

Picture Organic Clothing Social Report

Reporting period (Financial year: April 1, 2021 – March 31, 2022)



[company website](#)

FAIR WEAR MEMBER SINCE APRIL 2016

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NOTE: Under each question, please focus on the improvement that has been realised in the previous financial year. Given that the report will be published on the website, delete the parts where we explain the question/description.

Organisational chart

See attached document.

Summary: 2021 goals & achievements

Over the last year, Picture has greatly advanced our social mission. We feel that it is equally important to implement this mission alongside our environmental mission. This last year we have tried, actualized, and evaluated different actions to support people involved with making Picture products.

At the Picture offices, we take time to care for and support our employees – to make sure all staff feel physically and mentally safe at work and in their homes, too. This is what we want the workers across our supply chain to experience. The 8 Code of Labor Practices, from Fair Wear Foundation (FW), are our guidance to this. Our work with FW is key to our social mission, as illustrated by Julien Durant, one of our co-founders...

“At Picture we want our customers to know that they buy products which come from ethical productions. FW help us to make sure that our promise is respected, and they push us to always move forward for a better and more ethical production in this world.”

Progress that we have made in our 2021 financial year:

1. Strengthened our Corrective Action Plan (CAP) follow up with suppliers
2. Implemented and improved our due diligence practice to evaluate new potential suppliers
3. Mapped risks related to the garment industry across our production countries

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4. Crafted and shared a Code of Conduct
5. Collaborated with different brands, whether within the FW network or outside

Places where more progress could have been made in our 2021 financial year:

1. Moving forward on setting a target wage to achieve living wages at production locations
2. Systematically following up on covid issues
3. Drawing a connection between product pricing and wages
4. Tightening up our sourcing strategy, particularly looking at tailend suppliers

Sourcing strategy

SOURCING STRATEGY & PRICING

Our sourcing strategy is based on combination of social standards, environmental aspects, quality assurance, product development and pricing. We aim to balance all these factors and then make a decision that is best for Picture and the supplier. This means that sourcing decisions are made across internal departments – sustainability team, product team, development team and external sourcing agents. The strategy starts with the need from the product side. After defining that, we move onto our due diligence policy. In this process, we look into the current practices, audits, certifications and standards that the supplier has. From this, we can see where and how our supplier may need to improve. This due diligence gives us insight on social and environmental aspects. Then, we evaluate it against our current supply chain and the risks of the production country. This eventually leads to a sourcing decision. Our hope is that sourcing strategy allows us to grow and maintain long-term relationships with suppliers.

PRODUCTION CYCLE

We have 2 collections per year, spring/summer and fall/winter. Some suppliers produce for both collections and some for only one season. For each collection, we forecast orders and inform the supplier so they can properly plan. Additionally, at our main supplier Lilian and others, we do pre-orders to ensure appropriate manufacturing time. We place orders in a way that allow suppliers to produce within reasonable working hours and we also try to produce in the off-season as to not add more stress during peak season.

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“We ask each of our factories for a deadline to send them the PO (purchase order) to reach the ETD (the date where the products leave the factory) requested before our bi-annual sales meeting. From this information, we can reduce the time of shipment to the first retail introduction of each products. For FW season, for our outerwear products, the product line managers and the co-founder book the fabrics in the beginning of October in order to help the factory start as soon as possible and plan their capacity.” – Adeline Leservoiser, supply & planning manager

FACTORY RELATIONS

We have started to work with new suppliers in the last year: Riviera Creations and Ticket to the Moon. With each new supplier, we followed our due diligence process and learned about Riviera Creations and Ticket to the Moon in terms of social and environmental standards. Now, we have a clear, transparent and strong relationship with the supplier management that if issues pop up in the future, we feel trust to improve upon these together.

This year we added new tailend suppliers, while this was necessary from a business perspective and we did our due diligence, it does spread out our leverage and ability to improve working conditions at a supplier.

Lastly, we terminated a relationship with the follow suppliers: ZPlus Limited in China and Saratoga in India. We have an internal guidance document for exiting a supplier as well as advice from Fair Wear.

INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS

Participating in FW requires thorough knowledge of how every supplier works, of potential subcontractors, of payment systems, and more to ensure compliance with the 8 Code of Labor Practices. In the last year, our monitoring activities have shaped our sourcing strategy in the following ways. One, since we started to monitor risks closer, we are more aware of garment industry violations per country and can better decide which countries we would like to work in. Two, we understand better what it means to build a relationship and how to take these factors into account when looking for a new source. Three, this year did bring up serious issues with some of our suppliers on the topics of wages and transparency. We had to think to ourselves what makes an issue serious enough to possibly leave the supplier; this influences our sourcing practices for the future.

Coherent system for monitoring and remediation

Our main systematic activity to monitor our supply chain is our Corrective Action Plan (CAPs). We have an excel file that lays out the issue, the remediation and the timeline. Then, possibly with other brands that produce at that same supplier, we send the CAP to factory management or HR team. They have any opportunity to comment on the feasibility and how they plan to address the issues. Over the next months, there is back-and-forth between Picture and the supplier on what progress has been made. In these steps, we commonly ask for photo/video verification, especially in the last year when we could not visit due to covid. An example illustrates this process the best. In fall 2021, our main supplier Seyfeli had an audit. After receiving the results, Picture wrote out a CAP based on the identified issues like overtime or missing letter of approvals from governmental ministries. We share this CAP with Fond Of, another FW brand that works at Seyfeli. Fond Of gave some feedback before we sent it to Seyfeli, who then immediately begun to make effort. About a month later, Seyfeli sent us a progress report. This example is ideal; nonetheless, it shows how our monitoring system functions.

Our other formal monitoring tools are the Basic Health & Safety Check, the production questionnaire, country update webinars from Fair Wear and general communication with the supplier. The later can be a more informal method. Often, we have calls with our suppliers or emails or WhatsApp, where we can check in with what is happening on the factory floor. This informal method allows us to cross reference the more “formal” data as well as build trust with our partners.

For a monitoring overview, we have a risk analysis document. This analysis goes through the 8 Code of Labor Practices and states the current situation in the production country related to that code. Our risk analysis is updated frequently based on new audits, new multistakeholder reports and general news. Additionally, it is in 2 formats. First, we have an excel that goes in depth on each risk in terms of severity, scale, and likelihood. Second, we have a (private) google maps where if you scroll over a country, the risks pop up. This later document is made for Picture staff to use because it is more tangible and relevant.

Between the specific CAPS and the general risks, we can say the most important priorities throughout our supply chain are...

1. Fixing occupational health & safety issues

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2. Transparency between management & employers and between management & brands (us)
3. Wages

The next section will go through updates per country, per factory. If a supplier is left blank, it is not negative. It means we have a stable relationship with them that includes normal follow-up.

HK Love Fashion International/ China

This is a small supplier for us; nonetheless, we stay in touch with them through our sourcing agent. This year, we had to update the worker information sheet they had, then workers know the 8 Code of Labor Practices and where to call if they have an issue. They also filled our covid survey so we could monitor the situation.

Meroson Garment/ China

This is a small supplier for us; nonetheless, we stay in touch with them through our sourcing agent. We have an active CAP with them, and they also filled our covid survey so we could monitor the situation.

Xiamen Feeling Tex & Gar/ China

This is a small supplier for us; nonetheless, we try to keep updated through our sourcing agent.

Yutian Import & Export Co./ China

This is a small supplier for us; nonetheless, we stay in touch through our sourcing agent. They also filled our covid survey so we could monitor the situation. We learned more about the supplier through our Basic Health & Safety Check.

Wujiang Kaiyue Textile Co./ China

This is a small supplier for us; nonetheless, we try to keep updated through our sourcing agent. They also filled our covid survey so we could monitor the situation.

Mlife International Co./ China

This is a small supplier for us, yet we do have 9% leverage there. We learned more about this supplier through our Basic Health & Safety Check. They also filled our covid survey so we could monitor the situation.

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Lilian/ China

At the end of our last financial year (2020-2021), there was a FW audit in March 2021. The follow up and remediation happened all in the 2021-2022 financial year. Lilian and Picture have had continuous back-and-forth on the CAP and addressing the issues within a certain timeline. This has happened through both live meetings, emails, and photo verification. In the year, we facilitated more open conversations on wages, attendance records and overall transparency. It felt like we have made steps in terms of social dialogue even if it didn't directly translate to concrete action. We think this is okay because they are long-term partner and progress takes time.

