



Fair Wear Foundation

Management system audit report

Van Puijenbroek textiel

December, 2011

FWF member since:

February 2004

Sources of information

Interview with Rob Kwaspen (Director)

Interview with Jean Paul van der Wiel (Marketing/communication)

Annual report and work plan

Archived documents

Database FWF

Audit conducted by:

Margreet Vrieling

Annabel Meurs



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	6
5. Training and capacity building	7
6. Information management	8
7. Transparency	8
8. Management system evaluation and improvement	8
9. Basic requirements of FWF membership	9
10. Recommendations to FWF	9



Introduction

In December 2011 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 have been the work plans for 2010/2011. 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 2010/2011. 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 FWFs management system requirements and goes beyond. Van Puijenbroek Textiel maintains longstanding relations with four core suppliers for over 20 years. It concerns two factories in Macedonia and two in Tunisia. Two of them produce near to 100% for the company. In the past year several new suppliers were added, partly as a consequence of the situation in Tunisia, partly because of growth.

Since the start of FWF membership the four main production units have been audited and re-audited, and also some of the other suppliers have been audited. This year the four locations of their main suppliers have been audited again. The monitoring threshold of 90% has been met. No non compliances were found on forced labour, child labour and discrimination. No excessive overtime was found. Regarding Occupational Health and Safety (OHS), specifically fire safety, there are some issues that had not been improved since the earlier audit in the factories in Tunisia. Extra attention should be paid to remediate those. The main challenge now will be to discuss the root causes of low wages and agree on an action plan to see how steps can be made to ensure increasing wages towards a living wage level.

Positive findings

Conclusions

1. The steady long relations and big leverage at their suppliers, have made it possible for Van Puijenbroek Textiel to closely monitor social compliance, to support their suppliers in looking for solutions and to avoid excessive overtime.

1. Sourcing

Conclusions

1. Van Puijenbroek Textiel maintains longstanding relations with four core suppliers for over 20 years. It concerns two factories in Macedonia and two in Tunisia. Two of them produce near to 100% for Van Puijenbroek.
2. Because of the unrest in Tunisia and because of growth in the past year, there were some changes in the supplier register. Orders had to be placed in additional factories; three factories in Macedonia and three in Tunisia and an order was placed in a factory in Vietnam. Four of the suppliers already produced for Van Puijenbroek before and were familiar with FWF membership. Two new ones were added. There was a test order at another factory in Tunisia, but that did not turn into a supplier. All the suppliers are based in high risk countries according to FWF standards.
3. When selecting new factories, Van Puijenbroek assessed also the level of social compliance. They measured this by doing themselves an on-site visit and discussing it with the management. Van Puijenbroek has collected the FWF questionnaires, including from the new suppliers. One of the new suppliers has not yet received it.
4. Van Puijenbroek buys the fabric and maintains a stock at the head office in Goirle.

Weekly fabric is sent to the factories in Macedonia and Tunisia. The factories maintain a small stock.

5. Normal lead time is 6 weeks. Only for urgent orders, the lead time can be shortened to two or three weeks (in cases when fabric is already in the factory).

6. No excessive overtime has been found during the FWF audits. Planning is based on the capacity of the factories. Given that most of the factories produce mainly (if not only) for Van Puijenbroek, the company can monitor the planning closely. Furthermore there is a good communication flow on the process of production and productivity, which enables an early change in the planning if needed.

7. Van Puijenbroek uses a minute price and standard minutes per piece. This is used to plan the capacity needed. When factories may encounter productivity problems (not reaching the same amount of minutes per garment), Van Puijenbroek offers support.

8. The price is established per minute, and only based on CMT, as they deliver themselves the fabric and other supplies. They do not know exactly the labour cost input per minute. They do however refer to the Kurt Salmon Association's country profiles to establish the price, in which legal minimum wage is included as well as a productivity percentage.

2. Coherent system for monitoring and remediation

Conclusions

1. Since the start of FWF membership the four main production units have been audited and re-audited, and also some of the other suppliers have been audited. This year the four locations of their main suppliers have been audited again. The monitoring threshold of 90% has been met.

2. For the monitoring Van Puijenbroek has made use of FWF teams. Staff of Van Puijenbroek, based in Tunisia is on a weekly basis present at both main factories in Tunisia and visits frequently (each 6 to 8 weeks) the other factories in Tunisia and the factories in Macedonia. Staff of Van Puijenbroek headquarters in the Netherlands also visits yearly the production units.

3. Visit reports are filed on the server, where all relevant staff has access. In the template of the visit reports there is a paragraph for FWF related issues. In each report an update is given.

4. So far Van Puijenbroek does mention in the reports if a factory has been audited before, but does not ask for the report.

