

# Van Heurck social report 2021

Reporting period: financial year February 2021 – January 2022



[www.vanheurck.com](http://www.vanheurck.com)

**FAIR WEAR MEMBER SINCE:**

**JUNE 2019**

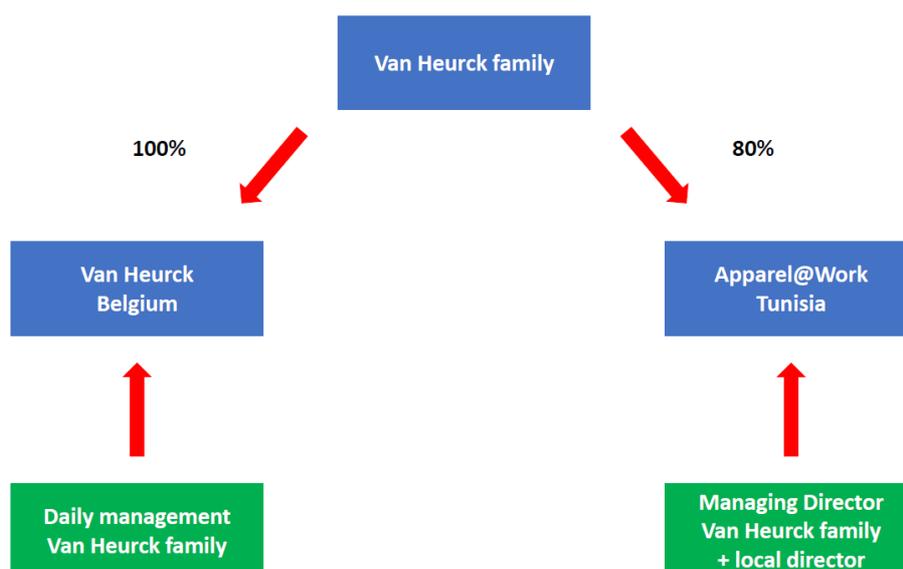
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# Van Heurck social report

## Organisational chart

### Ownership structure of Van Heurck & Apparel@Work (A@W) in 2021



It is important to state here that since the beginning of 2022 Van Heurck became a member of VP Textile which is the textile division of VP Capital.

VP Capital is the investment company of the Van Puijenbroek family. This is an investment family with an eye for tradition and a drive to make a positive impact with the mission: Strong heritage - Sustainable progress. 6 Generations ago the first generation of the Van Puijenbroek family started the company HAVEP (workwear) in Goirle, the Netherlands. Today it has grown into an investment company with about 50 investments (both directly and through funds in small and big companies) mainly in Belgium and the Netherlands and with an activity in 8 different investment domains (Energy, Agrifood, Water, Textile ...).

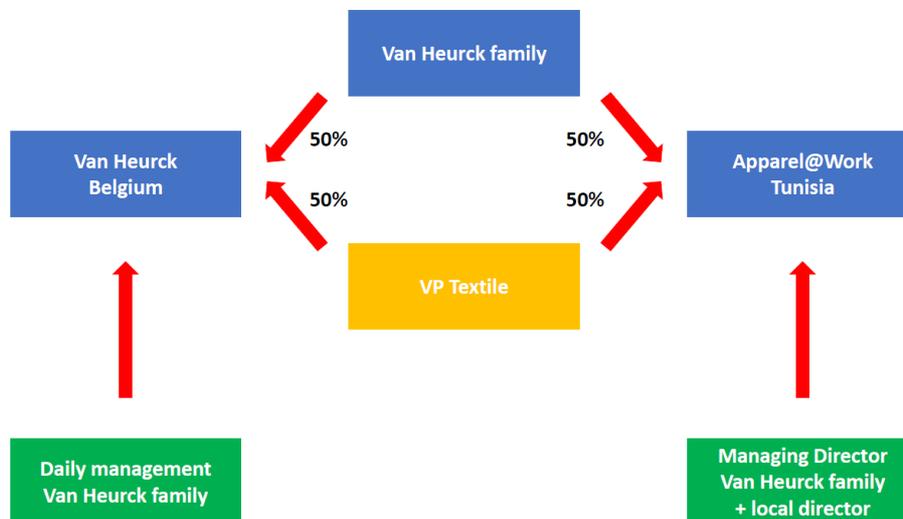
VP Textile, as a subsidiary of VP Capital, has (direct and indirect) investments in the development of workwear and protective wear, software platform development for second hand markets, the development of 3D virtual product models and sustainable yarns and fabrics.

