



# BRAND PERFORMANCE CHECK

---

ALBIRO AG

PUBLICATION DATE: MAY 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with affiliate employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

ALBIRO AG

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Sumiswald, Switzerland
Member since:	13-06-2012
Product types:	Workwear, Outdoor
Production in countries where FWF is active:	Bulgaria, China, India, Macedonia, the former Yugoslav Republic of, Romania, Turkey, Viet Nam
Production in other countries:	Bosnia and Herzegovina, Czech Republic, Hungary, Morocco, Portugal, Slovakia
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	93%
Benchmarking score	62
Category	Good

## Summary:

Albiro meets most of FWFs management system requirements and reached a monitoring threshold of 93%, which exceeds the 90% required beyond the third of membership. Therefore, Albiro has reached the category "Good".

Albiro's sourcing strategy includes long-term partnerships with suppliers. In 2015, the company continued to consolidate its supply chain and has increased leverage at several suppliers. At almost all Eastern European production sites, Albiro source 100% of the production volume. For its European and Moroccan suppliers, Albiro has a thorough understanding of pricing calculations, the production planning supports regular working hours and Albiro staff visit the sites frequently. While some improvements were observed, challenges remain to ensure the same standards for suppliers in China, Vietnam, Turkey and India. For example, Albiro was unable to show during the Brand Performance Check that audit findings concerning nontransparent wage and production records had been remediated. FWF advises Albiro to apply the same standards to all suppliers.

In Macedonia, Albiro continued to make considerable efforts to work on productivity improvements with its suppliers, hence create space to increase wages to living wage level, and participated in pilots with FWF to develop a tool to determine the Living Wage factor (additional cost of living wage). FWF recommends Albiro to ensure that other suppliers also benefit from learnings and gradually move towards higher wage benchmarks.

To enhance dialogue between workers and factory management, FWF encourages Albiro to motivate more suppliers to participate in WEP trainings.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Affiliates may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Affiliates who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Affiliates may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	64%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

**Recommendation:** FWF recommends Albiro to consolidate its supplier base where possible, and increase leverage at suppliers to effectively request improvements of working conditions.

**Comment:** At many of the production sites, especially in Eastern Europe, Albiro buys (almost) 100% of the production capacity. However, at several other suppliers, especially in Asia, Albiro has low leverages. This is due to the diverse production range of Albiro. Compared to the last Brand Performance Check, Albiro has increased the leverage at several suppliers, by shifting production from Asian suppliers.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	72%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
--	-----	--	---	---	---	---

**Comment:** Albiro maintains stable business relationships with more than two-thirds of its suppliers. As part of its sourcing strategies, new suppliers are only added if existing partners are unable to produce the requested product. In addition, Albiro often makes an effort to develop the production capacity and skills of existing partners.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
--	-----	---	---------------------------	---	---	---

**Recommendation:** FWF recommends Albiro to closely monitor whether the agreement with its intermediary that Albiro has to receive a signed FWF CoLP from all new production sites before production starts, is effective.

**Comment:** Generally, Albiro requires suppliers to sign the CoLP before first orders are placed. For China, their intermediary selects production sites for Albiro. In the past, Albiro was only informed at the end of the year where production took place and some newly added suppliers did not sign the CoLP before starting Albiro production. In 2015, implemented an agreement with its intermediaries that Albiro has to receive a signed FWF CoLP before production starts. Albiro could show the signed questionnaire for the one Chinese production site that was added in 2015.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
---	-----	---	---	---	---	---

**Recommendation:** A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. FWF recommends Albiro to assess the risks associated with operating in specific production areas. FWF advises to use information from FWF country studies and wage ladders. Albiro can cooperate with local stakeholders to further investigate the situation in a specific country. FWF can offer information on local stakeholders. Furthermore, FWF recommends Albiro to ensure that intermediaries also follow a proper due diligence process when selecting a new production site.

