



claudia sträter

WWW.CLAUDIASTRATER.COM

Social Annual Report Claudia Sträter

Year 2015

Reporting period April 2015 – March 2016

Member of



Since July 2015

www.claudiastrater.com

Reporting period (financial year)

01.04.2015- 31.03.2016

Claudia Sträter is a Dutch luxury brand founded in 1970 by the fusion of Claudia Mode and Modehuis Sträter. The collections are designed, presented and exported from our head office in the Netherlands. Pure Dutch design, in other words, aimed at the modern woman. Claudia Sträter is characterized by a good balance between price and quality, a focus on details, a clean cut, its own timeless design vision and elegant lines. Most importantly is Claudia Sträter's motto **to make women more beautiful.**



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Summary: goals & achievements 2015

In 2015, Claudia Sträter has been able to make the transition from a member of the Business Social Compliance Initiative (BSCI) to become a member of Fair Wear Foundation (FWF).

Claudia Sträter has exited because she became a FWF member, as social compliance is the core focus of Claudia Sträter's sustainability program.

The ultimate goal is to fully implement the Fair Wear Foundation Code of Labour Practices in all the factories which produce for Claudia Sträter.

With the implementation of the FWF CoLP, we want to have a positive contribution to good working conditions for the people working in the production locations we work with.

To work towards awareness and implementation with all our suppliers, we want to make sure our suppliers as well as our colleagues in the head office and own retail shops are more aware of our sustainability activities. In particular the fact that social compliance has a process based approach and that Claudia Sträter takes this very seriously.

One of the most important but fundamental improvements is about the transparency of production locations for our productions. We have integrated the capture of the actual production locations of our collections in our internal IT system.

Claudia Sträter organised a presentation by an independent party about Health and Safety in factories for the production managers. In order to increase their level of awareness and knowledge, due to the fact that they visit the production locations, they were given an overview of important safety facilities in factories (fire and electrical safety, chemical and equipment safety and general work environment) to take these safety standards into consideration.

Around 16% of our production takes place in Turkey, which is why we were very happy to co-sign a letter of worker's rights organizations, business associations and multinational brands. This letter requests a regulation that Syrian refugees do not have to pass by the Council of Ministers to be able to apply for a job, which would have a positive impact on combating informal employment in Turkey.

Apart from the production part, we supported different good causes, by donating items of Claudia Sträter collection or financially. You can read more about this in Chapter 7.

1. Sourcing strategy

Claudia Sträter has a various range of suppliers. To around 60% of our production locations (based on buying value) applies the following: we work directly with these production locations whom we visit at least twice a year. With the other production locations, we work with agents/intermediates who produce for us at different production locations. Depending on which style or product, they produce at different production locations. For some of those agents it is still a challenge to convince them about the need of transparency in order for us to be able to have insight and influence about the working conditions.

The responsible persons for sourcing are the Head Buying and Production and the Manager of Buying Full Business (FB), who are in direct contact with CEO.

The CSR team is responsible for keeping the social compliance management tool and supplier database for FWF. Questions about social compliancy mostly goes through the production contact of Claudia Sträter. The CSR team will send the requests about update of a CAP, organize audits etc. Our responsible production manager will stay in contact with our suppliers.

1.1. Production cycle

The Styling department creates two main collections per year, in four themes per collection. In our system this is: Summer and Winter. This is, however, with partial deliveries. In general there is a knitwear and a woven fabrics design team.

Knitwear is mainly produced as Full Business (FB) and the woven fabrics are mainly produced as Cut Make Trim (CMT).

- **The Cut Make Trim collection** is made by suppliers in Hungary, Bulgaria and Ukraine.
- **The Full Business collection and accessories** are produced by suppliers in Portugal, Bulgaria, Turkey, China, and India.

