



Fair Wear Foundation

## Brand performance check report

Kwintet AB

June 15, 2012

### ***FWF member since:***

July 2011

### ***Sources of information***

Interview with Magnus Björnström, COO

Interview with Lennart Erikson, Head of Strategic Sourcing

Interview with Deeba Remheden, Global Head of social & environmental affairs

Interview with Vincent Thienpont, Corporate Marketing Director

Interview with Kasper Ostergard, Corporate external communication & PR manager

Annual report and work plan

Archived documents

Database FWF

Performance check carried out by:

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Fair Wear Foundation

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## Introduction

In June 2012 Fair Wear Foundation (FWF) conducted a brand performance check at Kwintet AB. The performance check is a tool for FWF to verify that Kwintet AB implements the management system requirements for effective implementation of the Code of Labour Practices, as specified in the FWF Charter.

Starting point for the performance check has been the work plan for 2011. FWF tailored the performance check to the specifics of the management system of Kwintet AB in order to assess the key issues of interest. During the performance check, employees of Kwintet AB were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the performance check. The report contains conclusions, requirements and recommendations. If FWF concludes that the management system or performance needs improvement to ensure effective implementation of the Code of Labour Practices, a requirement for improvement is formulated. The implementation of required improvements is mandatory under FWF membership. In addition, FWF formulates recommendations to further support Kwintet AB in implementing the Code of Labour Practices. The numbering of the requirements and recommendations correspond with the numbers of the conclusions.

This report focuses on those aspects of the management system of Kwintet AB that have been identified as key areas of interest for 2011. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that performance check reports of subsequent years will focus on different aspects of the management system.

FWF will publish the conclusions, requirements and recommendations of all performance checks on [www.fairwear.org](http://www.fairwear.org). FWF encourages Kwintet AB to include information from the performance check report in its social report.



## Executive summary

Kwintet AB meets most of FWF's management system requirements. Kwintet AB has further implemented their systematic approach for their management system on social compliance. Parallel to the reorganisation, Kwintet has focused in the past year on centralising the sourcing of all brands belonging to the Kwintet group.

Kwintet distinguishes between strategic, tactical and complementary suppliers. The first two groups together form the so called preferred suppliers. At the moment of the performance check all of the garment finished goods suppliers are preferred suppliers. There is a clear and extensive policy in place for compliance monitoring and remediation. This is connected to a violation matrix, which is a grading system for all suppliers. It is now standard policy within the Kwintet Group to primarily use preferred suppliers.

For its monitoring activities Kwintet AB uses a combination of self-assessments, third party audits, audits by own compliance auditors and FWF audits. Next to that QC staff visiting factories will do a light visual check and report back.

Since 2009 from the actual supply base (supplier register 2011) 81 factories have been audited. Based on available documents during the brand performance check, FWF concluded that 79% of the production volume has been audited or has low risk countries as origin. FWF does see room for improvement on the reliability of the conclusions in some audit reports in areas where there is a high risk for inaccurate time records or double book keeping.

Kwintet AB has put considerable effort in informing their staff about FWF membership and the implementation of the Code of Labour Practices. As a next step for staff that is in contact with the suppliers it will be good to enhance capacity on more detailed and difficult issues related to social compliance.

A big step forward has been shown in integration of information from the CSR department and the sourcing department, both at the head quarter level and between the sourcing manager and regional social compliance manager in Hong Kong and on sharing information on compliance with the final contact persons of the suppliers.



## Positive findings

1. Having the video of FWF on homepage of the intranet was a very accessible manner for all Kwintet staff to get to know FWFs methodology.
2. The coloured grading system ensures that serious non compliances for preferred suppliers are monitored closely.