**Comment:** Before adding a new supplier, Albiro conducts a human rights due diligence process. If possible, they try to find suppliers that already produce for other FWF members. A checklist including labour standards is discussed with the supplier and existing audit reports (if available) are collected and checked. Only suppliers that are willing to work towards compliance with the FWF CoLP are accepted. The person responsible for CSR has to approve the new supplier, before it can be added to the database. In countries, where FWF is active, Albiro usually asks for a FWF audit before or shortly after first orders are placed. An exception are Asian countries, where production sites are at times selected by an intermediary. A number of countries are excluded from sourcing; partially due to human rights concerns, but also because Albiro wants to concentrate on a limited number of countries. A due diligence process on a country level is not yet implemented in a systematic way.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0
--	-----	--	---	---	---	---

**Recommendation:** Albiro is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. FWF recommends Albiro to further improve their supplier rating and integrate its results in decision making.

**Comment:** Albiro rates its suppliers in an annual management review according to criteria such as price, quality and sustainability. However, social sustainability only accounts for a small part of the overall assessment. In a separate assessment, suppliers are rated based on their compliance with the eight labour standards based on audit results. As Albiro usually uses each supplier for a specific product it is difficult to reward compliant suppliers with higher orders.

1.6 The affiliate's production planning systems support reasonable working hours.	General or ad-hoc system.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	2	4	0
---	---------------------------	---	---	---	---	---

**Recommendation:** It is advised to establish a system for sharing and updating forecasts with group 2 suppliers to facilitate their planning. The system may include assurance of early delivery of materials and trimmings to suppliers, ensuring samples are approved in time and that late changes are discussed with the supplier. The system needs to be established based on the production capacity of the factory for regular working hours.



**Comment:** For group 1 suppliers (see additional comments on purchasing practices), Albiro plans production in close cooperation with production sites. Albiro has a good understanding of the capacity of its suppliers and e.g. splits orders if one production site reaches a critical work load. Albiro's technicians visit the suppliers regularly to support smooth production. A FWF audit in 2015 at one Macedonian suppliers confirmed that excessive overtime was not an issue.

For group 2 suppliers (see additional comments on purchasing practices), Albiro together with the supplier agrees on a delivery date; lead times range from three to six months. Beyond that Albiro is not actively involved in production planning at the site. All four FWF audits conducted in China and Turkey in 2015 included findings on excessive overtime.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
--	----------------------	--	---	---	---	---

**Requirement:** Albiro should investigate to what extent its current buying practices have an effect on the working hours at especially group 2 supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

**Recommendation:** FWF recommends Albiro to cooperate with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

**Comment:** For group 1 suppliers, Albiro is usually able to foresee and mitigate overtime, e.g. by splitting or postponing orders. In addition, suppliers are trained on production planning and receive support to increase their productivity by Albiro technicians.

For group 2 suppliers, Albiro is open to use air freight if the supplier flags that delays might occur.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
--	----------------------	--	--	---	---	---

**Requirement:** Albiro needs to develop a pricing policy where Albiro knows the labour cost of garments at group 2 suppliers and which allows the payment of at least legal minimum wages in production countries.

**Comment:** For group 1 suppliers, Albiro works with costing calculations that take labour costs into account. For group 2 suppliers, Albiro knows the legal minimum wage levels as well as the factory's share of the overall price. Labour costs are not known and usually verified through audit reports. However, at three audits conducted by FWF in 2015, the audit team was unable to establish whether the factory was paying at least legal minimum wages due to missing production and wage records. This had not been remediated at the time of the Brand Performance Check.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No data available	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	N/A	2	-2
---	-------------------	--	---	-----	---	----

**Requirement:** FWF requires Albiro to ensure that all suppliers are able to show that at least legal minimum wages are being paid to all workers. Findings regarding non-transparent production records should be remediated with high priority.

**Comment:** At three audits conducted by FWF in 2015 in China, the audit team was unable to establish whether the factory was paying at least legal minimum wages due to missing production and wage records. Albiro asked the agent to follow-up, but could not show improvements during the Brand Performance Check.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
---	----	--	--	---	---	----

Comment: No audits conducted by FWF in 2015 showed evidence of late payment by Albiro.

