



Brand Performance Check

Bizniz Confectie B.V

February 2014

This report covers the evaluation period
January/2012 to December/2012

About the Brand Performance Check

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at multiple levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of the 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.

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.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The FWF Performance Benchmarking Guide provides more information about the indicators and is available for download.

Brand Performance Check Details

Date of Brand Performance Check

12-Aug-13

Conducted by:

Annabel Meurs

Interviews With:

Hans Thoonen

Director

Agnieszka Cholocinska

Production Manager

Scoring

Affiliate Benchmarking scores and Performance Benchmarking categories will be published starting in 2014. During 2013, FWF will be testing out the new system and evaluating the appropriate threshold levels for Benchmarking categories.

Bizniz Confectie B.V

2013 Brand Performance Check

Affiliate Information		
Headquarters:	Andelst	The Netherlands
Member Since:	May	2011
Product Types:	Fashion Private Label	
Production countries:	FWF Active Countries: Poland, Tunisia Other countries: none	
Basic Requirements		
Workplan for this evaluation period was submitted?	Yes	Must be submitted before start of evaluation period
Projected supplier register for this evaluation was submitted?	Yes	Must be submitted before start of evaluation period
Actual supplier register for this evaluation period has been submitted?	Yes	Must be submitted after the end of the evaluation period.
Membership fee has been paid?	Yes	
All suppliers have been notified of FWF membership?	Yes	
Scoring Overview		
% of own production under monitoring	79%	
Summary	<p>Bizniz meets most of FWFs management system requirements. The purchasing practices of Bizniz enables the company to work effectively on improvements of working conditions. The company has strongly invested in stable business for the past 20 years with its main suppliers in Poland, that produces exclusively for the company. Bizniz has informed all its suppliers of the FWF Code of Labour Practices and meets the requirements for monitoring suppliers in low risk countries. FWF recommends Bizniz to take further steps with regards to discussing wage levels at suppliers and concerning monitoring and training efforts in Tunisia.</p>	

Purchasing Practices

Basic Measures		Comments
% of production in low-risk countries	79%	Countries with relatively low risk of labour violations as defined by FWF.

Performance Indicators	Result	Relevance of Indicator	Documentation
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity.	100%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier register provided by affiliate.
	Comment: All suppliers of Bizniz produce at least 15% of their production capacity for the company. Three of its suppliers produce exclusively for Bizniz. This enables the company to work effectively on improvements of working conditions.		
1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years.	50%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier register provided by affiliate.
	Comment: Bizniz maintains a long term business relationship of over 5 years with 50% of its supply base. The company has strongly invested in stable business for the past 20 years.		
1.3 Labour conditions are considered when selecting new suppliers.	Yes	Including labour conditions considerations in selecting suppliers supports responsible business practices.	Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc.
	Comment: Two new suppliers in Poland were selected in 2012. A process exists to consider labour conditions when selecting the suppliers. Given the extensive experience Bizniz has in Poland, the company first inquires on with experts on the local market and investigates which suppliers comply with labour inspection requirements. New suppliers first need to pass a two months try-out period. In this time, Bizniz's staff goes to the production sites, speaks with the management, checks Occupational Health and Safety (OHS) issues at the factory premises, discusses quality as well as price levels and possible capacity. The results influence Bizniz's decision to place orders. The cooperation starts with signing a contract including filling out the FWF questionnaire and agreement to		
1.4 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.
	Comment: All suppliers are required to sign and return the Code of Labour Practices. FWF was able to verify this by checking the documents that are filed on the server.		

