

Communication on Progress Report 2014



32
bvba

ANN DEMEULEMEESTER

Statement of continued support by the Chief Executive Officer (CEO)

I am pleased to confirm that bvba 32 (Ann Demeulemeester) supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

We are committed to advance the 10 principles within our sphere of influence in the fashion industry. We continue to include the principles in our strategy and day-to-day operations. We continue to engage further in collaborative projects which advance the broader development goals of the United Nations.

Since 2012 our company has taken leadership in promoting Children's Rights and Business Principles in Belgium. The business case for respecting and supporting children's rights is clear. Supporting the health, education and safety of children is vital to creating a stable and productive business environment.

Taking positive action for children's rights is key to building strong relationships with the communities in which companies work. Promoting skills-training and youth employment is critical to ensure that the next generation has the skills businesses need to prosper. Building and nurturing creativity and talent is at the heart of our business.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress annually according to the Global Compact COP policy.

Sincerely yours,

Ms. Anne Chapelle
CEO

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

Make sure that they are not complicit in human rights abuses.

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

The elimination of all forms of forced and compulsory labour;

Principle 5

The effective abolition of child labour;

Principle 6

The elimination of discrimination in respect of employment and occupation.

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

Undertake initiatives to promote greater environmental responsibility; and

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

HUMAN RIGHTS

Principle 1: Business should support and respect the protection of internationally proclaimed human rights

Principle 2: Business should make that they are not complicit in human rights abuses

Our commitment

BVBA32 is committed to promote the human rights values manifested in our Standard of Conduct and Human Resources Policies and Practices. We are committed to fostering an environment of respect, integrity and fairness for our employees and customers wherever we do business, and we expect that our business partners will operate the same way. The company is engaged in avoiding complicity in matters of human rights abuse in all its business units. We support the protection and preservation of Human Rights, such as those in the United Nations Declaration of Human Rights and the International labor Organizations .

We aspire to work with suppliers that share our values and we expect high standards of business conduct from those who represent us or do business with us. Regardless of where we operate we will not compromise on our integrity. We aim to create social and economic value, contribute to sustainable economic development and promote the exchange of skills and knowledge. It is the policy of the BVBA32 group to ensure equal employment opportunity without discrimination on the basis of race, religion, sex, sexual orientation, disability, citizenship, age or any other characteristic protected by law.

Actions and outcomes

- The BVBA32 offers its employees an extra health insurance card for medical accidents to ensure a more global and deep health insurance cover as well as a safer working environment
- Before the start of a new business relationship with a partner, their company infrastructure is investigated and a strict compliance with general human rights is demanded.
- The BVBA32 has continuously helped young talents from all backgrounds onto the career ladder with a new policy for work experience and internships supporting the professional development of young people in and after education.

LABOUR

Principle3:

Business should uphold the freedom of association and the effective recognition of the right to collective

Principle4:

Business should uphold the elimination of all forms of forced and compulsory labor

Our commitment

The BVBA32 group protects and respects the initiatives of union association and values other forms of volunteer organization of its employees. Our employees are the basis of our company's success - a respectful and fair contact with each other at daily work has the highest priority. We abide to the freedom of association, the right to collective bargaining and the democratic principles according to the universal declaration of human rights.

Actions and outcomes

- 32 has elaborated detailed internal HR policies - translated in local and English.
- We surpass all official employment policies and we offer to our employees considerable additional benefits such as paying for their share of social insurance, health insurance and un-employment insurance.
- We provide an environment of open communication where our employees can speak with their managers about their concerns, problems or ideas to adress workplace issues. This policy is applied independently of local laws and to our business partners.

Our commitment

The BVBA32 group does not accept, under any circumstance, the exploitation of workers and does not maintain business relationship or hire services from organizations which adopt any form of forced or compulsory labor.

Actions and outcomes

- We actively source and work with small suppliers and subcontractors who commit themselves to any kind of forced and compulsory labour. Yearly reviews are conducted with our suppliers/sub-contractors in order to control and continue all relevant business partnerships.
- We provide competitive compensation and benefits, a safe and friendly work environment, programs for balancing the demands of work, and offer opportunities for learning and career advancement.
- Working hours are regulated by our contracts and overtime work is compensated accordingly.

LABOUR

Principle 5:

Business should uphold the effective abolition of child labor

principle 6:

Business should uphold the elimination of discrimination in respect of employment and occupation

Our commitment

The BVBA32 group does not accept, under any circumstance, the exploitation of children and youths under the legal age for work, and does not maintain business relationship or hires services from organizations which adopt any form of child labor.

Actions and outcomes

We work with smaller/ private ateliers and production places, which make it difficult to hide serious breach of recognized child labor. Further on we try to keep our production places in Western Europe where child labor is not as established as in other production places. We do not have production places in emerging markets where hidden child labor is harder to detect. In case of production in places like China or India – for reasons of expertise and preserved craftsmanship – our production places are there the strictest for these matters .

