

## COLOPHON

This CSR report is issued by WE Fashion and is intended for all WE stakeholders, especially for employees and consumers.

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# WE CARE.



**CSR  
UPDATE  
2011-2012**



**WE CAN  
MAKE A  
DIFFERENCE.**





This report gives an overview of our Corporate Social Responsibility (CSR) activities in 2011 and 2012. Despite the difficult economic situation, WE continued to be a healthy and profitable business in these years. As for CSR, we focused mainly on creating a sustainable work environment in all countries where our clothes are produced. By our close cooperation with BSCI and our efforts to create a transparent supply chain, we have made important and necessary steps towards better working conditions in the factories.

We realise there is still a long way to go and we commit to continuing and expanding our CSR activities in the coming years. Transparency and integration are the key to the future, sharing of responsibilities within our organization should lead to a clear and broad-based CSR policy. We believe that together WE can make a difference. Should you have any questions or suggestions after reading this report, please send us an e-mail: [csr@wefashion.com](mailto:csr@wefashion.com).

John Hind  
CEO, WE Fashion

# WE WANT TO DEAL RESPONSIBLY WITH PEOPLE AND THE ENVIRONMENT.

## WE CARE.

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# OVERVIEW OF MOST IMPORTANT CSR RESULTS AND GOALS

## FASHION & RESPONSIBILITY WORKING CONDITIONS IN THE FACTORIES



### < ACHIEVED IN 2011 - 2012

BY THE END OF 2012, 55% OF THE FACTORIES WERE BSCI COMPLIANT, WHICH MEANS 55% MET OUR REQUIREMENTS ON WORKING CONDITIONS

ANOTHER 32% OF THE FACTORIES WERE ENROLLED IN THE AUDIT PROCESS OR WERE WORKING ON IMPROVEMENTS

WE DECREASED THE NUMBER OF FACTORIES BY 30% (FROM 310 TO 216) TO MAKE IT EASIER TO MONITOR WORKING CONDITIONS

### PLANS FOR 2013 >

ACQUIRE A COMPLETE PICTURE OF THE TOTAL NUMBER OF FACTORIES BY THE END OF 2013, INCLUDING ALL SUBCONTRACTORS

ENROL ALL FACTORIES IN THE BSCI AUDITING PROCESS BY THE END OF 2013

MAP OUR GLOBAL COTTON USE AND COTTON MILLS TO EXCLUDE THE USE OF COTTON FROM UZBEKISTAN IN 2013, WHICH HAS BEEN ASSOCIATED WITH CHILD LABOUR

# FASHION & RESPONSIBILITY

## THE ENVIRONMENT



### < ACHIEVED IN 2011 - 2012

### PLANS FOR 2013>

SIGNIFICANT REDUCTION OF WATER AND ENERGY USE BY 2 SUPPLIERS IN BANGLADESH WHO JOINED THE CLEANER PRODUCTION PROJECT

LAUNCH OF WE RECYCLE TO ENCOURAGE CUSTOMERS TO BRING OLD GARMENTS TO THE STORE FOR DONATION TO CHARITY

DEVELOPMENT AND PRODUCTION OF 2 KNITWEAR ITEMS MADE FROM RECYCLED GARMENTS FOR THE WINTER 2013 MEN'S COLLECTION

REDUCTION OF 8.1% CO2 EMISSIONS AT THE HEAD OFFICE AND DISTRIBUTION CENTRE IN 2012 COMPARED TO 2010, MOSTLY DUE TO OUR SWITCH TO GREEN ENERGY

INVITE TWO OTHER SUPPLIERS TO JOIN THE CLEANER PRODUCTION PROJECT IN BANGLADESH

ANALYSE OPPORTUNITIES TO ENROL WE RECYCLE IN OTHER COUNTRIES

EXPLORE THE POSSIBILITY OF RECYCLING ITEMS COLLECTED THROUGH WE RECYCLE INTO NEW PRODUCTS

LAUNCH KNITWEAR MADE OF RECYCLED WASTE TEXTILES

REFURBISH HEAD OFFICE WITH ENVIRONMENTALLY FRIENDLY OPTIONS BY THE END OF 2013

REDUCE CO-2 EMISSIONS BY 24% IN 2014 IN OUR HEAD OFFICE AND DISTRIBUTION CENTRE, AS A RESULT OF THE USE OF 100% GREEN ENERGY

# FASHION & LEARNING

## TRAINING AND EDUCATION



### < ACHIEVED IN 2011 - 2012

### PLANS FOR 2013>

EVERY NEW EMPLOYEE FOLLOWS AN INTRODUCTION PROGRAM TO GET TO KNOW THE COMPANY

NEW EMPLOYEES GIVE "MY FIRST 100 DAYS AT WE" PRESENTATIONS TO THE MANAGEMENT

A PERFORMANCE MANAGEMENT SYSTEM HAS BEEN IMPLEMENTED BY HR TO OFFER OUR STAFF "FIT-TO-POSITION" TALENT MANAGEMENT

CONTINUE THE FOCUS ON PERSONAL AND PROFESSIONAL DEVELOPMENT OF EMPLOYEES

CONTINUE AS MEMBER OF THE BOARD OF THE ANTON DREESMANN CHAIR OF RETAIL MARKETING

SEEK FOR OPPORTUNITIES TO COLLABORATE WITH FASHION ACADEMIES AND TECHNICAL UNIVERSITIES TO PROVIDE A PLATFORM FOR TALENT AND INNOVATION