<p>1.5 Company conducts audits at all new suppliers before placing orders.</p>	<p>No</p>	<p>An important due diligence step. Before placing production orders, affiliates should conduct an audit at all new suppliers to assess risks for CoLP violations.</p>	<p>Audit documentation; must meet FWF audit quality standards.</p>
<p>Recommendation: It is recommended to conduct an audit at new suppliers in high risk countries before placing bulk production orders to assess risks for CoLP violations. Creating a FWF Wage Ladder to assess the level of wages can be part of the risk assessment.</p>			
<p>1.6 Affiliate sources from an FWF factory member.</p>	<p>No</p>	<p>When possible, FWF encourages affiliates to source from FWF factory members. The small number of factories in the programme means sourcing from FWF factory members cannot be a requirement.</p>	<p>Supplier register provided by affiliate.</p>
<p>1.7 Percentage of production volume from factories owned by the affiliate.</p>	<p>0%</p>	<p>Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.</p>	<p>Supplier register provided by affiliate.</p>
<p>1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner.</p>	<p>Yes , and improvement is rewarded</p>	<p>A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.</p>	<p>Documentation of systemic approach: rating systems, checklists, databases, etc.</p>
<p>Comment: Compliance with the Code of Labour Practices is evaluated continuously. Bizniz suppliers in Poland are also inspected by the labour inspection. Any non-compliance is immediately reported and known to Bizniz. Evaluation is incorporated in the decision making process as Bizniz will not continue with suppliers who do not show improvements. The business practices of Bizniz ensures improvement in rewarded with long term relationships and sourcing in low risk countries.</p>			
<p>1.9 The affiliate's production planning systems support reasonable working hours.</p>	<p>Strong integrated systems in place</p>	<p>Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.</p>	<p>Documentation of robust planning systems.</p>
<p>Comment: Bizniz' order placement provides sufficient space for suppliers to avoid excessive overtime. Eventhough production is order-based with clients' deadlines and no on stock items, the company is still flexible to ease production pressure on its suppliers. Samples, styles and materials are all produced and organised by Bizniz which avoids production peaks due to delays of material. The company is able to estimate the amount of minutes that is needed per style. There is a system in place for sharing and updating forecasts with suppliers to facilitate their planning and to provide access to internal planning. Given the long term relationships Bizniz has with its suppliers, they are well aware of the production capacity of the factories. If a delay occurs, the company can either arrange earlier</p>			
<p>1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF.</p>	<p>Not Applicable</p>	<p>Excessive overtime is one of the most common labour rights violations in high-risk production countries. It is often caused by poor production planning by brands.</p>	<p>Audits conducted by FWF auditors; Complaints filed via the FWF worker helpline.</p>

	Comment: no audits were conducted in 2012		
1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime, if found.	Preventive Approach	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Examples of root cause analyses and resulting changes in production planning/policy.
	<p>Comment: In the case of Bizniz, there has not been any evidence yet of excessive overtime taking place at one of their suppliers. Reasonable working hours are strongly regulated by law and labour inspection in Poland. Overtime happens in few cases, but is not excessive.</p> <p>Recommendation: FWF affiliates need to take adequate steps to reduce excessive overtime at the production sites. These steps can be determined based on the overtime issues identified by the audit(s). In Tunisia, audits planned for 2013 will determine the risk of</p>		
1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Policy at country level	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.
	<p>Requirement: The affiliate needs to develop a pricing policy where the affiliate knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.</p> <p>Comment: Bizniz has specified working minutes per style, but does not know the cost of labour for each product style. The share of the factories' price that is distributed to wages is unclear.</p>		
1.13 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.
1.14 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.
1.15 Degree to which affiliate assesses root causes and takes action on wages lower than living wages with suppliers.	Factory level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Wage ladders, correspondence with supplier, other relevant documentation.

<p>Comment: Bizniz supports movement towards living wages through actively supporting the factories with strong involvement in Poland.</p> <p>Recommendation: Given its production in Poland, a country classified as low risk by FWF, Bizniz does not yet have an audit report that includes a Wage Ladder. In the future, FWF wage ladders can be used as a tool to implement living wages. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.</p> <p>Moreover, FWF encourages Bizniz to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and</p>

Purchasing Practices Comments:

Monitoring & Remediation

Basic Measures		Comments
% of own production under monitoring	79%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership:	79% (meets threshold)	1 year: 40%; 2 years 60%; 3 years+: 9

Performance Indicators	Result	Relevance of Indicator	Documentation
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.
	Comment: Bizniz has two specific staff persons designated to monitor FWF requirements. One staff person is based in Poland and responsible for monitoring in Poland.		
2.2 Degree of progress towards resolution of existing Corrective Action Plans.	Not Applicable	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.
	Comment: No Corrective Action Plans were active during the past year		
2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year.	100%	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.
	Comment: All suppliers are visited frequently.		
2.4 Existing audit reports are collected.	Yes and quality assessed	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.
	Comment: Bizniz has collected audit reports that were conducted on behalf of other clients at their suppliers. The reports mostly focused on health and safety issues and the technical functioning of the factory, but also included reviewing salary documentation and in some cases findings from interviews with workers.		