## 1. Sourcing

### *Conclusions*

1. The Kwintet Group has focused in the past year on the internal reorganisation, in which the group has reduced the number of brands to 9. In the same process, all sourcing of these brands is now coordinated under a global sourcing strategy. Parallel to this, the process of consolidating and substantially reducing suppliers already started during the FWF membership of the Asia sourcing hub of the Kwintet Group, has been put in practice. The total number of all suppliers will be reduced from around 1500 to 450. This includes also fabric, trim and accessories suppliers.
2. Kwintet AB distinguishes between strategic, tactical and complementary suppliers. The first two groups together form the so called preferred suppliers. At the moment of the performance check all of the garment finished goods suppliers are preferred suppliers. These are 103 factories accounting for the production volume falling under the verification and monitoring threshold of FWF. The factories are based in China, Bangladesh, India, UAE, Tunisia, Portugal, Poland, Lithuania, Latvia, Spain, Vietnam, Indonesia, Italy, South Korea, Morocco, Pakistan, Romania, and Thailand.
3. There is a clear and extensive policy in place for compliance monitoring and remediation. This is connected to a violation matrix, which is a grading system for all suppliers. Suppliers can be graded red, orange, yellow or green, according to their compliance level. It is now standard policy within the Kwintet Group to primarily use preferred suppliers and not place orders at red graded suppliers.  
  
After the reorganisation of the sourcing, regional product development centres were set up at the locations of the brands headoffices in Europe each with a specialisation. Product developers select from the overview of preferred suppliers
4. If new suppliers are to be added to the preferred supplier category, they are also judged on compliance performance in the sense that the Code of Conduct and Restricted Substances List must have been signed prior to a new supplier becoming Preferred. Compliance is one of the factors that weigh in the decision making when selecting new suppliers and compliance audit is booked once the supplier has been added to the Preferred Supplier List. The policy on compliance monitoring clearly mentions the position of all the FWF Code of Labour Practices in the decision making process.
5. It's Kwintets policy to focus on long term relationships. On the basis of the documents FWF was able to check during the performance check it could be established that 41% FOB is coming from suppliers where the relationship is longer than 5 years.
6. Leverage is at least 10% at at least 25% of the suppliers as could be established

based on the documents provided. According to the interviews with Kwintet staff this percentage will become higher if all data will be completed.

7. A small percentage is sourced at 11 factories in low risk countries; which are Lithuania, Latvia, Poland, Portugal, Spain and Italy.

8. Kwintet AB owns four factories, in Russia, Ukraine, Latvia and Lithuania, and has 100% leverage in some factories.

9. Working conditions and the willingness of suppliers to cooperate on improvements are important criteria in the selection of new suppliers and the continuation of business relationships. After a visual compliance pre screening by the sourcing team, new suppliers are asked to sign prior to production the Kwintet Code of Conduct, which is aligned with the FWF CoLP, the list of restricted substances and The process of finding new suppliers is documented in a database, called Five, to which not only the sourcing staff, but also the CSR staff has access. Sourcing staff is responsible for sending out the self assessments to suppliers. After the self assessment several other assessments are required from the factory, depending if it has passed the pre screening. The third assessment is a more thorough CSR assessment.

10. If a factory is approved for sourcing in the pre-assessment, a 3rd-party or in-house compliance audit will be conducted at the factory. The factory then will be graded according to non-compliance issues discovered in audits. Adding a new supplier to the preferred supplier list is a management decision, in which also the CSR responsible is involved. If a factory fails to rectify a red grading, it will be phased out..

11. Since Kwintet AB did not obtain all the relevant FWF information sheets for workers, it did not ensure that the workers information sheet was posted when production started at all the production units where orders were placed.

12. Kwintet AB has collected and evaluated some previous audit reports by other initiatives / customers from the factories.

13. All suppliers received the Kwintet Supplier Compliance Manual, which has been updated and summarised in order to be more effective. This manual includes all elements of the FWF CoLP.

14. After the reorganisation of the sourcing, regional product development centres were set up at the locations of the brand headoffices in Europe, each with their own specialisation.. They will have to select from the overview of preferred suppliers. Product developers have access to information on suppliers via a scoreboard. Information updates from the CSR team are also included there. Audit info is shared with sourcing managers and 'supplier owners'. In the monthly KPI reports shared with all managers information is included on the red graded factories for example.

