



# SOCIAL REPORT 2017

..jbc



This Social Report is written by Valerie Geluykens, JBC's CSR Manager, and is approved by Fair Wear Foundation. JBC is an affiliate of Fair Wear Foundation since April 2015.

Images used in this report:

All images in this report are made by Employees of JBC. They show real workers from factories JBC works with in China and Bangladesh.

www.jbc.com  
Start date membership  
April 2015

Reporting period (financial year)  
February 2017 – January 2018

contents

1.	Sourcing strategy
1.1.	Sourcing strategy & pricing
1.2.	Organization of the sourcing department
1.3.	Production cycle
1.4.	Supplier relations
1.5.	Integration monitoring activities and sourcing decisions
2.	Coherent system for monitoring and remediation
2.1.	Audits & Corrective Action Plan
2.2.	Visits
2.3.	FWF Code of Labour Practices
2.4.	Worker Education Programs
2.5.	Monitoring Examples
2.6.	External production
3.	Complaints handling
3.1.	Fair Wear Foundation
3.2.	Bangladesh Accord
4.	Training and capacity building
4.1.	Activities to inform staff members and management
4.2.	Activities to inform agents, manufacturers and workers
5.	Information management
6.	Transparency & communication
6.1.	Transparency Tool
6.2.	Fair Wear Foundation Membership
6.3.	Signatory to the Bangladesh Accord
6.4.	Other ways of Communication
7.	Stakeholder Engagement
8.	Social and Environmental engagements
8.1.	Support Bashgari School and School Pooluvapatti Tirupur
8.2.	Partnership BEWEL
8.3.	Environmental engagements





*"At JBC, we want that what we do matters. We take our ethical and sustainable commitment very seriously and it will always be an important factor in our plans for growth. It's not just about getting better at what we do, but wanting the very best and a better world. So yes we are makers, but also believers."*

Bart Claes, CEO JBC

*"Our commitment to sustainable supply chains affects decision-making at our buying department and other levels in our organization, as it is an ongoing process that demands transparency and an innovative approach to our whole long-term business."*

Ann Claes, CBO JBC

Dear Reader,

We are very pleased that you have found your way to our social report for 2017. We would like to tell you more about our sustainability story because there is more to JBC items than first meets the eye.

As a family run and owned business, we are committed to our sustainable principles. JBC is a value-driven company that wants to produce fashion with respect for people and environment. Step by step we find new ways to implement these principles in our purchasing policy and our decision making. At JBC, we care for our planet and the people living on it.

We try to take our responsibility for our supply chain and the people who manufacture our collections. Engaging in and investing in fair fashion was an important issue in the past and will be an important part of our business in the future. We still believe that investing in sustainable business is investing in a better future.

Our strategy is to take matters into our own hands, we don't only want to stand waiting on the side-line. We continuously try new ways to implement our CSR policy, to create awareness... We're always critical about the steps we've taken, improving them where needed. The road to a more sustainable future is a bumpy road, only through continuous efforts and innovation can improvements be achieved. It's an evolution not a revolution.

Due to the fact that we're all globally connected, we strongly believe that we can't do this alone. That is why we're a big fan of joint-initiatives, cross-country and multi-stakeholder, like Fair Wear Foundation and Bangladesh Accord. These joint-initiatives help us to go the extra mile.

We would love to take you further into our CSR strategy and explain our efforts. We know it's not perfect and never will be...but we're on track and would like to share this with you. Please, read on to find out more.





# 1. Sourcing strategy

## 1.1. Sourcing strategy & pricing

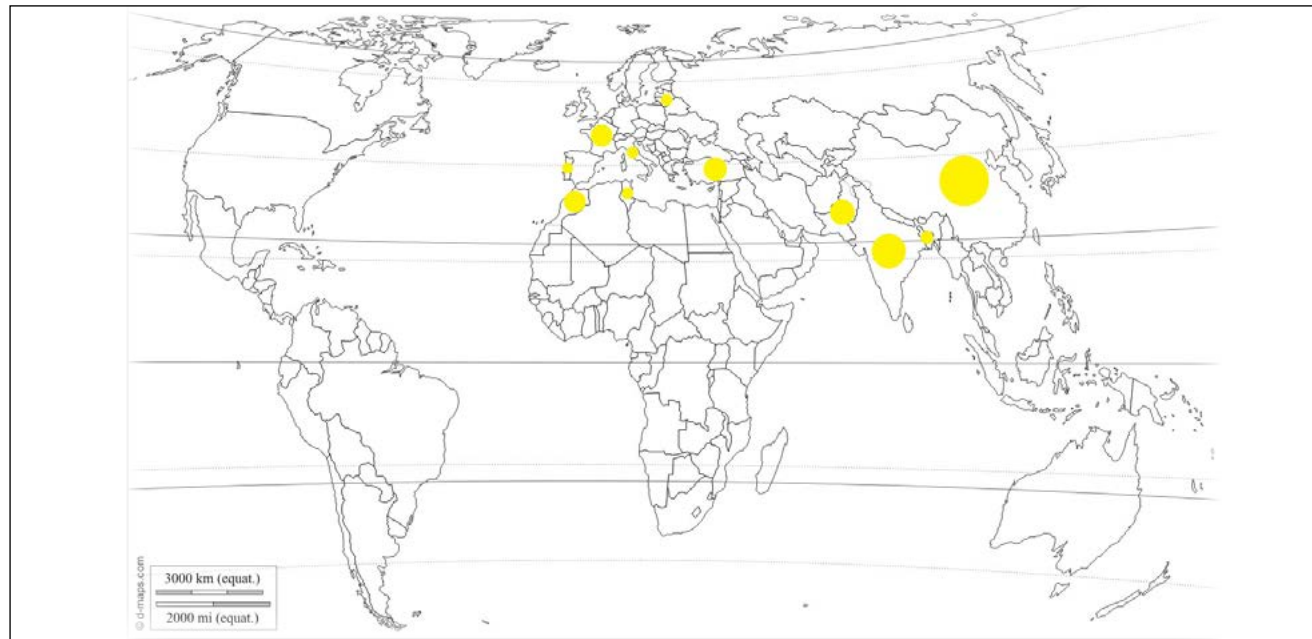
In total there are 144 JBC stores which are located in 3 countries: Belgium, Luxemburg and Germany. JBC sells **clothes for the whole family**: men, women and children.