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Due to the negative ecological and social effects, especially in terms of CO<sub>2</sub> emissions, water consumption, chemical use and poor living conditions mainly caused by a globally growing textile sector, VP Textile has the ambition & goal to also invest in sustainable solutions to reduce input of resources, safeguard and improve working conditions of its labour force, address the challenge of overconsumption and ensure significant reduction of water use.

The companies in the current portfolio of VP Capital within the textile domain are HAVEP, Textile Innovation Fund, Hydrowear and of course, since the beginning of 2022, Van Heurck.

### Ownership structure of Van Heurck & Apparel@Work (A@W) as of 2022



## Summary: goals & achievements

Having been active in the textiles & garment manufacturing industry since the start of the previous century, 1920 to be precise, Van Heurck decided to join the Fair Wear Foundation (FWF) in June 2019. Our membership reflects the management’s strong belief in trying to improve working conditions throughout all garment production facilities and more importantly in its own 3 production facilities in Tunisia.

As the management of Van Heurck, we are convinced that improving working conditions throughout every single step in the supply chain will, eventually, result in a product of much higher

quality.

While the first two years of our membership to the Fair Wear Foundation, 2019 and 2020, were very much a learning process and were primarily focused on explaining the values of FWF, including the CoLP, to the management, the staff at our Tunisian production facilities and our local suppliers, 2021 was a year where we really had the opportunity to work in depth. We had the chance to work in audit CAP for Detis and Droes facility and to evaluate conformity in Tric facility through an audit. Furthermore, in the month of January 2022, WEP trainings were organized in all of our production facilities

Despite the continuing Covid-19 crisis in 2021, Van Heurck was able to continue its operations throughout 2021 and hardly suffered disruptions. This was the result of the obliged protective measures taken such as increased homework and health & hygienic measures (face masks etc.) for the staff in Belgium. Our Tunisian activities only suffered minor production disruptions as the protocol of the Tunisian Authorities (including various protective measures) continued to be applied.

## Sourcing strategy

### **SOURCING STRATEGY & PRICING**

Van Heurck sources all of its production from A@W's 3 production units. These include A@W Detis (rainwear), A@W Droes (workwear) and A@W Tric (knitwear). A@W (in general) in turn relies on 3 different suppliers/subcontractors for its embroideries.

Pricing is based on a "Bill of Materials" on which all items (raw materials, haberdasheries etc.) of the article are identified, including volumes and minutes of production time. As of 2021, A@W installed a bonus system which allows workers to earn a bonus if production and quality levels have been met. In this way, A@W strives to gradually close the gap with the living standard, as defined by local stakeholders and confirmed by Fair Wear Foundation. Working hours in excess of 48 hours /week are compensated at the standard hourly rate of +75%.

## **PRODUCTION CYCLE**

The production planning is made jointly by our staff in Belgium and Tunisia. In this way, we strive to respect reasonable working hours and limit the number of hours worked to maximum 48 hrs/ week. Our Tunisian production facilities are open Monday – Friday from 07h00 to 15h00 and Saturday from 07h00-13h00. Factories are closed on Sunday and public holidays. As stated above, the working week is set at 48 hours. Workers can work a maximum of 9 hours/ day. All hours in excess of 48 hours/ week are paid at the standard hourly rate + 75%

## **FACTORY RELATIONS**

Van Heurck has made no changes to its factory relations. The capacity, currently needed by Van Heurck is sufficiently covered by A@W's 3 production facilities. This capacity already takes into account the future growth potential.