Additionally, we met with Millet about their relationship to Lilian, shared our CAPs and other data like on subcontractors and wage structures. This collaboration is significant because we can then cross-reference information that we both receive and if we want to do a training program together, it is an option.

Lastly, on covid, Lilian updated us through our covid surveys and informally during our video calls.

Atelier Cenyoo/ France

We have a solid relationship with this supplier, due to being in our home country, ease of same language and being a low-risk country. We stay updated on them through direct communication. They also filled our covid survey so we could monitor the situation.

Allure Fashion/ India

We got to know Allure Fashion better this year in many ways. One, through the covid survey, we learned how they are handling the situation in India. Two, they filled out a Basic Health & Safety Check, even made a little PowerPoint presentation to demonstrate all their safety measures. Three, they openly shared payslips with us that we got FW to check. We can conclude that the management at Allure is open and trustworthy.

When heatwaves were happening in India from March 2022 on, we checked in the parent company of Allure Fashion and Riviera Creations. We wanted to know how they and their employees were doing in this heat and if they needed any support. The response was that they were not in the worst of the heatwave.

Riviera Creation/ India

This is a new supplier for us although they are under the same parent company as Allure Fashion. Before ordering, we introduced the brand, our expectations, FW and our due diligence process. Riviera Creation promptly answered all our questions and provided evidence. After approval, we sent the production questionnaire, the Basic Health & Safety Check and a worker information sheet to

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post. We also received payslips from Riviera Creation, which we got checked by FW. Same as with Allure, they made a PowerPoint presentation to show all their safety measures. They also filled our covid survey so we could monitor the situation.

PT Seyon/ Indonesia

Our relationship with PT Seyon grew a lot over the last year. First, we had CAP follow up with them based on a 2020 audit. A new CAP was created based on a WRAP audit in December 2021, now we are working together on that. In October 2021, we did a Basic Health & Safety check with them through videos and photos. Additionally, PT Seyon keeps us updated with their covid situation, openly sending us their vaccination files as well as filling out the covid survey.

Last brand performance check found a non-compliance to pay legal minimum wage because of lockdown, the Indonesian government accepted payments below legal minimum wage as a way to keep businesses in business. This persisted through 2021 and into 2022 although there was a national increase in wages in Indonesia. In January 2021, we have begun to address this wage issue with Seyon management, FW, and through the FW Indonesia country manager, the local trade union too. We have decided to pay back the missing wages; however, this action will be completed in our current financial year 2022-2023.

Ticket to the Moon/ Indonesia

This is a new supplier for us and part of a collaboration. Still, we performed our due diligence process, we have a production questionnaire, they filled in a Basic Health & Safety Check, and posted a worker information sheet. Through the Basic Health & Safety Check, we learned that a fire drill hasn't happened recently. Ticket to the Moon immediately addressed this and sent us photo verification.

St. Malo Exports/ Mauritius

While this is not a new supplier, we decided to do our due diligence process with them in order to learn more. Through this process, we got a WRAP audit and could start a CAP. We also did a Basic Health & Safety Check with them. Overall, we got to establish a direct relationship with the management. They also filled our covid survey so we could monitor the situation.

Dienwell Co./ Taiwan

With this supplier, we stay updated through our sourcing agent. This year, we found out more about Dienwell through the Basic Health & Safety Check and what the inside of Dienwell looks like. They also filled our covid survey so we could monitor the situation.

Shin Lan Sports/ Taiwan

They also filled our covid survey so we could monitor the situation.

Sheico Group/ Viet Nam

With this supplier, we stay in touch through our sourcing agent. During the last year, we learned about their handling of the covid situation through the covid survey. Additionally, during summer 2021, there was an intense covid lockdown in Viet Nam that greatly impacted the garment industry and its workers. We tried to stay in communication with them and how workers are receiving pay. Also, we have an active CAP for Sheico. At the end of this financial year, we received a SMETA social audit that we built into our current CAP; however, the follow up is happening now in the new financial year.

