

# THE CROWN EAST G R O U P

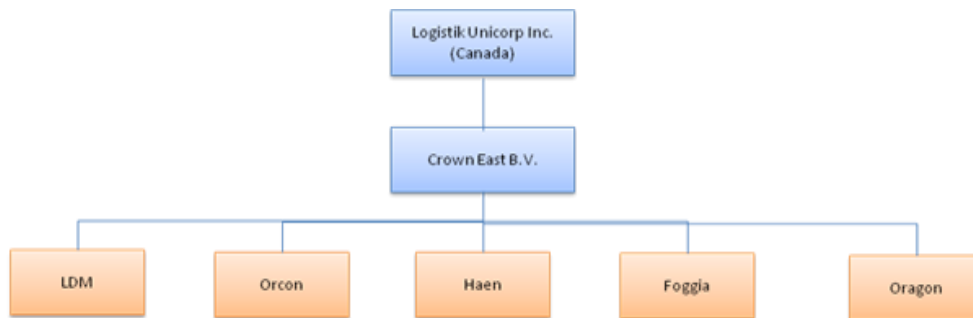


[www.crowneast.nl](http://www.crowneast.nl)

Start date membership

January, 2004

Organisational chart



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## **1. Summary: goals & achievements 2010**

In 2010 we have achieved awareness and commitment at our suppliers.

## **2. Sourcing strategy**

### **2.1. Sourcing strategy & pricing**

Our sourcing strategy is to have reliable suppliers in different parts of the world. We try to divide our sourcing partners over different regions, like Europe (South and Eastern), North Africa, Middle East and Far East. New products are priced through commercial negotiations, based on a minimum production. After the first run we check prices again and fix it with the supplier for the duration of the contract.

### **2.2. Organisation of the sourcing department**

Head of the sourcing department is Mrs. Joke Radojicic, Director Supply Chain. Tasks and responsibilities are negotiating and determine prices with suppliers. Two FTE are designing and developing new products or improving current products, one FTE is planning the production demands.

### **2.3. Production cycle**

The production of the different products is cyclical, depending on the demand from 1 to 12 times a year. Project planning is only applicable for new products. Depending on the fabric availability we reserve production capacity at the preferred supplier, send material and (technical) documentation and agree in dialogue with the supplier a reasonable lead time.

### **2.4. Selection of new factories**

New factories are selected on price and quality. Of course factories have to recognize the mission of the Fair Wear Foundation to improve labour conditions in the garment industry.

### **2.5. Integration monitoring activities and sourcing decisions**

The outcomes of your monitoring activities will be of influence at our future sourcing decisions. As well as price and quality also the monitoring audit will be part of the choice of the supplier. Supplier with poor monitoring results will be placed lower on the list of preferred suppliers compared to suppliers with higher results.

### **3. Coherent system for monitoring and remediation**

#### **3.1. Country Tunisia**

Our suppliers in Tunisia have been audited by a representative of the FWF in November 2009. It is recorded in the audit report. The percentage of the total production sourced from Tunisia is 43%. The factory has been visited lastly in November 2010 by Mr. Ruud Wissink, Director Finance and Mr. Gerian Focking, Logistic manager. During this visit the latest audit has been reviewed beside the progress of corrective action plans. Most important outcome of the audit was that management should insist on members of consultative committee to inform employees about the Fair Wear Labour Standards. New visits are planned within 2011.

#### **3.2. Country United Arab Emirates**

The percentage of the total production sourced from the United Arab Emirates is 22%. The factory has been visited lastly in August 2010 by Mrs. J. Radojicic, Director Supply Chain and also by her in June 2010 together with Mr. Rob Wijnhoven, General Director. New visits are planned in 2011, if for production reasons, or in 2012.

#### **3.3. Country Portugal**

The percentage of the total production sourced from Portugal is 19%. The factory has been visited lastly in 2009 by Mr. Rob Wijnhoven, General Director. In February 2011 the General Manager from Portugal has been visiting our premises. New visits are planned in 2012.

#### **3.4. Country Hungary**

The percentage of the total production sourced from Hungary is 16%. The factory has been visited lastly in 2008 by the former General Director. New visits are planned in 2011.

#### **3.5. External production**

Suppliers of "external production" were part of the audit in Tunisia of the FWF in November 2009.

### **4. Training and capacity building**

#### **4.1. Activities to inform staff members**

A meeting will be hold including the General Manager to inform staff members about FWF membership. An internal training will be provided to staff members who are involved in the execution of monitoring activities.

#### **4.2. Activities to inform agents**

Not applicable.

#### **4.3. Activities to inform manufacturers and workers**

A meeting will be hold including the General Manager to inform manufacturers and workers about the Code of Labour Practices. If needed, an internal training will be provided to manufacturers and workers.

### **5. Transparency & communication**

The general public is informed about our FWF membership through our website ([www.crowneast.nl](http://www.crowneast.nl)). A copy of the testimonial letter about Crown East's membership with FWF is shown in our showroom. In all tenders the FWF membership is mentioned.