1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0
---	------------------------	---	--	---	---	---

**Recommendation:** FWF encourages Albiro to discuss with more suppliers about possibilities to work towards higher benchmarks and ensure that lessons learnt from its Macedonian supplier are actively implemented at other production locations. This should include suppliers, where Albiro has lower leverage, yet longer-term relation. Albiro could e.g. seek cooperation with other clients of the supplier. In case FWF members are interested to develop a joint approach to improve wages at a shared supplier, FWF is in the position to give advice on measures that need to be taken by Albiro to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

**Comment:** Albiro and one supplier participated in a FWF living wage project in 2014 and 2015 in Macedonia. Within this project, a consultant of Albiro was involved in the development of costing sheet to assess actual costs involved in raising wage benchmarks at the supplier. For other suppliers, where Albiro has a high leverage, the company has a thorough understanding of wage levels and root causes for payment below living wages. However, regarding their group 2 suppliers, where Albiro has lower leverages, the company only has little insights into their wage structures. Due to missing wage records, audit teams were unable to produce wage ladders during 2015 FWF audits.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	3%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	1	2	0

Comment: Albiro owns one small supplier accounting for 3 % of its overall FOB and sources 100% or close to 100% of the total production capacity at 11 suppliers. At their headquarters in Switzerland and Austria, sample units are operated.

## PURCHASING PRACTICES

Possible Points: 40

Earned Points: 25

## Additional comments on Purchasing Practices:

Albiro sources at three groups of suppliers:

- Group 1: Supplier only does CMT. Albiro delivers the material.
- Group 2: Purchasing of models according to ALBIRO designs. Supplier gets the delivery date and sources the raw material.
- Group 3: Purchasing of non-ALBIRO labelled ready-made garments.

At FWF, group 1 and 2 are defined as "own production", group 3 as "external production".

Albiro started a strategy to reduce the amount of suppliers within the next three years and to work with few core suppliers only in the future.

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	67%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	26%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	93%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: Specific staff at Albiro is designated to follow up on problems identified by monitoring system.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2
---	--------------	---	---	---	---	----

**Recommendation:** FWF recommends Albiro to set up a system that allows close follow up of CAPs. This should include group 2 suppliers, where regular visits might not be feasible.

Especially for more severe findings, like missing production records, Albiro must ensure that remediation measures are being implemented in a timely manner. Albiro can hire local consultants or request a FWF audit or monitoring visit to verify improvements.

To facilitate remediation, Albiro could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- Provide financial support to the supplier for implementing improvements.

**Comment:** Once Albiro receives a CAP, the report is forwarded to the supplier or agent for follow-up. During visits, Albiro discusses findings and checks improvements where a visual inspection is possible. For other findings, Albiro closes the CAP once the supplier confirms that remediation has been completed. This is checked in the next audit.

In 2015, FWF conducted three audits in China, one audit in Macedonia and one audit in Turkey for Albiro. At all Chinese audits, FWF was unable to verify wage and overtime levels as records were not available or incorrect. During the performance check, Albiro could not demonstrate that this has been rectified. Albiro terminated the relationship with the Macedonian production site after the audit revealed that the factory was lacking necessary state approval and factory management felt that they were unable to obtain it.

The Turkish audit was conducted towards the end of 2015, so no follow-up was possible in 2015 anymore. Albiro visited the production site in 2016.

Next to FWF audits, Albiro uses SA8000 and BSCI audits for its monitoring (see indicator 2.4).

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	72%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	3	4	0
---	-----	---	---	---	---	---

**Recommendation:** Annual visits should be made for all production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.

**Comment:** Albiro visits most of its supplies regularly. For group 1 suppliers, technicians are on site several times a year and CSR staff visits many suppliers two to three times annually. Suppliers in China, Vietnam and India were not visited in 2015.

2.4 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0
--	--	---	--	---	---	---

**Comment:** Albiro actively uses BSCI and SA8000 in their monitoring. During the performance check, Albiro could show that in the majority of cases they collected reports, assessed their quality and followed up on CAPs. Often, FWF audits are commissioned (if available) in addition. One audit in Morocco, two audits in Bosnia and one audit in India are counted towards Albiro's monitoring threshold (20% of total FOB). For two audits at Chinese production locations, Albiro was unable to show active CAP follow-up. The audits are therefore not counted towards the monitoring threshold.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
--	-----	---	--	---	---	----

**Recommendation:** FWF recommends Albiro to agree on timelines for improvements with factory management and monitor those timelines. Structural challenges that require long-term remediation should be broken down into action plans that specify timelines for intermediate improvements.

**Comment:** Albiro shares CAPs with suppliers or agents shortly after the audits. Timelines proposed by the FWF audit teams are usually accepted, but not discussed again with the supplier or closely monitored by Albiro.