Beside our own brand we also have designer collections like ZulupaPUWA (designed by Walter Van Beirendonck), I AM and collaborations with some guest designers. There is also a large amount of exclusive license collections to be found, like Samson, Plop, K3, Maya, Wickie...

In 2017 for the first time we included some external brands into our assortment: Soft Rebel, Soaked in Luxury and Pep.

We design our products in Houthalen but we don't have production sites of our own so we carefully select partners for our production.

For many years the global focus of clothing production has been Asia. Many of Asian production companies have developed specific know-how, infrastructure... Recent years we've noticed other countries in the region are developing rapidly when it comes to clothing production. Therefore, and in order to stay competitive JBC decided to source more outside China. Bangladesh and India are countries to which we are moving more of our production starting from 2017.



Due to the shift to more suppliers in Bangladesh, we decided to work together with a third party Sourcing Office in Bangladesh to help us control production and quality. In order to obtain the utmost advantage of a sourcing office it has been decided that this is an exclusive JBC office. Furthermore, to obtain independency towards suppliers JBC is responsible for paying the office commission. The Office represents JBC and is also following up on our CSR policy.

## 1.2. Organization of the sourcing department

End 2016 we have encountered an increase of delivery delays and quality issues, which – among others - resulted in the implementation of a local quality and performance team in Bangladesh.

To conquer these issues and achieve operational excellence we also adjusted our **Buying Structure** in 2017. While doing this we ensure to improve on different levels: Product Quality, Capacity planning, Reduction of air shipments, increase on-time deliveries and reduce the lead time.

People involved in **sourcing decisions** are the Chief Buying Officer, the Sourcing & Production Manager, the CSR Manager, the General Manager of JBC China Office and all our Product buyers.

New suppliers are carefully selected based on their particular specialization. **Criteria for selecting a supplier** are a minimum required CSR level, good quality and workmanship, the capability of the supplier to produce the product, availability of



Production worker in one of our factories in Bangladesh

required technologies/machines, price and the ability to fulfil timeline and deadlines.

A good price-quality ratio is our objective, but this has to go hand in hand with a strong engagement for social compliance.

Due to our new Buying organization and product requirements we are evaluating our supply base continuously in detail. In 2017, we selected 12 new suppliers and added 10 new factories. At the same time we optimised our supply base and some underperforming suppliers were replaced.

Some production plants are located in developing and emerging countries, where social and environmental standards are not the same as in Western Europe. We therefore are **in close contact with our suppliers** to help them, whenever required, to discuss, explain or conquer certain issues of social compliance.

The changes in the buying organization and the need to have a close contact with our suppliers lead to more responsibility of our **China Office and the introduction of an office in Bangladesh**

In both China and Bangladesh we have local teams helping on a day to day base to improve our products quality, but they are also our eyes and ears concerning social compliance of our production locations.

### 1.3. Production cycle

JBC produces **2 main collections per year**: Spring/Summer and Autumn/Winter. Each of these collection is further **divided into monthly collections** and into short and long term delivery collections. Working on a monthly basis helps to better distribute the workload and production capacity is easier to be controlled.

Our category Managers decide on the budget and the look of the collection. Their decisions are based on sales figures and trend forecasts.

Our Buying department focuses more on **capacity planning** in order to reduce overload, delays and reduce

overtime for factory workers. As production is better planned, we can try to optimise on time deliveries and incoterms. The ultimate goal is to ensure a positive cost and environmental effect.

Our capacity planning has been planned and executed together with our suppliers and is therefore in line with supplier's actual capacity. The issues we encounter are resulting into a continuous update and improvement of our planning system. For 2018 the goal is to start to plan our capacity on factory level.

Since 2016, an **automatic 'order blocking system'** maximizes the number of orders and the volume in pieces per suppliers that can be placed into our system (and therefore ordered). This offers the advantage that maximum production capacity for a

supplier is not exceeded and when it does we'll have to get into negotiations with our supplier again.