15. Before having finalised the whole new procedure for product development and sourcing, several back orders were placed at factories without being able to follow the above mentioned procedure. In that period also orders were placed at red graded suppliers. However, since the system has been put in place fully, this was not the case anymore for the last months of 2011. Orders are put on hold for all red graded suppliers. There is no system in place so far to reward suppliers who do well regarding social compliance (who are green graded in the Kwintet system).

16. the sourcing procedure facilitates better planning and forecasting of orders and integration of information. Production capacity is analysed and reserved on the basis of standard minutes calculation. A 12 month forecast is used, with a later more detailed binding reservation for production for 4 months. As a significant part of its products are catalogue based most suppliers produce on the basis of standard lead times. Kwintet AB



uses standard lead times for orders and re-orders, depending on the product 8-12 weeks or 4-6 weeks.

17. Kwintet AB uses open costing for its strategic suppliers and the minutes per product are discussed per factory. Kwintet supports an increase in wages, but does not have assessment enough to know how prices can support living wage levels. Kwintet AB explicitly refers to the standard of payment of a living wage in its code and internal documents. When auditing and monitoring however the company itself focuses on the payment of the local legal minimum wage.

18. Payment periods to suppliers have been extended during the past months.. Since Kwintet AB pays its direct suppliers, it does not have insight in payments to production units.

### **Requirements**

16. As excessive overtime was found at some of their suppliers, Kwintet AB should discuss the root causes that lead to this with the production units to see whether changes in purchasing practices are needed and/or improvements are needed in planning and productivity at the supplier level.

### **Recommendations**

1. FWF encourages Kwintet AB to take into account if workers are organised and if factories have made strong progress in compliance when further reducing their suppliers and possibly looking for new suppliers.

2. Compared to previous years, the company now has a stronger focus on strategic suppliers, and better insight in orders to be placed due to the centralisation of the sourcing. Combined with high leverage at some suppliers this provides Kwintet AB a good position to work on more complex issues. Kwintet AB could assess how to make more steps in involving and improving supplier performance in planning of production, to increase efficiency, facilitate payment of higher wages and avoid excessive overtime at those suppliers.

17. It is recommended that Kwintet staff uses the FWF wage ladder or another system, to increase its insight in the wage gap. Kwintet could start with suppliers where they have a 100% or at least high level of leverage and long standing relationship. With these suppliers they should put the issue on the agenda and agree together on steps to be taken towards getting more insight in the root causes of the low wages and steps to ensure an increase in wages.

18. Kwintet AB must ensure that when extending payment terms to their suppliers, this will not affect the ability of the production units to pay the workers.

## **2. Coherent system for monitoring and remediation**

### **Conclusions**

1. For its monitoring Kwintet AB uses a combination of self-assessments, third party



audits, audits by own compliance auditors and FWF audits. Next to that QC staff visiting factories will do a light visual check and report back.

2. The Regional Compliance Manager of the Hong Kong office monitors the implementation of corrective action plans. According to the violation matrix supplier are graded.

3. Since 2009 from the actual supply base (supplier register 2011) 81 factories have been audited. Based on available documents during the brand performance check, FWF concluded that 79% of the production volume has been audited or has low risk countries as origin.

4. 6 audits have been done with FWF teams. The rest have been done by Kwintet's internal compliance auditors or third party auditing agencies as Omega and STR. The issues covered in these reports meet most of the requirements of FWF, except for information on wages. In the reports references are made with minimum legal wage and not sufficient information is provided on living wage. Furthermore not in all reports a confirmation was included if the FWF Information sheet for workers was posted in the local language and if there was a functioning factory based grievance mechanism. Conclusions are based on documents review, visual inspection and interviews with management and workers on site. It is not always clear however if in areas with high risk of shadow book keeping, or shadow time records, information regarding wages and hours worked is cross checked with other sources than documents and on site interviews only.

