storage unit has significantly improved over the past year, enhancing worker safety, the secondary (sub) chemical storage area still requires upgrades.

To ensure continued progress, our Corporate Responsibility manager regularly monitors and tracks improvements. Discussions have been held with both the responsible staff and factory management. Encouragingly, management is currently planning to invest in a new sub chemical storage area to meet safety standards.

BC0099 - UNIT 2

- **Percentage of total FOB:** 14.25%
- **Estimated leverage:** 86%
- **Last visit:** April 2025
- **Last audits:** May 2025
- **Complaints received 2024:** None

This factory unit has been recently included in our financial reporting as it is a newly built facility by one of our long-standing partners. As it is considered a new addition to our sourcing plan, the unit was evaluated through our New Supplier process, as outlined in the "B&C Policies and Processes" section. To date, the partner has completed two onboarding training sessions, and the first Fair Wear assessment will be scheduled in alignment with our risk-based assessment approach.

Following the amfori BSCI audit and our internal sustainability audit, we identified issues concerning the storage of hazardous chemicals. Our Corporate Responsibility manager discussed these concerns with the factory's management, who have committed to implementing improvements to ensure worker safety in chemical handling and storage. In addition, a social dialogue session was held between worker representatives and management after it was reported that two workers had not received their salaries within the required seven working days. A follow-up training on Fair Wear Labour Practices was also conducted with factory management to reinforce understanding of responsible labour standards.

BANGLADESH

BC0186 - UNIT 1

- **Percentage of total FOB:** 3.66%
- **Estimated leverage:** 18.49%
- **Last visit:** February 2025
- **Last audits:** Jan 2025
- **Complaints received 2024:** None

Since 2013, B&C has partnered with this factory, fostering a relationship of trust with both management and worker representatives. Over the years, the factory has encountered challenges in not paying mandatory bonus and statutory leave payments on time. In some cases, piece-rate workers have not received their full entitlements.

Addressing these ongoing issues has proven difficult, prompting us to enhance our monitoring efforts in key areas such as freely chosen employment, freedom of association, employment contracts, reasonable working hours, and living wage compliance. Our Corporate Responsibility manager maintains regular engagement with worker representatives through social dialogue to support and promote labour rights.

Additionally, our headquarters Sustainability manager met with the factory's top management to address this recurring issue and to establish a shared procedure aimed at preventing future instances of unpaid benefits.

BC0133 - UNIT 1

- **Percentage of total FOB:** 8.54%
- **Estimated leverage:** 14.38%
- **Last visit:** May 2025
- **Last audits:** September 2024
- **Complaints received 2024:** One

Since 1997, this factory has been a longstanding partner of B&C. After a temporary pause, production operations resumed in 2023. This stable partnership has fostered a strong, trust-based relationship, enabling open dialogue to identify risks and collaboratively develop solutions for prevention, mitigation, and remediation.

The factory is also shared by two other Fair Wear Foundation member brands. In the past, it faced challenges related to delays in the payment of workers' benefits and entitlements. To address this, we implemented a robust follow-up procedure to ensure timely benefit payments. We also engaged in constructive discussions with the factory manager, the director, and the other Fair Wear member brands to find a shared solution that prevents similar issues in the future.

In addition, we organised social dialogue sessions with workers representatives to reinforce awareness of their rights and entitlements, including benefit payments, and to promote continuous communication and accountability.

BC0011 - UNIT 1

- **Percentage of total FOB:** 1.05%
- **Estimated leverage:** 5.3%
- **Last visit:** February 2025
- **Last audits:** February 2024
- **Complaints received 2024:**

Collaboration with this factory began in 2023, as B&C consolidated production with its longstanding partners, including two other units of the same group. During the year, significant non-compliance issues were identified, particularly delays in the payment of allowances, bonuses, and social security contributions. Instances of overtime exceeding 48 hours per week were also observed, and a few workers did not receive their mandatory day off every seven days.

To address and prevent such issues, our Corporate Responsibility manager visits the factory and randomly checks pay records to ensure workers' rights are respected. Wage payments are also carefully verified for accuracy and timeliness.

BANGLADESH

BC0214 - UNIT 1

- **Percentage of total FOB:** 0.08%
- **Estimated leverage:** 1%
- **Last visit:** May 2025
- **Last audits:** October 2023
- **Complaints received 2024:** None

This factory unit became a new partner in 2024 and is currently producing a specific type of product from our catalogue. The factory has undergone our New Supplier process and is about to start its onboarding training. This training is designed to familiarize suppliers with B&C's social and environmental standards as well as Fair Wear Labour Practice Standards.

