



Alsico nv

Plan of Action  
Dutch Agreement on  
Sustainable Garments  
and Textile

2018 - 2019

## 1. Profile of the organization

### Name and address of the organisation

Alsico nv  
Zonnestraat 223  
9600 RONSE (Belgium)

### Administrative form of the organization, group structure and subsidiaries

Alsico nv is an autonomous unit of Alsico Group

### Products and Services

- › Position in the market: vertically integrated; project design, production (CMT) and distribution
- › Type of product: workwear and protective clothing
- › Segment: project work, high added value

### Countries, markets, type of customers, industries where you work with

Belgium, Germany, France, the Netherlands; industrial laundries, resellers, end user customers

### Number of employees

120

### Turnover in Euro/year

Alsico nv – 31.000.000,00 (2017)

## 2. Profile of production chain and internal organization

### Your purchasing model

We buy in at our production workshops or at the regular suppliers with whom we work (Ukraine).

We do not purchase our products indirectly, ie with an agent, importer or wholesale, nor through a brand.

### Number of producers, agents and / or brands and type of relationship

- Number of production workshops (producers): 4, see also production location list.
- Two of the production workshops are owned by Alsico NV (Morocco and Tunisia). The units in Ukraine have been regular suppliers for more than 10 years.

### Do you have key producers, agents and / or brands

- Our key producer is Alsico Tunisia
- This unit is our property and represents the lion share of our production

### Main countries of origin of you products

- Tunisia, Ukraine, Morocco

### Your purchasing department (purchasing / sourcing, product development, styling)

- Position of the purchasing department in the organization: autonomous, reports to the cell manager and managing director
- Number of employees of the purchasing department: 3
- Number of employees of the purchasing department with a task and /or responsibility in the area of CSR: 2
- Purchasing carries a sustainable chemicals policy. This means that sustainable substances are proposed for the same quality (= fabrics with / without a smaller ecological and social impact such as rPET / organic cotton, rPETfairtrade cotton, Tencel, Infinity 100% recyclable).

### Your CSR department

- Position of the CSR department in the organization autonomously, reports to managing director
- Number of employees in the CSR department: 2



### 3. Report activities on previous plan of action

- Alsico submits its first plan of action – after signing the Agreement in March 2018. No comparison can be established.

### 4. Plan of action

#### **Policy and organisation**

Policy (source: <https://www.alsico.com/nl/duurzaam-ondernemen>):

We are a family company that is globally active. We design, produce and distribute quality workwear and protective clothing. And we do this on the basis of mutual trust between partners, respect and real concern for the people we work with and an economic long-term vision. Now for more than 80 years.

So sustainability has been at the center of our business strategy for longer than today. As a company, we want to contribute to sustainable development - meeting the needs of the current generation without compromising the capacity of future generations to meet their needs. We do this by systematically allowing environmental, social and economic considerations to play a part in our daily policy. We do not limit ourselves to reducing any negative impact on people and the environment, but we strive to increase the positive impact of our activity.

In order to strengthen our global responsibility, we integrate the seventeen sustainability objectives of the UN into our policy wherever possible. The emphasis is on objective 12: responsible production and consumption. With this in mind, our policy is increasingly based on the principles of circular economy.

Alsico nv has established the following objective (s) and action (s) for the chapter 'Policy and Organization':

- mapping the supply chain until the fiber producer, coupled to transparency conditions for new suppliers and an improvement trajectory for existing suppliers
- an improvement in CO2 emissions per garment. Measured CO2 footprint measurement is communicated internally, after which own employees formulate actions to reduce CO2 emissions.
- Drafting a sustainability report according to the new standards of the GRI. The report should serve as a basis for the 2019 objectives.

Additional objectives for 2019:

- mapping existing complaints mechanisms in the workplace and expanding where necessary
- training of our people when purchasing. social and ecological impacts of the choices they make
- increasing the share of sustainable fabrics (CO2 project)
- measuring the social impacts of last-minute shifts in planning + awareness of people on planning
- new, extensive risk analysis (due diligence) on the basis of: 1) flows of CO2 emissions; 2) location suppliers; 3) new prioritization (more and different inputs) and 4) stakeholder consultation (ongoing for GRI).