1.2. Supplier relations

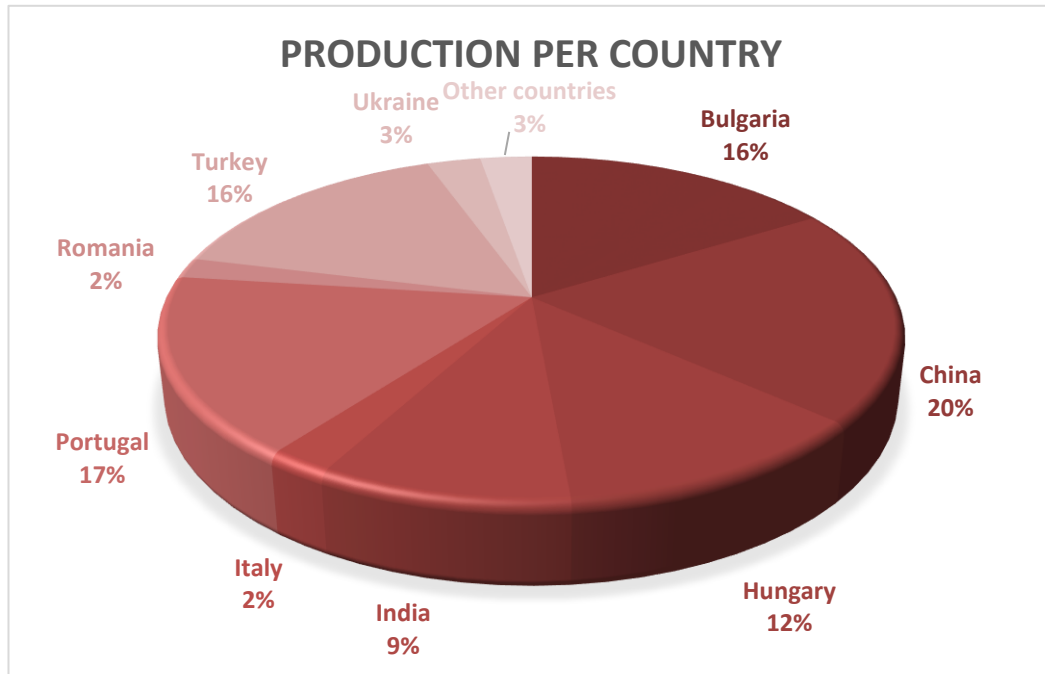
Claudia Sträter prefers to build long term relationships with their suppliers and agents. Around 60% of our supplier base Claudia Sträter works with for over 5 years. Also regular visits takes place, at least once a year in combination with the other FNG brands.

1.3. Integration monitoring activities and sourcing decisions

In 2015 we started working with some new suppliers and new production locations. We actively inform them about our policy on social compliancy and that for us it is highly important to keep track of all production locations.

When sourcing for new suppliers, we ask the supplier with which current social compliancy organisation they are familiar with. Most new suppliers have send us the past/ recent audit reports.

1.4. Coherent system for monitoring and remediation per country



In 2015, we started implementing the FWF CoLP at our main suppliers in low risk countries and at shared suppliers with other Fair Wear members. Low Risk Countries suppliers count for 32% share of our buying volume. Shared suppliers count for a 19% share. That means we reach the minimum requirement of 40% within the first year of membership.

We have listed all our suppliers that count for more than 2% of our turnover here below in order to give a brief overview of our suppliers.

Hungary

Supplier A: 12%

working for CS since 1993

visited twice by production managers in 2015

Portugal

Supplier B: 9%

working for CS since 2010

Visited by Claudia Sträter production manager

There are 2 production locations involved for sewing the Claudia Sträter collection.



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The production locations with the highest share have been audited by another social auditing organization. The audit report was shared with us and we are continuing to follow up on the improvements. The improvements are mainly about health & safety issues.

Supplier C: 7%

working for CS since 2007

Visited by Claudia Sträter by Production Manager

This supplier has also been audited by another social auditing organization. The supplier has sent the audit reports of this audit. We will jointly follow up on this upcoming year.

Bulgaria

Supplier D: 9%

working for CS since 2005

visited twice by production managers in 2015 and also executed the FWF Health & Safety Checklist including pictures.

Will be audited in October 2016

Supplier E: 8%

working for CS since 2005

visited twice by production managers in 2015 also executed the FWF Health & Safety Checklist including pictures.

Will be audited in October 2016

Turkey

Supplier F: 8%

working for CS since 2008

Shared with other FWF member and works with 4 production locations for the sewing process.

visited by production manager & CSR manager in 2015

The factory joined the FWF's Workplace Education Program, jointly with 3 of their subcontractors in October 2015 (see in chapter 4.3).

Due to various former audits from other audit organizations they had already improved on Health & Safety issues.

