



Fair Wear Foundation

Management system audit report

Van Puijenbroek Textiel

15 December, 2010

FWF member since: February 2004

Sources of information

A: Database FWF

B: Annual report and work plan

C: Archived documents

D: Rob Kwaspen (Director/CSR/Contact person FWF)

Audit conducted by:

Margreet Vrieling (report)

Interviews done by phone



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	5
4. Improvement of labour conditions	6
5. Training and capacity building	6
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
Annex improvement labour conditions summary findings	



Introduction

In December 2010 Fair Wear Foundation (FWF) conducted a management system audit (MSA) at Van Puijenbroek Textiel. The MSA is a tool for FWF to verify that Van Puijenbroek Textiel implements the management system requirements for effective implementation of the Code of Labour Practices, as specified in the FWF Charter.

Starting point for the MSA has been the work plan for 2010. FWF tailored the MSA to the specifics of the management system of Van Puijenbroek Textiel in order to assess the key issues of interest. During the MSA, employees of Van Puijenbroek Textiel were interviewed and internal documents have been reviewed.

FWF developed this report on the basis of findings collected during the MSA. 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 Van Puijenbroek Textiel 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 Van Puijenbroek Textiel that have been identified as key areas of interest for 2010. As FWF approaches the implementation of the Code of Labour Practices as a step-by-step process, it is well possible that MSA reports of subsequent years will focus on different aspects of the management system.

FWF will publish the conclusions, requirements and recommendations of all MSAs on www.fairwear.org. FWF encourages Van Puijenbroek Textiel to include information from the MSA report in its social report.



Executive summary

Van Puijenbroek Textiel meets most of the Management System Requirements. The company has been a member since 2004. Starting that date, the company has executed several audits each year, invested in corrective actions and has re-audited the factories again. Longstanding business relations are maintained with only a small number of suppliers, facilitating the follow up of audits and the dialogue on implementation of the Code of Labour Practices and realizing improvement of working condition. Stimulating commitment for the Code of Labour Practices of external suppliers is something Van Puijenbroek will have to work further on.

Positive findings

Conclusions

1. The longstanding relations with only a small number of suppliers facilitate frequent dialogue and monitoring of compliance with the FWF Code of Labour practices.

1. Sourcing

Conclusions

1. Van Puijenbroek maintains longstanding relations (since 1978) with a very limited number of suppliers, with which they maintain a frequent contact (daily or weekly). 66% of the production is done in own units in Macedonia and Tunisia. The rest is produced in mainly Tunisia. The longstanding and intensive business relations support commitment for implementing improvements on social compliance.
2. Next to some fixed suppliers, Van Puijenbroek maintains longstanding relations with a small number of extra suppliers with which they can place orders when capacity in their fixed suppliers is exceeded. No new suppliers are foreseen for the coming years.
3. According to the capacity of the factories a forecast is made at the beginning of the year. Evaluation is done on a weekly basis according on the agreed capacity.
4. The pricing system used by Van Puijenbroek Textiel is to agree on a price per minute at the beginning of the year. There is no certainty on whether this facilitates payment of a living wage.
5. Lead time of the product varies, from 3-6 weeks. Audit findings suggested that there is no excessive overtime at the suppliers of Van Puijenbroek.
6. Van Puijenbroek Textiel uses a number of external suppliers. No results have been obtained when it comes to commitment of these suppliers for the Code of Labour Practices. Van Puijenbroek has planned activities towards external suppliers in 2011.

Requirements

6. Van Puijenbroek has to ensure that also external suppliers commit to the FWF Code of Labour Practices or proof that they have another acceptable system to implement

social compliance in the supply chain.

Recommendations

4. The longstanding and intensive business relation with suppliers gives Van Puijenbroek an advantage to also discuss the more difficult issues like rise in wages. To ensure steps can be made towards the payment of a living wage, (one of the elements of the FWF Code of Labour Practices) Van Puijenbroek should discuss wages this with the management of suppliers. For this discussion they can make use of the FWF Wage Ladder tool for Macedonia, which will be made available in 2011. This tool will help to visualize the position of the factory on the issue of wages, and will help to define steps and set priorities.

2. Coherent system for monitoring and remediation

Conclusions

1. Van Puijenbroek has met the monitoring threshold. Since their affiliation the company consistently audited their suppliers with FWF teams. It has audited all main factories in the first two years of its affiliation. In recent years it has re-audited several factories. The remaining two suppliers represent less than 2% of the supply base and were temporary suppliers.
2. The international representatives visit daily/weekly the factories and discuss improvements needed as mentioned in the CAPs throughout the year.
3. From the factory visits, reports are shared with the management.