## **INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS**

Van Heurck's sourcing strategy was broadly outlined in the mid-1980's and focused on Tunisia. The strategy was defined on the back of price, quality and time-to-market. As such Van Heurck opened A@W's 1<sup>st</sup> production facility in Tunisia (Teboulba) in 1985. Today, A@W is operating 3 production facilities and employs some 650 staff.

## **Coherent system for monitoring and remediation**

Given the limited size of our supply chain (1 company with 3 production facilities in the same country/region) and the ownership structure of the company, there is no real need for large monitoring and remediation systems. Our multiple daily contacts in combination with regular site visits give us ample opportunity to monitor and remediate where needed.

At the first signs of the Covid-19 outbreak in the region in 2020, Van Heurck and A@W immediately initiated the protocol as issued by the Tunisian Authorities. This protocol included educational

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sessions on the risks and the prevention in each of the production facilities. Furthermore, workers were submitted to temperature checks before entering the production facilities, disinfection tunnels and regular disinfection of the production facilities, distribution of facial masks, etc. It is worth noting that only limited production time was lost.

Although we have recently found ourselves in a situation where the number of infections worldwide are decreasing, the situation will continue to be closely monitored and if deemed necessary additional measures must be taken, both at the level of possible loosening or tightening, we will respond adequately and quickly.

## **A@W DETIS, A@W DROES & A@W TRIC / TUNISIA**

Van Heurck sources 100% of its production from its Tunisian production facilities. However, the production of Van Heurck only represents approximately 75%-80% of the production of A@W Detis, A@W Drees and A@W Tric. The information described below refers to all of A@W's production facilities. The audit reports of each individual production facility can be found below

In normal circumstances all of the production facilities (A@W Detis, A@W Drees and A@W Tric) are visited at least once every month by either a representative of the management of Van Heurck, a member of staff of Van Heurck or by a combination of both (13 visits were made to the various facilities during the reporting period of this Social Report). The most recent physical visit dates from march 2022. As already mentioned, daily meetings via Skype or Teams and daily calls with the local management are standard procedure.

When visiting the production units, the various items that are being discussed include production planning, CoLP, local issues, investment plans, upcoming audits, results of past audits, CAP's ...

Having become a member of Fair Wear in June 2019, Van Heurck insisted on a full audit on 2/3 of its production facilities by February 2020 and a regular follow up on the resulting CAP's. A@W Tric, our 3rd production facility has been audited in January 2021 by the team which audited A@W Detis and A@w Drees.

To this date neither Van Heurck nor any other of the A@W's customers (e.g. HAVEP) has received or filed any complaints on any of the issues that relate to the Fair Wear Foundation. The most important

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outcomes of the factory audits and CAP' s can be found below.

It is also worth nothing that A@W is an active participant on the “Global Compact Local Network” since December 2017. A@W communicates annually on progress made to all its stakeholders. Furthermore, A@W subscribes to Ecovadis CSR Survey and Rating since June 2018 (date of the latest survey is 7 March 2022, overall score was 59/100; a silver medal rewarded).

#### AUDIT REPORT A@W DETIS - 2021

<i>Fair Wear labour standard</i>	<i>Status</i>	<i>Finding, Details and Corrective action</i>
Employment is freely chosen	Compliant	>60 % of workers are permanent workers.
There is no discrimination in employment	Compliant	
No exploitation of child labour	Not compliant	Factory does not keep specific register for Juvenile workers as stipulated by local law. → The register was prepared, checked and updated on a regular basis with visa of work inspection.
Freedom of association and the right to collective bargaining	Compliant	100% of employees are covered by CBA. Presence of an elected CE (Comité Consultative d’Entreprise) connecting direction and workers.
Payment of a living wage	Not compliant	According to factory management, the prices of the member do not support the payment of living wages. → Add more bonuses to workers wage in function of their presence, efficiency and quality results.
Payment of a living wage	Not compliant	Workers do not understand how wages are calculated. → Wage calculation, especially end of year bonus, was explained to CE committee and details of calculation were displayed on a large format poster to workers.
No excessive working hours	Compliant	
Safe and healthy working conditions	Not compliant	Specific recommendations in H&S: improve health and safety committee communication, more training for H&S responsible and workers, lack of protection equipment on some machines, lack of “tapis anti-fatigue” for standing workers, insulting mat forelectric cupboard. → Some recommendations such as tapis “anti- fatigue” for standing workers, insulting mat for electric cupboard were done, others to be executed.