An FWF audit is planned in November 2016 to have a better understanding of the working conditions related to wages and working hours.

FACTORY F – Subcontractors:

3 of the subcontractors joined the WEP Training (see Chapter 3.3)



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Supplier G: 2%

Working for CS since 2012

Supplier H: 2%

Working for CS since 2014

Has been working for another FWF member before and had an FWF verification audit in June 2016.

China:

Supplier I: 6%

Working for CS since 2004

This supplier also works for another FWF member. The other FWF member initiated an audit and Workplace Education Program at this factory. We are cooperating with the other member in order to follow up on the CAP.

Supplier J: 5%

working for CS since 2013

visited by production manager in 2015

Supplier K: 5%

main supplier working for CS since 1984

2 production locations for sewing

audit assessment tool + follow up & new BSCI October 16

Supplier L: 3%

working for CS since 2004

Shared with another FWF member

Will be audited in September 2016

FWF Workplace Education Program in 2014

Ukraine:

Supplier M: 3%

Production locations started working for CS in 2015

Due to the instability in the country, we did not visit these production locations.



India:

Supplier N: 5%

This supplier works as an agent for different production locations in India. He is working for Claudia Sträter since more than 20 year.

Some production locations are working for CS since 2005. The location with the highest share produce for CS works for us since 2014.

Supplier O: 3%

This agent works for production locations in multiple countries.

Main supplier is working for CS since many years.

This supplier produces for Claudia Sträter as a private labelling. We have been working with this supplier on transparency about the exact production locations.

We didn't know these before but now we do.

Other suppliers:

Claudia Sträter has 30 other suppliers who have less than 2% production share.

Therefore we did not include them in the social report 2015.

In general, we can say that these suppliers produce accessories or they are relatively new for CS, therefore started with a small production share

Although they have a small share, we informed them last year about our membership of Fair Wear Foundation and the need of transparency about exact production locations. Different of these suppliers have sent the audit reports of past/ recent social audits. In 2016 we will enquire the suppliers to inform us about the Corrective Action Plans.

1.5. External production

In our shops we also sell external brands. This includes the production of other brands and therefore Claudia Sträter has less influence in the production process, design and selling price. The products are sold under their own brand labels.

At the moment, we only monitor the countries of production, so called 'made-in countries'. To be sure that these external brands are not produced in countries Claudia Sträter does not produce for own production.

2. Complaints handling

The CSR manager is responsible for dealing with complaints. In 2015 no complaints were filed at production locations for Claudia Sträter. The procedure in case a complaint will be filed in future is the following: when FWF receives a complaint by the FWF local team, FWF' case manager will contact the CSR Manager and she will discuss this internally with the relevant Production Manager and CEO. Then the supplier themselves are contacted. Regarding the outcome of this talk and using the feedback from FWF, it is decided which steps, if any, need to be taken.

3. Training and capacity building

3.1. Activities to inform staff members

In 2015 we introduced the 'MVO Courant'. We update our colleagues in the shops and office once in 1,5 month by this news letter. Each edition, we include a topic related to the membership of Fair Wear Foundation.

Colleagues from production department who are working daily with the suppliers need to be well informed about the implications of the FWF membership. Therefore they are in close contact with CSR manager about various topics relevant for the FWF membership: the visits to the suppliers and FWF requirements, especially about the part 'Purchasing Practice of the Brand Performance Check. In August 2015 all production colleagues who visit production locations, have attended a workshop about how to conduct a Health & Safety Check at production locations.

3.2. Activities to inform agents

We are working with different agents. As they are our main contact, we send them the same introduction documents as our direct suppliers. We ask them to keep us updated about the production locations. In the last year we spend much time and effort to explain the agents about our policy. Especially the first step, the fact that we ask them to be fully transparent about the production locations is in some cases still difficult. In the upcoming year, we will increase the role of the agents regarding monitoring working conditions. This can be done by following up of recent audits reports or for example to perform Health & Safety checks that include photo's.

3.3. Activities to inform manufacturers and workers

2015 has been our first year to implement the CoLP. We started to send an information letter to all our suppliers in order to inform them about the FWF membership and the fact that we therefore need information about the production locations.



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In order to inform workers, we waited for the publication of the new layout of the FWF CoLP in the beginning of 2016. After the publication of this new worker information sheet, we have printed, laminated the CoLP in each local language and have sent the supplier these documents. We gave our suppliers until end September 2016 to send us a photo of this posted CoLP in each production location.