During our internal sustainability audit, it was identified that the factory regularly uses overtime, sometimes exceeding the 10 hours per week limit set by the International Labour Organization (ILO). In response, our Corporate Responsibility manager held a meeting with factory management to reinforce B&C's requirements and more specifically on the importance of keeping overtime within the 10-hour weekly limit.

Additionally, we have thoroughly verified that all overtime hours worked have been compensated at the legally required premium rate.

BC0212 - UNIT 1

- **Percentage of total FOB:** 0.12%
- **Estimated leverage:** 2%
- **Last visit:** December 2024
- **Last audits:** June 2024
- **Complaints received 2024:** None

Our partnership with this supplier began in 2020, with production moving to a new factory unit in 2023. The partner currently manufactures a specific product line for B&C. Located in Chittagong, this factory represents less than one percent of our total production volume and is visited annually by our Corporate Responsibility manager.

Over the past year, the factory has faced several challenges. Final settlements and benefits were not consistently paid on time to all workers. In response, our CR Manager engaged with factory management to address these issues and provided training on the requirements of the Corporate Sustainability Due Diligence Directive (CSDDD). In addition, a social dialogue session was conducted with worker representatives, and a clear procedure has been implemented to verify timely and accurate payments.

Concerns regarding verbal abuse have also been reported. As a result, and in line with our risk assessment, we are strongly considering a targeted training on harassment prevention and women's empowerment. Our theatre-based training, already implemented at two other partner factories, has shown a significant reduction in complaints at our local office and has helped improve workplace safety and worker confidence.

CHINA

We have two factories in China that are responsible for meeting specific product demands. As we do not have a local presence in China, we rely on third-party audits to assess and evaluate our factories. We depend on amfori BSCI audits to ensure our Chinese partners comply with our standards.

BC0025 - UNIT 1

- **Percentage of total FOB:** 1.56%
- **Estimated leverage:** 33%
- **Last visit:** May 2025
- **Last audits:** August 2024
- **Complaints received 2024:** None

This factory has been producing B&C products since 2002. In 2025, our sustainability team conducted an on-site visit, carrying out a general review with a particular focus on workplace safety. As the factory primarily produces older B&C styles, only a limited number of orders were placed throughout the year. This low production volume has made it more challenging to actively support improvements related to workers' well-being and environmental conditions at the site.

The latest amfori BSCI audit highlighted two significant issues. First, the factory currently favours local insurance schemes over the national insurance system, which offers broader benefits. Our team held in-depth discussions with factory management to better understand this choice and gain insights into workers' perspectives regarding both options.

Second, the audit's Corrective Action Plan revealed that overtime frequently exceeds the legal limit of 36 hours per month. This recurring concern was also addressed with the management team to explore sustainable solutions and reinforce compliance with legal standards.

BC0004 - UNIT 1

- **Percentage of total FOB:** 0.84%
- **Estimated leverage:** 6.15%
- **Last visit:** May 2025
- **Last audits:** November 2024
- **Complaints received 2024:** None

This production unit has been a partner since 2021; however, our relationship with the owner dates back to 2004. This long-standing partnership has enabled us to build a strong relationship of trust with the factory management, giving us greater influence in improving working conditions for employees.

During our recent visit, the sustainability team held in-depth discussions with factory management on several sensitive topics. The visit also provided an opportunity to review and challenge the BSCI audit's Corrective Action Plan, allowing for the exchange of best practices.

As in other factories, the issue of insurance coverage was raised. In this case, we also engaged directly with worker representatives, who offered valuable insights into workers' reluctance to transition from local insurance schemes to the national system, despite its broader benefits.

Additionally, safety risks were identified during the visit, including the placement of first aid kits, the condition of electrical panels, and access to clean water in work areas. Factory management has committed to addressing these issues and implementing improvements in the coming months.

CHINA

BC0004 - UNIT 1

- **Percentage of total FOB:** 0.56%
- **Estimated leverage:** 4.1%
- **Last visit:** May 2025
- **Last audits:** July 2024
- **Complaints received 2024:** None

Our partnership with this factory began in 2019; however, our relationship with the owner dates back to 2004. This factory shares the same management as factory BC0004 - Unit 1, and therefore benefits from the same long-standing relationship and collaborative engagement with us.

As in other units, the topic of insurance was discussed with management. Additionally, the Corrective Action Plan revealed that overtime remains a concern, with hours frequently exceeding the 36-hour monthly limit set by local regulations. To ensure better alignment with legal requirements, we requested that management provide complete employee time records. This will allow us to assess the extent of overtime and verify that all workers have been compensated in accordance with the law.

Furthermore, safety issues were identified during our visit. The factory recently underwent a layout change, and as a result, aisle markings are no longer clearly visible or respected. Management has committed to resolving this issue within a defined timeframe to ensure worker safety and compliance with safety standards.