### ***Understanding production chain, materials and processes***

Alsico nv has obtained the following insights in the chain, materials and processes:

- The production sites where we produced in 2017 are the following: Alsico Tunisia, Alsico Morocco, Ukraine. The first two are our property, the latter are permanent subcontractors.
- The supply chain consists of 80 tier one suppliers, 30 of these are fabric suppliers.
- These tier one fabric suppliers are exclusively established in Europe and are obliged to submit Oekotex 100 certificates for the offered fabrics
- Conventional polyester cotton fabrics form the bulk of the materials purchase (75%)
- With three-quarters of the tier one suppliers, Alsico has a business relationship for more than 10 years
- New and existing suppliers sign a code of conduct (COC). Non-signature weighs in the evaluation of the supplier.
- In July 2018 a new COC was presented to our fabric suppliers. 85% have signed the code. (state of affairs October 2018)
- Transparency in the chain: 60% of our substance procurement comes from suppliers who have given us information about their T1 (yarn) and T2 (fiber) suppliers. (state of affairs October 2018)
- Each of the 30 fabric suppliers received feedback (+ score) and was invited for an interview. (state of affairs October 2018).

### ***Risk analysis: overview and prioritization of risks and impacts on human rights, the environment and animal welfare***

In March we conducted a risk analysis on sixteen tier one suppliers (= 50% of the chain / T1). The suppliers were asked to publish their suppliers (yarn and fiber). Based on the information provided, we have created a list of locations and company names. Each location and company was screened

for IMVO criteria (all labor and human rights, environment and ethical business stated in the UN Guiding Principles on Business and Human Rights).

We consulted the following stakeholders for this: tier one suppliers. Company managers own production units (Tunisia and Morocco) and permanent subcontractors (Ukraine). We consulted the following sources: BSCI audit reports, mvorisicochecker.nl, combined search in Google search with company name/location and the relevant IMVO criterion.

In order to arrive at a prioritization of the risks detected, we use a scale based on the following criteria: 1) actual and potential risks; i.e. what has already occurred and what can occur, 2) risks with high, average and low impact and 3) the leverage that we as a customer have to encourage the suppliers / producers concerned to improve.

Factual risks go back to concrete findings / incidents regarding the supplier in question - potential risks relate to the context (country) where the supplier operates. Estimation of impact is accompanied by the leverage we have on the unit / supplier involved: the higher the leverage, the higher the impact.

## Goals and actions

Asico nv has set the following quantitative and qualitative targets for actions based on prioritized risks:

### 1. With regard to transparency in the chain

**Goal 1:** extend the risk analysis to the total supply chain (T1-Tx) and integrate measurable data on transparency into the purchasing process

**Why:** to get a fuller picture of the social and environmental risks at our T2-Tx suppliers and thus to draw up a better plan of action. To make the purchase process more sustainable (cf. guidelines from ISO20400)

#### **What:**

**Action 1:** include the policy regarding transparency in supplier code of conduct: depending on the information provided by our T1, we divide them into categories (diamond, crystal, glass), preference is always given to diamonds, others are stimulated to improve their transparency. Anyone who does not sign our documents will not be put forward by Alsico and will not be considered in a tender, unless imposed by the contracting party.

**Action 2:** extend the assessment of suppliers to all UN Global Compact criteria, including ethical business and environment (see supplier code of conduct)

**Action 3:** Send out a demand to all 40 fabric suppliers (T1) to publish the name and location of their yarn and fiber producers. It is also asked whether they evaluate their suppliers on IMVO criteria (answer figure becomes kpi). At the same time sending out a new code of conduct, the question of signing is linked to questionnaire transparency. Policy is clarified.

**Action 4:** talks with T1 suppliers to improve transparency

**Action 5:** drafting new due diligence

**Action 6:** screening T1 (100%) by Ecovadis

**Action 7:** screening T2 (50%) by Ecovadis

**Action 8:** screening T3 (50%) + T2 (100%) by Ecovadis

**Action 9:** introduction kpi transparency / categories in purchasing process

When: action 1: 1 May 2018, action 2: 1 May, action 3: 15 June 2018, action 4: before 31/12/2018, action 5: before 31/12/2018; actions 6 and 7 for 31/12/2019, action 8: 30/09/2020, action 9: before 31/12/2019

Who: IMVO department

With: management, purchasing, T1

Evaluation: December 2018

## **2. Discrimination and gender:**

**Goal:** to establish a policy that provides measurements to prevent discrimination or take corrective measures in the event of discrimination

