



Brand Performance Check 2013

Van Puijenbroek Textiel

August 2013

This report covers the period January -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

Feb-13

Conducted by:

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Interviews With:

Rob Kwaspen

Director

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.

Van Puijenbroek Textiel

Affiliate Information		
Headquarters:	Goirle	Netherlands
Member Since:	Feb	2004
Product Types:	Workwear	
Production countries:	FWF Active Countries: Macedonia, 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 suppliers under monitoring	90%	
Summary	Van Puijenbroek Textiel is a member of FWF since 2004 and has structurally implemented activities to monitor the labour conditions in their supply chain. The company has a consolidated small number of suppliers with which they maintain a long standing business relationship and which are visited frequently.	

Purchasing Practices

Basic Measures		Comments
% of production in low-risk countries	n/a	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.	90%	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.	90%	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.	Not Applicable	Including labour conditions considerations in selecting suppliers supports responsible business practices.	Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc.
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.	42%	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.

<p>1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner.</p>	<p>Yes, and performance 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>Recommendation: The company could think of a system to rate/reward suppliers that perform well on social compliance</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>1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF.</p>	<p>25-49%</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>
<p>Comment: Though indeed excessive overtime was found, Van Puijenbroek has given duly follow up, and got confirmation from the factory that it didn't take place after this occasion.</p>			
<p>1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime, if found.</p>	<p>Preventive approach</p>	<p>Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.</p>	<p>Examples of root cause analyses and resulting changes in production planning/policy.</p>
<p>1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.</p>	<p>Affiliate can demonstrate at a style level that pricing allows enough to pay minimum wages for each product. SAM and information on wages in the country are used to set the prices.</p>	<p>The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.</p>	<p>Formal systems to calculate labour costs on per-product or country/city level.</p>
<p>1.13 Affiliate actively responds if suppliers fail to pay legal minimum wages.</p>	<p>Not Applicable</p>	<p>If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.</p>	<p>Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.</p>
<p>1.14 Evidence of late payments to suppliers by affiliate.</p>	<p>No</p>	<p>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.</p>	<p>Based on a complaint or audit report; review of factory and affiliate financial documents.</p>

<p>1.15 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers.</p>	<p>Factory-level approach; Van Puijenbroek participates in a pilot programme FWF is implementing in Macedonia.</p>	<p>Sustained progress towards living wages requires adjustments to affiliates' policies.</p>	<p>Wage ladders, correspondance with supplier, other relevant documentation.</p>
<p>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>			

Purchasing Practices Comments:

Monitoring & Remediation

Basic Measures		Comments
% of own production under monitoring	more than 90%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership:	90% (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.	An in-depth effort has been made to address most or all 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.
2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year.	90+%	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.	N/A	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.

<p>2.6 A structured approach is used to address issues that occur at multiple suppliers.</p>	<p>No</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: Van Puijenbroek maintains longstanding relations with their suppliers and approaches them individually. Through years of experience, problems are prevented and/or adressed, however there is no documented approach.</p>			
<p>2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers.</p>	<p>N/A</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>2.8 Monitoring requirements are fulfilled for production in low-risk countries.</p>	<p>N/A</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>2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)</p>	<p>80%</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>0%</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>
<p>Requirement: The Affiliate has to ensure that suppliers of external production are either a FWF member or have another acceptable system in place for monitoring its supply chain.</p>			

Monitoring Comments:

Complaints Handling

Basic Measures		Comments
Number of worker complaints received since last check.	None	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
Number of worker complaints in process of being resolved.	None	
Number of worker complaints resolved since last check.	None	

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.
3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline.	75-100%	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: Although the company distributes the Code and ensures it is posted in the factory, this may not always be enough to make workers aware of the complaints mechanism. It is recommended to have workers informed about the existence of the mechanism.		
3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure.	No complaints were received during past 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.
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	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.

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.
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.
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).	N/A	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.
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.

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: FOB data per factory was shown to FWF staff, and could be taken into consideration for this performance check, but should be included in the supplier register itself as well.		
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.
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.
		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	Published on affiliate's website	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.

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.
7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate.	75-100%	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.

Evaluation Comments:

Comments to FWF

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

Support for common marketing and communication on FWF related activities is appreciated
The company would like to have information material on FWF in Dutch