Fair Wear Foundation Workplace Education Program (WEP) in Turkey:

One of our suppliers in Turkey has joined the FWF WEP with their own production location as well as with 3 of their subcontractors.

MANAGEMENT: Participants: 7 Female and 11 Male Duration: 2,5 h

A Training with ZEP and its suppliers was planned, the managers of 2 suppliers and a line supervisor of the third supplier could assist the training.

The participants mentioned that improvement in the garment industry is on the brands behalf. Also, the situation with the Refugees was an important topic.

The managers were very comfortable in being told about the labour standards and opened a discussion about improving working conditions in the factories. The HR manager was called to have a very active role in in this issue.

The atmosphere was friendly many questions were asked. The participants wanted to learn about FWF.

EMPLOYEES: Participants: 6 Female and 12 Male Duration: 2,5 h

Only one worker from one subcontractor and one from a second subcontractor participated, the other participants were from the supplier.

All workers were comfortable, even though there was no door to be closed, asked questions and discussed issues openly.

Especially the grievance mechanism and worker representative and how it works was asked. Although there is a representative, the workers usually go straight to the HR manager in case of problems. A well-organized worker representative would be easier to solve problems. Overtime calculations were practiced.

4. Information management

The Production Managers have the task to inform the CSR Manager about new suppliers. The CSR team developed a supplier register to keep updated with new locations and new information. The CSR team keeps the FWF online database supplier register up to date at least once a year for the BPC.

We are working with different suppliers who work with different production locations. As stated before, there are challenges in order to create transparency at production locations who work for us through agents.

5. Transparency & communication

We proactively informed our customer service department with FAQ regarding different topics. FWF concerning topics as working conditions at our production locations, our FWF Membership and the 8 labour norms and child labour, topics about our environmental care in terms of sustainable production processes and what materials we use, our transparency, Claudia Sträter Foundation, product waste and how consumers can take action as well.

Claudia Sträter values sustainability highly as we want to grow our business and create beautiful products, whose production process respects people and the environment. We are certainly transparent about our sustainability efforts, but we communicate about this very carefully to both consumers, b2b relations and the press.

We recognize the need for increased transparency as a result from the growing consumer desire to know which brands produce more sustainable. Therefore we are slowly communicating more about our sustainability policy, which obviously includes our FWF membership of which we are very proud.

Our main communication platforms to our customers and the press are our website and social media.

Generally about sustainability: One of our general goal is to create awareness amongst customers about their buying behaviour, so we joined the Dutch Sustainable Fashion Week in 9 - 18th October 2015.



6. Stakeholder Engagement

Our customers as stakeholders:

We have an email address specifically for sustainability related inquiries (mvo@claudiastrater.com).

Stakeholders in the Netherlands:

Working groups of “Plan van Aanpak”

Claudia Sträter joins three working groups in the Action Plan of the Dutch textile and apparel industry. The different topics are: Purchasing Practices & Due diligence, Circular Economy and Communication.

In March 2016 the covenant ‘ter verduurzaming van de textile en kledingbranche’ was published. We are happy that we have signed this covenant on 4th July 2016.

Stakeholders in the production countries

We use the country studies from Fair Wear Foundation. The next step will be to implement it through a print for the production managers so they know what to take into account when they are visiting our production locations and indirectly included in the FWF audit reports. The CSR team use these recommendations to follow up on the CAPs.

7. Corporate Social Responsibility

For many years, Claudia Sträter donated money and garments to different good causes. In order to give a better structure to the different good causes, we formed a foundation, together with our sister company, Expresso. Our store staff got the chance to choose their most favourite "good cause". And we are now working with these organisations to help them in terms of donating money.

One of the good causes is Dress for Success (and another one is Ruby and Rose, a organization that fundraises money for research projects for diagnostics and treatments for all forms of gynaecological cancer).

In May 2015, Claudia Sträter's vintage shop has been opened at the Rokin in Amsterdam. In all our CS shops in the Netherlands, people can bring back their vintage items and get extra points on their customers' saving system. These items are being sold again at our CS share your clothes shop. The turnover of the shop is donated to the various good causes, supported by the Foundation.

<http://www.claudiastrater.com/shareyourclothes>