5. Van Puijenbroek maintains an overview per supplier of the findings in the Corrective Action Plan and documents progress.

6. Regarding their external suppliers, Van Puijenbroek distinguishes suppliers for their catalogues for the brands Havep and Bucofa, and suppliers for their own shop. Suppliers for the catalogue have been informed on their FWF membership and have been asked to return the FWF questionnaire. The company has collected questionnaires from Vespo and Van Lieshout Textiel. Both suppliers however could not demonstrate whether they have an acceptable monitoring system in place. For their own shop, suppliers have not been approached yet.

7. There is a designated person responsible for the follow up of the corrective action plans. These are agreed with the factories and have been followed up upon in communication and visits.

8. Since the company is often the only or at least the main customer at the suppliers, Van Puijenbroek does not cooperate with other customers in following up on audits.

Requirements

6. To be fully consistent and have a coherent monitoring system in place, Van Puijenbroek should also include the external suppliers for their shop in the monitoring system.

Recommendations

4. In order to avoid double auditing and to support the selection/monitoring process, Van Puijenbroek could consider asking the full reports of earlier audits done at suppliers. The 'FWF Audit quality assessment tool' can be used to assess the quality of the report and to decide whether or not a new audit is necessary.

6. Van Puijenbroek could consider cooperating with other FWF members in approaching external suppliers and requesting them to either become FWF member or make sure that another acceptable monitoring system is in place.

3. Complaints procedure

Conclusions

1. Van Puijenbroek has a designated person to handle complaints.

2. No complaints have been received.

3. The information sheet for workers has been provided to all suppliers. FWF audits did confirm that.

4. Labour conditions and improvements

Conclusions

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

1. For Macedonia, three suppliers have been audited. The two main suppliers have been audited several times. The recent audits in 2011 showed that there were no non-compliances in the area of forced labour, child labour and discrimination. In one of the factories there is a Collective Bargaining Agreement (CBA) negotiated. Legal minimum



wage is paid, but the level is below what stakeholders estimate as a living wage. There is no excessive overtime, which is quite remarkable for the sector. Some OHS issues improved, but on fire safety issues like marking evacuation routes and training on fire safety, improvement is still needed. On legally binding employment relationship there were no findings. Van Puijenbroek has shared the CAP with the factories and is working on the follow up.

2. In Tunisia also three factories have been audited. The two main suppliers have been audited several times, the latest ones in 2011. These audits show no non compliances on forced labour, discrimination and child labour. There are no trade unions active in the factories. There is a CBA, which was not posted as it should. In both factories there is a consultative committee. Functioning of these committees to stimulate social dialogue in the factory, should be improved. The classification of workers in one factory was not according to the CBA. There was no excessive overtime in both factories. Several OHS issues improved, but some remain to be remediated, such as an evacuation plan, marking of emergency exits and the use of PPE. In both factories not all workers are registered within the 48 hours as prescribed in the social fund. For several workers, the job insecurity caused by receiving short term contracts for years is a problem. The audits were done at the end of 2011. Van Puijenbroek has shared the CAP with the factories and will follow up next year.

Recommendations

1.2. Regarding OHS, specifically fire safety, there are some issues that had not been improved since the earlier audit. Extra attention should be paid to remediate those. The main challenge now will be to discuss the root causes of low wages and agree on an action plan to see how steps can be made to ensure the increase of wages towards a living wage level. The Wage Ladders provided in the audit reports can help understanding the complex issue. Worker representation should be involved in this process.

5. Training and capacity building

Conclusions

1. Van Puijenbroek informs its staff on FWF related issues via an internal newsletter (at least once a year). Information and reports of FWF are to be found on the intranet.
2. A presentation of FWF has been planned for part of their sales staff for beginning of 2012.
3. Van Puijenbroek maintains an ongoing discussion with their suppliers on the need for improvement and offers advice on production planning and productivity.

Recommendations

1. The old FWF logo on the intranet should be replaced
1. The idea discussed during the interviews to include information on FWF in the

introduction programme for new employees and the handbook for personal could be further elaborated.

6. Information management

Conclusions

1. The supplier register of Van Puijenbroek was duly updated and completed for the own production. There is a designated person in the company responsible for keeping it up to date.
2. Van Puijenbroek maintains a CAP register per supplier, in which it documents the findings that need improvement and information on the progress of remediation.
3. Information regarding the suppliers in Tunisia and Macedonia are shared with access to all staff in contact with the suppliers.
4. Results of audits are when relevant also discussed within the management team of Van Puijenbroek, as was the case this year for the results of the Wage Ladder for the Macedonian suppliers.
5. Information on quality control is shared with all suppliers. Suppliers have insight in the performance of the other suppliers of Van Puijenbroek as well. Furthermore Van Puijenbroek organises a 'supplier of the year' election.