# FASHION & FUTURE

## FUNDRAISING AND CHARITY DONATIONS



### < ACHIEVED IN 2011 - 2012

### PLANS FOR 2013>

DONATION OF ALL LEFTOVER SAMPLES, DAMAGED GOODS AND SECOND-HAND CLOTHES TO SAM'S KLEDINGACTIE, WHICH RESULTED IN A DONATION OF €26,133 TO A STREET CHILDREN'S PROJECT OF CORDAID IN INDIA

DIRECT DONATION OF € 103,002 IN THE YEARS 2011 AND 2012 TO THE WE RAINBOW HOME IN INDIA, WHICH PROVIDES HOUSING FOR 72 GIRLS BETWEEN THE AGES OF 3 AND 16

CONTINUE TO SUPPORT SAM'S KLEDINGACTIE

CONTINUE TO SUPPORT THE WE RAINBOW HOME IN INDIA

ORGANISE MORE INTERACTION BETWEEN THE CHILDREN IN THE WE RAINBOW HOME AND OUR EUROPEAN COLLEAGUES

ESTABLISH A WE FOUNDATION TO CLEARLY SEPARATE THE REVENUES FROM OUR DAILY BUSINESS



# ABOUT WE FASHION

WE Fashion is an international fashion company with approximately 250 stores and 3,000 employees. WE Fashion is represented in the Netherlands, Belgium, Germany, France, Luxembourg, Austria and Switzerland. The company's international distribution center and head office are based in the Netherlands.



## MISSION

WE inspires people to express and appreciate their individual style.

## BRAND PROMISE

Creating your personal style should be effortless. Style is about understanding that although you are not what you wear; wearing the right clothes makes it easier to truly be yourself. WE Fashion devotes itself to excellent design rather than the latest fashion trends, making it easier for everyone to create their very own unique style.

## OUR DNA

WE Fashion creates contemporary collections with a northern European touch. Collections can be easily combined, not only with other WE Fashion styles, but also with other items in your wardrobe.

## BRAND VALUES

### PURE

We are open, clear and have a no-nonsense approach to fashion.

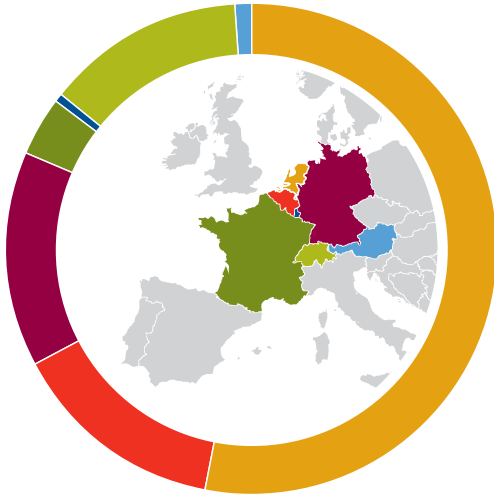
### INSPIRING

We encourage people to develop and express their individual style.

### SURPRISING

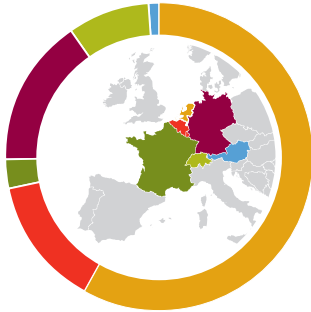
We dare to be both fun and different.

**WE**



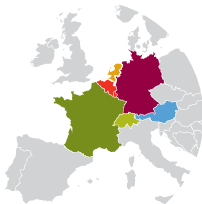
**NUMBER OF STORES**

**NL:124 + WEBSHOP**  
**B:33 + WEBSHOP**  
**DE:33 + WEBSHOP**  
**F:9 + WEBSHOP**  
**L:1**  
**CH:31**  
**AU:2**



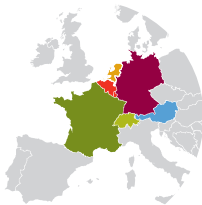
**NUMBER OF EMPLOYEES**

**NL:1516**    **FTE:1081**  
**B/L:366**    **FTE:250**  
**F:75**        **FTE:61**  
**DE:412**     **FTE:234**  
**CH:225**     **FTE:135**  
**AU:23**        **FTE:15**



**FEMALE/MALE RATIO**

**NL: 1134vs382**  
**B/L: 312vs54**  
**F: 40vs35**  
**DE: 286vs126**  
**CH: 200vs25**  
**AU: 19vs4**



**AVERAGE AGE**

**NL: 27,5**  
**B/L: 32**  
**F: 27**  
**DE: 27**  
**CH: 34**  
**AU: 28**





# THE WE CSR- STRATEGY

In 2009, WE Fashion developed a Corporate Social Responsibility (CSR) strategy called WE Care, illustrated in the figure below.

