



Fair Wear Foundation

**Brand performance check report**  
**Schijvens Confectiefabriek Hilvarenbeek b.v.**  
**July, 2012**

***FWF member since:***

1 March 2010

***Sources of information***

Interview with Jaap Rijnsdorp (Sourcing/CSR/Contact person FWF)

Annual report and work plan

Archived documents

Database FWF

Performance check carried out by:

Margreet Vrieling



Fair Wear Foundation

Index

Introduction	3
Executive summary	4
Positive findings	4
1. Sourcing	4
2. Coherent system for monitoring and remediation	5
3. Complaints procedure	6
4. Labour conditions and improvements	7
5. Training and capacity building	8
6. Information management	8
7. Transparency	9
8. Management system evaluation and improvement	9
9. Basic requirements of FWF membership	10
10. Recommendations to FWF	



Fair Wear Foundation

## Introduction

In July, 2012, Fair Wear Foundation (FWF) conducted a brand performance check at Schijvens Confectiefabriek Hilvarenbeek b.v. (Schijvens). The performance check is a tool for FWF to verify that Schijvens 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 and 2012. FWF tailored the performance check to the specifics of the management system of Schijvens in order to assess the key issues of interest. During the performance check, employees of Schijvens 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 Schijvens 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 Schijvens that have been identified as key areas of interest for 2011 and 2012. 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 Schijvens to include information from the performance check report in its social report.



## Executive summary

Schijvens became a member in 2010. The company is in the process of implementing FWFs management system requirements. Since their affiliation they have been working on getting more insight in the locations of the production units some of their agents use and a process of working towards a more sustainable relation with their suppliers. They have a relatively small group of 22 suppliers, based in China, Turkey, Bangladesh and Egypt. In the communication with the suppliers, social compliance has a prominent place. However, due to some changes in the supply base, and different priorities it was not possible to reach the threshold of having included 60% of their production volume in their monitoring system. Schijvens has to step up efforts to audit their production locations in the coming year.

Schijvens has now a good supplier register in place. They will have to add to their information management a system of documenting the corrective action plans per factory and their follow up. This will enhance their insight in the actual status of social compliance at their suppliers.

In their external communication Schijvens performs good in making known to the public and customers their FWF membership.

## Positive findings

### *Conclusions*

1. Schijvens is a relatively small company which communicates with enthusiasm about their FWF membership. The company had a very prominent presentation at the Safety and Fashion Fair where they had FWF staff in their booth, and the FWF logo was used in a very visible way.

## 1. Sourcing

### *Conclusions*

1. Staff of Schijvens expressed a high commitment with the importance of implementing the FWF Code of Labour practices. Sourcing routine is not on paper; however compliance is on the agenda of the sourcing department.

2. From the supplier register FWF could not establish a percentage of the supplier with whom Schijvens is maintaining business relations for longer than 5 years. Schijvens does consider it very important to go towards long-term partnership with their suppliers.

3. At at least four suppliers their orders represent more than 10% of the production volume.

4. Schijvens sources from high risk countries China, Bangladesh, Turkey, India, Pakistan and Egypt.

5. Schijvens is in the process of consolidating and downsizing the number of suppliers.

6. Schijvens is in process of collecting FWF questionnaires from their suppliers. All suppliers receive the supplier manual from Schijvens, which includes information on the



FWF Code of Labour Practices.

7. Suppliers are asked to share existing audit reports as a mean to assess the level of working conditions in these factories. Schijvens has used the FWF audit quality assessment tool to assess the quality and get insight in issues that more information is needed on.

8. Standard lead times used by the company are between 70-120 days. Schijvens orders per product, not per minute. The company is working currently on a system for improving the forecasting of the orders.

9. At suppliers of Schijvens FWF auditors have found excessive overtime. Schijvens' suppliers in general paid workers at least minimum wages, but the payments did not reach the level of what local stakeholders estimate as being a living wage.

10. Schijvens stopped working with some factories that had been audited by FWF before, for reasons not related to social compliance, but to lack of quality in communication and delivery.

11. Time and effort have been spend on getting more insight in the production units used for production ordered via an intermediary in China. Knowing in which factories the products are made is of course an essential step in monitoring the supply chain.

**Requirements**

6. FWF questionnaires should be sent to all suppliers and Schijvens should ensure they are filled in and received to make sure all production locations know about their FWF membership and commit to moving towards the implementation of the Code of Labour Practices.

