



## BRAND PERFORMANCE CHECK

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Bierbaum-Proenen GmbH & Co. KG

PUBLICATION DATE: NOVEMBER 2015

this report covers the evaluation period 01-01-2014 to 31-12-2014

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with affiliate employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Bierbaum-Proenen GmbH & Co. KG

Evaluation Period: 01-01-2014 to 31-12-2014

AFFILIATE INFORMATION	
Headquarters:	Köln, Germany
Member since:	01-07-2010
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, China, Macedonia, the former Yugoslav Republic of, Tunisia, Turkey, Viet Nam
Production in other countries:	Albania, Germany, Pakistan
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	90%
Benchmarking score	87
Category	Leader

## Summary:

Bierbaum-Proenen (BP) meets most of FWF's management system requirements and goes beyond several. With 90% of production under monitoring, BP fulfills FWF's monitoring threshold for affiliates after three years of membership.

BP has strong, integrated sourcing systems, good knowledge of production processes, and calculates costs per production minute. Long-term relationships with many suppliers, combined with often high degrees of leverage at the production sites and regular visits to production sites mean BP is in a good position to work on implementation of social standards. FWF advises BP to evaluate the actual contribution of its strong production planning system to limiting excessive overtime. Before giving (extra) orders, FWF recommends BP to check production capacity at the supplier more thoroughly.

BP has strong systems in place to reduce the risk of excessive overtime, however living wage issues remains a challenge. FWF encourages BP to start a pilot with some of its core suppliers to make steps towards a payment of a living wage in those factories.

Furthermore, BP is recommended to motivate its main supplier(s) to join Workplace Education training, especially in countries where it will be newly offered by FWF. BP must ensure and check that the Code of Labour Practices, including contact information of the local complaints handler of FWF, is also posted at subcontractors of factories and make sure this is part of its monitoring system.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Affiliates may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Affiliates who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	89%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	4	4	0

**Comment:** While BP has high leverage at main suppliers, several even (near) 100%, the leverage of production capacity at less important (to BP) suppliers (though a few) is less than 10%. BP is aware of this risk to the suppliers and actively suggests those production sites to other brands (FWF affiliates and others) to produce there as well.

70% of BP's sourcing volume is made on CMT-basis (Macedonia, Bulgaria, Tunisia, Vietnam), generally with European fabrics; the other 30% is bought FOB (China, Pakistan, Turkey).

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	88%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	4	4	0
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**Comment:** BP has long-lasting business relationships with most of its suppliers.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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**Comment:** New suppliers are required to sign and return the questionnaire after test orders are done, before production starts. BP could show that all 4 new suppliers in 2014 signed the questionnaire.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Comment:** Routines to integrate the Code of Labour Practices are in place. Both regarding new suppliers and existing suppliers. All potential new suppliers are visited by either the head of purchasing department or the quality control department before trial orders are placed. The travel report made by them also reflects suppliers willingness to work on the FWF CoLP.

One criteria BP has for new suppliers is that they have already been audited before (could be FWF or other audits done by e.g. BSCI, SA8000 standard). This is to ensure that new suppliers are prepared for auditing and know about the processes. Still suppliers often state that FWF audits are more detailed than other audits they have experienced.

This evaluation is integrated in the decision making of whether to start production at a new supplier and to have a good understanding about working conditions from the beginning.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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**Recommendation:**

**Comment:** BP evaluates suppliers' social compliance systematically. It is updating its system for supplier assessment, including more information and comments (remarks explaining the rating), which makes it more accessible and understandable for all staff. Every two weeks a meeting takes place with different departments (planning, purchasing etc.) to exchange topics and progress on suppliers. Before visits to factories are done, the evaluation of the supplier is discussed in these meetings.

Decisions to increase orders at specific suppliers cover social aspects but also delivery time, reliability, quality, location, solving of complaints etc. If all other criteria are equal, social standards would be a selection criteria.

For BP it is most important that supplier shows willingness to work on the FWF CoLP towards good working conditions. BP stopped sourcing with a supplier in Tunisia, because it showed no willingness to make progress on social standards. At another new supplier, BP stayed after a complaint was handled by supplier in a satisfactory way. If supplier had not satisfactorily worked on the issues brought forward by the audit and the complaint, this would have been a reason to stop. BP needed to be convinced that supplier was willing to work on improvements, which is why the CEO of BP got involved in follow-up of the complaint with the supplier during a visit.