In 2017 we were able to adapt our purchase planning even more due to our new organization and due to the fact that both in China and in Bangladesh we are working with local offices.

The fact that a **limited amount of Product Buyers** are in close contact with our suppliers also gives us a better insight in production thresholds and lead time problems.

In order to stay competitive we decided in 2017 to **reduce our lead times**.

Based on analysis of the production process and in collaboration with our suppliers we have divided the buying process into different steps. This allows us to use the suppliers' and geographical advantages.

For our "long term" S18 collection we had a lead time of 161 days. This shorter lead time created some problems, namely within the time we counted for the handover from supplier to our forwarder. Therefore we added extra days, so for our W18 production total lead time for production was 175 days. We are continuously evaluating the process in order to come to an optimised lead time, both for us, our suppliers as for the environment.

The general lead time for the short term, orders placed in Turkey, Italy, Lithuania, Romania and Tunisia, are ranging from 6 to 10 weeks.

To be able to reduce the lead time it was also essential to install a better sample flow system. This way we were able to better manage our internal production deadlines. New systems and files for **monitoring our sample and order flow** were adopted. We will include the learnings into these processes in the coming year to improve them even more.

### 1.4. Supplier relations

Our products are manufactured through a carefully selected **network of suppliers** located around the world, many of which have worked with us for several years.

A long-term relationship with our suppliers is important for a trustworthy cooperation. Such a partnership pays off in consistent quality and a good working environment.

**The long-term nature of our partnerships** offers a certainty of stability in our business relationship. It creates an overall positive environment to commit to good, human working conditions in the production locations.

An example for our long-term vision -as per our sourcing strategy- is looking for innovation with our existing suppliers. When no suitable solution has been found within our existing supplier portfolio, sourcing for new suppliers/factories begins.

To maintain a stable long-term business relationships, JBC has a very regular direct contact with all her suppliers.

All factories are regularly visited by our Sourcing & Production Manager (he visits every country at least two or three times a year), by buyers, and by the CSR manager. Also Ann Claes (Owner, Director and head of the Buying department) has direct contact with all suppliers and she visits the factories on a regular base.



Livailing working in the factory in Guangdong





One of our Headquarters' Quality Controllers checking production in Bangladesh

For over 10 years we have an **Office in Yangzhou, China**. 12 Quality Controllers help us to follow up the production process in the factories. Since May 2017, a staff of 10 people in Dhaka provide support in Bangladesh.

These local teams visit the factories on a weekly basis. They verify if the products are of required quality, but they also verify if production is done in the agreed factory. They will be helping in the support of monitoring CAP's and they report problems when they occur.

Due to our strategy to have a long-term relationship with our suppliers and factories, we don't easily **add a new supplier to our supplier portfolio**. We work on a strict due diligence process.

Whenever required our Sourcing & Buying manager takes the lead in the decision whether on-boarding of new suppliers is necessary and acceptable **based**

**on production necessities** and social requirements. At this stage price and quality play an important role.

The final decision of on-boarding a new supplier is a joint responsibility of the Buying and Sourcing Manager, the CSR Manager and Supplier Performance and Capacity Specialist.

**The social compliance** is evaluated as following :

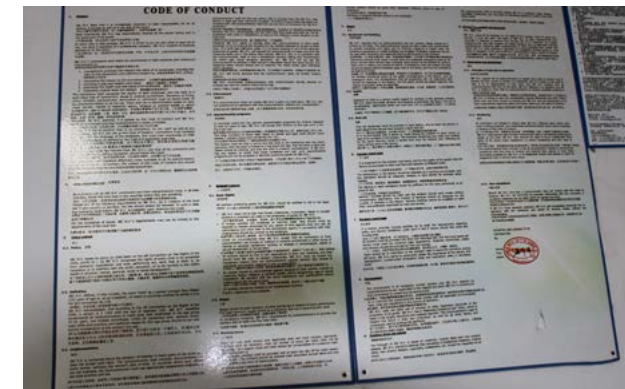
*A new supplier will only be accepted when:*

- the 'new supplier profile' document is filled in
- the FWF Questionnaire is filled in and signed by the supplier (transparency on production location + agreement on Code of Labour Practices)
- the FWF Code of Labour Practices and Worker Information Sheet is posted in the local language in every factory used by the supplier for JBC orders, and it needs to be visible for the workers (proofed by a picture)

- a recent and positive social compliance audit report of the factory(-ies) is available and checked by the CSR manager

Only after a positive feedback of both the Buying and Sourcing manager, Supplier Performance and Capacity Specialist and the CSR manager a new supplier can be added.

A similar procedure exists when a supplier wants to add a new production location. The supplier needs to inform the Sourcing & Production Manager, Supplier Performance and Capacity Specialist and the CSR Manager before orders can be placed.



