



Introduction

The project is an effort to bring together two companies based in the Netherlands – Coolinvestments Group and Hunkemöller, their agents, their progressive and dedicated CMT supplying factories based in Bangladesh to collaboratively map and visualize the garments supply chain in a transparent manner. This activity is part of a large comprehensive project in Bangladesh and South-India with the objective to improve conditions and procedures at the factory level to enhance children's rights and to jointly prevent and mitigate child labour risks.

How will it help?

THE COLLABORATIVE ACTIVITIES UNDERTAKEN IN THE PROJECT WILL ASSIST BRANDS AND BUYING COMPANIES:

- To understand how supply chains function and to get better visibility of actors involved in the supply chain
- To work towards sourcing of ethically produced garments
- To support supplying business partners and their suppliers to enhance the application of the local legislations and social standards
- To support an engaged and responsible garment sector in Bangladesh which respects and supports children's rights and contributes to the sustainable development of the country

THE COLLABORATIVE ACTIVITIES UNDERTAKEN WILL ASSIST BUSINESS PARTNERS AND MANUFACTURERS:

- To gain insights in supply chain performance and to get better visibility of actors involved in the supply chain
- To strengthen general awareness on labour standards among management and workers
- Strengthen factory reputation towards workers and the community to attract more business partners

Why the mapping exercise?

The brands want to learn how they can best support and collaborate with their suppliers and relevant stakeholders for meeting social standards and for achieving greater traceability and transparency (see box 1).

BOX 1

SHIFTING NORMS, EMERGING REGULATIONS AND GREATER INTEREST FROM CIVIL SOCIETY

Greater public disclosure of the human rights conditions embedded in global supply chains is rapidly becoming the norm for multinational companies and export-oriented manufacturers managing complex sourcing relationships around the world.

While for some companies, increased supply chain transparency may be the logical result of a maturing social responsibility program, external pressures from civil society and governments, including emerging regulations that carry significant legal and financial risks, are also clearly driving this shift in industry norms – for everybody.

More and more countries around the world, including the Netherlands, UK, France, Germany, and the US, are enacting legislative and regulatory frameworks requiring multinational companies to trace their supply chains and be transparent about the effect of their business practices on human rights.

In particular the Dutch Agreement on Sustainable Textile and Garments (AGT) is requiring Netherlands-based companies to map their upstream supply chains that include Cut, Make, Trim (CMT) factories, textile mills, spinning mills all the way back to the raw materials.

Approach for supply chain

The Dutch brands will collaborate with all of their suppliers to start a supply chain mapping exercise in Bangladesh. The Fair Labor Association (FLA) will provide support and guidance in supply chain mapping activities starting from the headquarters of the two companies based in the Netherlands. As a second step, orientation meetings are planned with their agents and suppliers in Bangladesh to provide them with the tools and necessary coaching to conduct supply chain mapping of their sub-suppliers.

Finally, a risk assessment will be undertaken to be used as input for companies and suppliers to develop joint action plans to gain better visibility of working conditions and child labour risks in the upstream supply chain. This will assist companies and suppliers in keeping up with the emerging regulations and transparency requirements.

THIS WILL ASSIST COMPANIES
AND SUPPLIERS IN
keeping up WITH THE
EMERGING REGULATIONS
AND TRANSPARENCY
REQUIREMENTS

What is expected?

- Introduce the project to your suppliers
- Collaborate with your business partner to start filling the supply chain mapping tool that you will receive
- Engage in continuous dialogue with your suppliers to build trust and implementation of the project
- Facilitate access to workers and information for the FLA team
- Embed the learnings of the project in the way you do business

FOCUS ON CHILDREN'S RIGHTS

UNICEF will implement its Better Business for Children Programme and will collaborate with two prior selected factories and their suppliers to implement a due diligence programme with a special emphasis on children's rights, focusing on child labour prevention, protection of young workers and safety of children. UNICEF will provide support to the factories to implement a 6-step programme towards supply chain due diligence with a focus on the rights of children. In collaboration with all stakeholders a plan of action is designed to strengthen the positive impact and mitigate the risks.

The tools and lessons learned from this exercise will be made available to all participating companies and suppliers; and can be used for their joint action plan.