5. Kwintet AB sources at 11 factories in low risk countries, of which 7 have been audited as well.

6. The corrective action plans resulting from conducted audits are systematically agreed upon, followed up and reported on.

7. The regional compliance manager based in Hong Kong is responsible for keeping track of realised improvements.

8. The member company is open towards cooperation with other customers of manufacturers regarding monitoring and the execution of Corrective Action Plans but has not taken action herself so far.

### ***Requirements***

4. Kwintet AB must ensure that either audit reports or visit reports of own staff contains information to prove that the information sheet for workers is posted in the local language, including the phone number of the local FWF complaints handlers.

4. As a part of Kwintet's internal monitoring activities, feedback should be gathered on the companies sourcing practices to get more insight in possible links of sourcing practices with compliance issues.

### ***Recommendations***

4. Kwintet AB is encouraged to make use of the FWF wage ladder online tool in its own



audits and third party audits, to get a better understanding of possible wage issues.

4. Kwintet AB is encouraged to use FWF resources as country studies and make use of FWF audit teams in high risk countries to have a good understanding of how to make sure reliable information is collected during audits in countries where double bookkeeping, time records and fake documents are common.

### 3. Complaints procedure

#### **Conclusions**

1. The regional compliance manager is the designated person to handle complaints.
2. When complaints come in, the relevant contact persons for the respective supplier are informed including the Hong Kong based sourcing manager.
3. Kwintet AB did not ensure suppliers have the CoLP posted with complaints handlers contact details in the factory. For several of the sourcing countries, Kwintet AB did not have the right information sheet in local language
4. In 2009 there was one complaint in Vietnam for the Asia sourcing hub being then a member of FWF. In 2010 no complaints were received. In 2011 no complaints were received. In the course of 2012 three complaints for one factory in China have been received so far. Kwintet has asked the management for their view on the situation, and has called factory management in to its regional office to discuss the complaint. FWF is currently investigating the complaint.

#### **Requirements**

3. Kwintet AB should ensure workers are systematically informed about the complaints procedure and the implementation of the Code of Labour Practices, by ensuring the information sheet is posted in relevant local languages.

### 4. Labour conditions and improvements

#### **Conclusions**

*Based on results of audits carried out by FWF teams an overview of findings on labour conditions in factories has been drawn up. The overview is annexed to this report. Results of audits by other initiatives are not summarized.*

The audits carried out in 2011 showed the following:

1. In Bangladesh the audit showed that the workers participation committee was not functional and grievance mechanisms should be improved. No forced labour, discrimination or child labour was found. Payments were respecting the minimum wage levels, but were below stakeholders' estimates of living wage. Excessive overtime was found and several improvements were needed on occupational safety and health. Not all workers were provided with an appointment letter.

**Recommendations**

1. The internal compliance database of Kwintet AB shows that factories are realising improvement. There remain to be difficult areas to initiate remediation such as living wage and freedom of association. Improving dialogue at factory level is one of the issues Kwintet AB could consider to work more actively on. The company has already agreed to have several suppliers in Bangladesh participate in the Workplace education programme of FWF. FWF is currently developing similar workplace education programmes in which suppliers of Kwintet in China and India can participate. The overall goal of the program is to develop effective ways for factory workers and managers to communicate about and resolve disputes.

1. With high leverage and longstanding business relations with some preferred suppliers Kwintet AB is in a good position to engage in assessment of wages and discuss with suppliers which steps could contribute to facilitate the payment of higher wages, making steps towards a living wage.

**5. Training and capacity building**

**Conclusions**

1. Kwintet AB has put considerable effort in informing their staff about FWF membership and the implementation of the Code of Labour Practices. The first half of the year internal CSR newsletters for all staff were send out monthly. Later on information on FWF is provided through the Group wide intranet (used by all staff including the regional offices and Hong Kong office). There is a CSR button on the intranet, which informs a.o. on the FWF membership. Next to that news items are posted on the homepage. On this page the video of FWF's consumer campaign was also posted as a news item.