BP looks upon the long term supplier relation it has with most of its suppliers as a reward in itself. A supplier can be rewarded for good social performance, not only by increasing orders, but also by developing a supplier. BP gives technical support to suppliers if needed and also other forms of assistance, such as credit for new machines. Suppliers that do well, can receive a “one of BP’s best suppliers’ certificate”, which is also important to the supplier.

In general, BP has the experience that there is a positive correlation between social conditions and quality standards.

BP has developed a checklist to check social standards for travelling staff like technicians. The travelling staff hands the filled in documents and pictures to the CSR team. The CSR team evaluates the situation at the production site.

1.6 The affiliate’s production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Recommendation:** A good production planning system needs to be established based on the production capacity of the factory for regular working hours. FWF advises BP to check more thoroughly whether capacities at suppliers are actually available (especially when giving extra orders like in 2014) instead of only accepting the statement of the supplier without further checks. When BP has high leverage at a supplier and increases orders, it has extra responsibility to adapt the production planning to the capacity of the supplier, in order not to contribute to excessive overtime.

Also BP is advised to evaluate if its production planning system in reality contributes to limiting excessive overtime, including at CMT suppliers.

**Comment:** Before the start of each calendar year, in October, BP agrees a production forecasting plan with its CMT (Cutting, Making, Trimming) production partners on basis of calculated standard minutes and not of product quantity, so suppliers can plan well and avoid overtime. Factories tell BP how many lines and minutes are available for BP orders. BP books the minutes-capacity for each month for the whole next year. Generally the fixed lead times include a time reserve of one week.

BP has a very broad and extensive range of never out of stock. For all production locations, BP has regular quantities of repeating articles per month. This is to give the suppliers a more even work load. The goal is to provide suppliers with same styles

For every supplier, BP arranges fixed lead times depending on the location of the supplier and if they do CMT or FOB production. When there is sudden extra demand in certain styles, suppliers are called to check for additional capacity (and different delivery dates agreed). In case production capacity is an issue, "normal" production (NOS) is replaced by urgent additional styles, and existing stock is used for standard goods while the additional style is produced.

At its own factory in Tunisia, BP introduced new production styles (such as workmanship for PPE material), to have flexibility in the orders that can be worked on. In 2014 BP had a sudden extra demand in PPE goods. The extra demand for specialized PPE goods could therefore be produced here, and 'normal' orders could be easily shifted elsewhere or production of 'regular' / NOS stock goods postponed. BP was able to produce one urgent big order at its own factory without it leading to excessive overtime, because BP owns the factory and the factory is able to fulfill different technical requirements. BP experiences at its own factory that with additional overtime quality issues come up and the factory actually earns less because costs go up and productivity goes down. Therefore it is preferred to postpone regular orders/stock, instead of producing in overtime.

However, one FWF audit had found excessive overtime took place at a Vietnamese supplier. In 2014 BP had almost doubled its production orders in one year at this supplier. On the request of the supplier extra stock was built up of the new collection.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	6	6	0
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**Recommendation:** FWF recommends BP to work with suppliers on keeping transparent working hour records, and to continue working on OT with the Vietnamese supplier.

**Comment:** Of the 4 audits done by FWF in 2014, excessive OT was found at one supplier in Vietnam, where BP has a leverage of 50% and where BP almost doubled the size of its orders in the last year. Two suppliers were found not transparent on OT records, so working hours could not be checked (with high probability that excessive OT took place).. At one of these BP had a very high leverage, at the other supplier BP had very small leverage. With one supplier, where BP has full leverage, excessive OT did not take place, but the OT that did take place within limits, was found not voluntarily or not announced beforehand.

This is a change from 2013, when excessive OT had been found at one production site in China (where BP had low leverage). BP had investigated into root causes of overtime and discovered that overtime was done but due to production of other factory clients.

This year, this cannot be concluded since BP has a leverage of 50% where excessive OT was found and BP has a leverage of 90% at a Tunisia supplier where records were not transparent. In the meantime BP stopped sourcing at the Tunisia supplier, for several reasons, including lack of willingness to improve working conditions.