Our Code Of Conduct is displayed in our production locations

**A new factory** will only be accepted when :

- there is a clear need to add a new production location (when the supplier can't produce a certain product in a factory already used for JBC production)
- info factory (contact details, address, ...)
- the management of the new factory has signed the FWF Code of Labour Practices
- the FWF Code of Labour Practices and Worker

Information Sheet is posted in the factory, visible for workers and in the local language (proven by a picture)

- a recent and positive audit report of the factory is available and checked by the CSR manager

If a factory refuses to sign the FWF Code of Labour Practices, refuses to post the Workers Information sheets, can't give us a recent audit report or a supplier is not transparent on its production location, we will not work with this supplier.

The **recent audit report** is an important first instrument to check the factory. When no audit report is available, the potential supplier has to agree to plan an audit. If an existing audit report shows noncompliance with crucial issues, like child labour, forced labour... we will not start working with this factory.

When assessing an audit report we have more **attention for specific "high risk" areas**. Some examples:

- The risk on 'Sumangala scheme' labour in the region of Tamil Nadu in India (a form of child labour, in which a girl is hired on contract for three to five years, during which she earns a wage, and after which she is paid a lump sum to pay for a dowry). For new suppliers operating in Tamil Nadu, we ask now to declare with a guarantee letter that there is no production taking place under Sumangala Scheme, and which is confirmed by an audit report.
- We follow up closely the changed context in Turkey. As millions of Syrian refugees live and work in Turkey now, there is an increased risk for illegal Syrian workers and child labour in the Turkish garment sector. JBC is in close contact with its Turkish suppliers to avoid these risks.





Factory Flaxen dress makers

Partners in Bangladesh are also informed on our role as signatory of the 'Accord on Fire and Building Safety in Bangladesh'. We can only enter a partnership if also the supplier is a partner of the Accord and is open for inspections and respects provisions of the Accord.

### 1.5. Integration monitoring activities and sourcing decisions

As above mentioned new suppliers or new factories have to pass our Due Diligence procedure. This procedure isn't only part of our sourcing strategy, it's also a first important step in our monitoring strategy.

The initial introduction email informs potential suppliers, in advance, of our social and environmental requirements. When factories are in our supplier portfolio we monitor them on a regular base.

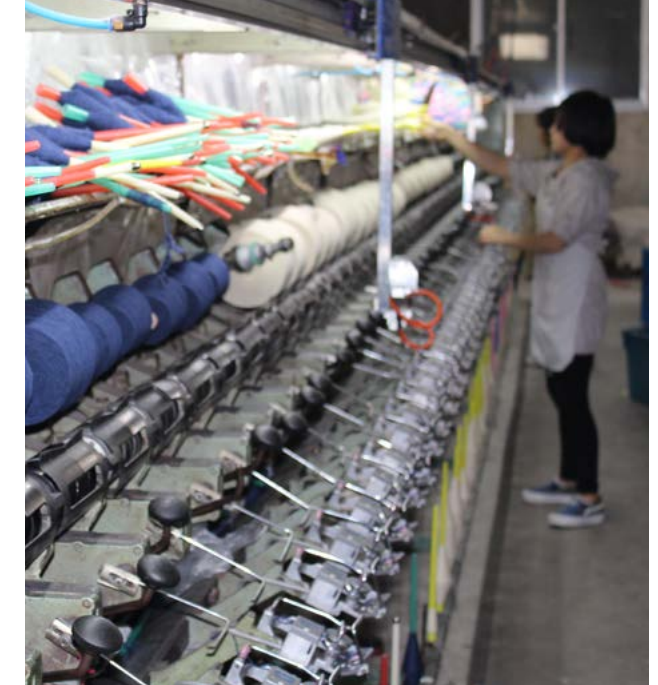
We invested in the development of an extension of the current IT system used by the buying and finance department. The system now includes the factory name for every order placed by the buying department. Every article that has been designed and produced for JBC is linked to a factory. This gives us more visibility of the problems in the factories which allows us to anticipate on them in an early stage.

Due to the fact that accurate info on the production locations is key to make this system work properly, we strongly value trust and transparency in our relationships with our partners. It also requires a continuous follow-up from our side.

When we discover that a supplier is dishonest about the production location of an order, this is a serious breach in trust which ends our partnership. For example : In 2017 we stopped working with one Chinese supplier and one supplier in Bangladesh because they produced in an unauthorized factory and did not inform us about this.

The info we retrieve from this evaluation can be used as a base to discuss CAP's with our suppliers and it gives us incentives toward a better supplier base and capacity planning.

We are developing a new and automatic 'vendor-rating-system'. This system is at a very early stage of development right now, as suppliers are rated based on deliveries and quality of goods. This info



is shared with our buyers and is used to make our sourcing planning.

This system is continuously evaluated and improved. It is something we definitely will explore more in the future.



Chenxiang working for JBC in China

## 2. Coherent system for monitoring and remediation

### 2.1. Audits & Corrective Action Plans

Our monitoring doesn't stop at the initial evaluation of a supplier before entering into a partnership with them.

From the moment that a new supplier is put into our IT system, he is under our monitoring responsibility. Together with our supplier we will start working towards a better social compliance.

For a new supplier transparency is mostly challenging. We notice that they appreciate the commitment and security from our side, to have an **open and honest discussion** with them. When a mutual trust has been established, suppliers are very willing to cooperate with us on CSR matters. We don't notice resistance to work closely with us from our existing suppliers.