2. In 2011 no internal meetings were organised. In 2012 a mini seminar will be scheduled for product developers to learn more about the compliance monitoring system, categorisation of suppliers and the violation matrix.

3. The Kwintet Academy includes modules on social compliance/CSR issues. The academy offers a programme for all new staff as introduction.

4. Kwintet's in-house auditor in Bangladesh joined an FWF audit and assisted in a session with FWF staff on the details of the Code. A meeting with FWF staff for the Hong Kong based compliance manager was organised in 2012.

5. Manufacturers are informed during the selection phase by signing the Kwintet Code of Conduct.

6. A supplier meeting was held in Bangladesh, where a.o. also compliance issues were discussed. In Bangladesh the Kwintet AB representatives forms part of the buyer's forum and attends meetings to discuss on compliance issues with other buyers.

7. Not all suppliers have received thereafter the information sheet for workers in the local languages to be posted in their production unit.

**Recommendations**

- 2. For the Kwintet staff in direct contact with suppliers the company might consider capacity building on social compliance. FWF offers twice a year a seminar for affiliates and can also offer in company training.
- 5. Kwintet AB should consider going beyond auditing in facilitating improvements at suppliers. Training of workers and management can enhance their own capacities in monitoring their labour conditions might improve dialogue at factory level. Kwintet AB can participate in the work place education programme that FWF will offer from the second half of 2012 onwards for China, Bangladesh and India.

**6. Information management**

**Conclusions**

- 1. There is a designated person to update the factory register. Immediately after the brand performance check the CSR responsible at Kwintet AB has put extra effort in completing the register with information that was not yet included as for example on the first year of production, audits done and production volume at factory level.
- 2. Most of the information regarding suppliers at Kwintet AB is not documented per production unit but per intermediate agency (in Kwintet terminology called supplier). The performance check showed a difference between total purchasing amount per suppliers and the number of factories mentioned in the supplier register. The company immediately added the missing factories to the factory register.
- 3. There is a document in place per supplier with information on the status of CAPs, which is updated by the head of CSR issues, and is available on the internal shared drive.
- 4. It is a general policy that no orders will be placed at factories with a red grading on social compliance. This is visible on the score card per supplier which sourcing staff is using.
- 5. Information from buyers and quality staff visits to suppliers is used to update/discuss status of social compliance/CAPs.
- 6. A big step forward has been shown in integration of information from the CSR department and the sourcing department, both at the head quarter level and between the sourcing manager and regional social compliance manager in Hong Kong and on sharing information on compliance with the final contact persons of the suppliers.
- 7. . Product developers have access to information on suppliers via a scoreboard. Information updates from the CSR team are also included there.

**Requirements**

- 1. The factory register must contain information in all the columns of the template, like for example production volume ordered per production unit. That is needed to have insight in the leverage on one hand and importance of the production unit for Kwintet AB



on the other hand. It makes it possible for FWF to calculate the monitoring threshold percentage.

1. Furthermore the supplier register should be complete i.e. containing the names of all the production units.

### ***Recommendations***

1.2. As having a good overview of the factories that produce for Kwintet AB is the essence of monitoring on compliance, Kwintet AB must ensure there is enough staff capacity available to keep updated the factory register with all the relevant information, and make sure this matches with all the suppliers the sourcing department is working with.

## **7. Transparency**

### ***Conclusions***

1. The member company informs the public about its FWF membership on the corporate website of the Kwintet Group. Information on the FWF membership is furthermore included in the catalogue and on the website of the brand Fristads Kansas. Not on all other brand websites the information regarding the FWF membership has been included or updated correctly.
2. Kwintet AB published a special brochure on 'Kwintet and sustainability' which it is using internally and externally to inform on their FWF membership.
3. Some of the brands of the Kwintet group use hangtags with FWF information.
4. A draft of the annual social report of the previous year has been received and a final version is expected in August.
5. On fairs in the Kwintet booth in particular the fair at A+A the FWF logo was used in a modest way.