2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
--	-----------------------	---	--	---	---	---

**Recommendation:** FWF recommends Albiro to strengthen its risk management system to ensure that risks are identified in a structured manner and actively addressed. This should include preventive steps for common risks even if no audit reports are yet available.

Albiro should continue to monitor the situation at its Turkish supplier closely in light of recent country-specific risks related to abuse of Syrian migrant workers.

**Comment:** Albiro has started to implement a system to assess high risks in their supply chain on a country level,

see also indicator 2.4

Albiro is aware of common, structural risks like excessive overtime and lack of freedom of association (especially China and India) and partly addresses them if CAPs are available, but does set up preventive steps.

2.6a High risk issues specific to Bangladesh are identified and adressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
---	----------------------------	--	---	-----	---	---

2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
---	-------------------------	---	--	-----	---	---

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	No CAPs active or no shared suppliers.	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1
---	--	---	--	-----	---	----

Comment: No CAPs were shared with other FWF members in 2015. Generally, Albiro is open to cooperate with other customers.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
--	-----	---	---	---	---	---

Comment: Albiro fulfilled monitoring requirements for production in low-risk countries, meaning that the FWF CoLP was signed by the supplier and posted at the factory and the supplier was visited by Albiro. In some cases, Albiro even conducted BSCI audits at some suppliers based in low-risk countries.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	39%	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	0	3	0
--	-----	--	-----------------------------	---	---	---

**Requirement:** Albiro should receive a completed and returned questionnaire from external brands resold by Albiro.

**Comment:** All external suppliers have been informed about FWF membership and have received the external brand questionnaire (group 3 suppliers). Albiro faces the problem that not all of them return the questionnaire signed.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	13%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
---	-----	---	---	---	---	---

**Comment:** Albiro re-sells products of two FWF members accounting for 13% of their overall FOB bought from external brands.

---

## MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 19

---

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	0	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

**Requirement:** Albiro must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. Albiro should check by means of a visit whether the Worker Information Sheet is posted in the factories. Agents can support this in case Albiro is unable to visit.

**Comment:** Albiro asks suppliers to send pictures of the posted CoLP, but do not always receive responses. Occasionally, travelling Albiro staff checks this during visits. Several audits in the last financial year highlighted that the FWF CoLP was not posted.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	25%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	2	4	-2
--	-----	--	--	---	---	----

**Requirement:** Albiro should inform the factory managers about the existence of the hotline. Albiro should have a routine to ensure the worker information sheet with complaints handlers contact details is posted in a place freely accessible to workers. The information sheet is the first step towards awareness raising about the existence and functioning of FWFs worker hotline.

**Recommendation:** Albiro can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF’s worker hotline. In addition to sending the worker information sheet, Albiro can use the worker information cards available for download on FWF’s website.

**Comment:** At all FWF audits conducted in Albiro’s last financial year, less than half of all interviewed workers were aware of the FWF CoLP.

Two suppliers of Albiro in Macedonia participated in a WEP, which is counted towards this indicator.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	N/A	6	-2
--	------------------------	---	---	-----	---	----

**Comment:** FWF did not receive any complaints concerning Albiro’s suppliers in 2015.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	-2
--	--	--	--	-----	---	----

## COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 5

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

**Comment:** The company's intranet contains FWF information and FWF info is included in internal communication like newsletters. New employees get briefed and trained by the Head of Quality Management responsible for FWF membership.

Staff that was interviewed during the Brand Performance Check seemed well informed about FWF.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
--	-----	--	---	---	---	---

**Recommendation:** FWF encourages purchasing staff or agents to observe factory audits by FWF audit teams to learn about the audit process and to be able to better follow up on corrective action plans.

**Comment:** The person responsible for FWF membership attended the FWF affiliate seminar in 2014. Other staff in direct contact with suppliers, e.g. technicians and the Head of Production are briefed by her. Occasionally, staff responsible for FWF travels together with other staff to visit suppliers and uses those trips to share more information about FWF.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	-2
--	-----	---	---	---	---	----



**Recommendation:** FWF recommends Albiro to actively train their sourcing contractors/agents and enable them to support the implementation of the CoLP, especially at suppliers that are not frequently visited by Albiro.