## WE CARE VISION

WE Fashion creates meaningful fashion in an environmentally-friendly, humane and customer-friendly manner.



We believe that education is key in creating a sustainable world and WE work environment.



WE Fashion creates meaningful fashion in an environmentally responsible, humane and customer-friendly way. We believe education is key in creating a sustainable world

and WE work environment. The purpose of our CSR strategy is to inspire and motivate all stakeholders to contribute to CSR.

### OUR CRITERIA FOR ALL WE CARE INITIATIVES

- SOCIALLY ORIENTED**
- EDUCATION IS THE CENTRAL POINT OF FOCUS**
- CONCRETE AND TANGIBLE**
- CREATES A FEELING OF PRIDE**

### THE WE CARE TEAM

OUR CSR STRATEGY IS ROLLED OUT BY THE WE CARE TEAM, CONSISTING OF OUR CEO, CSR MANAGER AND REPRESENTATIVES FROM VARIOUS DEPARTMENTS. IN 2012 THE TEAM CHANGED AFTER INTERNAL RESTRUCTURING. IN 2013 THE WE CARE TEAM WILL CONSIST OF ALL RELEVANT DEPARTMENTS, SO WE ARE WELL PREPARED FOR THE NEXT STEPS IN SUSTAINABILITY.

## WE WAS IN TOUCH WITH

MOD'NT  
GmbH



idh dutch sustainable trade initiative



## WE PARTICIPATED IN



## WE COLLABORATED WITH



**Solidaridad**



**Berenschot**



## WORKING TOGETHER WITH OTHERS

Creating a sustainable world and finding solutions to a wide variety of social and environmental issues is not a task we can tackle alone. That is why we, as in previous years, worked together with other organisations in 2011 and 2012.

# FASHION & RESPONSIBILITY WORKING CONDITIONS IN THE FACTORIES



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## THE COMPLEX SUPPLY CHAIN OF FASHION



The clothes from WE Fashion go through many processes before you find them in our stores. Take for example a cotton T-shirt. This involves growing cotton, processing the cotton to thread, making and dyeing the fabrics and eventually the design and creation of the T-shirt itself. Each step takes place at different locations in different

factories. WE Fashion continues to increase its knowledge about these hundreds of factories to better monitor and control the working conditions of factory workers. For WE Fashion the last step in the process is its primary focus: the manufacture of the clothes. This is because WE Fashion has the most influence in this stage of the supply chain.

### BSCI

TO IMPROVE WORKING CONDITIONS FOR THE GARMENT WORKERS IN THE FACTORIES, WE IS A MEMBER OF THE BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI). THIS MEANS WE FOLLOW THE BSCI CODE OF CONDUCT FOR IMPLEMENTATION BY OUR SUPPLIERS, AND THE FACTORIES THEY USE IN HIGH-RISK COUNTRIES. THE CODE CONSISTS OF 13 REQUIREMENTS, INCLUDING BANS ON DISCRIMINATION, EXCESSIVE OVERTIME AND CHILD LABOR. WITH REGULAR AUDITS BY INDEPENDENT THIRD PARTIES SUPPLIERS ARE MONITORED TO ENSURE THEY MEET THESE REQUIREMENTS.

# OUR AMBITION FOR 2013: ENROLL ALL FACTORIES IN THE AUDITING PROCESS

We request all our suppliers to submit their factories to the auditing process. This goes beyond the requirements of BSCI, where only our direct suppliers are required to be included in the system. This means:

**WE REQUESTS A COMPLETE LIST OF ALL FACTORIES USED BY OUR SUPPLIERS, INCLUDING AGENTS AND IMPORTERS**

**ORDERS CAN ONLY BE PLACED IN FACTORIES APPROVED FOR PRODUCTION BY WE. THESE FACTORIES ARE THEN INCLUDED IN OUR ORDERING SYSTEM TO PREVENT UNAUTHORIZED SUBCONTRACTING**

**POTENTIAL NEW CUSTOMERS MUST INFORM US OF ALL FACTORIES THEY WISH TO USE FOR WE PRODUCTION. WE ONLY WANTS TO USE FACTORIES ALREADY APPROVED FOR SOCIAL COMPLIANCE, OR THAT ARE WORKING ON IMPROVEMENTS TO ACHIEVE THIS IN THE SHORT TERM. ONLY WHEN THE APPROVAL PROCEDURE HAS BEEN COMPLETED CAN A NEW SUPPLIER BE ENTERED INTO THE SYSTEM**

**THE GOAL IS TO IMPROVE WORKING CONDITIONS FOR ALL WORKERS WHO WORK ON OUR GARMENTS. THIS IS AN ONGOING PROCESS. WE ACCEPT THAT SOME FACTORIES STILL HAVE IMPROVEMENTS TO MAKE AND THEREFORE WE DO NOT REQUIRE 100% COMPLIANCE FROM THEM. HOWEVER, WE DO REQUIRE THAT ALL OUR SUPPLIERS AND FACTORIES REMAIN IN PROCESS FOR CONTINUOUS IMPROVEMENT**

By the end of 2013 we would like to have all factories enrolled in the BSCI auditing process. The BSCI system only allows factories to do an audit when they are linked to a BSCI Member. Therefore we make an exception for factories of new suppliers. For these factories we will accept that they are enrolled in similar systems to BSCI, and are able to show recent and complete audit reports. Factories that do not meet this require-

ment will be excluded from production for WE Europe. Of course we do accept that factories need time to carry out improvements where problems have previously been identified, but we will make clear agreements to follow up on improvements. In the end every supplier has to enroll the factories in risk countries in the BSCI auditing process.