Legally-binding employment relationship	Compliant	<40% of workers linked with renewable short-term contracts (mostly 6 months contract).
<b>Others</b>	<b>Status</b>	<b>Finding, Details and Corrective action</b>
Factory communication	To improve	Management has not actively informed workers about the FWF Code of Labour Practices and/or relevant national or local legislation. → WEP training with managers and more than 20 % of workers present, in January 2022.
Factory communication	To improve	Most workers are not aware of the FWF complaints mechanism and/or Code of Labour Practices. → WEP training with managers and more than 20 % of workers present in January 2022.

### A@W DROES – TUNISIA

<b>Fair Wear labour standard</b>	<b>Status</b>	<b>Finding, Details and Corrective action</b>
Employment is freely chosen	Compliant	>65 % of workers are permanent workers.
There is no discrimination in employment	Not compliant	Written policies and procedures regarding discrimination are displayed, but workers aren't aware of it. → Explain discrimination procedure during WEP training (January 2022) where >25% of workers were present, managers too.
No exploitation of child labour	Compliant	
Freedom of association and the right to collective bargaining	Compliant	100% of employees covered by CBA. Presence of an elected CE (Comité Consultatif d'Entreprise connecting direction and workers.
Payment of a living wage	Not compliant	According to factory management, the prices of the member do not support the payment of living wages. → Add more bonuses to workers wage in function of their presence, efficiency and quality results.
Payment of a living wage	Not compliant	Workers do not understand how wages are calculated. → Wage calculation, especially end of year bonus, was explained to CE committee, and details of calculation were displayed on a large format poster to workers.
Payment of a living wage	Not compliant	Workers are not paid during work stoppages. → A@W and Van Heurck collaborate so there were no work stoppages in 2021.
No excessive working hours	Compliant	
Safe and healthy working conditions	Not compliant	Specific recommendations in H&S: improve health and safety committee

		communication, more training for H&S responsible and workers, lack of protection equipment on some machines, lack of “tapis anti-fatigue” for standing workers, insulting mat for electric cupboard.
Legally-binding employment relationship	Compliant	<35% of workers linked with renewable short-term contracts (mostly 6 months contract) .
<b>Others</b>	<b>Status</b>	<b>Finding, Details and Corrective action</b>
Factory communication	To improve	Management has not actively informed workers about the FWF Code of Labour Practices and/or relevant national or local legislation. → Inform workers about FWF CoLP during WEP training (January 2022) where >25% of workers were present, managers too.
Factory communication	To improve	Most workers are not aware of the FWF complaints mechanism and/or Code of Labour Practices. → Present FWF complaints mechanism to workers during WEP training (January 2022) where >25% of workers were present, managers too.
Factory communication	To improve	The factory's policies and procedures are not communicated to workers. → Factory policies and procedures were also discussed with workers during WEP training.