While producing at a factory, we will periodically evaluate the situation at the factory by requesting for an audit. We commission **Wehtica, SGS or Fair Wear Foundation** to carry out these audits. The costs of these audits are borne by JBC.

Fair Wear Foundation also carries out independent audits at our production locations. Audit reports executed for JBC are always send to the CSR manager directly who will analyse them and contact factory management to start remediation.

For smaller suppliers, who are not yet audited by FWF or Wethica, we always ask for other available audit report from BSCI or Sedex. We then use the Audit Quality Assessment Tool of Fair Wear Foundation to screen the quality and value of these audit reports.

If during an audit any deviations from the required standards are identified, the auditors will discuss a **Corrective Action Plan (CAP)** with the management and workers' representatives. If no CAP has been discussed with the auditors, we will start an open discussion ourselves with the suppliers to develop a Corrective Action Plan.

A CAP is a list of all necessary improvements, actions and timeframe to make the improvements. We always follow up on the CAP to check whether the improvements have been made. For the suppliers in China or Bangladesh, our local teams will verify the progress by a personal visit to the factory. For suppliers in other countries and in case a personal visit is not scheduled in the short term, documents and pictures will have to be send to the CSR manager, to prove improvements have been made (which will be checked during the next visit by one of the JBC staff).

In case there are major issues, a **re-audit** will be planned to follow up on the CAP. The supplier will

bear the costs of a re-audit within a year in case they didn't provide full cooperation during the audit or in case major violations which requires a full audit.

For these audits we make no distinction between production locations that we work with directly or through agents. We believe it is important to work on enhancing social and environmental standards as far as possible, even though we have limited influence when working through an agent.

We believe we have a good cooperation regarding the execution of monitoring activities with our **agents**. If audits have been organized at the factories, they share the reports or they cooperate together with us for audits performed on request of JBC. Audit results and Corrective Action Plans are discussed in meetings between the agent and our CSR Manager.

It's important for us to analyse the problem from the audit report and try to emphasize to our suppliers that we are in this together.

Our Corporate Social Responsibility Manager has the main responsibility to monitor activities and to help to execute the Corrective Action Plans. In addition also our Sourcing & Production Manager, our Supplier Performance and Capacity Specialist, Ann Claes (Owner, Director and Head of the Buying Department), our General Manager of the China office and the manager at our Bangladesh Office are closely involved in the monitoring activities of the Corrective Action Plans, especially when major issues are found in the audit.



In general we believe that compliance of our suppliers is quite good. Most Health & Safety issues that have been found have been discussed with our suppliers and were reasonably easily to solve. Some issues are more delicate and will take longer to comply with.

2.2. Visits

All our suppliers are also **regularly visited** by people from our Headquarters or from our local offices.

During these factory visits the **FWF Health & Safety check** is filled in and pictures are made. The findings of the factory visit are discussed with the supplier. The

Health & Safety document proved us an effective tool to make a quick scan of the factory, with quick wins as a result (for example : unblocking emergency exits, unlocking first Aid box,...)

2.3. FWF Code of Labour Practices

As above mentioned all our current manufacturers have passed our new supplier procedure and they have received a letter and a questionnaire to inform them about the **FWF Code of Labour Practices**, which implies international labour standards including human rights, labour rights, child labour, forced



One of our Belgian Quality controllers checking the quality at the factory.

labour, working time, wages and compensation, working safety including health and safety. By filling out and sign the **questionnaire**, they endorse the labour standards of the Code of Labour Practices.

They also have to display, correctly, the Worker Information Sheet at the work floor. During audits and during visits by JBC staff, this is verified and followed up. CSR is always a standard topic during all factory visits.

2.4. Worker Education Programs

Next to performing audits and follow up the CAP's, training business partners is an important asset to help them improve things on site. To be able to implement our CSR values and our Code of Conduct, everyone involved needs to be properly informed. We therefore organize trainings, internally and externally. The **worker Education Program** of FWF is one example but also the Bangladesh Accord provides trainings for the workers and the factory management.

The training of FWF provides short onsite training for managers, supervisors and workers. Various issues are handled from labour standards and effective methods for communicating to problems and resolving disputes. It aims to raise awareness about workplace standards. We continuously encourage our partners to follow these trainings.

Under the **Bangladesh Accord** there is also a Training Program available. There are different modules on which training can be given. Focus is mainly on the establishment of a safety committee and training all workers on issues regarding safety

in the factory. Workers are among others informed on safe evacuation, common safety hazards and the Accords complaints mechanism.

2.5. Monitoring examples

Some examples show how issues are handled at the factories.

China

Weixiang

A very small factory at the country side in the province of Jiangsu. All workers are locals who live near the factory. Wethica had conducted an audit in March 2017 in which they had raised their concern on some topics. The factory took these concerns by heart and in a re-audit in June 2017 they showed that they improved already the biggest issues. All workers now receive the legal wage with correct payment of overtime. There were some other actions taken to resolve the audits 'issues, for example : To avoid work is done during official resting time, the factory turns off the power in the workshops during lunchbreaks. They installed safety guards on all sewing machines and bought metal gloves for cutting workers.