7. Transparency

Conclusions

1. There is correct information available on all sites of Van Puijenbroek Textielfabrieken on its FWF membership, with a link to the FWF website. Only on one of them, the old logo of FWF is still used. On all the sites the annual social reports are to be found.
2. FWF affiliation is mentioned in the corporate brochure and catalogues of Van Puyenbroek.
3. On some products, hang tags are used with information on FWF, in correct wording, but still with the old logo. When the actual hangtags are finished, new ones will be printed with the new logo.

Recommendations

1. The logo on the Bucofa site has to be updated.

8. Management system evaluation and improvement



<i>Conclusions</i>

- | |
|---|
| <ol style="list-style-type: none">1. FWF membership is evaluated in the management meeting after the MSA and discussed in the management meeting when writing the work plan.2. Van Puijenbroek uses feedback of their suppliers in the evaluation. |
|---|

9. Basic requirements of FWF membership

<i>Conclusions</i>

- | |
|--|
| <ol style="list-style-type: none">1. The Work plan for 2011 was handed in on time.2. Membership contribution has been paid. |
|--|

10. Recommendations to FWF

<i>Recommendations</i>

- | |
|--|
| <ol style="list-style-type: none">1. The Round Table discussion on wages in Macedonia was good, but it would be a good idea to also have factory representatives at the table for such discussions. Furthermore it is important to receive feedback on the results of the discussions.2. Van Puijenbroek likes to be updated on the progress of the marketing tool kit. |
|--|

Improvement of labour conditions: summary of most important findings	Factory: Macedonia	Factory: Macedonia
	Source: audit carried out 3 and 4 November, 2008	Source: audit carried out in September 2011
Workers interviews	5 workers have been interviewed outside the factory premises. Interviews with 10 persons were conducted during factory visit.	7 workers were interviewed prior to the onsite visit, 9 during the visit
Sourcing practices (price, leadtime, quality requirements)	100% production for Van Puijenbroek	There is a good cooperation, the Code has been received.
Monitoring system of FWF member company	not part of this audit	Visits are paid to the factory. Code has been provided, not updated one.
Management system factory to improve labour standards	not part of this audit	
Communication, consultation and grievance procedure	not part of this audit	Updated information for complaints handling has not been posted
Employment is freely chosen	no non-compliance found	no non compliance
No discrimination in employment	no non-compliance found	no non compliance
No exploitation of child labour	no non-compliance found	no non compliance
Freedom of Association and the Right to Collective Bargaining	Trade union representatives should inform on their role and existence in the factory.	There is no CBA negotiated
Payment of a Living Wage	While salaries are paid above legal minimum wage, the salaries are not allowing for decent living coverage due to economic conditions of the country.	Wages are below stakeholders estimate of living wage;
No excessive working hours	OT is within legally prescribed limits	
Occupational health and safety	Hygiene in premises should be improved; protection devices should be reinstalled; workers should wear protection clothing and assecories; employees need to be examined on health regularly.	Some ohs issues found
Legally binding employment relationship	no non-compliance found	no non compliance
Special remarks	None	

Improvement of labour conditions: summary of most important findings	Factory: Macedonia	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	Source: audit carried out on June 2011 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.	7 workers were interviewed outside factory premises. 16 during the visit
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	Long relation exists.
Monitoring system of FWF member company	not part of this audit	not part of this audit	Company visits regularly and discuss issues for remediation
Management system factory to improve labour standards	not part of this audit	not part of this audit	Factory works on improvement and considers suggestions from union
Communication, consultation and grievance procedure	not part of this audit	not part of this audit	New updated information for Code has to be posted
Employment is freely chosen	no non-compliance	no non-compliance	no non compliances
No discrimination in employment	no non-compliance	no non-compliance	no non compliances
No exploitation of child labour	no non-compliance	no non-compliance	no non compliances
Freedom of Association and the Right to Collective Bargaining	No collective bargaining agreement was signed.	No collective bargaining agreement was signed.	There is a union and CBA
Payment of a Living Wage	No transportation compensation is paid for.	No transportation and nourishment compensation are paid for.	Wages paid are below stakeholder estimates of living wage, but above legal minimum wage

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.	there is work on Saturdays, but voluntarily
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.	not all workers have had fire/evacuation training, evacuation route not marked, ppe not always used
Legally binding employment relationship	legal contracts available, all deductions done according to legal rules.	legal contracts available, all deductions done according to legal rules.	no findings
Special remarks	None	none	