Recommendations

2. Several improvements have already been realized, especially on OSH issues. It is advised to concentrate on specific issues for the coming year, like the improvement of consultation and dialogue between workers and management in the factories and wages. FWF maintains stakeholder networks in the countries where active, and can support with advice on partners to work with.
3. When relevant details of the visit reports are included in a suppliers database/document, it will help to have an actual up to date overview of the social compliance situation per supplier.

3. Complaints procedure

Conclusions

1. Van Puijenbroek has a designated person to handle complaints of workers.
2. Audits made clear the information sheet for workers with the number of the complaints handler was posted in the factories.

3. No complaints have been received.

4. Improvement of labour conditions

Conclusions

Based on results of audits carried out by FWF teams and complaints of workers, FWF has drawn up an overview of labour conditions in factories last year. Since no new FWF audits have been performed in the current year, the annex has not been adapted. The overview is annexed to this report.

1. For Macedonia, audits in 2009 have shown non compliances only on the OSH code element and there was no collective bargaining agreement. The verification audit shows that improvements have been realized on OSH issues, the situation has improved. However, the fire detection system was not in place yet during the re-audit. In one of the suppliers there was a union active. This is a positive exception for the context of Macedonia. The union should make more explicit to the workers in general what their role can be.
2. In 2010 the company itself did follow up visits on earlier audits in Macedonia.
3. In Tunisia the FWF auditors have been able to state that many corrective actions were started. Some other points remain to be improved, like the transparent calculation of wages, over time registration and the improvement of a grievance mechanism.

Recommendations

- 1/2. In 2011 FWF will release a new tool, the wage ladder, for Macedonia. This tool can be used to analyze wages, and agree with the management and workers on a step by step approach to come to a living wage.
- 2/3. Improving worker representation mechanisms and or arranging additional factory trainings can strengthen social dialogue on factory level.

5. Training and capacity building

Conclusions

1. Staff of Van Puijenbroek Textiel has been informed on developments related to the FWF membership through an internal magazine and via the intranet.
2. Manufacturers are kept updated on FWF membership through the international representatives of Van Puijenbroek Textiel.

6. Information management

Conclusions

1. There is a clear supplier register, maintaining not only the fixed suppliers, but also the incidental suppliers.
2. The external suppliers are not mentioned in the register
3. Supplier register is kept updated twice a year.
4. There is a system in place to register corrective actions for the suppliers. At the moment of the MSA it was not updated with the most recent information. It reflects issues found during visits and audits. It does not provide information on how the issues were remediated.

Requirements

2. The 'sheet' in the supplier register for external suppliers has to be completed as well when handing in the next work plan.

Recommendation

4. When completed with information on the remediation of issues, the overview of the CAPS gives a better overview of the actual state of affairs of compliance at the suppliers.

7. Transparency

Conclusions

1. Van Puijenbroek sent in its annual social report on 2009, which has been published on the FWF site. The report has not been published yet on the site of van Puijenbroek. The earlier reports on 2007 and 2008 have been published on the site.
2. On the site of the company information on FWF membership has been published in correct wording.
3. Information on FWF membership is used in the catalogue and hangtags.



Requirements

- | |
|---|
| 1. The annual report of 2009 should be placed on the company website. |
|---|

8. Management system evaluation and improvement

Conclusions

- | |
|---|
| 1. Membership of FWF is evaluated once a year in the management meeting. |
| 2. Reports of factory visits will be included in the management discussion as well. |
| 3. It is not clear whether the company uses feedback from manufacturers to evaluate the implementation of the Code of Labour practices. |

Recommendations

- | |
|--|
| 3. Involve feedback of suppliers in evaluation and adapt work plan when necessary. |
|--|

9. Basic requirements of FWF membership

Conclusions

- | |
|--|
| 1. Van Puijenbroek Textiel complies with the basic requirements of FWF membership. The work plan for the current year has been received and membership fee for the previous year has been paid |
|--|