Additionally, given the elevated risk of forced labour identified in our country risk assessment, we conducted a thorough analysis across all factories. We found no evidence of forced labour in any of the sites assessed.

PAKISTAN

B&C has maintained a long-standing partnership with a factory in Pakistan. In the absence of a local B&C office, we rely on third-party assessments, specifically amfori BSCI audits, to monitor compliance with our Code of Conduct and the standards of Fair Wear Foundation. These audits are essential in ensuring that the factory maintains ethical working conditions and aligns with our expectations for social compliance.

To further strengthen our due diligence, our Sustainability Manager conducted an on-site visit to the factory in early 2024. This visit offered valuable insight into daily operations, enabled direct engagement with both management and workers, and created space for open dialogue on challenges and improvements.

BC0156 - UNIT 1

- **Percentage of total FOB:** 9.37%
- **Estimated leverage:** 17%
- **Last visit:** Avril 2024
- **Last audits:** December 2024
- **Complaints received 2024:** None

This factory has been a long-standing B&C partner and is owned by a Belgian family. Over the years, only a limited number of social compliance issues have been identified.

One concern raised during the most recent BSCI audit was the absence of a formal grievance mechanism. This issue was addressed during a visit by our Sustainability Manager, who discussed it directly with the factory's management team.

Despite strong social compliance performance, the factory continues to face recurring challenges related to product quality. These issues complicate the partnership, particularly given the absence of a local B&C representative to provide ongoing support.

STEP 5: COMMUNICATION

We recognize the importance of transparent and accurate communication regarding our due diligence processes, as a reflection of our commitment to responsible business conduct. To support this, we have developed a range of tools and reports that effectively communicate our approach within the industry.

We also place great value on knowledge sharing with our stakeholders. As part of this commitment, we have created a comprehensive toolkit focused on the Human Rights and Environmental Due Diligence (HREDD) Directive. Additionally, we publish an annual Actions Report that outlines our most significant efforts in prevention, mitigation, and remediation.

These resources are designed not only to address client inquiries, but also to offer valuable insights into our risk assessments and the actions we take in response.

Activities to Inform Staff Members

Social compliance and environmental awareness are core pillars of B&C's overall strategy. Engaging all stakeholders, both internal and external, is essential to achieving meaningful and lasting impact. As such, it is important that all employees are informed about our Fair Wear membership.

To support this objective, we have implemented several initiatives to raise awareness and promote understanding among our staff:

N° 01 - Induction Process

Every new colleague participates in an induction process where our overall social and environmental compliance program is introduced. This includes a thorough explanation of our Code of Conduct and Fair Wear Labour Practices. As part of our social strategy, newcomers receive detailed information about our Fair Wear membership and its significance.

N° 02 - Annual Presentation

Each year, we organise a comprehensive presentation focused on our Fair Wear membership. This session covers the organisation's requirements and highlights what is needed for B&C to be recognised as a leader in responsible business practices within the industry.

N° 03 - Sustainability Forum

In 2024, our Corporate Responsibility manager in Dhaka hosted three sustainability forums, which served as valuable platforms to inform employees on key topics related to sustainability. One of these forums was dedicated entirely to labour practices and our involvement with Fair Wear. This forum provide insights on fair communication with our partner suppliers.

N° 04 - Dedicated Communication Channels

We include dedicated chapters on Fair Wear in our Action Report, website, social media, blog and promotional brochure. These resources reinforce our commitment to social compliance and environmental responsibility while helping stakeholders better understand the importance of our membership.

Activities to Inform Manufacturers and Workers

To ensure both workers and factory management are informed and engaged in our social compliance efforts, B&C has implemented a range of initiatives tailored to their roles and responsibilities.

For factory's workers

Our Corporate Responsibility manager regularly conducts social dialogue sessions with the workers' committee. These sessions focus on:

- Introducing Fair Wear and its complaint handling process
- Explaining the roles of worker representatives, safety committee members, and anti-harassment committee members
- Training on legal entitlements and grievance mechanisms

On-site training programs are also available and have proven effective in:

- Promoting social dialogue
- Sharing knowledge on workers' rights and environmental issues
- Empowering workers to speak out against violations

Factory management plays a key role in supporting awareness among workers. Their responsibilities include:

- Supporting and organising training sessions promoting Fair Wear hotline and grievance mechanism
- Distributing Fair Wear materials (leaflets, posters)
- Reinforcing workers' rights through regular communication
- Participating in Fair Wear-led programs

Social Theatre Initiative

In 2024 and 2025, B&C initiate a social theatre performance in two major factories to raise awareness about workers' rights. The script addressed topics such as gender discrimination, harassment, and women's empowerment. Additionally, the script has been shared and approved by Fair Wear.