Shanghai Sheng Ma Long Knitting

A small knitting unit of 50 workers, with washing unit. It's not a traditional 'cut & sew' factory. Because it's a small unit and the machines they use are expensive the factory tends to have their worker working longer hours. The factory has been audited by Wethica in 2017. Working hours are indicated as a problem. We have been addressing this issue to the factory management and together we have agreed to



worker at the Shangai Sheng Ma Long Knitting factory

improve this step by step. First step is that the factory is providing time and salary record every month so we can check the evolution. They also made the assurance to give the workers one day off per week. We'll keep working with this factory on working hours and on the improvements on Health & Safety that are still needed.

## Bangladesh

### Flaxen Dress Makers

Foto 13B : worker at the Flaxen Dress Makers factory  
We work with this factory since 2002. It's a family owned and run business, like JBC. The factory is GOTS and Oeko-Tex certified and in 2016 Fair Wear Foundation has audited this factory.

After the audit we talked to the factory management about the issues of the report, amongst one : informing us about the use of subcontractors. There are other things we addressed from the audit report as well but transparency is a big issue for us because it ensures trust within our business relation, essential for good monitoring and remediation. This transparency does also include the subcontractors.



worker at the Flaxen Dress Makers factory

## Turkey

### Ilida Tekstil

A GOTS and Oeko-tex certified Turkish factory. A recent audit was conducted in 2017 by the Fair Wear Foundation. This audit shows, among others, that the factory could do a better job informing its 'workers and ensuring worker participation. It is important for us that workers know their rights and so they can be involved in making them respected. JBC and the factory management is looking into the possibilities to improve worker information and to set up a system of worker participation. The factory is addressing following topics in the short term : building safety, safe chemical storage, machine safety.

## India

### STRANGE EXPORTS

This factory is situated near New Delhi. It's better than most of other the factories in this area. Wages are legal, including the payment of overtime with premiums, social insurances and paid leave. One of the topics on which there are gaps is the Health & Safety topic, which is usually a key problem in India. Example of one of these issues is the fact that some evacuation routes are partially blocked and access to extinguishers is partially blocked. These issues are discussed with the factory management. They have to be resolved in a short term as no major structural work has to be done for their resolution. We ask the factory management to send us pictures of the result but it will also be checked carefully when we visit this factory.



Garment worker in the factory in India

## 2.6. External production

In 2017, JBC collaborated with some external producers for our ladies collections. The Scandinavian brands PEP, Soft Rebels and Soaked in Luxury completed our women's' collection. In 2017 we also included an external shoe brand, Call It Spring to our collection.

In the process of "due diligence" before doing business with these external producers, our CSR manager was in close contact with all these brands on their CSR policies. Their policies were found to be in line with JBC's fair wear standards so no objection on the cooperation was raised. They all signed the Code of Labour Practices for External Producers.



## 3. Complaints handling

### 3.1. Fair Wear Foundation

Photo 12 : FWF Worker information sheet which has to be displayed at the factory.

The FWF complaints procedure is a safety net for workers. For us it is an additional mechanism for checking if our suppliers meet our requirements under our Code of Conduct. Receiving a complaint is not all negative, it's also viewed as an indication of the progressiveness of the partner and its appreciation of its worker.

The info on the FWF complaint mechanism is found on the Workers Information Sheet which has to be posted in the factory.

The FWF complaint mechanism allows workers to confidentially and anonymously report any complaints. This complaint is received by an independent and local FWF representative. FWF communicates the complaint to us and we take it on with our supplier and try to solve the problem. The FWF publishes the complaint and the Corrective



Action Plan on its' website.

Our CSR Manager is responsible for dealing with complaints from workers or their representatives against their employer within the supply chain of JBC. We want to do everything within our power

to resolve a complaint in a timely manner, in close cooperation with FWF. We will always guarantee anonymity of the worker or representative during the complaints procedure. We will also further invest in making the complaint procedure better known to workers.

In 2017 neither JBC nor FWF's country contact persons received complaints from factory workers or management involved in our supply chain.

### 3.2. Bangladesh Accord

JBC was the first Belgian retailer to sign the Accord. We continue to support this initiative in the future.

The complaint mechanism under the Accord is focused on safety related issues. Complaints about **structural, fire and electrical** as well as complaints concerning the **right to refuse unsafe work** can be treated by the Accord. Inspections and an investigation will be done and remediation will be started by the Accord. We as a brand are also informed to investigate the issue and remediate together with the supplier and alongside of the Accord.

The complaints raised and treated under the Accord are published on the website.

Up till now we haven't received a complaint under the Accord.

## 4. Training and capacity building

### 4.1. Activities to inform staff members and management

Updates about CSR related issues, including FWF membership requirements, are **internally communicated** during our staff and sales meetings (which are organized on a monthly basis) and in our meetings with the shop manager (organized every three months).

Every two months, our CSR manager gives an update on FWF related issues to the **Board of Directors**, so that relevant topics are discussed at top management level and decisions are taken if necessary.

