



Brand Performance Check

Confectiefabriek De Berkel B.V.

February 2014

This report covers the evaluation period
Jan 2012 to Dec 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	22-May-13	
Conducted by:	Annabel Meurs	
Interviews With:	Jan Ordelmans Wilfried Rasing Ronald Klunder Erik Bruggers	Production Manager (FWF contact person) CFO Product Manager Operational 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.

De Berkel

2013 Brand Performance Check

Affiliate Information		
Headquarters:	Varsseveld	The Netherlands
Member Since:	April	2007
Product Types:	Workwear	
Production countries:	FWF Active Countries: China, India, Lithuania, Moldova, Poland, Ukraine, Vietnam 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 period 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 suppliers under monitoring	77%	
Summary	<p>De Berkel meets most of FWFs management system requirements. Its sourcing and monitoring practices support effective implementation of the FWF Code of Labour Practices. The company has a stable business relationship with its main suppliers and has been able to remediate several important corrective actions. This has been particularly succesful given that a majority of the suppliers produce exclusively for De Berkel and the company has substantial leverage to request improvements in working conditions. However, a small percentage of De Berkel's purchasing volume is sourced from high risk countries India, China and Vietnam where ready-made products are sourced through an agent. The level of working conditions at those suppliers is not assessed and monitored in a systemic manner. De Berkel therefore does not meet the monitoring threshold.</p>	

Purchasing Practices

Basic Measures		Comments
% of production in low-risk countries	8,20%	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.	82%	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: At all its suppliers in Eastern Europe, De Berkel is the biggest client with orders accounting for 50% or 100% of the factories' production capacity. The remaining part of De Berkel's products is sourced from factories where De Berkel buys small percentage of the production capacity.		
1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years.	34%	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: De Berkel has a stable business relationship with its main suppliers since 1998.		
1.3 Labour conditions are considered when selecting new suppliers.	Not Applicable	Including labour conditions considerations in selecting suppliers supports responsible business practices.	Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc.
	Comment: De Berkel did not select any new suppliers in 2012.		
1.4 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Not Applicable	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.
1.5 Company conducts audits at all new suppliers before placing orders.	Not Applicable	An important due diligence step. Before placing production orders, affiliates should conduct an audit at all new suppliers to assess risks for CoLP violations.	Audit documentation; must meet FWF audit quality standards.

1.6 Affiliate sources from an FWF factory member.	No	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.	Supplier register provided by affiliate.
1.7 Percentage of production volume from factories owned by the affiliate.	57%	Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.	Supplier register provided by affiliate.
	Comment: De Berkel own 1 factory in Moldova. In addition, through its mother company Teamdress its own one factory in Ukraine and one in Poland.		
1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner.	No	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.
	Recommendation: De Berkel has a grading system to evaluate suppliers on several criteria. Labour conditions is not part of the criteria. FWF recommends De Berkel to systematically include labour conditions and the willingness of suppliers to improve labour conditions in their grading system. De Berkel can consider rewarding suppliers who perform exceptionally well on social compliance.		
1.9 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.
	Comment: De Berkel's production planning is a shared process with suppliers and is based on realistic assessments of production capacity. The company is able to plan the exact number of minutes per week; particularly at suppliers that produce solely for De Berkel, the company can calculate the capacity in minutes per product type by the number of workers in the factory. Delivery times of De Berkel are flexible; shipment takes place every week, but delays do not cause major problems for the company.		
1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF.	Not Applicable	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.	Audits conducted by FWF auditors; Complaints filed via the FWF worker helpline.
	Comment: De Berkel did not conduct any audits 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 general, the order placement process of De Berkel offers suppliers sufficient space to avoid excessive overtime. The close relationship with the suppliers in Moldova and Ukraine that produce exclusively for De Berkel allows for a detailed understanding of working hours per factory. De Berkel knows the minutes needed per garment, is aware of the workforce composition and machine park and invests in the skills of workers and operators at their suppliers.</p> <p>Recommendation: FWF recommends De Berkel to analyse working hours and possible causes of excessive overtime at the suppliers in China, India and Vietnam</p>		
1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Affiliate demonstrates pricing allows for payment of minimum wage.	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>Comment: De Berkel works with standard minutes. Calculations for pricing per minute are based on sampling done at De Berkel. The piece rates for workers in factories allow compliance with legal minimum wages. Minimum wages in the low risk countries Poland and Lithuania are guaranteed by local institutions such as the labour inspection. In the factory in Ukraine, De Berkel performed a productivity assessment in relation to salaries.</p> <p>Requirement: Despite the low volume, De Berkel should know the labour cost of garments in the Asian production countries and analyse wage levels in those countries as well.</p>		
1.13 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Not Applicable	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.
	Comment: no failures by suppliers to pay minimum wage were reported during the past year.		
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.
	Comment: No evidence of late payments to suppliers was found.		
1.15 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers.	Basic approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Wage ladders, correspondance with supplier, other relevant documentation.
	<p>Requirement: Sustained progress towards living wages requires adjustments to affiliates' policies. De Berkel needs to be able to compare actual wages to living wage estimates and begin working with suppliers in all production countries to move towards living wages.</p> <p>Recommendation: FWF encourages the affiliate 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 retail prices under different pricing models.</p>		