**Recommendations**

9. Schijvens is advised to start discussing with suppliers with whom they have a longstanding relation on the prevalence of excessive overtime and the height of wages paid to the workers. A suggestion might be to do a root cause analysis, and decide thereafter which steps both the company and the factory can take to reduce the amount of overtime and increase the wages.

10. Stability in the supply base provides more possibilities to engage with the suppliers in discussions related to social compliance.

## 2. Coherent system for monitoring and remediation

**Conclusions**

1. Measured on the supply base of 2011, Schijvens has reached 40% monitoring threshold. Audits have been done with FWF teams at six factories, but Schijvens ended the business relationship with one of these suppliers. Next to that one other audit report has been analysed and given follow up upon. This total amount does not meet the



requirements of FWF.

2. Schijvens is in process of getting suppliers in Bangladesh to participate in the FWF Workplace education programme.
3. There is a designated person to follow up on CAPs. Time available to do this has however been limited in the past year.
4. During visits of staff of Schijvens to the audited factories, the open issues are discussed.
5. So far Schijvens has not cooperated with other brands in following up on CAPs. Schijvens was open to cooperate with another buyer at one of their suppliers in Bangladesh, but this did not result in collaborated action. One of the new suppliers in India also delivers to another affiliate. The supplier has been asked to share the report as a first step in looking for cooperation.

### **Requirements**

1. Schijvens should step up the efforts to reach the monitoring threshold. Next year Schijvens needs to have 90% of their production volume monitored.
2. Schijvens needs to put in place a system to follow up on earlier audits done. All CAPs should be discussed and agreed upon with the supplier and Schijvens should also agree on corrective actions needed after a non FWF audit used for monitoring.

### **Recommendations**

2. Schijvens should ensure enough capacity to be able to organise the monitoring of their supply chain and keep track of progress on social compliance of their suppliers.

## **3. Complaints procedure**

### **Conclusions**

1. Staff of Schijvens is sufficiently aware of the FWF complaints procedure and has a designated person to handle complaints.
2. At suppliers visited by FWF in the year before last year, the FWF Code of Labour Practices with the local complaints handler was not posted. In the past year staff of Schijvens visiting the suppliers has discussed this with the relevant suppliers.
3. In the past year no complaints have been received.

### **Requirements**

2. Schijvens must ensure that the FWF Code of Labour Practices is send to all their suppliers and check during visits if the sheets are indeed posted in the factory in order

for workers to have access to the complaints handling mechanism.

**Recommendations**

2. Schijvens could consider making it a standard procedure for staff of Schijvens visiting the suppliers to check if the Code is posted, and report on this.

**4. Labour conditions and improvements**

**Conclusions**

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

Six factories have been audited by FWF teams in China, Bangladesh and Turkey.

1. In China no non-compliance was found on forced labour, discrimination and child labour. Company policies to prevent these are often not in place. There are no independent unions active or workers committees run by elected workers, and workers have little awareness of their legal rights and role in consultation and negotiation. In one factory in China some workers' salaries were lower than minimum wage for a period of three months. In another factory overtime was not always compensated according to local laws. Excessive overtime was found at the suppliers. Several issues were found related to a safe and healthy working environment, like not enough adequate fire fighting equipment and not proper use of Personal Protective Equipments (PPEs). In the factories in China not all the workers are included in the social security system.

2. In Bangladesh no non-compliances were found on forced labour, discrimination and child labour. Excessive overtime was found and this was not recorded correctly. Several Occupational Safety and Health issues needed improvement. The use of PPEs was not sufficient and fire safety equipments were not maintained properly. On the code element of legally binding employment relationship it was found that some daily workers worked already for several months for the factory without being offered a contract.

3. In Turkey no issues were found on forced labour, discrimination and child labour. Wages paid at that factory were above legal minimum wage, but below local stakeholders' estimates of a living wage. Overtime payment was not duly calculated. Several issues were found to need improvement on Occupational Safety and Health. At the moment of the audit, the factory was downsizing. The dismissed workers did not receive yet their due payments and compensation.

**Recommendations**

1./2. Schijvens is advised to take more time in discussing the improvements needed per factory and discuss with the suppliers how remediate action can be best taken. For several of their suppliers workplace education focussed at workers and management and the dialogue within the factory could be a good starting point. Best is to start



discussing this with one or two suppliers where they have a longer relation and a bigger leverage. The introduction training provided by FWF (WEP) can be a good first step, and will count towards the monitoring threshold.

3. It needs close monitoring to ensure the dismissed workers will receive their entitled payments.

## 5. Training and capacity building

### *Conclusions*

1. Staff of Schijvens is sufficiently informed about their FWF membership. No additional activities or material was organised to keep staff updated on the implementation progress.