**A@W TRIC - TUNISIA**

<b>Fair Wear labour standard</b>	<b>Status</b>	<b>Finding, Details and Corrective action</b>
Employment is freely chosen	Compliant	35 % of workers are permanent workers (production facility opened in May 2016).
There is no discrimination in employment	Compliant	
No exploitation of child labour	Compliant	
Freedom of association and the right to collective bargaining	Compliant	100% of employees covered by CBA. Presence of an elected CE (Comité Consultatif d'Entreprise) connecting direction and workers.
Payment of a living wage	Not compliant	Workers are paid below living wage as estimated by local stakeholders. → Add more bonuses to workers wage in function of their presence, efficiency and quality results.
No excessive working hours	Compliant	
Safe and healthy working conditions	Not compliant	Specific recommendations in H&S: improve health and safety committee communication, more training for H&S

		responsible and workers, lack of protection equipment on some machines, emergency exits are not equipped with anti-panic doors, add protection for luminaires in storage area. → Some recommendations such as tapis "anti-fatigue" for standing workers, insulting mat for electric cupboard were done, others to be executed.
Legally-binding employment relationship	Compliant	70% of workers linked with renewable short-term contracts (3 or 6 months contract). At the end of 4 years contract, worker status changes and becomes permanent.
<b>Others</b>	<b>Status</b>	<b>Finding, Details and Corrective action</b>
Factory communication	To improve	Management has not actively informed workers about the FWF Code of Labour Practices despite information meeting. → WEP training (January 2022) for managers and > 30% of workers by FWF team to inform them on FWF Code of Labour Practices.
Factory communication	To improve	Most workers are not aware of the FWF complaints mechanism and/or Code of Labour Practices. → WEP training (January 2022) for managers and > 30% of workers by FWF team to inform them on FWF complaint mechanism also.

(note: a follow-up for the above comments marked in blue is ongoing)

In this context, reference can also be made to the WEP trainings conducted in January 2022 in the 3 production sites and the resulting raised issues. Below is an overview of these with also the manager response & actions taken (and to be taken) to remediate them.

<b>Raised Issues</b>	<b>Details</b>	<b>Manager response &amp; actions</b>
Living wage	The trainer explained the aim of the living wage and why it is important to increase wages and explained the importance to use FW FairPrice tools.	The manager stated that any increase in wage level in the future will be problematic for the company if there is no increase in the product price.
Cost of living	Workers complained about the very low levels of wages in their company compared to other companies in the same region. They also complained about the high tax rate. Workers hope to reach living wage and lower tax rates.	Workers are paid on the basis of the collective agreement of the sector, in addition to various bonuses. Tax rate is fixed by law, and we apply it. Awaiting the publication in the official journal of the new salary grid for the years 2022 and 2023 to improve the remuneration of workers.

Contract duration	Some workers stated they have one to three months contracts and they are still afraid of being fired. Some workers hoped to sign permanent contracts.	Contract duration is either 3 or 6 months for workers; 1 year duration of contract for managers.
Communication	Workers were very happy to participate in the training and they promised to transmit the message to colleagues. Workers should be regularly informed about the Fair Wear Code of Labour Practices and the FW complaints procedure.	Plan informative meeting for workers who didn't participate on FW training and FW complaint procedure to ensure transmission of information to larger population of workers.
	Workers want to have better communication with the manager and clear answers to their requests. They can't talk directly to the manager.	Director receives regularly workers in his office at the end of work time to answer their requests.
Labour standards OHS training	The trainer explained that management must be proactive in improving working conditions and communication with the designated managers, workers wish to have more OHS training.	Organize more OHS training with both managers and workers involved and enthused in improving working conditions.
consultative committee CCE	Workers want to have well-trained and active CCE members. Workers request training in health and safety, in communication and in legislation that applies to their work.	Plan training for CCE member on Tunisian legislation on work rights, Fair Wear code, and on OHS training.
	The trainer also recommended that the consultative committee must be more active to improve communication and to have the workers' voices heard, and the OHS responsible to improve dialogue in the company and working conditions.	
FW complaints procedure	The FWF trainer also emphasized the importance of the FW complaints procedure through a better communication channel and a clear and formal complaints mechanism.	Integrate FW complaints procedure into topics to discuss in informative meeting for workers who didn't participate on FW training to ensure transmission of information to larger population of workers.
suggestion box	The trainer emphasized that the suggestion box should be more used by workers who are shy to speak. The trainer explained why it is not well used by workers specially if there is no feedback; they don't use the suggestion box because nobody cares about it.	Encourage workers to use suggestion box more, collect it and discuss the more relevant topics into CCE meetings.
Production facilities	Workers hope to have new, larger and well-maintained premises, with a real and well-equipped canteen (Droes).	This topic will continue to be monitored.