Flexfit/ Viet Nam

With this supplier, we also stay in touch through our sourcing agent. During the last year, we learned about their handling of the covid situation through the covid survey. Additionally, during summer 2021, there was an intense covid lockdown in Viet Nam that greatly impacted the garment industry. To monitor this situation, we received confirmation that legal minimum wage was being paid to workers and received images of safety measures to confirm distancing. We have an active CAP that Flexfit has followed up on. Over the last year, we have addressed issues by learning about their employee protection policy, general management policy and recruitment policy.

Shilla Bags/ Viet Nam

With this supplier, we stay in touch through our sourcing agent. We share this supplier with Equip Outdoor, who is another FW brand. During the intense summer lockdown, we were able to share information and keep updated on Shilla through this collaboration. Alongside this monitoring, we also were receiving news through our covid survey. Additionally, we have a CAP shared with Equip Outdoor, Mammut and Oberalp where many of the issues have been addressed.

Seyfeli/ Turkey

This is one of our main suppliers and we have a strong, long-term relationship with them. This year, Seyfeli was audited in October 2021. This audit found some months of excessive overtime, leading Picture to evaluate our internal purchasing practices. We learned more about production capacity and Seyfeli's growth goals. This will allow us to better plan and forecast our collections. Additionally, with the audit, we created a CAP that we shared with Fond Of, another FW brand. This CAP is actively

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being worked on. In the last year, we addressed an issue found in the last brand performance check and we now have a signed subcontractor transparency agreement. Lastly, we stayed updated on covid through our survey but also through informal means like in video calls and chats.

Comfysocks/ Portugal

Comfysocks is in a low risk country. In November 2021, we did a Basic Health & Safety Check with them; to which, we learned that there is not an eyewash station. Comfysocks immediately addressed this by installing one. They also filled our covid survey so we could monitor the situation. Additionally, when a drought hit Portugal, we checked in the management to see if it is affecting them and affecting orders. This is important because delays can cause extra pressure in the system and lead to excessive overtime.

Complaints handling

No formal complaints were handled this year.

Training and capacity building

ACTIVITIES TO INFORM STAFF MEMBERS

Florian Palluel, sustainability manager, trains Picture staff (new and old) and the sales agents (external) on the environmental and social commitment of the company during the bi-annual sales meetings. He discusses FW and our social mission.

In the last year, Gillian Rosh, social compliance lead, has led informal explorative discussions into how each internal department interacts with our suppliers. Labor rights and social standards were the centerpieces of these talks. This made team members more aware of FW and has structured a game plan as to how to do future trainings and where gaps in knowledge may be.

There was a training on our due diligence process for sourcing agents, product managers and development team.

ACTIVITIES TO INFORM AGENTS

As mentioned before, sales agents are informed at the bi-annual sales meetings.

ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS

This year we did not do any workplace trainings at our suppliers. Our main supplier Lilian did say they did some trainings on labor rights.

Information management

For our CAPs, we have one excel file with one sheet per supplier with an active cap. We also use excel for due diligence process, risk analysis, tracking legal minimum wage, covid monitoring, and general factory follow up (addresses, certifications, other brands there, trade unions active, etc.). We have a google maps with all production locations including subcontractors. These files are shared between Picture team members where necessary.

Transparency & communication

When relevant and appropriate, we talk about our supply chain and FW on our social media and website.

Stakeholder engagement

We partner with different non-profits around Europe and the world to make a positive impact. These partnerships are in complement to our work with FW; all information can be found [here](#). One worth mentioning is Fashion Revolution, whose mission is closely aligned with FW. We participate in Fashion Revolution week every year amongst other campaigns.

This year, through the FW country manager for Indonesia, we have become engaged with TSK-SPSI trade union. Their involvement is key to helping us address the wage issues at Seyon.

Additionally, indirectly, we work with other organizations like Better Works, SMETA and WRAP. Our suppliers use these to audit themselves.

Corporate Social Responsibility

Sustainability, ecologically-focus mission, impact-driven, etc., whatever you want to call it, it is at the heart of Picture does. It's too much to fit on this social report so check out our website and social media to get a clear picture (of Picture).