**New employees** are informed on the company's CSR activities and fair wear engagement by a presentation by our CSR manager during a 'welcome day', organized on a regular basis.

The CSR manager also keeps close contact with the General Manager of the China office (share all information about suppliers, audits, CAPs, etc.) and the responsible of our Office in Bangladesh.



All Employees Training organised by the Bangladesh Accord

#### 4.2. Activities to inform agents manufacturers and workers

All agent, intermediates and factory management have been informed about FWF membership through a letter and questionnaire, **explaining our FWF membership** and the Code of Labour Practices. The Code and the contact details of the complaints handler are posted in every factory in the local language. This will be monitored in our audits and during factory visits.

As our team of **JBC China office** also had a training on social compliance, organized by FWF, they can also share their knowledge with the manufacturers and it will help them with the elaboration and execution

of a CAP. Since 2016, JBC China staff is also using the FWF Health & Safety check as a checklist and a communication tool to communicate on health and safety issues with suppliers.

Our Sourcing & Production Manager, CSR Manager and Ann Claes discuss major issues, which have come up during an audit or which have been found **during a factory visit**, with the supplier. As we have built long term relationships with our suppliers, they are not afraid to ask for help if necessary. The factory visits and meetings which are organized to discuss audits or CAP results are not just one-way communications but are a dialogue between our staff members and the supplier to improve the actual situation in the factories.

## 5. Information management

Information on our production locations is kept in our IT system and info on audits is recorded there. We also keep the info on our factories in the FWF database. Follow up of audits is done based on the CAP's sheets, timeline, progress and remarks are completed in the file. We share this info with suppliers but also with our colleagues in our China and Bangladesh Office.

For the future we're looking into the possibility to share these info with more people within our organization. For the Bangladesh Accord we have our factories disclosed on the website. CAP's and remediation



I AM Transparency Tool on the JBC website

progress is closely tracked by the Accord as well as by JBC. On our own website you can find specific factory information for every article of our green brand, I AM.



## 6. Transparency & communication.

### 6.1. Transparency Tool

In a world where transparency is becoming more important. JBC was proud to be able to add our **Transparency Tool** to our list of achievements in 2017. Embedded in the vision of our I AM 360° Sustainability Project we are always looking for ways to be more sustainable in a more “revolutionary way”: design, materials, production process,...

**The I AM collection** is produced with a small amount of suppliers. A very good reputation on social compliance (proofed by good audit results) and ecological innovation became priority criteria in the sourcing decisions for I AM.

Thanks to the Transparency Tool our customers is informed about the origin of the the article he or she buys. Clicking **‘Trace this item’** next to the article discloses the info on the production location : name and address of the factory, quantity of workers, date last audit ... For now the Transparency Tool on our website is only linked to I AM clothing but in the future we would like to install the transparency tool for all JBC orders.



I AM Transparency tool is presented @ Parliament

### 6.2. Fair Wear Foundation membership

JBC informs its customers about the FWF membership in different ways. We explain FWF in our brochures. In our shops we display the **FWF logo** in the fitting rooms and at the entry doors. More info on our sustainability policy and our Fair Wear engagement is available on our website [www.jbc.be](http://www.jbc.be).

All JBC staff has the logo of FWF in its email signature. In this way, all our suppliers, partners, stakeholders, etc. are informed on our FWF membership.

### 6.3. Signatory to the Bangladesh Accord

JBC has been the first and only Belgian retailer that signed the 2013 - **Bangladesh Accord on Fire and Building Safety in Bangladesh**. From the beginning we've been engaged in working towards a more safe and healthy Ready Made Garment Industry in Bangladesh.

Together with the Accord and our suppliers we have been tackling several issues in field of fire, electrical and building safety.

Because of the long-term character of our partnerships with our suppliers they know their efforts will be rewarded so they are eager to try to solve issues that came up during the inspections of the Accord. Our suppliers reached 75% correction of all findings (initial and new findings). Some of them even reached complete remediation, for others

progress can still be made and so we'll keep working on this together.

In November 2017 we signed, as first Belgian retailer, the new Bangladesh Accord so will continue our efforts on this area after May 2018.

### 6.4. Other ways of communication

In the past year, our CSR Manager was also invited as a **guest speaker** at business events, civil society events, academic lecturers, a meeting with the Minister of Sustainable Development, etc. All interesting opportunities to inform different groups in society and opinion leaders on our CSR Policy. We've been able to host the start of the **“Fair Trade Week”**, where Minister De Croo was present. There we presented the launch of our Transparency tool. This topic was also presented at the parliament. In 2017 JBC also won the first **Retail Sustainability Award**. An award presented by Retail Detail. Foto 18 : Presentation of our IAM Transparency tool at the beginning of the “Week of Fair Trade”.



Kick off Fair Trade week

## 7. Stakeholder Engagement

Our **stakeholders** include employees, customers, production partners, workers at the production sites, non-governmental organizations, politics, media... A lot of different stakeholders who all have different wishes and expectations of JBC.

We try to keep our stakeholders informed in different ways, mostly adapted to the interests of the group for whom it's meant to be.