After the audit at the Vietnamese supplier found excessive OT took place, BP discussed the root cause with supplier and is assisting with the development of planning in relation to their capacity (a.o. sharing lines between customers to enable better planning and correct errors in hour/wage calculations) and development of management in the factory. The problem was not yet completely solved but is worked on together with the supplier.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0
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**Comment:** Price negotiations for CMT are done based on standard minutes developed in house at BP's own production unit. Cost of material and accessories are known as well as CMT price, BP has a good impression of costs for management and workers. BP compares price and working minutes with other comparable suppliers incl. their own factory. Local wage levels are taken into account through this system when calculating an acceptable price. Further BP considers inflation in price agreements with the suppliers each year. For suppliers which are paid FOB (30% of all), BP also has a rough idea of how long production takes per piece and bases its price on this.

BP relates the price a.o. to the size of the production volume and related productivity and working minutes needed. One supplier complained during an audit that the price of BP went down despite labour cost going up. BP acknowledges prices at this supplier were reduced, because the order volume was increased and the original prices were paid for a far lower number of pieces and at a relatively high level compared to other suppliers. According to BP its pricing system allows for adequate wages and cover increased labour costs even when prices are reduced in the case above. BP supports suppliers to improve their management systems and provides technical advice to improve productivity.

BP has started an analysis comparing minimum wages and local living wages before and after social audits in the past years. Doing this they can measure wage increases in the long-run.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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**Recommendation:** FWF recommends BP to actively follow-up with suppliers who have a piece-rate payment system to make sure that at least the legal minimum wage (LMW) is paid and supplier has a calculation system to keep track of this.

**Comment:** In 2014 an FWF audit at a supplier in Vietnam found that during some months cleaning and canteen staff were paid below the legal minimum wage (LMW) and during some months piece-rate wages were falling in total below the level of the LMW and were not topped up to the level of the LMW. At the time of the audit this was already corrected. Though the audit found that legally required overtime premium and Sunday premium was not paid.

As a follow-up of the finding, a WEP is done at this supplier. BP discussed with the supplier obligation to keep track of minimum wage increases and have an information system to be informed and increase wages accordingly. The issue is prioritized to be followed-up during the next visit to supplier.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
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**Comment:** None of the FWF audit reports showed evidence of late payments to suppliers by BP.

1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0
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**Recommendation:** FWF encourages BP to start a pilot with some of its core suppliers to make steps towards a payment of a living wage in those factories.

**Comment:** BP gives technical advice to suppliers on increase of productivity. BP calculates the price of each product including the minutes needed to produce the product. The supplier is asked to try to produce the article within the minutes suggested before agreeing on a final price.

Using the FWF wage ladder information, BP cross-checks every half year the development of the wages within the production sites, comparing the actual wages paid to living wage estimates and local minimum wages. Wages are part of discussions during supplier visits.

Though in its own factory in Tunisia BP does not pay living wage, it provides 100% correct payments and extra benefits (compared to other factories around), such as 100% social insurance, providing loans, providing free doctor consults at the factory, longer term contracts with employment protection.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
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1.13 Percentage of production volume from factories owned by the affiliate.	11%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	1	2	0
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Comment: One production site in Tunisia is owned by BP. Furthermore a small amount of production and samples are produced in Cologne at the headquarter.

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## PURCHASING PRACTICES

Possible Points: 42

Earned Points: 36

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	90%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	0%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	90%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	8	8	-2

Recommendation: Besides doing audits, BP may consider to:

- Hire local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars
- Provide factory training.
- Share knowledge/material.

**Comment:** The company keeps track of the progress of the corrective action plans through a spread sheet system. Each non-compliance is given a priority rating and a person responsible for following up. For each point in the CAP that is done, a hyperlink is included in the spread sheet so that the documents, email, photos, etc. confirming the improvements can be accessed. For issues that are confirmed by sending photos and documents, double checks are done when visiting the facilities. BP briefs all BP staff visiting supplier before the factory visit to make sure that they are up to date on improvements that are needed.

In sourcing countries with more BP suppliers (Tunisia, Macedonia), BP does more analysis of all CAP's and follows up on root causes. The comparison between the Tunisia CAP's, a.o. showed that suppliers do not have a system to work on labour standards. BP plans further guidance to suppliers to develop their management and systems, to go beyond checking if the CAP is fulfilled and boxes are checked,

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	96%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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**Comment:** BP visits its suppliers frequently. Staff travelling to production sites is closely involved in the implementation of social standards. It assesses the third party audit in a similar system to follow the CAP according to FWF format. Additional information (living wage, posting code on the wall) is gathered.