## REDUCE NUMBER OF FACTORIES

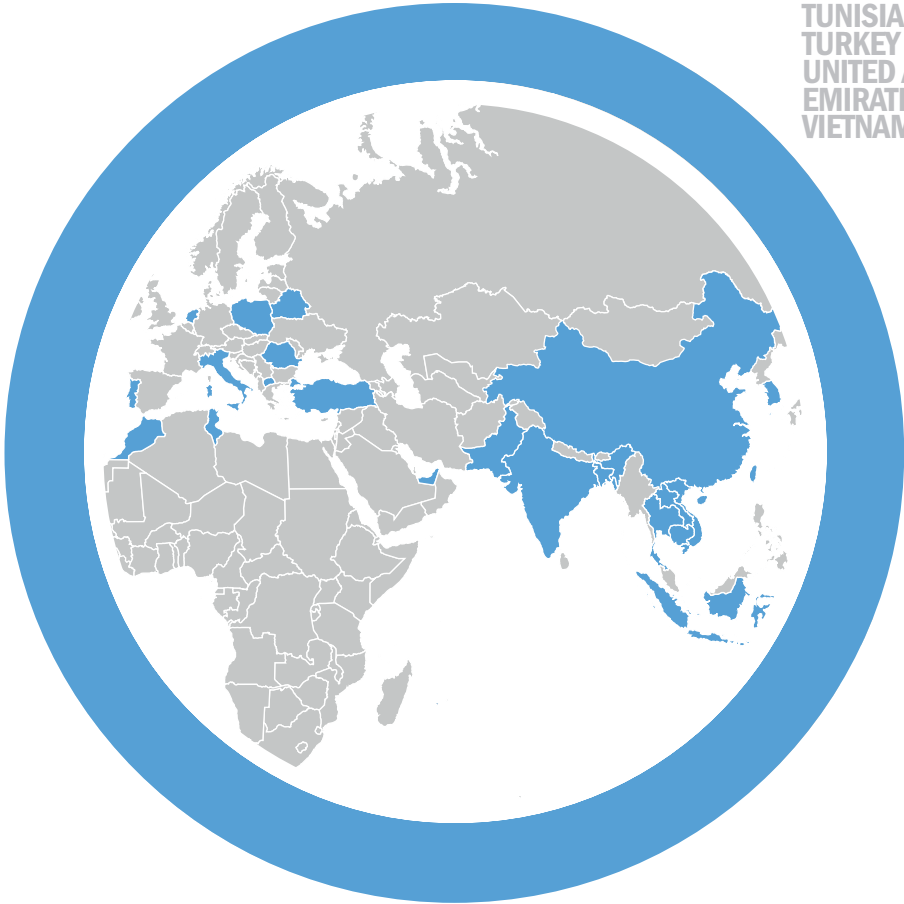
To make it easier to monitor the working conditions in our factories we decided to reduce the number of factories we work with. We began in 2011 with 310 factories and have reduced this to 216 by the end of 2012. A reduction of 30.3%.

## HOW OUR SOCIAL AUDITING SYSTEM WORKS

We ask all our suppliers to submit the names of their factories and all relevant recent audit reports available. When needed, we ask the factories to start preparing for an audit, for example by doing a self-assessment. Once a factory is involved in the auditing system we follow the improvement process until the factory is approved. BSCI works with a 3-year audit cycle. This means that from the first initial audit a factory can re-audit up to maximum 3 years later, when a new initial audit must be performed. If during this period a factory achieves the BSCI approved status, this status is valid until the 3-year period is over. In some countries, such as Mauritius, all our factories were approved in the period 2011 and 2012. Some countries classified as non-risk countries, such as Italy, are excluded from the BSCI audits.

# COUNTRIES WHERE WE MANU- FACTURE.

BANGLADESH  
BELARUS  
BRAZIL  
CAMBODIA  
CHINA  
HONG KONG  
INDIA  
INDONESIA  
ITALY  
KOREA  
LAOS  
MACEDONIA  
MADAGASCAR  
MAURITIUS  
MOROCCO  
PAKISTAN  
POLAND  
ROMANIA  
THAILAND  
TUNISIA  
TURKEY  
UNITED ARABIC  
EMIRATES  
VIETNAM





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## BAN ON SAND-BLASTING

In June 2011 WE stopped selling jeans finished with the sand-blasting process. Sand-blasting is a technique used to make new jeans look previously worn. It is a highly dangerous procedure for the workers involved as it can cause severe lung problems.

