



BRAND PERFORMANCE CHECK

Mayerline

this report covers the evaluation period 01-09-2011 to 31-01-2013

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 [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

11-03-2013

Conducted by:

Juliette Li

Interviews with:

Patrik Geurts, CEO

Sophie Claeys, Sourcing & Trade Manager

Sarunas Dauksys, General Operations Manager at MLI (Lithuania)

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.

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. Future Brand Performance Checks will include improved usability and transparency for audit data.

AFFILIATE INFORMATION	
Headquarters:	Brussel
Member since:	15-03-2010
Product types:	Fashion
Production in countries where FWF is active:	China, Lithuania, Portugal, Italy, Turkey, India
Production in other countries:	Russian Federation
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Projected supplier register for this evaluation was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	82%

Summary:

Mayerline met most FWF's requirements to implement the Code of Labour Practices in its supply chain. Mayerline has audited 86% of its total FOB. This was above FWF's monitoring threshold of 60% for being a member of 2 years.

Mayerline valued long term business relationship with suppliers and preferred to support suppliers to develop together. The brand followed up on the corrective action plans in a timely manner.

During this reporting period, Mayerline has responded sufficiently to a complaint regarding freedom of association in Turkey with the support of FWF.

FWF encourages Mayerline to invite its suppliers in Turkey and China to join the Workplace Education Programme (WEP) of FWF. The WEP helps raising awareness on labour rights of workers. It also provides capacity building to workers and management on effective communication.

1. PURCHASING PRACTICES

BASIC MEASUREMENTS	RESULT	COMMENTS
Percentage of production in low-risk countries	36%	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	86%	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.
1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	85%	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.
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.

Recommendation: A formal process should exist to evaluate the labour conditions at the suppliers before placing orders. The labour conditions at the factory should influence the decision on whether to place orders, and what remediation steps may be necessary.

Comment: Mayerline only looks for new suppliers occasionally. In practice the production manager visits potential suppliers to gain an impression on working conditions and the commitment on social compliance.

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.
---	-----	---	---------------------------

1.5 Company conducts audits at all new suppliers before placing orders	No	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.
--	----	---	---

Comment: Mayerline does not audit potential suppliers because they prefer to build trustworth relationship first.

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	0%	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.
---	----	--	--

1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner	Yes	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: A systematic approach is required to integrate social compliance into normal business processes, and supports good decision-making. The approach needs to ensure that the affiliate consistently evaluates the entire supplier base and includes information into decision-making procedures.

Comment: Mayerline evaluates social compliance status of its suppliers. It has not yet set up a system to compare the suppliers.

1.9 The affiliate's production planning systems support reasonable working hours	General or ad-hoc system	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.
--	--------------------------	---	---

Comment: Mayerline shared production planning with suppliers annually. It updated suppliers timely about changes and new orders. When an order was delayed, Mayerline discussed with suppliers and tried to understand the situation. Most of the time it was possible to be flexible on delivery time.

1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF	10%	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: Excessive overtime work was found at two suppliers. The supplier in Turkey worked about 12 hour per day, which exceeded the local limit of 11 hours daily. In China the supplier worked about 77 hours per week, which exceeded local legal working limit of maximum 56 hours including overtime.

1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime	Reactive 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.
---	-------------------	---	--

Recommendation: FWF recommends the affiliate to participate in the Well Made project FWF offers. In the free sessions, apparel employees such as designers, purchasers and sales people can learn more about what they can do in their day-to-day work to improve working conditions in clothing factories.

Comment: Mayerline discussed with suppliers regarding Corrective Action Plans resulted from audits from last year. Suppliers updated Mayerline regularly on their achievements. Mayerline has not yet a system to prevent OT at multiple suppliers.

1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries	Policy at a style 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.
--	-------------------------	--	--

Comment: Mayerline believed that it was not realistic to use production minutes to determine price of the brand. According to Mayerline, production minutes can change significantly if there is a small change in machinery, fabric, or style. The experience and expertise of a factory could also influence production minute.

Mayerline allowed factories to provide an estimate price when an order was confirmed. When the factory started actual production, they might need to change the price because of the above mentioned reasons. When the factory finished the production, the final price would be presented to Mayerline. Mayerline would make the payment according to the final price.

Mayerline believed that this method ensured quality and at the same time helped its business partner to maintain a profit margin. When such support system was in place, Mayerline was in the position to require suppliers to pay their workers at least minimum wages.

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.
---	-----	--	---

Comment: The audit in 2012 showed that the factory paid at least minimum wage.

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 of 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.
---	------------------------	---	---

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.

