



BRAND PERFORMANCE CHECK

Tricorp Textiles Europe B.V.

this report covers the evaluation period 01-01-2012 to 31-12-2012

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

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

01-10-2013

Conducted by:

Kees Gootjes

Interviews with:

Hendrik Stiksmā
Edwin de Graaf

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: | Rijen |
| Member since: | 01-06-2007 |
| Product types: | Workwear |
| Production in countries where FWF is active: | Bangladesh, China, India |
| Production in other countries: | |
| 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? | No |
| SCORING OVERVIEW | |
| % of own production under monitoring | 75% |

Summary:

Tricorp has shown insufficient progress in implementing FWFs management system requirements. The monitoring percentage is 75%, which is below the required monitoring threshold. Tricorp should take steps to address excessive overtime found, and follow up CAPs in a timely manner. It should also make sure that CoLPs and complaint mechanisms are posted at suppliers. It should also have a supplier register that includes all suppliers, even the small ones.

1. PURCHASING PRACTICES

| BASIC MEASUREMENTS | RESULT | COMMENTS |
|--|--------|--|
| Percentage of production in low-risk countries | 0% | 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 | 36% | 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 | 76% | 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: Tricorp sources a little more than 75% from suppliers where a business relationship has existed for at least five years.

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| 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. |
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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: Tricorp considers labour conditions when selecting new suppliers. This process, however, is not very structured at this time.

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| 1.4 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed | No | 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. |
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Requirement: Affiliate needs to ensure that new suppliers sign and return the questionnaire before first orders are placed.

Comment: It is unclear if all suppliers have signed the Code of Labour Practice.

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| 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. |
| 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 | N/A | 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 | 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. |

Requirement: 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: Supplier compliance is currently not evaluated in a systematic manner.

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| 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. |
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Comment: Tricorp has a relatively long lead time for its products. It works with forecasts and stores material at the appropriate factories. For each one of its products, Tricorp has identified a back-up manufacturer should something happen.

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| 1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF | No audit within period | 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. |
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Requirement: Tricorp should have knowledge on which of the brand's sourcing practice is/are risk factor for excessive overtime. The affiliate should manage those factors and actively contribute to reduce excessive overtime at its suppliers.

Comment: At all audited factories excessive overtime was found.

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| 1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime | No/ Inadequate actions taken | 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. |
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Requirement: Tricorp should investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

Comment: Tricorp has not undertaken action to address the root causes of excessive overtime found at the audited factories.

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| 1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries | No 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. |
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Requirement: Tricorp 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.

Comment: It is unclear how Tricorp allows for payment of at least legal minimum wages in production countries.

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| 1.13 Affiliate actively responds if suppliers fail to pay legal minimum wages | No failures by suppliers to pay minimum wage were reported during the past year | 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. |
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| 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. |
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| 1.15 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers | No efforts shown | Sustained progress towards living wages requires adjustments to affiliates' policies. | Wage ladders, correspondence with supplier, other relevant documentation. |
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Requirement: Affiliate has to take adequate steps to move towards living wages as estimated by local stakeholders.

Comment: Tricorp has not made efforts to assess root causes of wages being lower than living wages with suppliers.

2. MONITORING AND REMEDIATION

| BASIC MEASUREMENTS | RESULT | COMMENTS |
|---|-------------------------|---------------------------------------|
| Total % of own production under monitoring | 75% | 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 not meet threshold | |

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION |
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| 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 | Inadequate or no efforts made to address 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. |

Comment: In 2012, Tricorp did not undertake adequate efforts to address CAPs.

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| 2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year | N/A | 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. |
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Comment: Tricorp has visited a little more than 75% of its production volume in 2012.

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| 2.4 Existing audit reports are collected | No | 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. |
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Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

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| 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. |
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| 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. |
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Recommendation: FWF suggests that the affiliate analyses 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 (such as fire safety or gender discrimination).

Comment: Tricorp does not have a structured approach to address issues at multiple suppliers.

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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 during past year | 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. |
| 2.8 Monitoring requirements are fulfilled for production in low-risk countries | No production in lowrisk countries | 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) | 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. |
| 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. | Supplier register; Documentation of sales volumes of products made by FWF or FLA members. |

3. COMPLAINTS HANDLING

| BASIC MEASUREMENTS | RESULT | 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 | | |
| Number of worker complaints resolved since last check | | |

| 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 | No | 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. |

Requirement: Tricorp must ensure that the Code of Labour Practices, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to workers. Affiliate should check by means of a visit whether the CoLP is posted in the factories.

Recommendation: It is suggested to ask suppliers to submit a photo of the posted CoLP with the annual questionnaire and to ask staff visiting a supplier to check if the documents are still posted as indicated on the obtained photo.

Comment: Tricorp currently does not have a system to check that the Worker Information Sheet is posted in factories.

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| 3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline | No existing/active CAPs | 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. |
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Requirement: The affiliate should check if the worker information sheet is posted. The information sheet is the first step towards awareness raising about the existence and functioning of FWFs worker hotline.

Comment: All audited factories did not post FWF CoLP and/or factory did not make workers aware of FWF worker helpline.

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| 3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure | No complaints were received during past financial year | 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. |
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| 3.5 Cooperation with other customers in addressing worker complaints at shared suppliers | No complaints were received during past year | 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. |
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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 | 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. |

Comment: Tricorp plans to train relevant employees in 2014.

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| 4.3 Agents are informed of CoLP requirements and act to support their implementation | No | 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. |
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Comment: It is unclear if Tricorp's agents support CoLP requirements and implementation.

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| 4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume) | No production in areas where WEP is offered | 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. |
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Recommendation: Tricorp is recommended to enrol 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 made available to FWF members free of charge.

Comment: Currently, no WEP trainings have taken place at Tricorp's suppliers.

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| 4.5 Factory participation in trainings (where WEP is not offered; by production volume) | All production is in areas where the WEP is offered | 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. |
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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. |

Comment: Since the BPC date, Tricorp has supplied a list of all factories.

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| 5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers | No | 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. |
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Requirement: 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. FWF Health and Safety guides can be used. The guides are made for CSR staff and other brand employees who regularly visit the factories to do a preliminary scan.

Comment: No system exists for Tricorp staff to share information about working conditions at suppliers.

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. |
| 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. |

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

Comment: Tricorp has submitted its Social Report, but it is not published on its website.

7. EVALUATION

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION |
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| 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 | No requirements were included in previous Check | 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: Tricorp has implemented 1 of 6 required changes from previous Brand Performance Checks. Work still needs to be done to implement:

- reaching monitoring threshold
- all suppliers posting CoLP and complaints handler telephone number
- CAP follow-up established on time with suppliers after audit
- inform all (new) suppliers about FWF membership
- submit a complete supplier register with all (small) suppliers

RECOMMENDATIONS TO FWF