**Why:** we want to get a correct picture of the risk per unit per unit. gender and discrimination and formulate appropriate actions

**Action 1:** set quantitative targets in terms of discrimination and gender that are relevant for each production unit via stakeholder consultation eg number of women in non-worker positions

**Action 2:** work out corrective measures in case of non-compliance with objectives

**Action 3:** appointing an ombudsman / confidential adviser

When: action 1: before 31/08/2018, action 2: before 31/12/2018, action 3: before 31/12/2018

Who: IMVO department

With: management, management production units, employee representation,

Evaluation: December 2018

### 3. Child labor:

**Goal:** to gain certainty that child labor does not occur in our supply chain (up to the fiber)

**Why:** because this is a practice that we do not tolerate under any circumstances

**Action 1:** select the suppliers who show an increased risk based on the new due diligence (cf supra)

**Action 2:** Perform a risk analysis with the help of external stakeholders in the field

**Action 3:** identify any incidents to the other suppliers involved in the chain and provide a procedure for stopping cooperation

When: action 1: before 30/11/2018, action 2: before 31/12/2019, action 3: before 31/12/2019

Who: CSR department

With :: procurement, T1 suppliers, external stakeholders (NGOs in the field) ,,

Evaluation: December 2018

### 4. Forced labor:

**Goal:** to gain certainty that forced labor does not occur in our supply chain (up to fiber)

**Why:** because this is a practice that we do not tolerate under any circumstances

**Action 1:** select the suppliers who show an increased risk based on the new due diligence (cf supra)

**Action 2:** Perform a risk analysis with the help of external stakeholders in the field

**Action 3:** identify any incidents to the other suppliers involved in the chain and provide a procedure for stopping cooperation

When: action 1: before 30/11/2018, action 2: before 31/12/2019, action 3: before 31/12/2019

Who: CSR department

With :: procurement, T1 suppliers, external stakeholders (NGOs in the field) ,,

Evaluation: December 2018

### 5. Freedom of trade union:

**Goal:** in line with Goal 1, we want to evaluate the chain on compliance with the right to free trade union and collective bargaining and formulate appropriate actions

**Why:** we want to get a correct picture of the risk for the entire supply chain. violation of the right to free trade union and collective bargaining

**Action 1:** select suppliers based on the new due diligence (cf supra) who have an increased risk of violation of that right

**Action 2:** Perform a risk analysis with the help of external stakeholders in the field

**Action 3:** identify possible incidents to the other involved suppliers in the chain, register the incidents and use them as benchmark KPIs

When: action 1: before 30/11/2018, action 2: before 31/12/2019, action 3: before 31/12/2019

Who: CSR department

With :: procurement, T1 suppliers, external stakeholders (NGOs in the field) ,,

Evaluation: December 2018

## 6. Living wage:

**Objective 1:** Accurately estimate how the wages of our employees in the production units relate to living standards.

**Objective 2:** in connection with Objective 1, we want to evaluate the chain on the payment of a living wage and formulate appropriate actions accordingly.

**Why:** we want to get a correct picture of the risk for the entire supply chain. not paying a living wage

**Action 1** (Objective 1): chart the average wages, per country where we are present and compare with the statutory minimum wage. Compare with average living standard. Calculate living wage based on differences. View feasibility / timing introduction.

**Action 2** (Objective 2): selecting the suppliers who show an increased risk based on the new due diligence (cf supra)

**Action 3:** carry out a risk analysis with the help of external stakeholders in the field

**Action 4:** determine an objectively verifiable 'living wage' per country

**Action 5:** identify possible incidents to the other suppliers involved in the chain, register the incidents and use them as benchmark KPIs

When: action 1: before 30/06/2019, action 2: before 31/12/2018, action 3: before 31/12/2018, action 4: en 5 before 31/12/2019

Who: CSR department

With :: procurement, T1 suppliers, external stakeholders (NGOs in the field) ,,

Evaluation: December 2018

## 7. Health and safety at work:

**Goal:** in line with Goal 1, we want to evaluate the chain for safety and health in the workplace and formulate appropriate actions accordingly

**Why:** we want to get a correct picture of the risk for the entire supply chain. health and safety at work

**Action 1:** select the suppliers who show an increased risk based on the new due diligence (cf supra)

**Action 2:** carry out a risk analysis with the help of external stakeholders in the field

**Action 3:** identify possible incidents to the other involved suppliers in the chain, register the incidents and use them as benchmark KPIs

