



Brand performance check

Westveer Holding B.V.

28 November, 2012

FWF member since:

01-07-2005

Sources of information

Interview with Marcel Westveer (Management/CSR/FWF contact person)

Annual report and work plan

Archived documents

Database FWF

Performance check carried out by:

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



Introduction

In November 2012 Fair Wear Foundation (FWF) conducted a brand performance check at Westveer Holding B.V. (hereafter Westveer Holding). The performance check is a tool for FWF to verify that Westveer Holding 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 2012. FWF looks at key areas of interests where the individual member company can generate the most impact. During the performance check, employees of Westveer Holding 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 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 Westveer Holding 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 Westveer Holding that have been identified as key areas of interest for 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 www.fairwear.org. FWF encourages Westveer Holding to include information from the performance check report in its social report.



Executive summary

Westveer Holding represents two workwear companies: Bout Beroepskleding (member since May 2009) and PWG Bedrijfsveilige Kleding (members since July 2005). Westveer Holding is a FWF Affiliate on behalf of both companies since 1 January 2012.

Westveer Holding meets most of FWFs management system requirements. The decision to source 100% of its own production from a supplier in a low risk country where there is high leverage and a long relationship supports effective implementation of the FWF Code of Labour Practices. Westveer Holding therefore meets the monitoring threshold for own production.

Westveer Holding maintains a business relationship of over 20 years with its main supplier in Poland, which represents 92.55% of the total purchasing volume for own production. Given that Westveer Holding sources own production from Poland and the Netherlands, countries that FWF considers low risk, no audits are carried out to verify improvements in labour conditions. The presence and proper functioning of institutions such as trade unions, labour legislation and labour inspection, can support compliance with basic standards. The low-risk policy is implemented at the supplier in Poland; the FWF Code of Labour Practices is posted and the factory is visited often by company staff.

Next to own production, Westveer Holding sells products which the company does not commission itself, but which it buys from other brand companies. With these so-called external suppliers, Westveer Holding is also required to achieve certain quantitative goals concerning acceptable labour standards and monitoring systems. FWF verified that 57.96% of the external suppliers are FWF affiliated members or have shown commitment to the Code of Labour Practices. This is below the monitoring threshold of 90% that is required after three years of membership.

Positive findings

Conclusions

1. PWG Bedrijfsveilige Kleding (one of Westveer Holding's companies) is the only workwear company in Netherlands with the Fairtrade/Max Havelaar label.

1. Sourcing

Conclusions

1. The sourcing practices of Westveer Holding generally support effective implementation of the Code of Labour Practices. The company has five suppliers of own production in countries that FWF considers low risk countries: four are located in the Netherlands, one in Poland. In 2011, own production accounted for 71% of the company purchasing volume: the remaining 29% is sourced from external production through other brands.

2. Westveer Holding maintains a business relationship of over 20 years with its main supplier in Poland, which represents 92.55% of the total purchasing volume for own production. Leverage at this supplier is substantial given that over 95% of the supplier's production is for Westveer Holding. The high leverage and long term relationship enables Westveer Holding to work effectively on the implementation of the FWF Code of



Labour Practices (CoLP).

3. Westveer Holding did not select any new suppliers of own production in 2011 or 2012. Suppliers that were selected in the past were asked to sign the CoLP. The main supplier in Poland is ISO Certified. In the continuation of a business relationship, social compliance is taken into consideration. The company does not have a system for evaluating or grading suppliers with social compliance as an indicator.

4. When establishing prices the wage component of the price is not taken into account in order to ensure prices allow for payment of living wages. However, given that Poland is a low risk country, FWF believes there are institutions such as a collective bargaining agreement and legal minimum wage that should allow for a decent income for workers.

5. Westveer Holding has several measures in place to ease production pressure on suppliers. The company for instance facilitates the factories' planning by sharing and updating forecasts. In general, delivery times depend on the suppliers of fabric and materials, but are usually around 2 weeks. Delivery deadlines are set in close cooperation with the suppliers. The company is able to even-out production orders over the year to decrease pressure. Westveer Holding has in-stock items that can be produced in low-season periods. In case of delivery delays it is possible to postpone certain orders and prioritize others. However, Westveer Holding does not have a strategic approach that contributes towards structurally avoiding excessive overtime.

6. Westveer Holding has 150 suppliers of external production. Around 100 of these suppliers have been stable over the past 5 years. The expansion is due to the merge with another work wear company. A small number of these suppliers are FWF member. Westveer Holding has put efforts in informing the bigger external suppliers about the FWF Code of Labour Practices, and received a completed questionnaire return from three of their external suppliers.

Requirements

6. Westveer Holding should continue to assess whether external suppliers have an acceptable system of monitoring working conditions in their supply chain. As a result of this assessment, the company should increase orders at those external suppliers where Westveer Holding has confirmed there is commitment for improvement of labour conditions.