2. Agents and manufacturers receive the supplier manual which includes information on the FWF Code of Labour Practices.

### *Recommendations*

1. To keep staff involved and committed and to use also input of other staff visiting suppliers it is recommended to provide some capacity building. A possibility is to let them join the FWF seminar for affiliates (8/9 November) or an adapted in house workshop.

## 6. Information management

### *Conclusions*

1. There is a designated person to update the supplier register, which was supported in the past year by an external consultant. An accurate supplier register has been submitted with the last work plan.

2. Relevant staff has access to the data on the suppliers on the server.

3. No improvement has been realised since last year's performance check on having a system in place with information on the follow up and status of the Corrective Action Plans per supplier.

### *Requirements*

3. Schijvens will have to agree on a system to document progress on social compliance per supplier.





**Recommendations**

3. Schijvens could consider having a file on the server per supplier where they store information regarding corrective action plans and follow up on audits. The excel overview of the CAP can be used for this, by using the extra columns to fill in the updates.

## 7. Transparency

**Conclusions**

1. Schijvens informs the public about its FWF membership through its website and in direct contacts with customers and other relations. Information on FWF is published in their catalogues.
2. Schijvens uses FWF materials at events. At the Safety and Fashion Fair in Rotterdam clear and visual attention was paid to their Fair Wear Membership with materials and staff of FWF was invited to be present in their booth to inform possible customers.
3. The annual social report on the previous year has been received (delayed) and will be placed on the new website.

**Requirements**

3. The Social report must be accessible via the website of the company.

## 8. Management system evaluation and improvement

**Conclusions**

1. Schijvens evaluates its FWF membership in an informal way as on on-going part of the tasks of the staff.

**Recommendations**

1. The informal and on-going way of evaluation of the FWF membership fits well into the company culture. However it is advised to have at least one moment in the year to look back and forward on how implementation of social compliance in their supply chain has progressed and how FWF membership is evaluated.



## 9. Basic requirements of FWF membership

<b><i>Conclusions</i></b>
---------------------------

- |   |
|---|
| <ol style="list-style-type: none"><li>1. The work plan has been received, though it was delayed.</li><li>2. The membership fee for last year has been paid.</li></ol> |
|---|

<b><i>Requirements</i></b>
----------------------------

- |  |
|--|
| <ol style="list-style-type: none"><li>1. FWF members should hand in their Work Plan for the next year by the end of December of the previous year.</li></ol> |
|--|

<b>Improvement of labour conditions: summary of most important findings</b>	<b>FWF audit done at a factory in China in May 2011</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	workers are paid below china's national poverty line
<b>Monitoring system of FWF member company</b>	This audit is part of the monitoring mechanism
<b>Management system factory to improve labour standards</b>	Workers are not aware of a responsible for social compliance in the factory
<b>Communication, consultation and grievance procedure</b>	The Honk Kong agent of Schijvens did not distribute the Code of Labour practices to the factory
<b>Employment is freely chosen</b>	No findings
<b>No discrimination in employment</b>	No findings
<b>No exploitation of child labour</b>	No findings
<b>Freedom of Association and the Right to Collective Bargaining</b>	No policy on freedom of association and allowing independent trade unions in the factory
<b>Payment of a Living Wage</b>	Wages are above legal minimum wage, but below what stakeholders estimate is a living wage
<b>No excessive working hours</b>	More overtime is performed than weekly and monthly allowed
<b>Occupational health and safety</b>	Improvements are needed on fire safety and the use of PPE
<b>Legally binding employment relationship</b>	Not all workers are covered in social insurance programme

<b>Improvement of labour conditions: summary of most important findings</b>	<b>FWF audit done at a factory in China in November 2010</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	Wages are below stakeholders estimate of living wage
<b>Monitoring system of FWF member company</b>	Code of Labour Practices is not provided to the factory. This audit is part of monitoring mechanism
<b>Management system factory to improve labour standards</b>	No system in place to monitor and improve labour conditions in the factory

<b>Communication, consultation and grievance procedure</b>	Information sheet for workers is not posted. No registration of worker complaints/grievances.
<b>Employment is freely chosen</b>	No findings
<b>No discrimination in employment</b>	No findings
<b>No exploitation of child labour</b>	No findings
<b>Freedom of Association and the Right to Collective Bargaining</b>	No policy on freedom of association and allowing independent trade unions in the factory
<b>Payment of a Living Wage</b>	Overtime hours are not duly compensated, and payroll records are not but below stakeholders estimates of living wage
<b>No excessive working hours</b>	Excessive overtime was found, workers do not always have there one day off in 7 days, and perform more hours daily, weekly, monthly than legally allowed
<b>Occupational health and safety</b>	Improvements are needed on fire safety, MSDS sheet needed for all chemicals,
<b>Legally binding employment relationship</b>	Workers are not provided with social insurance benefit