When: action 1: before 30/11/2018, action 2: before 31/12/2018, action 3: before 31/12/2018

Who: IMVO department

With :: procurement, T1 suppliers, external stakeholders (NGOs in the field) ,,

Evaluation: December 2018

## **8. Raw materials:**

Also see

text Sustainability objectives.docx

(<https://cktduediligence.nl/Public/DownloadAttachment.ashx?id=652>)

Or [alsico.com/sustainable business](http://alsico.com/sustainable-business)

**Goal:** we want to reduce the number of conventional PES / CO substances by using sustainable variants such as rPET / BioCotton, Fairtrade Cotton, Tencel and our circular fabric Infinity (100% polyester, 100% recyclable).

**Why:** we want to substantially reduce our impact (CO<sub>2</sub>, water depletion, energy)

**Action 1:** announce sustainable substances in sales

When: action 1: 12/07/2018

Who: IMVO department

With :: management, sales,

Evaluation: September 2018

**Goal:** we want to reduce the carbon footprint of our entire business activity

**Why:** we want to substantially reduce our impact (CO<sub>2</sub>, water depletion, energy)

**Action 1:** Measuring the CO<sub>2</sub> footprint

**Action 2:** publicize results internally, mobilize people for action

**Action 3:** propose and implement concrete points for improvement in the CO<sub>2</sub> action group

**Action 4:** inauguration CO<sub>2</sub> neutral building

When: action 1: 1/11/2017, action2: 31/05/2018, continuous, action 4: end of 2019

Who: IMVO department

With: management, logistics, sales, quality, design

Evaluation: November 2018

9. Water pollution and use of chemicals, water and energy:

**Goal 1:** prepare follow-up audit of our ISO14001 certificate and conclude it successfully

**Why:** the ISO14001 is the cornerstone of our environmental management

**Action 1:** Prepare audit

When: action 1: step by step, before September 2018

Who: CSR department

With :: quality,

Evaluation: October 16, 2018

**Goal 2:** To map the raw materials used and the identified risks related to the use of these raw materials.

**Why:** Although the Oekotex 100 standard offers a high guarantee of non-toxicity of the substances, there are still raw materials that can fall outside the scope of this certificate.

**Action 1:** inventory of raw materials not covered by Oekotex 100

**Action 2:** mapping the risks associated with these raw materials

**Action 3:** exclude high-risk raw materials from the chain

**Action 4:** drawing up a management plan for regular monitoring of new raw materials in the chain

When: action 1: step by step, for March 2019; action 2: 30/06/2019 action 3: 1/07/2019; action 4: 1/09/2019

Who: IMVO department

With :: quality, purchasing

Evaluation: December 2019

10. Animal welfare

Alsico nv has not set any target (s) for animal welfare for the following reasons:

We do not offer animal products.

**For the following reasons, Alsico nv has not picked up all actions listed in the plan of action and assessment report of the past year and dealt with them:**

We have not yet submitted an action plan, as we only signed the Covenant in February.

**Stakeholder consultation, evaluation and communication**

**Alsico nv has drawn up the following objective (s) and action (s) for the step 'Stakeholder Consultation, Evaluation and Communication':**

We want to submit a full Sustainability Report based on the new GRI Standards in 2018. The first step in this is a stakeholder consultation (suppliers, staff, external stakeholders).

We start with a comprehensive internal communication of the goal and the way in which we will report on sustainability.

The departments involved for reporting are: quality, product management, purchasing, management of production units and general management.

The results of the supplier survey (T1) with a view to chain transparency are included in the stakeholder consultation.

External stakeholders (NGOs with relevant information about labor and human rights in the regions identified as risk locations) will be contacted to get a complete picture of the IMVO risks.

The evaluation focuses on our efforts to arrive at a complete chain transparency. We examine which links are missing, how we can still get one on those links and what actions we need to take to that end.

The GRI report will serve as a basis for an overall evaluation of our sustainability policy. On the basis of this evaluation - gaps, defects, unprecedented challenges - new targets for 2019 will be formulated.

Communication: Both the results of the chain transparency and our effort to switch to a circular offer will be communicated in early 2019 via the GRI report and the website ([www.alsico.com/en/sustainable-enterprise](http://www.alsico.com/en/sustainable-enterprise)).