10. Recommendations to FWF

Recommendations

None

Improvement of labour conditions: summary of most important findings	Factory: Macedonia	Factory: Macedonia
	Source: audit carried out on 4 and 5 November 2008	Source: audit carried out on 18 and 19 June 2009 on behalf of FWF
Workers interviews	5 workers were interviewed outside factory premises, all female. During the factory visit another 9 workers were interviewed.	5 workers were interviewed outside factory premises, all female. During the factory visit another 6 workers were interviewed.
Documentation	Lacking were periodic medical examination log and emergency evacuation plan. Code of Labour practices was posted.	Lacking were periodic medical examination log. No collective bargaining agreement available.
Buyer-supplier relationship (duration)	since 1978	since 1978
Sourcing practices (price, leadtime, quality requirements)	100% of the capacity is used for production for Van Puijenbroek	100% of the capacity is used for production for Van Puijenbroek
Monitoring system of FWF member company	not part of this audit	not part of this audit
Management system factory to improve labour standards	not part of this audit	not part of this audit
Communication, consultation and grievance procedure	not part of this audit	not part of this audit
Employment is freely chosen	no non-compliance	no non-compliance
No discrimination in employment	no non-compliance	no non-compliance
No exploitation of child labour	no non-compliance	no non-compliance
Freedom of Association and the Right to Collective Bargaining	No collective bargaining agreement was signed.	No collective bargaining agreement was signed.
Payment of a Living Wage	No transportation compensation is paid for.	No transportation and nourishment compensation are paid for.
No excessive working hours	OT is within legal limits, and paid according to the law.	There is no OT, due to reduced orders only one shift a day of production.

Occupational health and safety	OHS representatives are present, however not known to their role; protection devices still not reinstalled; workers are not wearing protection clothing; bad sanitation conditions. Air conditions have been improved. Periodic medical examination has not been performed. Fire detection system not functioning.	Protection devices still not reinstalled; workers are not wearing protection clothing; bad sanitation conditions. Air conditions have been improved. Periodic medical examination has been partially performed, however no records available. Fire detection system not functioning.
Legally binding employment relationship	legal contracts available, all deductions done according to legal rules.	legal contracts available, all deductions done according to legal rules.
Special remarks	none	None

Improvement of labour conditions: summary of most important findings	Factory: Tunisia	Factory: Tunisia
	Source: audit carried out on 30 and 31 October 2007	Source: audit carried out on 28 and 29 October 2009 on behalf of FWF
Workers interviews	5 workers were interviewed outside factory premises, 45 were interviewed during factory visit	25 workers were interviewed during factory visit; another 22 workers were specifically interviewed on health and safety issues.
Documentation	not available were leave documentation (including maternity leave register and sick leave); juvenile documents; medical documentation (including yearly medical check); accident register; fire certification.	not available were leave documentation (including maternity leave register and sick leave)
Buyer-supplier relationship (duration)	since 1994	since 1994
Sourcing practices (price, leadtime, quality requirements)	Company produces for Van Puijenbroek	Company produces for Van Puijenbroek
Monitoring system of FWF member company	not part of this audit	not part of this audit
Management system factory to improve labour standards	not part of this audit	not part of this audit
Communication, consultation and grievance procedure	not part of this audit	not part of this audit

Employment is freely chosen	no non-compliance	no non-compliance
No discrimination in employment	no non-compliance	no non-compliance
No exploitation of child labour	no non-compliance	there is no record of juvenile workers.
Freedom of Association and the Right to Collective Bargaining	disciplinary decisions are not signed by manager; there is no complaints procedure; workers are not aware of possibility to elect workers representative committee.	collective bargaining agreement is not posted; there is no complaints procedure; sanctioning policy is not clear to the workers
Payment of a Living Wage	Workers under 18 are considered juvenile and only paid 85% of legal wage while not having an apprentice contract but a normal contract; annual leave is not included in payslip and no extra day is calculated for after 5 years; on output bonus, no calculations for social security is applied for; not all workers are considered according to correct salary level.	factory does not pay output bonus because of difficulty to calculate productivity as required by CBA; maternity leave is considered as absence in the calculation of performance bonus; some workers are not considered in the correct salary level according to the CBA. Decrease in salary, based on decrease of working hours, due to less production request is not discussed with workers representatives nor the labour inspectorate
No excessive working hours	OT register is incomplete	Details of OT are deleted once salaries are paid
Occupational health and safety	Workfloor is chaotic; evacuation plan is not available; emergency exists are not marked; fire extinguishers are not sufficient in number, may are not accessible; first aid box is not well equipped; personal protective devices is not provided for; hygiene issues in toilets and canteen; no OHS policy and no training on OHS available.	evacuation plan is not available; emergency exists are not marked; personal protective devices is not provided for; hygiene issues in toilets and canteen; no OHS policy and no training on OHS available.
Legally binding employment relationship	9 workers do not have signed contract yet; registration in social fund hasn't been done within 48 hours; contracts are signed by the workers but not by management.	registration of new workers in social funds hasn't been done within 48 hours
Special remarks	none	None