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## WE PARTICIPATED IN RESEARCH ON LIVING WAGE

Paying a living wage is one of the 13 BSCI requirements. However, achieving a living wage in garment production is not something companies, or even one country, can achieve alone. This was the conclusion of a study by consultancy agency Berenschot, commissioned by the Dutch Ministry of Foreign Affairs. WE was involved in this study by participating in interviews and round table discussions. To achieve improvements for a better living wage for workers, the dialogue will be continued with international stakeholders.

Berenschot

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## STEPS TO EXCLUDE CHILD LABOR FROM COTTON FIELDS

In October 2012 WE signed the Cotton Pledge from the Responsible Sourcing Network. The Responsible Sourcing Network commits to excluding child labor and forced labor from the cotton fields of Uzbekistan. Cotton from Uzbekistan is harvested by school children and their teachers, which means the schools are closed during harvest time. As WE is opposed to child labor, in 2013 we will map our global cotton use and begin working together with our suppliers to commit to excluding Uzbek cotton from the products made for WE, and request their factories do the same. Alongside this we will begin mapping the cotton mills they use, to completely exclude the use of cotton from Uzbekistan.





# BSCI RESULTS

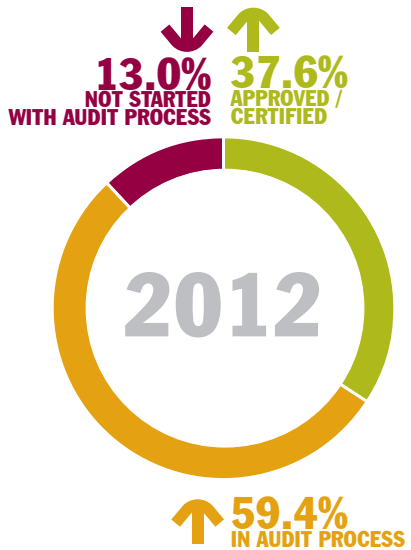
## AT THE END OF 2011 AND 2012



### MULTI-STAKEHOLDER APPROACH

ALONG WITH OUR BSCI ACTIVITIES WE HAVE BEEN SEARCHING FOR AN INITIATIVE THAT WORKS CLOSELY WITH STAKEHOLDERS (INCLUDING LOCAL TRADE UNIONS, EMPLOYEES AND GOVERNMENTS) TO IMPROVE WORKING CONDITIONS. SO FAR THIS HAS NOT LED TO A CONCRETE BEST PRACTICE PROGRAM. THE RESPONSE FROM OUR SUPPLIERS HAS HAD A SIGNIFICANT IMPACT IN THIS. WHEN WE INFORMED THEM OF OUR PROPOSALS DURING OUR SUPPLIER CONFERENCES IN APRIL 2012, THE FEEDBACK WAS THAT A SECOND INITIATIVE IN ADDITION TO THE BSCI WOULD NOT BE WORKABLE. IT WAS IMPORTANT FOR US TO ACKNOWLEDGE THAT MANY SUPPLIERS HAD JUST EMBRACED THE BSCI REQUIREMENTS, AND IT WOULD BE CONFUSING TO IMPLEMENT 2 SYSTEMS OPERATING SIDE BY SIDE. WE ARE CONTINUING TO LOOK FOR A MULTI-STAKEHOLDER APPROACH THAT WORKS FOR WE AND OUR SUPPLIERS, AND WILL CONTINUE OUR SEARCH IN 2013.

SOME OF THE FACTORIES WHERE OUR CLOTHES HAVE BEEN PRODUCED ARE ALREADY SA8000 CERTIFIED, FOLLOWING THE SOCIAL ACCOUNTABILITY INITIATIVE (SAI) GUIDELINES RESULTING FROM THE MULTI-STAKEHOLDER INITIATIVE. IN 2011 WE WORKED WITH 15 SA8000 CERTIFIED FACTORIES. THIS ACCOUNTS FOR 10.6% OF THE SUPPLIER BASE. IN 2012, WE WORKED WITH 11 SA8000 CERTIFIED FACTORIES, WHICH ACCOUNTS FOR 6.8% OF THE SUPPLIER BASE.



## AUDIT PERFORMANCE PER COUNTRY

As you can see in the tables below, in 2011 BSCI audits were performed at 80 of the 280 factories. This is 29% of the total factory base in

2011. In 2012 a total of 97 of the 216 factories were audited for BSCI. This is 45% of the total factory base in that year.

IN THE AUDIT PERFORMANCE PER COUNTRY, BOTH INITIAL AND FOLLOW-UP AUDITS ARE INCLUDED. THE INITIAL AUDIT INVOLVES ASSESSING WHETHER ALL 13 REQUIREMENTS OF THE BSCI CODE OF CONDUCT ARE MET. A SUPPLIER NOT MEETING ALL REQUIREMENTS IS RATED NEEDS IMPROVEMENT OR NON COMPLIANT. NEEDS IMPROVEMENT IS A RATING WITH ONLY MINOR ISSUES; NON COMPLIANT IS A RATING WHERE MAJOR ISSUES HAVE BEEN IDENTIFIED. THE MAJORITY OF PROBLEMS ARE RELATED TO HEALTH AND SAFETY ISSUES, LONG WORKING DAYS AND COMPENSATION

A FACTORY WITH THE RATING NEEDS IMPROVEMENT OR NON COMPLIANT IS PRESENTED WITH A PLAN OF IMPROVEMENT, WITH CONCRETE RECOMMENDATIONS FOR IMPROVING THE FACTORY (CORRECTIVE ACTION PLAN). THE FOLLOW-UP AUDIT IS UNDERTAKEN WITHIN A MAXIMUM OF 12 MONTHS TO ENSURE THESE RECOMMENDATIONS HAVE BEEN FOLLOWED AND IMPROVEMENTS HAVE BEEN MADE.