2.4 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0
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**Comment:** BP regularly checks at supplier level for other social reports and actively follows up uncovered points.



2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: The corrective action plans resulting from conducted audits are systematically agreed upon, followed up and reported on by designated persons including travelling staff of BP.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	6	6	0
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Comment: BP started a preventive system on fire safety in 2012/13. BP has developed a detailed checklist on fire and emergency training. All suppliers have to fill in the check-list and to report on the situation and on training conducted. At some of the production sites, BP was at the factory during the fire and emergency training. Pictures and video clips have been taken to share knowledge with other suppliers of BP.

Because of the well known case of the fire at Karachi in Pakistan, training was given at a BP supplier in Pakistan with external fire trainers. It focused on fire safety, safety of the water boiler, such as training on how to use gas safely (also how to use gas for home boilers). A year later at the supplier a fire broke out because of a short circuit, which could be handled properly because of the fire safety training.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
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2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
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2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	No CAPs active or no shared suppliers.	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1
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Comment: BP is open to cooperation with other customers of suppliers.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: Production in low-risk country is in Germany only at the headquarter of BP.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

## MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 27

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved		
Number of worker complaints resolved since last check	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: BP has a specific employee designated to address worker complaints.

3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0
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Requirement: BP must ensure and check that the Code of Labour Practices, including contact information of the local complaints handler of FWF, is also posted at subcontractors of factories.

Comment: Staff from BP checks that the information sheet for workers is posted in the factories when they visit the production location. During visits a special developed BP checklist is used, filled in from technicians to the CEO, based on FWF OHS Checklist added with additional issues like check posting of code on the wall, doctor available etc. Pictures are collected of the posting of the CoLP. During the visits, 3 points are checked: 1. Posting readable? 2. Does the posting look like it has been hanging for a while already? 3. What is the location of posting?

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	62%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
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**Recommendation:** BP is recommended to stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, BP can use the worker information cards available for download on FWF's website.

**Comment:** In none of the 4 audits done by FWF in 2014, at least half of workers were aware of the FWF worker helpline. After one of these audits, BP initiated a WEP training at a major Vietnamese supplier. In the last 2 years BP had initiated WEP trainings at a supplier in Tunisia and Turkey. In the 2 audits done last year, workers were aware.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	6	6	-2
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**Comment:** BP addressed a complaint at Tunisia supplier in accordance with the FWF complaints procedure. Management of BP was actively involved in solving the complaint directly with the supplier. In the end measures resulted in a positive development at the supplier. It helped the factory to work on the issues systematically and improved the workers situation at the factory. BP stated they would have stopped working with the factory in case the supplier would not have made steps to resolve the complaint.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	-2
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## COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 12

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

**Comment:** Training for sales team took place in 2014 on FWF approach and work. The responsible staff person for social standards at BP offers a training on FWF affiliation for staff twice a year. Every new colleague is trained on FWF as part of introduction.

In 2014 internal mailings to staff also included FWF topics, BP made a CSR newsletter for staff.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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**Recommendation:** FWF recommends BP to include posting of the Worker Information Sheet at subcontractors in the checklist of travelling staff and is suggested to ask suppliers to submit a photo of the posted CoLP with the annual questionnaire at subcontractors. FWF recommends BP to train travelling staff (both purchasers and technicians) on how to identify the likelihood of subcontracting to take place, discuss this with suppliers to make sure subcontracting that does take place is authorised by BP and part of its monitoring system.

**Comment:** Staff is trained in general. Staff travelling to production sites is briefed in detail before visiting the production site. Usually the CSR team briefs the travelling staff about supplier specific problems and asks for proof such as documents, notes, pictures and even video shots. FWF has trained the existing travelling staff on details about FWF requirements.