### ***Recommendations***

3. Kwintet AB has been informed about the adapted communication policy which will take effect in 2013 on the use of hangtags and could anticipate on that when considering continuing their use.
4. As accountability towards FWF, customers and consumers is an important element in CSR, Kwintet AB should ensure enough capacity to produce the social report on time.
5. At events as for example fairs, there is more potential to communicate on its FWF membership. FWF can offer materials and/or advice on presenting the goals and efforts of the company in the area of social compliance.



## 8. Management system evaluation and improvement

### *Conclusions*

1. The management of the company monthly discusses a KPI report, which includes information on red graded suppliers.
2. Kwintet AB does not organise a specific yearly meeting to evaluate their FWF membership. So far the evaluation takes place as an ongoing process.

## 9. Basic requirements of FWF membership

### *Conclusions*

1. The work plan for the current year has been received
2. The company has paid its membership fee for 2011.

## 10. Recommendations to FWF

### *Recommendations*

1. FWF should engage more in marketing towards (corporate) consumers.
2. Kwintet AB would like to receive more guidance on how to make next steps beyond auditing and appreciates FWF organising supplier seminars and trainings.

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Audit carried out in 2009 on behalf of FWF to verify improvements in a factory in Bangladesh of Kwintet Far East in 2009.</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	Not part of this audit
<b>Monitoring system of FWF member company</b>	Monitoring officer should be able to communicate in workers language
<b>Management system factory to improve labour standards</b>	Not part of this audit
<b>Communication, consultation and grievance procedure</b>	Communication on Code and monitoring should be in local language. A grievance mechanism should be put in place
<b>No forced labour</b>	No noncompliance found
<b>No discrimination in employment</b>	The mandatory pregnancy tests during recruitment were immediately stopped
<b>No exploitation of child labour</b>	Not found. Age verification documents should be kept in personal files
<b>Freedom of Association and the Right to Collective Bargaining</b>	Factory should take steps to facilitate workers representation
<b>Payment of a Living Wage</b>	Workers get paid minimum legal wage
<b>No excessive working hours</b>	Alternative holidays should be stated to workers if needed to work during holidays
<b>Safe and healthy working environment</b>	Fire safety has to be improved and some safety measures need to be taken
<b>Legally binding employment relationship</b>	A service book should be maintained
<b>Special remarks</b>	A banned spot lifter was abandoned immediately

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Audit carried out in 2011 on behalf of FWF to verify improvements in a factory in Bangladesh of Kwintet</b>
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<b>Sourcing practices (price, lead time, quality requirements)</b>	Long business relation, Code provided
<b>Monitoring system of FWF member company</b>	Monitoring visits and dialogue on improvements needed
<b>Management system factory to improve labour standards</b>	Compliance staff in place, but not well equipped
<b>Communication, consultation and grievance procedure</b>	workers not aware of their rights, not involved in establishing grievance procedure. Workers participation committee in place, but not as per law and not functioning well.
<b>No forced labour</b>	no consent asked to do OT after 22.00 from women
<b>No discrimination in employment</b>	Performance and appraisal system not in place
<b>No exploitation of child labour</b>	Inconsistency found in age verification system
<b>Freedom of Association and the Right to Collective Bargaining</b>	No union active in factory, workers not well aware of their rights
<b>Payment of a Living Wage</b>	Legal minimum wage implemented; wages are below stakeholders estimate of living wage
<b>No excessive working hours</b>	Excessive OT is found
<b>Safe and healthy working environment</b>	several improvements needed for health and fire safety, no harassment committee in place
<b>Legally binding employment relationship</b>	not all workers have appointment letter

<b>Improvements of labour conditions: summary of findings</b>	<b>Audit carried out by FWF team on behalf of Kwintet Far East in China in 2009</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	Not part of this audit
<b>Monitoring system of FWF member company</b>	Not part of this audit