## AUDIT PERFORMANCE PER COUNTRY

	TOTAL AUDITS		RESULT GOOD		RESULT NEEDS IMPROVEMENT		RESULT NON COMPLIANT	
	2011	2012	2011	2012	2011	2012	2011	2012
BANGLADESH	11	16	-	1	9	9	2	6
CAMBODIA	1	3	-	2	-	-	1	1
CHINA	43	40	19	19	15	12	9	9
HONG KONG	1	1	-	-	-	-	1	1
INDIA	6	9	5	5	-	3	1	1
MADAGASCAR	-	2	-	2	-	-	-	-
PAKISTAN	1	1	1	1	-	-	-	-
TURKEY	16	23	2	2	3	7	11	14
UNITED ARABIC EMIRATES	-	1	-	-	-	-	-	1
VIETNAM	-	1	-	-	-	-	-	1
	<b>80</b>	<b>97</b>	<b>27</b>	<b>32</b>	<b>27</b>	<b>31</b>	<b>26</b>	<b>34</b>

COMPARED TO 2010 THE AUDIT RESULTS OF SOME FACTORIES DURING NEW AUDITS IN 2011 AND 2012 WERE LOWER. RATHER THAN SWITCHING TO OTHER FACTORIES WE CHOOSE TO WORK TOGETHER WITH OUR EXISTING SUPPLIERS TO

IMPROVE THE SITUATION WITH A CORRECTIVE ACTION PLAN. THIS IS IN LINE WITH THE DEVELOPMENTAL APPROACH OF OUR SUPPLIER MANAGEMENT.

# FASHION & RESPONSIBILITY

## THE ENVIRONMENT

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REDUCTION OF 8.1% CO2 EMISSIONS AT THE HEAD OFFICE AND DISTRIBUTION CENTRE IN 2012 COMPARED TO 2010. MOSTLY DUE TO OUR SWITCH TO GREEN ENERGY

### PLANS FOR 2013>

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EXPLORE THE POSSIBILITY OF RECYCLING THE COLLECTED ITEMS THROUGH WE RECYCLE INTO NEW PRODUCTS

LAUNCH KNITWEAR MADE OF RECYCLED WASTE TEXTILES

REFURBISH HEAD OFFICE WITH ENVIRONMENTALLY FRIENDLY OPTIONS BY THE END OF 2013

REDUCE CO-2 EMISSIONS BY 24% IN 2014 IN OUR HEAD OFFICE AND DISTRIBUTION CENTRE AS A RESULT OF THE USE OF 100% GREEN ENERGY

We are keen to know what impact our activities have on the planet, and want to act as a partner for our suppliers in this. We would like to offer our customers products that fulfil their needs and are simultaneously manufactured in a responsible manner. The same applies to the packaging.

Due to the fact that we believe in sustainable products, these are priced the same as the rest of the collection. The sustainable products can be found in the various themes all year around. WE Fashion always looks at possibilities to reduce its impact on the environment, such as by raising awareness and cutting back on waste.



## WE RECYCLE

In May 2012 we began WE Recycle in the Netherlands. This is an initiative inviting our customers to bring their old garments back to the stores when they come shopping. If they hand in a bag of old clothes, we give them a reduction of 5% on the price of a new outfit. In co-operation with Sam's Kledingactie the garments are sold and the proceeds go to the Rainbow Home for girls in Bangalore, India (you'll find more information on these projects in the next chapter). In the long term WE wants to explore the possibility of using the old garments, which can no longer be used as clothing, to make new products. We are looking at opportunities to enroll our other countries into WE Recycle in 2013 and 2014.



## KNITWEAR PRODUCED FROM RECYCLED GARMENTS

WE joined the Agentschap NL project group, initiated by the Dutch Government, to see if we can launch a fashionable product made from recycled post-consumer garments. In 2012 the Dutch Government began with LAP2, a national waste management plan, which sets goals to reduce the amount of textile waste thrown in the bin. A project group was formed to see if a value-added product could be made out of textile waste. It resulted in the design and production of two styles for our Winter 2013 men's knitwear collection. The recycled garments were collected and shredded in the Netherlands and the fibers then transported to Italy.

The Italian yarn spinners created a beautiful new yarn with the addition of recycled polyester yarns and virgin viscose. In Spring 2013 the styles will be developed and in August 2013 both the cardigan and the pullover will be for sale in all countries.