We also want to support the last remaining ateliers, the locals and their traditional knowledge of handcrafting. We constantly visit our production places which provides us a good overview and control about the working situation abroad. We have one atelier in India where the embroidering is done. Before working with this atelier we visited it and made sure that no child labor is taking place.

We only hire people with a minimum age of 18 years according to our national labor laws. An age verification in the recruitment procedure is a matter of course as well as a secure employment, and decent wages for our workers so that they do not need to send their child to work.

The BVBA32 is offering jobs for students during holiday time with strictly regulated working hours and a minimum age of 16 years.

Our commitment

The BVBA32 group is committed to a Human Resources policy focused on transparency, impartiality justice, and professionalism. The group does not accept, in its processes or at the workplace, any form of discrimination related to race, gender, sexual orientation, color, religion, age, ethnic origin, physical or mental disability or any other classification.

Actions and outcomes

- The BVBA32 has always maintained its commitment to diversity and equal opportunities in recruitment. 10 Nationalities are represented among our staff for which multi-cultural management is required. The diversity within the BVBA32 community underlines its energy, vibrancy and connectedness. All applicants are considered for employment based on their experience, skills and attitude. We adhere to all labor laws, respect the freedom of association, privacy and equal employment opportunity. We expect from our suppliers and contractors to embrace similar standards and values.

- Our company offers a language supporting program to offer a better integrity of the working environment to its employees.

- The BVBA32 continued to help talented young people from all backgrounds onto the career ladder with a new policy for work experience and internships supporting the professional development of young people during and after education (such as punctual sponsorships, recurrent sponsored prizes at the Royal Academy of Antwerp, etc.

ENVIRONMENT

Principle7:

Business should support a precautionary approach to environmental challenges

Principle8:

Business should undertake initiatives to promote greater environmental responsibility

Principle9:

Business should encourage the development and diffusion of environmentally friendly technologies

Our commitment

The BVBA32 group acts in order to protect the environment in all the localities in which its business activities are developed. We commit to use natural resources rationally, use recyclable material whenever possible and taking other measures to reduce to a minimum air, sound and visual pollution.

We promote environmental responsibility, not only in our usual operation, but also with consciousness-raising actions, environmental education and education for a conscious consumption. We will encourage our employees and partners to embrace sustainable values and a zero waste ideology.

We are endeavoured to the development and adoption of environmentally sustainable technologies within the characteristics of our businesses. We will consider the best practices and technologies for implementing the most efficient pollution prevention programs that will minimize the use of hazardous materials and waste.

Actions and outcomes

- We have reviewed processes and established a recycling program for most of the consumables being used by our company as well as our waste- especially for paper/ cardboard, left over fabric and plastics.

- Since 2008 we have launched the “Collection Blanche”, a biannual pre-collection based on the basic idea of reusing left-over fabrics from previous collections.

- All departments attempt to bundle shipments and transportations of all teams into the least possible amount of combined shipments to reduce our CO2 emission.

- Our production partner in Portugal uses a high technology and complex waste recycling system. In the future we want to encourage our business partners to invest in such sustainable environmentally friendly technologies.

- Our Quality Management implemented the REACH-, CIQ- and Flammability tests which are set according to specific international ISO/EC standards. The tests are done every season and declares the nonuse of harmful substances for textiles and clothings. We do not use any hazardous dyes and pigments for our garments that can cause harmful consequences for our workers, the end customer and the environment.

ANTI-CORRUPTION

Principle10:

Business should work against corruption in all its forms, including extortion and bribery

Our commitment

The BVBA32 group does not accept any form of corruption. We are committed to fair and responsible business and prohibit all forms of bribery or corruption.

We expect our employees to follow the rules of conduct that will protect the interests and safety of all employees and the organization.

Our ethics and values are the rib vault of our organizations : through shared principles, we believe in fair and ethical business internally and externally.

BVBA32 publically supports the UN Convention Against Corruption. Copies of this convention will be shared internally at start of employment for any new member of staff as well as part of Code of Conduct and ethics.

Actions and outcomes

- We do not support corruption infrastructure in any countries where we do business.
- Awareness and briefings are organized by departments' responsible when members of staff do travel and meet our manufacturing partners or our retailers worldwide. As so, they are reminded of our anti-corruption and anti-extortion principles and reminded that they represent the face of our company, complying and representing our ethics and values.
- In cases of incidents of corruption raised or discovered by the operational responsables, senior management investigates further at discretion of its employees and concerned third parties. Actions of discontinuement of business with concerned third parties are reviewed and implemented by senior management. In cases of violation of fundamental anti-corruption rights, relevant legal actions are taken or concerned federal instances informed.