Recommendations

4. FWF encourages Westveer Holding to assess the wage levels of the supplier in Poland. For comparison, reference to trade union or collective bargaining agreements can support having an insight into the wage levels in the factory. Given the long term relationship and high leverage, the company has the position to investigate how further steps forward towards payment of living wages for a regular working week can be made.

2. Coherent system for monitoring and remediation

Conclusions

1. The percentage of Westveer Holding's own production that has been monitored in 2011 corresponds to the required percentage based on the duration of FWF membership. 100% of its own production is sourced from low risk countries; the company therefore meets the monitoring threshold of 90%. Westveer Holding has implemented the low risk policy in Poland: the supplier is regularly visited by staff, the FWF Code of Labour Practices is signed and questionnaires filled in, information sheet for workers is posted and country specific issues are followed up.

2. Westveer Holding has close to 150 external suppliers. The company informed the majority of their external suppliers about FWF and its membership. FWF questionnaires are sent to several external suppliers and follow up discussions have been held. 57.96% of external suppliers are FWF affiliated members or have shown commitment to the Code of Labour Practices. With this, in total 85% of the own and external production has either been audited, originates from a low risk country or originates from suppliers which have endorsed the Code of Labour practices. This is below the required threshold of 90%.

Requirements

2. Westveer Holding has to ensure that suppliers of external production endorse either the FWF Code of Labour Practices or have another acceptable system in place for monitoring their supply chain.

Recommendations

2. It is recommended to reduce the number of external suppliers where possible. In order to obtain as much information as possible regarding the implementation of the labour standards in each factory producing for external suppliers, Westveer Holding should try to obtain results of any audits that have already been carried out at the factory on behalf of others. The questionnaire contains a question to this purpose.

3. Complaints procedure

Conclusions

1. Westveer Holding has a designated person to handle complaints of workers. The company checks during factory visits whether the FWF Code of Labour Practices with complaints handlers contact details is posted in the factory.

2. To date FWF has received no complaints from workers employed in factories producing for Westveer Holding.

4. Labour conditions and improvements

Conclusions

1. Given that Westveer Holding sources own production from Poland and the Netherlands, countries that FWF considers low risk, no audits are carried out to verify improvements in labour conditions. The presence and proper functioning of institutions such as trade unions, labour legislation and labour inspection, can guarantee compliance with basic standards. The factory is visited often by the company staff. According to Westveer Holding the factory has improved in the past years; excessive overtime has been reduced and social dialogue and communication has been improved.

Recommendations

1. Given the high leverage and long relationship with the supplier in Poland, Westveer Holding can take additional steps in improving working conditions. It can be recommended to cooperate with local stakeholders to further investigate the situation in Poland, particularly with regards to wages. FWF can offer a local stakeholder to accompany staff of Westveer Holding when visiting the factory.

5. Training and capacity building

Conclusions

1. Staff of Westveer Holding is sufficiently informed about FWF membership and the implementation of the Code of Labour Practices. Information on FWF is provided through the websites and internal meetings. Communication and sales staff take part in meetings where the implementation of FWF membership is discussed.

6. Information management

Conclusions

1. There is a designated person to update the supplier register within Westveer Holding. During the performance check, FWF has verified the financial figures in the supplier register are accurate. Westveer Holding does not submit the supplier register in FWF format, which results in missing information regarding the own production suppliers.

7. Transparency

Conclusions

1. The member company informs the public about its FWF membership through both company websites (Bout BV and PWG BV) in correct wording. Membership of FWF is



used in sales meetings. In addition, the FWF logo is used on stationary, business cards and catalogues. Westveer Holding does not make use of on-product communication.

2. The annual social report of 2011 has been received in time and placed on the website of the Westveer Holding.

Recommendations

1. For the purpose of transparency, FWF recommends Westveer Holding to publish results from the performance check on the company website and/or to report on the implementation of the requirements of the performance check in the social report.

8. Management system evaluation and improvement

Conclusions

1. Westveer Holding annually evaluates to what extent goals related to its FWF membership are achieved. The performance check report by FWF is discussed during the management team meeting.

9. Basic requirements of FWF membership

Conclusions

1. The work plan for the current year has been received in time and approved by FWF.
2. Membership fee for the previous year has been paid.

Requirements

1. Westveer Holding still needs to submit the workplan and supplier register for 2013.

10. Recommendations to FWF

Recommendations

1. Westveer Holding encourages FWF to make a clearer distinction between FWF Affiliates and Ambassadors.
2. Westveer Holding would appreciate feedback from FWF when discussions have occurred between FWF and possible new members who are external suppliers to Westveer Holding.