Agentschap NL  
Ministerie van Economische Zaken,  
Landbouw en Innovatie



# CLEANER PRODUCTION PROGRAM IN BANGLADESH



The Cleaner Production Project aims to help suppliers in developing countries to reduce their environmental impact. Suppliers invest in efficiency measures that save water, gas, electricity and steam. These measures are simple adjustments such as repairing leaks, changing lights and the recovery and re-use of condensed water, with costs recovered within a year. The program is implemented by Solidaridad, a Dutch NGO with a broad expertise in developing and implementing cleaner production methods. Both WE and the supplier have split the costs for participating in the training and the assessments. In 2011 WE Fashion invited one supplier in the textile washing-dyeing and finishing sector in Bangladesh to join this project with 11 other factories. On the invitation of another retailer, one more supplier of WE Fashion joined the project. Together these two factories reduced their greenhouse gas emissions by 5.309 tons CO<sub>2</sub> in one year. This is

2.8 times the output of the yearly greenhouse gas emissions from the WE head office and distribution center. Because of this successful result we have invited two more suppliers from Bangladesh to join the project in 2013.

The success of the Cleaner Production Project led to the signing of a Memorandum of Understanding in May 2012 for PaCT, Partnerships for Cleaner Textiles in Bangladesh. The aim of the memorandum is to support factories to invest in new technologies with a high sustainability impact, and a specific focus on water. These projects will also be implemented by Solidaridad, and there will be financial support from the brands that actually participate in the project. WE will only start its participation in PaCT when a factory has successfully finished the Cleaner Production Program and is willing to make the next step.

**Solidaridad**

# CO2 REDUCTION IN OUR BUILDINGS AND LOGISTICS

The results of the Cleaner Production program in Bangladesh showed that our own emissions are very low compared to the emissions from our suppliers, which is why we focus on our whole supply chain. However, we think it is still important to cut CO2 emissions in our buildings and distribution center as it will create awareness amongst employees. By switching partly to green energy we have reduced CO2 emissions by 8.1%: from 2,219 ton CO2 in 2010, to 2,020 ton CO2 in 2012. These savings will continue to rise to 32.2% in 2014, when we will be using 100% green energy. Furthermore WE has reduced its direct emissions by providing fewer company cars, and purchasing new and environmentally friendly trucks in 2010. By the end of 2013 we will renovate our head office, we are planning to work with sustainable options including a high-frequency lighting system with adaptations, re-use of materials, and a smart climate system per room.



**THE  
NETHERLANDS  
CARDBOARD &  
PAPER:  
493.580 KG  
PLASTIC:  
49.162 KG**



**THE  
NETHERLANDS  
CARDBOARD &  
PAPER:  
549.942 KG  
PLASTIC:  
68.412 KG**



# FASHION & LEARNING TRAINING AND EDUCATION



The last 2 years we have offered our employees on-the-job training, we also offered staff courses focussing on personal and professional development. We devote much attention to developing knowledge, skills and conduct, firstly. This, so that staff can perform their present jobs well, but also – should an employee have further ambitions – to ascertain whether further progress can be undertaken. This gives employees more opportunities for growth within the organisation. We are always keen to work with Fashion Academies, supporting young and upcoming talent and providing them with a platform.

## < ACHIEVED IN 2011 - 2012

EVERY NEW EMPLOYEE FOLLOWS AN INTRODUCTION PROGRAM TO GET TO KNOW THE COMPANY

NEW EMPLOYEES GIVE "MY FIRST 100 DAYS AT WE" PRESENTATIONS TO THE MANAGEMENT

A PERFORMANCE MANAGEMENT SYSTEM HAS BEEN IMPLEMENTED BY HR TO OFFER OUR STAFF "FIT-TO-POSITION" TALENT MANAGEMENT

## PLANS FOR 2013 >

CONTINUE THE FOCUS ON PERSONAL AND PROFESSIONAL DEVELOPMENT OF EMPLOYEES

CONTINUE AS MEMBER OF THE BOARD OF THE ANTON DREESMANN CHAIR OF RETAIL MARKETING

SEEK FOR OPPORTUNITIES TO COLLABORATE WITH FASHION ACADEMIES AND TECHNICAL UNIVERSITIES TO PROVIDE A PLATFORM FOR TALENT AND INNOVATION

## EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

To monitor the progress of the development of our employees a successful Performance Management System has been implemented. This system is a tool to help us to optimise and develop the talents of our employees. It is especially helpful to offer employees further career opportunities within we, so valuable employees are kept within the organisation.

## INTERNSHIPS

WE Fashion offers interns from universities and fashion colleges the opportunity to learn all aspects of fashion retail. In the past years we had interns working at the departments Marketing, Design, Sourcing & Production, Quality, Buying, E-Commerce, and HRM.

## RECRUITMENT

The WE recruitment team presented the company to students of TMO and other fashion colleges. 40 students of the TMO followed a workshop led by recruitment to see what career opportunities there are there in fashion retail.



## MASTERCLASS

WE Fashion is one of the 22 retailers participating in the Anton Dreesmann Chair for retail marketing. Since 1990, the Anton Dreesmann Chair for Retail Marketing is an academic research institute composed by and for retailers, who are active in the Netherlands. The foundation focuses on both the food and non-food sector. Our CEO at the time Wouter Kolk shared the successful expansion of WE to China during a Masterclass given at Nyenrode University in January 2012.