Comment: Mayerline has supported its suppliers in allowing a reasonable profit margin. It also discussed with suppliers on the Corrective Action Plans.

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
Total % of own production under monitoring	82%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership (Threshold is 40% first year, 60% second year of membership and 90% thereafter)	Does meet threshold	

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: Besides doing audits, the affiliate could consider:

- Hire local consultant to assist factory in implementing CAPs and to assist factory management in investigating root causes of issues found during audits.
- Organise supplier seminars to raise awareness on improving working conditions
- Provide factory training to workers.
- Share knowledge on productivity.

Comment: Mayerline contacted suppliers regularly on the Corrective Action Plans. It was in the process to identify root causes of issues in its supply chain.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	84%	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: Mayerline has an office located in Lithuania. The local office is nearby main production sites of the brand and visits the factories frequently.

2.4 Existing audit reports are collected	Only if there are no existing audit reports for the affiliate's suppliers	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	Yes	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.
--	-----	---	--

Comment: Mayerline shared the CAPs with suppliers when receive the audit report. The factories informed Mayerline regularly on the progress of CAPs.

2.6 A structured approach is used to address issues that occur at multiple suppliers	No	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.
--	----	---	--

Recommendation: FWF suggests that the affiliate should analyse whether findings from a factory audit could occur at other suppliers as well. This will lead to a preventive approach where issues are addressed in a systematic manner. The analysis should focus on own brand practices as well as regional or country specific issues.

Mayerline could encourage its suppliers in Turkey and China to join the Workplace Education Programme (WEP) of FWF. The WEP helps factories and workers to improve working conditions in a continuous dialogue.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	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.
---	--------------------	---	--

Comment: Mayerline worked with a common supplier with two other member brands of FWF. Mayerline took active role in leading the followup on CAPs with the supplier.

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.
--	-----	---	---

Comment: Mayerline visited its suppliers in Europe at least once a year.

<p>2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)</p>	<p>No external brands resold</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>No external brands resold</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>

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	1	
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: For low risk countries, Mayerline's own staff paid visits to the factories to check if workers information sheet was posted. For factories in priority countries, Mayerline used FWF local audit team to verify the posting of CAPs.

3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline	0%	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	Yes with root cause analysis and efforts to prevent the problems from recurring	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.
--	---	---	---

Recommendation: Mayerline could encourage the factory to join FWF's Workplace Education Programme to help the factory and workers to improve working conditions through effective communication.

Comment: In October 2012, FWF received a complaint from workers at a supplier of Mayerline in Turkey. 37 workers were fired because of being members of a factory level trade union. Mayerline responded to the complaint immediately and communicated well with the factory.

As a result, the factory agreed to negotiate with the union and reinstated 19 workers. The rest of the workers had received termination compensation. Some reinstated workers claimed that freedom of association was still restricted.

Mayerline maintained a dialogue with the factory on freedom of association with the support of FWF to improve the situation.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	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.
--	--------------------	--	--

Comment: In the complaint case, Mayerline made effort to communicate with another brand sourcing from the factory. The non-FWF member brand did not agree with cooperation.

4. TRAINING AND 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.
4.2 Advanced training is provided to staff in direct contact with suppliers on CoLP requirements	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.

Comment: CSR manager of Mayerline attended FWF's affiliates' seminar. He provided training to production staff on FWF's Code of Labour Practices and follow up on Corrective action plans.

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.
--	-----	---	---

Comment: Most intermediaries were informed about FWF and cooperative.

Three agents could not provide Mayerline with addresses and names of factories where products were made. After two years of negotiation, Mayerline had decided to gradually phase out these agents.

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.
---	----	---	--

Requirement: Whenever the FWF affiliate contacts a new supplier, this new supplier must also be informed on the implications of FWF membership. 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 developed the Workplace Education Programme in 4 priority countries. The affiliate should motivate its main supplier(s) to join WEP trainings.

Recommendation: The affiliate is recommended to enrol a greater number of its suppliers in FWFs Workplace Education Programme (WEP), which offers trainings factories producing for FWF members. WEP trainings contribute to social dialogue between workers and management. The introductory training of WEP builds awareness of labour standards and strengthens dispute handling mechanisms. It is available to factories supplying FWF members free of charge.

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.
---	----	---	---

5. 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.
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.

6. 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.

Recommendation: FWF recommends the affiliate to publish one or more of the following reports on its website: Brand performance check, Audit Reports, suppliers register. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Yes	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.
---	-----	---	---

7. 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.
7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	100%	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: Mayerline was expected to be discussed with suppliers on living wages, according to the last performance check. Mayerline has discussed with suppliers on CAPs included payment of living wages.

RECOMMENDATIONS TO FWF

N/A