**Comment:** Albiro works together with agents to coordinate production in Asia. Agents are informed about FWF membership requirements, Albiro's sourcing strategy and how to follow up on corrective actions. However, not all agents are actively and systematically involved in implementing the CoLP and remediating audit findings.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	0	6	0
---	----	--	--	---	---	---

**Requirement:** Manufacturers and their workers should be systematically informed about FWF and the implementation of the Code of Labour Practices. All factory management and workers should be informed and aware about the relevant labour standards and grievance mechanisms.

**Recommendation:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. Albiro should motivate its main supplier(s) to join WEP trainings.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	42%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	3	4	0
---	-----	--	---	---	---	---

**Recommendation:** All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends Albiro to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.

**Comment:** Two suppliers of Albiro participated in pilots of FWF's WEP trainings for Macedonia in 2015. Albiro recognizes the importance of these trainings and actively tries to convince suppliers to participate. In 2015, Albiro also supported a programme at their Moroccan supplier that offers literacy training to female workers.

---

## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 7

---

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

**Comment:** Albiro generally has a good knowledge of its supplier base and is mostly aware which suppliers and subcontractors are used for its production. In Macedonia, several small production sites are used, but also frequently visited by Albiro technicians. However, a risk of unknown production sites remains for suppliers in group 2 (see indicator 1.3).

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
--	-----	--	---	---	---	----

**Comment:** Generally, all staff at Albiro has access to the supplier database which includes the relevant information about working conditions at suppliers.

---

## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

---

## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

**Requirement:** FWF membership should be communicated according to the FWF communications policy.

**Comment:** Albiro communicates about FWF on its website and adheres to the FWF communication policy. During the Brand Performance Check, FWF found that Albiro used on-garment communication on a few products, which were immediately removed. Albiro understands that on-garment communication is only for brands that have obtained the leader status.

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0
--	----	---	---	---	---	---

**Recommendation:** FWF recommends Albiro to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of Albiro and FWF's work.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
---	----------------------------------	---	---	---	---	----

Requirement: NEEDS BE PUBLISHED BY 9th MAY, OTHERWISE ONLY 1 POINT

Comment: The social report has been submitted to FWF and is published on Albiro's website.

## TRANSPARENCY

Possible Points: 4

Earned Points: 3

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: A strategy meeting takes place at least once a year with involvement of top management. Fair Wear Foundation membership is part of the sustainability strategy of Albiro.

7.2 Changes from previous Brand Performance Check implemented by affiliate	50%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2
--	-----	---	--	---	---	----

Comment: In FWF's last Brand Performance Check, Albiro received seven requirements.

Improvements were implemented concerning Albiro's supplier evaluation (indicator 1.5) and production planning (indicator 1.6). In addition, Albiro has started to set up a procedure with its Chinese agent to ensure that all new production sites sign the CoLP prior to producing for Albiro (indicator 1.3/5.1).

While the score at indicators 3.3 and 4.4, looking at worker's awareness of the FWF complaint system as well as participation in WEP trainings, remains low, Albiro is aware of the challenge and has enrolled two suppliers for WEP trainings in 2015.

No progress could be observed for indicator 1.8 (developing a pricing policy where Albiro knows the labour cost of garments at group 2 suppliers) and indicator 2.9 (receive a completed and returned questionnaire from external brands resold by Albiro).

---

## EVALUATION

Possible Points: 6

Earned Points: 6

---



## RECOMMENDATIONS TO FWF

Albiro would appreciate it if FWF offered complaints reports and CAPs in English as well as the local language.

Also, Albiro noted that the website as well as the database could be more user-friendly.

Clearer guidance on what kind of trainings and audits by other organisations are accepted by FWF (e.g. SA8000 trainings) as well as a comparison of different standards and organisations would be appreciated.

Albiro would like FWF to increase its degree of brand awareness.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	25	40
Monitoring and Remediation	19	33
Complaints Handling	5	7
Training and Capacity Building	7	15
Information Management	4	7
Transparency	3	4
Evaluation	6	6
Totals:	69	112

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

62

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

08-04-2016

Conducted by:

Lisa Suess, Wilco van Bokhorst

Interviews with:

Andrea Graefe, Head of Quality Management

Roland Loosli, CEO

Corinne Loosli, Purchasing

Günter Pichlhöfer, Production

Hans Steinger, Sales

Jamina Brügger, Marketing

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.