Monitoring & Remediation

Basic Measures		Comments
% of own production under monitoring	77%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership:	90% (does not meet threshold)	1 year: 40%; 2 years 60%; 3 years+: 90%

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.
2.2 Degree of progress towards resolution of existing Corrective Action Plans.	Moderate efforts have been made to address most CAPs	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.
	Recommendation: De Berkel has been able to resolve and remediate several corrective actions at their suppliers in Eastern Europe. It is recommended to keep track of improvements realised in factories in the supplier register or in another document. A suggestion is to document improvements and discussion points on social compliance with suppliers in the corrective action plans (CAP).		
2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year.	81%	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.
2.4 Existing audit reports are collected.	Not Applicable	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.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner.	Not Applicable	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.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.
2.6 A structured approach is used to address issues that occur at multiple suppliers.	Yes	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).	Documentation of a systemic approach: root cause analyses, productivity assessments, guidance documents, internal system changes, etc.
<p>Comment: De Berkel has a regional approach when addressing issues that are found at suppliers. With their knowledge of production in Ukraine and Moldova they consider implementing improvements at all suppliers in those countries.</p> <p>Recommendation: When taking into account that labour conditions in China, India and Vietnam differ greatly from Eastern European conditions, FWF recommends De Berkel to assess the level of labour conditions in those countries.</p>			
2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers.	Not Applicable	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.
<p>Comment: De Berkel sources from suppliers that either produce exclusively for the company or where there is no CAP active.</p>			
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.
2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	0%	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.

<p>2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)</p>	<p>4%</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 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.
	<p>Comment: During factory visits it is checked that the Worker Information Sheet is posted at a place visible to workers.</p> <p>Requirement: De Berkel needs to include the suppliers in China, India and Vietnam in their system to inform the suppliers and workers about the FWF Code of Labour Practices and the complaints handling procedure.</p>		
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.
3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure.	Not Applicable	Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier.	Documentation that affiliate has completed all required steps in the complaints handling process.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	<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 supplier.</p>	<p>Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.</p>

Complaints 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.
	Comment: FWF membership and its requirements are reported to De Berkel's mother company Teamdress. Staff of De Berkel attended the FWF Annual Conference. Membership is discussed internally in meetings involving staff from different departments.		
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.
4.3 Agents are informed of CoLP requirements and act to support their implementation.	Yes	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.
	Recommendation: For its suppliers in China and Vietnam, De Berkel works through an intermediary agent. The agent is informed of the FWF CoLP, but labour standards have not explicitly been part of the discussions. FWF recommends De Berkel to ensure the agent actively supports the implementation of the CoLP and takes part in monitoring its suppliers.		
4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume).	0%	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.
	Recommendation: FWF recommends De Berkel to investigate the possibility of enrolling its supplier in China in to the Workplace Education Programme.		

<p>4.5 Factory participation in trainings (where WEP is not offered; by production volume).</p>	<p>0%</p>	<p>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.</p>	<p>Curricula, other documentation of training content, participation and outcomes.</p>
<p>Recommendation: Given the close relationship De Berkel has with its suppliers in Eastern Europe, it could assess the possibility to organize a training on social compliance and labour standards.</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.	No	Any improvements to supply chains require affiliates to first know all of their suppliers.	Completed supplier register; Financial records of previous financial year.
	Requirement: The supplier register of De Berkel must include all suppliers which have been involved in the creation of finished garments for De Berkel, including subcontractors. In addition, all external production should be included in the supplier register. This enables FWF to signal duplications with other FWF affiliates and to cooperate with De Berkel to encourage others to become a FWF affiliate.		
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.
	Comment: Staff at De Berkel who interact with suppliers easily share information regarding working conditions at suppliers.		

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.
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	Complete report submitted to FWF	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.
	Requirement: FWF membership requires transparency on affiliates' work towards social standards. The social report needs to be submitted to FWF and published on affiliate's website.		

Transparency Comments:

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: De Berkel evaluates FWF policies and membership regularly and at least once a year. Top management is involved in the evaluation.		
7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate.	40%	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.

Evaluation Comments:

Comments to FWF

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

De Berkel would welcome the possibility to share suppliers with other FWF members in the database.