<p>2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner.</p>	<p>Not Applicable</p>	<p>FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.</p>	<p>Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.</p>
<p>Comment: No Corrective Action Plans were active during the past year</p>			
<p>2.6 A structured approach is used to address issues that occur at multiple suppliers.</p>	<p>Yes</p>	<p>Issues that occur in multiple factories often need to be addressed in a systemic manner, especially when the root causes are located in brand management choices or from regionally specific issues (e.g. fire safety, gender discrimination and harassment).</p>	<p>Documentation of a systemic approach: root cause analyses, productivity assessments, guidance documents, internal system changes, etc.</p>
<p>Comment: Bizniz systematically addresses issues at its suppliers both in Poland and Tunisia. The company has strongly invested in local knowledge and expertise and maintains contact with local stakeholders. Particularly with regards to Poland, the company is fully aware of trade union situation, the role of the labour inspection etc. If an issue occurs at one suppliers, it immediately checks the situation at other suppliers. The suppliers also support each other in terms of production in case needed.</p>			
<p>2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers.</p>	<p>Not Applicable</p>	<p>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.</p>	<p>Shared CAPs, evidence of cooperation with other customers.</p>
<p>Comment: No CAPs active or no shared suppliers during past year.</p>			
<p>2.8 Monitoring requirements are fulfilled for production in low-risk countries.</p>	<p>Yes</p>	<p>Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.</p>	<p>Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.</p>
<p>Comment: All production sites in Poland are frequently visited, informed about FWF membership and have posted the Worker</p>			
<p>2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)</p>	<p>Not Applicable</p>	<p>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.</p>	<p>Questionnaires are on file.</p>

<p>2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)</p>	<p>Not Applicable</p>	<p>FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.</p>	<p>Supplier register; Documentation of sales volumes of products made by FWF or FLA members.</p>

Monitoring & Remediation Comments:

Complaints Handling

Basic Measures		Comments
Number of worker complaints received since last check.	0	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.	0	
Number of worker complaints resolved since last check.	0	

Performance Indicators	Result	Relevance of Indicator	Documentation
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.
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.
	Comment: Bizniz check whether the Worker Information Sheet is posted during factory visits. Reports of these visits are documented.		
3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline.	Not Applicable	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.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism.
	Comment: No audits conducted during past year.		

<p>3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure.</p>	<p>Not Applicable</p>	<p>Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier.</p>	<p>Documentation that affiliate has completed all required steps in the complaints handling process.</p>
<p>3.5 Cooperation with other customers in addressing worker complaints at shared suppliers</p>	<p>Not Applicable</p>	<p>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</p>	<p>Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.</p>
<p>Comment: No complaints were received during past financial year</p>			

Complaints Handling Comments

Training & Capacity Building

Performance Indicators	Result	Relevance of Indicator	Documentation
4.1 Staff at affiliate 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.
<p>Comment: Staff of Bizniz is sufficiently imade aware of FWF membership requirements. At the beginning of FWF membership, all Bizniz staff in The Netherlands and Poland were informed about FWF requirements. A special meeting took place both in Poland and in Holland. A meeting with the local Polish staff takes place every two weeks to update each other about diverse issues, among others compliance with the CoLP.</p>			
4.2 Advanced training is provided to staff in direct contact with suppliers on CoLP requirements.	No	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.
<p>Comment: Bizniz does not use agents</p>			
4.3 Agents are informed of CoLP requirements and act to support their implementation.	Not Applicable	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.
4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume).	Not Applicable	Lack of knowledge 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.
<p>Comment: No production in areas where WEP is offered.</p>			
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. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.

	<p>Recommendation: All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends Bizniz to arrange trainings on their own in Tunisia.</p> <p>Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.</p>
--	--

Training & Capacity Building Comments

Information Management

Performance Indicators	Result	Relevance of Indicator	Documentation
5.1 Supplier register for the previous financial year is verified as being complete and accurate.	Yes	Any improvements to supply chains require affiliates to first know all of their suppliers.	Completed supplier register; Financial records of previous financial year.
Comment: FWF has been able to verify Bizniz's supplier register as being complete and accurate.			
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.

Information Management Comments:

Transparency

Performance Indicators	Result	Relevance of Indicator	Documentation
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.
	Recommendation: FWF recommends Bizniz to set up a website where they can communicate about their affiliation to FWF to the public. Another suggestion would be to inform its customers once a year through a newsletter about FWF membership and recent developments.		
6.2 Affiliate engages in advanced reporting activities.	No	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.
6.3 Social Report is submitted to FWF and is published on affiliate's website	No	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.
	Comment: Bizniz does not have a website where they can transparently report about their CSR activities.		

Transparency Comments:

It does not fit Bizniz' philosophy to communicate extensively about FWF membership. FWF membership is used in individual meetings with clients, but the company chooses to not actively communicate through a website or catalogue.

Evaluation

Performance Indicators	Result	Relevance of Indicator	Documentation
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.
Comment: FWF membership is evaluated with the director and production manager on a regular basis during bilateral meetings.			
7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate.	25%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.
Comment: Bizniz has followed up on the requirement to collect existing audit reports. Requirements with regards to discussing living wage levels and communicating about FWF have not yet been implemented.			

Evaluation Comments:

Comments to FWF

This area provides an opportunity for affiliates to provide feedback to FWF.