Continuous Improvement Recommendations

To further enhance social performance, we encourage factory management to implement key initiatives, such as:

- Internal training workshops and safety improvement projects
- Strengthening worker representation through democratic elections
- Conducting living wage and maternity benefit reviews
- Promoting environmentally sustainable practices

For factory' management

Regular meetings are held with factory management to reinforce B&C's core values and ethical principles. These sessions serve to consistently reiterate the policies all partners are expected to follow, including:

- The B&C Code of Conduct
- The B&C Forced Labour Policy
- The Fair Wear Code of Labour Practices
- The amfori BSCI Code of Conduct

Keeping management informed about upcoming regulatory changes is also a priority. During annual visits, our sustainability team delivers a comprehensive presentation to managers and directors on the EU Due Diligence Directive and the corresponding obligations for brands.

Establishing a trusted relationship with our suppliers means supporting and empowering them to take ownership of their own Corporate Social Responsibility (CSR) initiatives.

STEP 6: REMEDIATION

Complaints Handling:

B&C understands the importance of providing a fair and accessible channel for workers to voice their concerns about factory management. That's why we have set up a robust grievance mechanism for dealing with complaints related wages and benefits payment as well as workplace matters. In all our factories, the factory installed complaint boxes in private areas, usually in the restroom. This allows workers to submit written complaints anonymously, which are regularly reviewed by both management and worker representatives. Moreover, workers can express their grievances verbally to the welfare officer or directly to management.



At our headquarters and local offices, we take complaint handling very seriously. We actively involve the supplier's management in resolving issues to ensure that complaints are addressed effectively, and we expect full cooperation and transparency from them. When a worker at a factory shared with other Fair Wear Foundation member brands raises a complaint, we collaborate closely with those brands to find the best solution for all parties involved.

We follow a strict, systematic procedure when handling complaints. As soon as we receive a complaint, we notify the relevant factory immediately. We then contact the concerned employee or manager, document the complaint in detail, and obtain the complaint owner's acknowledgment. We investigate the root cause and, if needed, coordinate with other FWF member brands working with the same factory. We continuously monitor the investigation, take appropriate action, and implement corrective measures where required. Finally, we track the resolution process and formally close the complaint once it is fully resolved.

We work closely with our factories to address complaints and identify their root causes. Through root cause analysis, the factory implements appropriate corrective actions to prevent similar issues from arising in the future. We empower our suppliers to resolve future issues independently by equipping them with the necessary tools to prevent the recurrence of non-compliance. If a factory fails to respond adequately, our sourcing teams are notified, and our company's purchasing decisions are reassessed.

To ensure all factory workers are aware of Fair Wear complaint mechanism, posters are displayed throughout the factory. These posters serve two key purposes:

1. To ensure workers can contact the FWF hotline at any time.
2. To remind workers of their rights.

Additionally, management is required to take the following steps:

3. Prevention: Train workers on the FWF complaint mechanism. B&C and FWF distribute the Worker Information Sheets (WIS) with contact details for local complaint handlers and the FWF helpline number.
4. Prevention: Maintain communication with the relevant FWF representative.
5. Mitigation: Take follow-up requirements from the FWF representative seriously and track the status of complaints.
6. Remediation: Provide guidance on the remediation process.

Theatre Actions

As an additional tool for remediation, we firmly believe that training sessions provide a lasting framework to better inform both workers and management about labour and human rights. These sessions also serve to raise awareness on critical topics such as gender discrimination, harassment, and women's empowerment.

Since 2024, we have implemented various forms of training across several of our partner factories.

One of our new partners completed a comprehensive onboarding training provided by Fair Wear. This training helped the factory understand our requirements in terms of labour rights and social compliance. It also introduced management to the Fair Wear grievance mechanism and highlighted its added value. Moreover, it reinforced the importance of social dialogue and clarified that our partnerships include continuous engagement throughout the year.

Theatre-based initiatives have become a powerful tool in addressing specific risks and harms identified within our value chain. Based on our risk assessments, some factories have been identified as having higher risks related to harassment and limited women's empowerment. In response, we developed a new theatre-based training format. This interactive and engaging method allows us to reach a broader group of workers and effectively communicate essential messages. In 2024, two of our partner factories completed this type of training with positive outcomes.



MEANINGFUL STAKEHOLDER ENGAGEMENT

Throughout the year, we have emphasised the strength of our relationships with all our partners, from factory management to workers and including various organisations we have partnered with to improve the textile industry. We have embraced meaningful stakeholder engagement which has allowed us to gain valuable insights in developing a shared responsibility strategy and further improving our value chain.



2025

THANK YOU



Member of Fair Wear Foundation since 2017