Our **Social Report** offers our customers and other interested people an insight into the way we tackle different CSR topics. On our **website** we also provide up-to-date info on sustainability ([www.jbc.com](http://www.jbc.com)).

Furthermore, we are in contact with our stakeholders by email, telephone, face-to-face meetings, a social media... Interested parties are also able to contact our CSR manager through our **Customer Care Service**.

We engage with our staff on CSR topics by **internal meetings** and by other communication channels. It's important for us they know our CSR policies so they can help us implement it or challenge us to take the next step. But it's also important that they become our ambassadors because they're proud of what we achieve.

As above mentioned we have a strong direct contact with our **suppliers**. On a higher level we are in ongoing dialogue with non-governmental organizations, schools, politics... We are engaged in different multi-stakeholder initiatives.

We're a member of the Fair Wear Foundation and we're a signatory of the Accord on Fire and Building safety in Bangladesh.

JBC also became a member of the Bündnis für nachhaltige Textilien, a **multi-stakeholder initiative** that brings together representatives from five different actor groups (German Federal Government, business, non-governmental organizations, unions, and standards organizations). The goal of this partnership is to achieve social, ecological and economic improvements alongside the entire textile supply chain.

We also have engagements on a more executive level with different stakeholders from different industries, most of these **projects involve the circular economy**.

For us, partnerships, in many shapes and sizes, are key to enrol our CSR policy

## 8. Social and Environmental engagements

JBC is a family owned business and a people-oriented company. Every day we do our very best to be a socially responsible company where customers want to buy and employers want to work. We want to achieve the right balance between different aspects of business: people, environment, partnerships and financial performance. We believe it



Kids at the Bashgari School in Bangladesh

is crucial to work together with all different stakeholders to improve the overall working environment and to reach our **social and environmental engagements**

### 8.1. Support Bashgari School and School Pooluvapatti Tirupur.

JBC, as a family business, values children a lot. Education is essential in kids' development. In our production countries going to school can't be taken for granted. Therefore since 2011, together with 2 of our close supplier, we're involved in 2 **school development projects in Bangladesh and in India**.

We have rebuild the school buildings and necessary school equipment was provided. Some examples of what we have achieved: A playground, a volleyball field, a bicycle park, a water purification plant, a computer class-room, sanitary facilities, a boundary wall so the children are protected at school. Thanks to these facility the children of these schools enjoy education clean drinkable water and protection.

This way a lot of children who are living in these rural areas get the chance to go to school and improve their life standard.

### 8.2. Partnership BEWEL

JBC works together with **BEWEL**, a social economy organization that provides work for disabled people. Employees from BEWEL are working on a daily basis in JBC's warehouse.

### 8.3. Environmental engagements

Our **environmental engagements** reach from raw materials over transport to the use of "in store" materials. We're constantly looking for improvements to tackle environmental issues in our supply chain.

We want to take you through just a few of the topics on our environmental agenda:



- We are very conscious of the raw materials that we use. All year long we offer collections in organic cotton, embedded in our standard collections and in our “Eco-lab” I AM.
- JBC also cares for animal welfare, we became a signatory of the Fur Free Retailer Program of the International Fur Free Alliance and real fur has since more than 10 years banned from JBC collections, same as angora wool and feathers (down) from live-plucked animals.
- We ask from our suppliers is to respect the REACH regulation of the European Union. The chemical substances recorded in this regulation are absolutely forbidden in the production of our clothes. JBC itself conducts random test to check that no hazardous substances have been used, beside tests that are conducted by the government.
- In our stores and in our marketing communication we try to be as sustainable as possible. We use paper from sustainable forest management. We reduced the amount of printed brochures ...
- JBC uses an energy monitoring system in our shops, to optimize our use of electricity and water. JBC’s new headquarters in Houthalen is built in 2013 in an energy-efficient way.
- Numerous parcels travel every day from our logistics centre to our customers. Working with courier company DPD we have been able to send these parcels in a climate-neutral way. The CO2 emission generated by sending out parcels is calculated and based on this investments are made in climate protective programmes like compensation by electrical vehicles, investments in forests...
- At the end of the life of JBC clothes can be disposed in one of our clothing containers. Together with ‘Wereldmissiehulp’ and ‘Caritas’ we have several containers for disposal of used garments. These clothes are given to children and families who need them. Less value textiles are sold or recycled. The return we get from our clothing collection is donated to our school projects in Bangladesh and India.



JBC Headquarters

## 9. Final Note

Corporate Social Responsibility is a very complex subject. At JBC we want to be agents of change. Every decision has to be an improvement to existing processes. For us the most important thing is not about what we’re doing right now, but what we will be doing next. A small step for us, might have a great impact on someone or something else. Standing still is declining and perfection on the domain of CSR does (unfortunately) not exist...

We look forward to any questions or suggestions on any aspect of sustainability. Please send them to: [csr@jbc.be](mailto:csr@jbc.be).



## Contact

JBC n.v.  
Centrum Zuid 3401  
3530 Houthalen  
Belgium  
Tel: +32 11 60 88 06  
Email: [csr@jbc.be](mailto:csr@jbc.be)  
[www.jbc.be](http://www.jbc.be)