Improvement of labour conditions: summary of most important findings	Factory: Macedonia
	Source: audit carried out on 5 and 6 November 2008
Workers interviews	5 workers were interviewed outside factory premises; 7 workers were interviewed during factory visit.
Sourcing practices (price, leadtime, quality requirements)	around 20% of total production is produced for Van Puijenbroek
Monitoring system of FWF member company	not part of this audit
Management system factory to improve labour standards	not part of this audit
Communication, consultation and grievance procedure	not part of this audit

Employment is freely chosen	no non-compliance
No discrimination in employment	no non-compliance
No exploitation of child labour	no non-compliance
Freedom of Association and the Right to Collective Bargaining	No trade union or any other form of representation exists; Management allows trade union. Collective bargaining agreement not signed.
Payment of a Living Wage	Employees do not know how their salaries are calculated; Medical leave is covered by the company.
No excessive working hours	OT exists, decreasing as a result of decreasing orders.
Occupational health and safety	hygiene issues in premises; OSH representative not present/elected; workers are not trained on OSH and fire safety; no OSH and fire safety policies available. No periodic medical examination conducted.
Legally binding employment relationship	no non-compliance
Special remarks	None

Improvement of labour conditions: summary of most important findings	Factory: Tunisia	Factory: Tunisia
	Source: audit carried out May 2007	Source: audit carried out in November 2011
Workers interviews	6 workers have been interviewed prior to factory visit, outside premises. 24 workers have been interviewed during factory visit.	7 workers were interviewed prior to the visit, 30 during the visit
Sourcing practices (price, leadtime, quality requirements)	produces for 100% for Van Puijenbroek	The Code has been sent
Monitoring system of FWF member company	not part of this audit	The company visits the factory frequently and discuss remediation

Management system factory to improve labour standards	not part of this audit	Follow up given to CAPs, no own planning system in place
Communication, consultation and grievance procedure	not part of this audit	There is a consultative committee. Some workers complained about difficult dialogue.
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 apprentice register
Freedom of Association and the Right to Collective Bargaining	No trade union exists, a consultative committee of workers has been established, which role workers are not familiar with and do not show interest in knowing.	no findings
Payment of a Living Wage	new employees should be clasified and paid according to the collective bargaining agreement.	Classification of workers is not always according to CBA. Wage levels are below stakeholders estimates of living wage, but above legal minimum wage
No excessive working hours	those who work overtime should be paid according to the premium rules.	Overtime hours guardian are not included in wage calculation
Occupational health and safety	emergency exit routes are not marked; protection equipment is not always used by workers; ventilation is not adequate; no evacuation plan posted; no manual for fire extinguishers provided for.	Emergency routes are not marked, no evacuation plan posted, ppe is not always used
Legally binding employment relationship	Not all personnel files are properly maintained.	Some workers receive short term contracts for years. Not all workers are registered within 48 hours for the social fund
Special remarks	None	

Improvement of labour conditions: summary of most important findings	Factory: Tunisia	Factory: Tunisia	Factory Tunisia
	Source: audit carried out October 2007	Source: audit carried out October 2009 on behalf of FWF	Source: audit carried out in december 2011
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.	7 workers were interviewed prior to the visit to the factory; short interviews were held and a group interview was held with 20 workers
Sourcing practices (price, leadtime, quality requirements)	Company produces for Van Puijenbroek	Company produces for Van Puijenbroek	Company produces for Van Puijenbroek and is aware of its FWF membership
Monitoring system of FWF member company	not part of this audit	not part of this audit	Visits are done regularly and issues are discussed
Management system factory to improve labour standards	not part of this audit	not part of this audit	Follow up is give to CAP, no own planning system
Communication, consultation and grievance procedure	not part of this audit	not part of this audit	There is a consultative committee, but not duly used for consultation. No written grievance procedure
Employment is freely chosen	no non-compliance	no non-compliance	no non compliance
No discrimination in employment	no non-compliance	no non-compliance	no non compliance
No exploitation of child labour	no non-compliance	there is no record of juvenile workers.	Juvenile and apprentice contract should be signed.
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	collective bargaining agreement is not posted; there is no complaints procedure; sanctioning policy is not clear to the workers	Collective bargaining agreement is not complete posted

	representative committee.		
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	Some bonuses are not calculated correctly. Wage levels are below stakeholders estimate of living wage, but above legal minimum wage.
No excessive working hours	OT register is incomplete	Details of OT are deleted once salaries are paid	No excessive OT found
Occupational health and safety	Workfloor is chaotic; evacuation plan is not available; emergency exits are not marked; fire extinguishers are not sufficient in number, may be 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 exits 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.	Evacuation plan is not available, emergency exits are not marked,
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	Not all workers are registered in social fund within 48 hours. Part of the workers have temporary contracts for several years
Special remarks	none	none	