Frequently asked questions

AS A MANUFACTURER, WHAT ARE THE BENEFITS OF SUPPLY CHAIN MAPPING?

The mapping exercise will help to meet the legal requirements and social requirements of your buyers. The supply chain mapping will provide you with better insights in your supply chain and own supply chain management practices. This is becoming the norm and by joining this project for supply chain mapping you will receive tools and advisory services on how to achieve it. This is expected to lead to more effective communication, improved quality and enhanced reputation.

AS A MANUFACTURER, HOW ARE YOU EXPECTED TO SUPPORT THE MAPPING EXERCISE?

To be able to achieve the desired results, it is key to work closely with the project partners. Pro-active cooperation, openness, transparency and trust are important, for which your time and active involvement is needed. In practice this means that you are expected to:

 Invest time and human capacity in the project. The effort will depend on the current organisational structure, internal and supply chain management systems and the level of insight and collaboration in your supply chain.

- Share information on your supply chain and to help establish contact with your material suppliers and subcontractors.
- Facilitate access to your premises and provide opportunities for the FLA to meet and interact with your management and workers.
- Share information on your policies and procedures to meet the social requirements and national laws.

ARE THERE ANY COSTS OF JOINING THE PROJECT?

No monetary contribution is expected from the suppliers.

HOW MANY OTHER FACTORIES WILL PARTICIPATE IN THE PROJECT AND WILL THE INFORMATION BE SHARED BETWEEN THE FACTORIES?

A total of about 20 factories and their suppliers will participate. Information of respective facilities will be kept confidential. An overall, aggregated analysis and lessons learned will be shared

WILL JOINING AFFECT FUTURE BUSINESS?

The mapping is expected to have a positive impact on future business. Given that you will be able to demonstrate and communicate your

efforts on supply chain mapping and meeting the legal and social requirements, you become an attractive supplier to existing and potential buyers.

HOW WILL THE MAPPING AFFECT MY BUSINESS PARTNERS IN THE UPSTREAM TIERS FOR EXAMPLE MATERIAL PROVIDERS?

Your business partners, including subcontractors and spinning mills will be included in the mapping exercise and will be known to your buyers. The activities expect to have a positive impact on them. In case social challenges or risks are found at the upstream level, they will be identified and remediated as part of the project activities.

These findings will not be used to have any punitive actions. It will provide subsuppliers with opportunities to improve their practices. They will be able to gain from support that will be provided during the project.

WHEN WILL THE MAPPING TAKE PLACE IN MY FACTORY OR AT MY SUPPLIERS?

The mapping is likely to take place in both your and your suppliers' facilities in the last quarter of 2018.

OUR BUSINESS PARTNERS CHANGE
ON A REGULAR BASIS, HOW WILL
THIS PROJECT BE BENEFICIAL FOR US?

The project will help you build a supply chain management systems and will provide insights in how you can work with your suppliers and subcontractors. With this enhanced internal capacity, you will be able to work with old and new suppliers.

WHAT INFORMATION AND RESULTS
BE SHARED AFTER THE PROJECT
AND HOW?

Based on the project learnings, the FLA will develop a guidance document with concrete information, recommendations and practical tools that will be shared with the brands. involved suppliers and other AGT member companies for future use. Additionally there will be an end-report of the overall project with information and lessons learned at an aggregated level (no linkage to suppliers or factories). Suppliers will be provided the opportunity to review the final draft of the report to decide if they want their name to be included as a project partner or not.

Project Partners

PROJECT PARTNERS Dutch brands:

Hunkemoller and <u>Coolinvestments</u> labels <u>America Today</u>, <u>CoolCat</u> and <u>MS Mode</u>

CONTACT

msi@hivos.org

PROJECT PERIOD

October 2017 - October 2019

Expert Organization:

Fair Labor Association (FLA)

With support from:

<u>Hivos</u> and <u>UNICEF</u> Bangladesh and Netherlands office

As part of:

The Dutch Agreement on Sustainable Garment & Textile (AGT)

Funded by:

Netherlands Enterprise Agency (RVO)

COOUNVESTMENTS





COOLCAT®

hunkemöller

unicef for every child