# FASHION & FUTURE

## FUNDRAISING AND CHARITY DONATIONS



### < ACHIEVED IN 2011 - 2012

### PLANS FOR 2013 >

DONATION OF ALL LEFTOVER SAMPLES, DAMAGED GOODS AND SECOND-HAND CLOTHES TO SAM'S KLEDINGACTIE, WHICH RESULTED IN THE DONATION OF €26,133 TO A STREET CHILDREN'S PROJECT FOR CORDAID IN INDIA

DONATION OF € 120,000 IN THE YEARS 2011 AND 2012 TO THE WE RAINBOW HOME IN INDIA, WHICH PROVIDES HOUSING FOR 72 GIRLS BETWEEN THE AGES OF 3 AND 16

CONTINUE TO SUPPORT SAM'S KLEDINGACTIE

CONTINUE TO SUPPORT THE WE RAINBOW HOME IN INDIA

ORGANISE MORE INTERACTION BETWEEN THE CHILDREN IN THE WE RAINBOW HOME AND OUR EUROPEAN COLLEAGUES

ESTABLISH A WE FOUNDATION TO CLEARLY SEPARATE THE REVENUES FROM OUR DAILY BUSINESS

## FOCUS ON CHILDREN IN THE MANUFACTURING COUNTRIES

We want to contribute to the development of the people who are involved in making our products. We attach a great deal of value to workers in factories being employed under good working conditions, being well-paid and ensuring that no child labor is used. But that is not the end of the story. WE wants to do more for the inhabitants of the countries where its products are manufactured. Many of these are developing countries where a large proportion of the population lives in poverty. Our projects have a focus on children. We think education is one of the best tools for breaking the vicious circle of poverty and allows children to learn a trade, to better prepare them for the future.



Bart and Meryl of our Sourcing & Production team were present at the official opening of the WE Rainbow Home in October 2011 and they had a great time. The girl performed with singing and dancing and they were given a backpack and pencils.

# HOUSE FOR STREET CHILDREN IN INDIA



In 2010 we began our collaboration with the Partnership Foundation, a Dutch charity that provides safe accommodation for girls in India, called Rainbow Homes. The girls are often removed from the streets and placed in a safe home where they can live and go to school. Because WE works with manufacturers in Bangalore, India, we have asked the Partnership Foundation to set up a home there. They began in early 2011, with the local Don Bosco organization taking the lead. Initially a small group of children lived in a temporary home, but in the summer of 2012 the finished home was occupied by 72 girls. This house stands in the grounds of a school,

allowing the girls to attend school safely. By the end of 2012 there were 72 girls in the house, aged between 3 and 16 years. At the official opening we donated schoolbags for all the girls, together with one of our Indian suppliers who took great pride in being involved. In total we have donated €120,000 in the years 2011 and 2012 to the Partnership Foundation and the Rainbow Home in India.



# CHRISTMAS GIFTS

## FOR THE CHILDREN OF THE RAINBOW HOME

For Christmas 2011 we organized a fun time for the girls in the Rainbow Home. We called it Sint for Santa, and asked our colleagues in the Netherlands to donate toys during the Sinterklaas period in early December. All these gifts were wrapped and sent to India in two big parcels.



### THE RAINBOW HOME

**1** HOUSE

**75** GIRLS

BETWEEN  
**3-16** YEARS

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€ **120.000**  
3 YEAR COMMITMENT



# SELLING DAMAGED GOODS AND SECOND-HAND CLOTHES FOR INDIA



All leftover samples, damaged goods and second-hand clothes collected by our WE Recycle program in our shops are donated to Sam's Kledingactie, with whom we have worked since 2007. The majority of the clothes will find their way to several countries outside the European Union for a second life. The donations from WE are 70 – 80% reusable as clothing, 10% is disposed as waste and the remainder is shredded for industrial purposes. The money generated from this, €26,133 in 2011, has been donated to Cordaid. In 2012 WE Fashion and Sam's Kledingactie agreed to invest the money in the WE Rainbow Home in India, this donation was €25,166 in 2012.

# COLLECTING CARTRIDGES FOR THE SHELTER OF EXOTIC ANIMALS



In the Netherlands we collect empty printer cartridges. These are donated to Stichting Aap, a European shelter for exotic animals. They house approximately 250 animals, who are often rescued from dangerous or unhealthy situations. In 2011 we donated 21 boxes of cartridges to Stichting

Aap, and in 2012 we donated 16 boxes. In total Stichting Aap collected more than €150,000 in 2011 and 2012 by collecting empty cartridges. We will continue collecting the cartridges in 2013 for this good cause.

# FUN SAMPLE SALES FOR A GOOD CAUSE

WE collects thousands of kilo's of clothing samples each year from different seasonal collections. All good samples are saved for our sample sales, where our colleagues and their friends and families come and shop. The sale is organized by volunteers, mostly from within the company. All proceeds of the sample sale are designated for the Rainbow Home in India. The leftover samples are donated to Sam's Kledingactie, see below. This way we clear all our sample rooms every 6 months to start collecting for the next sample sale. With our sample sales in 2011 and 2012 we raised a total of €103,002