<b>Management system factory to improve labour standards</b>	Not part of this audit
<b>Communication, consultation and grievance procedure</b>	Management and workers are not aware of the Code of Labour Practices
<b>No forced labour</b>	No noncompliance found
<b>No discrimination in employment</b>	No noncompliance found
<b>No exploitation of child labour</b>	No noncompliance found
<b>Freedom of Association and the Right to Collective Bargaining</b>	A grievance mechanism should be established and workers training should be allowed on the right to organise and collective bargaining
<b>Payment of a Living Wage</b>	No findings
<b>No excessive working hours</b>	Excessive overtime should not exceed legal maximum
<b>Safe and healthy working environment</b>	Several measures on safety and health have to be taken
<b>Legally binding employment relationship</b>	All workers should be entitled to social insurance benefits

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Audit carried out in 2009 on behalf of FWF to verify improvements in a factory in India</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	Not part of this audit
<b>Monitoring system of FWF member company</b>	Code of Labour practices not send
<b>Management system factory to improve labour standards</b>	Not part of this audit
<b>Communication, consultation and grievance procedure</b>	Workers representative committees are not well informed
<b>No force labour</b>	Some workers were forced to do overtime
<b>No discrimination in employment</b>	Confirmation process of the end of probation period needs to be improved



<b>No exploitation of child labour</b>	No noncompliance found
<b>Freedom of Association and the Right to Collective Bargaining</b>	Worker representative committees do not function adequately
<b>Payment of a Living Wage</b>	Minimum wage is not being paid to all workers
<b>No excessive working hours</b>	Overtime should be paid duly and permission must be sought to work on Sunday
<b>Safe and healthy working environment</b>	Maintenance of machinery and fire safety have to be improved
<b>Legally binding employment relationship</b>	Appointments of casual workers, piece rate and daily wagers should be regularised. Social duties should be paid for all workers

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Audit carried out in 2010 on behalf of FWF to verify improvements in a factory in Vietnam of Kwintet Far East</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	not part of audit
<b>Monitoring system of FWF member company</b>	Factory was not informed about FWF complaints procedure
<b>Management system factory to improve labour standards</b>	No system to inform workers on follow up of audits
<b>Communication, consultation and grievance procedure</b>	no involvement of worker representative with grievance mechanism
<b>Employment is freely chosen</b>	improvement is needed to be able to refuse overtime for workers
<b>No discrimination in employment</b>	requirement regarding governments set % to employ disabled persons is not met
<b>No forced labour</b>	Age verification is not properly
<b>Freedom of Association and the Right to Collective Bargaining</b>	all workers automatically are member of the union. Membership should be voluntary
<b>Payment of a Living Wage</b>	there were periods with payment below legal minimum wage

<b>No excessive working hours</b>	discrepancies found in time registration
<b>Safe and healthy working environment</b>	lighting of exit not sufficient, not proper use of PPE
<b>Legally binding employment relationship</b>	not all workers covered by social security

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Audit carried out in 2009 on behalf of FWF to verify improvements in a factory in Tunisia of Kwintet KLM</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	not part of audit
<b>Monitoring system of FWF member company</b>	not part of audit
<b>Management system factory to improve labour standards</b>	not part of audit
<b>Communication, consultation and grievance procedure</b>	No grievance procedure and not proper functioning of consultative committee
<b>Employment is freely chosen</b>	no findings
<b>No forced labour</b>	no findings
<b>No exploitation of child labour</b>	Apprentice register was not in accordance with legal requirements
<b>Freedom of Association and the Right to Collective Bargaining</b>	CBA not posted
<b>Payment of a Living Wage</b>	CBA was not implemented correctly in all situations
<b>No excessive working hours</b>	Excessive OT was found, calculation of OT not correct
<b>Safe and healthy working environment</b>	Emergency exits not marked, ppe not provided to all relevant workers
<b>Legally binding employment relationship</b>	Short term contracts are provided for more than 4 years