(discussions with local management are ongoing to address and solve the issues that were raised during the WEP trainings)

## **EXTERNAL PRODUCTION**

Van Heurck has no external production. As stated above 100% of our products are sourced from A@W's 3 production facilities.

A@W only outsources its embroideries to 3 different embroidery units. These so-called subcontractors are aware of our Fair Wear Membership and the level of importance we attach to respecting working conditions and the CoLP.

## **Complaints handling**

Since the start of our membership in June 2019, Van Heurck has not been informed of meaningful complaints at any of its production units. Complaints, if any, will be immediately handled by Van Heurck in combination with the local management.

All staff at A@W's 3 plants are aware of Van Heurck's Fair Wear Membership and its aim to adhere and respect its CoLP. Banners, visually describing the CoLP and contact numbers for complaints are on display in each of the factories.

## **Training and capacity building**

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

Once a year, as part of the ISO9001:2015 requirements, Van Heurck hosts a meeting for all its staff. During this meeting management addresses various issues that concern the past and the future of the organization. Given our Fair Wear membership is a cornerstone pillar of our strategy we inform our employees in-depth of all issues relating to Fair Wear and more importantly to the CoLP.

In this context, reference can also be made to the Workplace Education program trainings organized in January 2022, the main aim of which was to inform the employees of the 3 sites about their rights in the context of our membership of the Fair Wear Foundation. For this matter also see above.

## **ACTIVITIES TO INFORM AGENTS**

Van Heurck does not work with agents.

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

As stated above, Van Heurck has no independent manufacturers and only uses the manufacturing capacity of A@W.

## **Information management**

The management of Van Heurck has a full overview of its entire supply chain. This is due to the fact that Van Heurck owns its production facilities and knows that unauthorized subcontracting is not taking place.

## **Transparency & communication**

Reference to Fair Wear is made in all internal and external communication, on our website and in our corporate brochures. In this regard all relevant documents (including this Social Report) are published on our website. Furthermore, we refer to our Fair Wear membership and the CoLP in all our communication with any public or private institution and NGO such as Clean Clothes Campaign.

## **Stakeholder engagement**

In terms of stakeholder engagement, Van Heurck is in close contact with CCC. A@W has an internal 'Commission Consultative' which discusses items such as working hours, salaries, bonuses, healthcare, measures to limit spread of Covid-19 etc.

## Corporate Social Responsibility

When developing new articles, Van Heurck will always choose for the use of sustainable fabrics and haberdasheries etc. In this context, one of our standard collections was developed with a sustainable alternative to the standard polyester/cotton, meaning that the polyester component was replaced by R-pes from PET bottles and the cotton component by lyocel from wood pulp (FSC-certified tree felling). In total, 20% of all our production is made with sustainable materials.

Furthermore, we have agreements with some of our clients to collect and recycle some of their used garments. Van Heurck is also a member of FBT, Care4Safe and promotes liquid CO<sub>2</sub> cleaning. Being ISO-9001:2015 certified also guarantees a certain degree of CSR. Since the end of 2021 Van Heurck is also been issued a CO<sub>2</sub> Neutral label (PAS2060 Standard).

Finally, this report can be concluded with a look to the future. Our membership of VP Textile starting from January 2022 offers a lot of possibilities at the level of sustainability given this company's history and know-how. This will not only be the case for the sourcing of the raw materials etc., but also for our membership of the Fair Wear Foundation, given the possible synergies that can be made between the different companies of the group and all this supported by a mother company with a heart and specific attention for (social) sustainability.