BP has developed a checklist to check social standards for travelling staff like technicians. Travelling staff is informed and regularly trained how to handle the checklist. The travelling staff hands the filled in documents and pictures to the CSR team. The CSR team evaluates the situation at the production site.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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**Comment:** With one supplier BP works with an agent and both agent and factory signed the FWF CoLP requirements. The production site is still visited regularly by staff of BP. A technician in Macedonia checks production sites incl. social issues, CAP's. He is trained by FWF. From 2015 on, BP will no longer work with agents.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	89%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0
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**Recommendation:** The Workplace Education Programme will be expanded and become available in more production countries in 2015 and onward. BP is recommended to motivate its main supplier(s) to join WEP training, especially in countries where it will be newly offered.

**Comment:** One production site in Tunisia participated in WEP in 2014.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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**Recommendation:** FWF recommends BP to arrange trainings on their own in areas where the Workplace Education Programme is not yet offered. Trainings must meet FWF quality standards to receive credit for this indicator and cover all issues of the FWF CoLP. It is recommended to start finding ways on how to ensure that workers are trained on labour rights in production countries where WEP is not offered.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

**Earned Points: 11**

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

**Recommendation:** BP is advised to include agreements with new and existing suppliers on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process. See also 3.2 and 4.2.

**Comment:** BP has a designated person who keeps the supplier register updated. One FWF audit conducted in 2014 at a new supplier in China showed that extra subcontractors were used for embroidery and printing of BP production, while the factory had not informed BP. According to management of another audited supplier in Vietnam it had not informed subcontractors of the FWF CoLP, because subcontractors are not used for BP production.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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**Comment:** BP has developed a system where information regarding code compliance is integrated in the overall assessment of the supplier. At this point, staff is informed about compliance and outstanding issues by being briefed before visits to factories. Staff can also access documents regarding social compliance of the individual suppliers on the server. Responsible staff from departments related to suppliers and products meet monthly. Social standards are part of the monthly agenda.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

### Recommendation:

**Comment:** BP's website and catalog are the most important communication channels for BP to communicate about FWF membership. Furthermore, the company has informed the public, customers and end users through press releases, flyers that have been posted to customers and on Facebook. Each invoice to customers refers to FWF membership and suggests to read BP's social report on the website of FWF or BP. Communication regarding FWF is important to BP, and the company experiences a growing interest from customers. For interested customers, BP has a special information sheet for customers explaining key aspects of FWF, also to make sure third party sellers stick to the communication guidelines. In 2014 BP sent all customers a special mailing on FWF.

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
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**Comment:** The Brand Performance Check Report is published on the affiliate's website.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: BP publishes its social report online in German and English, which is available for download on its German, English, Dutch and French websites. The Social Report is mentioned as news item on BP website and linked on BP Facebook page.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The Manager of Quality Management is responsible for evaluation of the effectiveness of the work plan and the available resources. An evaluation meeting takes place every year with the CEO. When the CEO visits suppliers the CEO also uses the BP social compliance checklist, based on the FWF OHS checklist. In 2014 the CEO was also directly involved with a supplier solving a complaint.

7.2 Changes from previous Brand Performance Check implemented by affiliate	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2
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## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

1. Stay relevant in light of Textilbündnis (covering the whole supply chain and ecological standards) and other initiatives (e.g. STEP, BSCI), by better selling the uniqueness of FWF: stay relevant, not only good!
2. Be present and involved in the major initiatives and developments and ensure mutual recognition to avoid duplication of efforts
3. For FWF to check public procurement tender requirements on audit systems and ensure FWF membership and audits are recognised as fulfilling the audit tender requirements
4. More information for members on what is happening e.g. pilot projects and communicate possibilities to join try-outs, pilots
5. Inform members timely of new activities once available, like WEP training in countries where it is newly offered, like Tunisia, Macedonia, Romania, Vietnam

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	36	42
Monitoring and Remediation	27	27
Complaints Handling	12	13
Training and Capacity Building	11	15
Information Management	4	7
Transparency	4	4
Evaluation	2	2
Totals:	96	110

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

87

### PERFORMANCE BENCHMARKING CATEGORY

Leader



## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

25-06-2015

Conducted by:

Ruth Vermeulen, Vera Koeppen

Interviews with:

Mr M. Goost: Managing director, Finance/ IT

Mr J. Werner: external Communication, sales

Ms U. Müller: Manager Quality Management / Sustainability

Ms H. Nagel: Quality Management, Sustainability

Mr F. Kusch: Purchasing Manager

Mr D. Wiewelhove (Production Planning)

Mr J. Bednarz (production)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.