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Audit done by FWF team in a factory in China in November 2010</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	Wages paid in the factory are below stakeholders estimate of a living wage
<b>Monitoring system of FWF member company</b>	Code of Labour Practices has not been provided. This audit forms part of monitoring mechanism
<b>Management system factory to improve labour standards</b>	No monitoring system known to workers to monitor labour conditions
<b>Communication, consultation and grievance procedure</b>	No register for grievances and information sheet for workers is not posted
<b>Employment is freely chosen</b>	No findings
<b>No discrimination in employment</b>	No findings
<b>No exploitation of child labour</b>	No findings

<b>Freedom of Association and the Right to Collective Bargaining</b>	No policy on freedom of association and allowing independent trade unions in the factory
<b>Payment of a Living Wage</b>	Months were found where workers did not receive local legal minimum wage
<b>No excessive working hours</b>	Excessive overtime was found, and no proper time records
<b>Occupational health and safety</b>	Some improvements needed on fire safety and work with chemicals
<b>Legally binding employment relationship</b>	Not all workers covered by social insurance system

<b>Communication, consultation and grievance procedure</b>	<b>FWF audit done in a factory in China in November 2010</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	No findings
<b>Monitoring system of FWF member company</b>	Code of Labour Practices not provided. This audit forms part of monitoring mechanism
<b>Management system factory to improve labour standards</b>	No system in place to monitor and improve labour conditions
<b>Communication, consultation and grievance procedure</b>	No register for grievances. Information sheet for workers not posted
<b>Employment is freely chosen</b>	No findings
<b>No discrimination in employment</b>	No findings
<b>No exploitation of child labour</b>	No findings
<b>Freedom of Association and the Right to Collective Bargaining</b>	No policy on freedom of association and allowing independent trade unions in the factory
<b>Payment of a Living Wage</b>	Overtime is not duly compensated. Workers do not receive their entitled paid leave. No records could be reviewed.
<b>No excessive working hours</b>	Excessive overtime was found
<b>Occupational health and safety</b>	Locked safety exits and improvements needed in OHS
<b>Legally binding employment relationship</b>	Not all workers covered in social insurance system

<b>Improvement of labour conditions: summary of most important findings</b>	<b>Factory in Bangladesh audited by local FWF team in October 2010</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	Factory was informed about FWF affiliation of Schijvens
<b>Monitoring system of FWF member company</b>	This audit forms part of the monitoring system
<b>Management system factory to improve labour standards</b>	
<b>Communication, consultation and grievance procedure</b>	Information sheet was not posted. Workers are not informed about WWC and no WPC has been formed
<b>Employment is freely chosen</b>	No findings
<b>No discrimination in employment</b>	No findings
<b>No exploitation of child labour</b>	No age verification system for daily laborers
<b>Freedom of Association and the Right to Collective Bargaining</b>	No union active in the factory
<b>Payment of a Living Wage</b>	Payment done is too late, and for OT in extra sheet.
<b>No excessive working hours</b>	Excessive overtime was found
<b>Occupational health and safety</b>	Several OHS issues need improvement
<b>Legally binding employment relationship</b>	Daily wagers working for more than 3 months without being offered a contract

<b>Improvement of labour conditions: summary of most important findings</b>	<b>FWF audit done in a factory in Turkey Feb. 2012</b>
<b>Sourcing practices (price, lead time, quality requirements)</b>	No findings
<b>Monitoring system of FWF member company</b>	Company did not inquire before the audit on social compliance issues
<b>Management system factory to improve labour standards</b>	no information
<b>Communication, consultation and grievance procedure</b>	No findings
<b>Employment is freely chosen</b>	No findings
<b>No discrimination in employment</b>	No findings
<b>No exploitation of child labour</b>	No findings
<b>Freedom of Association and the Right to Collective Bargaining</b>	No findings
<b>Payment of a Living Wage</b>	Wages are below stakeholders estimates of living wage. Overtime payment calculation was not correct
<b>No excessive working hours</b>	No proper time recording
<b>Occupational health and safety</b>	Several issues need improvement
<b>Legally binding employment relationship</b>	Documentation for the dismissals was not complete