



BRAND PERFORMANCE CHECK

ALBIRO AG

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this report covers the evaluation period 01-01-2016 to 31-12-2016

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company 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 product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location 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 product location 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 member company 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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

ALBIRO AG

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Sumiswald, Switzerland
Member since:	13-06-2012
Product types:	Workwear, Outdoor
Production in countries where FWF is active:	China, India, Macedonia, Republic of, 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
SCORING OVERVIEW	
% of own production under monitoring	95%
Benchmarking score	71
Category	Good

Summary:

Albiro has shown progress and met most of FWF's performance requirements. With a monitoring percentage of 97.5%, it meets the monitoring threshold required by members after three years of membership. Therefore, Albiro is awarded the 'Good' category, with a total of 71 points.

Albiro has a strategy in place to limit the number of Group 2 suppliers, which are mostly in the tail end of the supply chain. It has ceased relationships with two out of three Chinese intermediaries. Furthermore, it has organised WEP-basic training at three of its suppliers. Also, a training session on labour standards took place at a Vietnamese supplier. Communication is once again in line with FWF policies. In 2016, Albiro managed to successfully raise wages at one of its Macedonian suppliers.

FWF encourages Albiro to continue its work on living wages and social dialogue at its Group 1 suppliers and to actively share its best practices with other FWF members. FWF also strongly recommends further consolidation of its Group 2 suppliers to ensure increased leverage, monitoring and active remediation.

Albiro should still improve its pricing policy, especially for Group 2 suppliers, and should work closely with these suppliers to prevent the occurrence of excessive overtime. Furthermore, it should ensure that its intermediaries are aware of FWF requirements and follow up on improving working conditions.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for member companies 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 member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—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 member companies will receive a 'Good' rating.

Needs Improvement: Member companies 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. Member companies 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: Member companies 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. Member companies 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
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	84%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Albiro has taken steps to further increase its leverage at suppliers. It has taken steps to consolidate its supplier list to 41 active suppliers and subcontractors. It buys 64% of its production from 5 suppliers in Macedonia, Morocco and Bosnia. At several of its suppliers, it is the only customer.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	18%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	2	4	0

Comment: Albiro still has a significant number of suppliers where it only has little leverage, limiting its ability to actively monitor and follow up. Its strategy is to reduce its tail. In China, it has shifted production from three agents to one agent to ensure that production shifts less between suppliers. It has an active policy in place to limit the number of suppliers where it has little leverage.

Recommendation: FWF recommends Albiro to continue pursuing an active strategy to limit the number of suppliers where it has little leverage, limiting its ability to improve working conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	85%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Albiro values long-term relationships. With most of its suppliers it has been actively working to improve labour standards for more than five years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: Albiro requires suppliers to sign the CoLP before first orders are placed. In China, Albiro is using an intermediary to plan production. This intermediary is a member of BSCI. Albiro requires the intermediary to ensure that new suppliers sign the FWF Code of Labour Practices before production starts. For all its new suppliers in 2016, Albiro has received a signed questionnaire.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Intermediate	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.	2	4	0

Comment: Albiro prefers to place orders at new suppliers that are a member of FWF or BSCI. In most countries, it visits the supplier before placing orders and discusses labour standards and high risk country issues. It uses the FWF health and check when onsite. It uses a checklist including labour standards during these discussions. It actively collects and checks existing audit reports. 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. The CSR officer is aware of human rights risks per country that Albiro sources from, but it has not yet been integrated into the organization in a systematic manner.

In 2016, Albiro worked with three intermediaries in Asian countries. The intermediaries visited the suppliers and checked whether suppliers are a member of BSCI, although not all production locations were a member of BSCI. Albiro ended relationships with two intermediaries.

Recommendation: FWF recommends Albiro to train its Chinese intermediary on conducting human rights due diligence and integrate specific risks in China and Vietnam in its selection procedure.

Furthermore, FWF recommends Albiro to ensure that knowledge about country specific risks is properly documented and integrated in its organizational and decision-making processes. It could also extend its questionnaire with more specific questions, like on wages or country specific information.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location 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

Comment: Albiro rates its six most important suppliers in an annual management review according to criteria such as price, quality and sustainability. For social sustainability, a maximum of 5 out of 75 points can be scored, another 5 points for environmental sustainability. In a separate assessment, suppliers are rated based on their compliance with the eight labour standards based on audit results. These assessments are only discussed with the suppliers when they are not performing well enough.

As Albiro usually uses each supplier for a specific product it is difficult to reward compliant suppliers with more orders.

Recommendation: FWF recommends Albiro to extend the evaluation of social sustainability with more indicators that are related to the performance of factories on social standards. It could discuss an evaluation methodology with its suppliers that includes social performance targets. Furthermore, FWF encourages Albiro to systematically evaluate all of its suppliers and discuss such evaluations with its suppliers and collect their feedback.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: Albiro sources its products from three different groups of suppliers. (see additional comments on purchasing practices). It has a lead time of 26 weeks for all its orders. In case of delays, Albiro considers splitting orders or air freight.

For group 1 suppliers, Albiro plans production in close cooperation with the factories. Albiro has a good understanding of the capacity of its suppliers. Albiro's technicians visit the suppliers regularly to check production planning and quality.

For group 2 suppliers, Albiro works through agents who do the production planning and check production. Delivery dates are discussed. The agents can shift production to other factories in case that a factory is already running on full capacity.

Recommendation: FWF recommends Albiro to further integrate its planning process with group 2 suppliers. It could share forecasts and also learn more about the production capacity of the factories that are used by its agents.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: In general, FWF audits at group 1 suppliers with whom it closely cooperates to plan production confirm that no excessive overtime takes place. At one supplier in Macedonia, a FWF audit found that workers worked every Saturday. In Macedonia, workers are not allowed to work more than every other Saturday. Albiro discussed it with the supplier. Due to a management change, there was a change of working hours. Management agreed to ensure compliance with the Macedonian law on working hours. Albiro took steps through its integrated planning system to prevent workers from working every Saturday.

At group 2 suppliers in China and Turkey, FWF audit reports confirmed that excessive overtime took place. In general, Albiro only has limited leverage over these suppliers to effect changes. At two suppliers, other FWF members have more leverage and have taken the lead to follow up on the root causes of excessive overtime. At one Turkish supplier, communication with the agent is difficult, limiting Albiro's ability to follow up on excessive overtime. During visits at its Chinese suppliers, Albiro has raised the issue of excessive overtime. It is working with its agent to ensure that production planning does not contribute to excessive overtime. Especially with the Chinese suppliers, root causes of overtime are an overload of production capacity and workers asking for overtime hours.

Requirement: Albiro should investigate to what extent its current buying practices have an effect on the working hours at especially group 2 supplier level. It should work with its agents to improve production planning. 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 increase its leverage over its suppliers and actively cooperate with other customers at the factories to increase leverage when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company'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

Comment: For its group 1 suppliers, Albiro is working with standard minutes per style. It negotiates the cost per minute with the factory. It knows the country wage levels and the wage levels in the factory. It has not related the price per minute to the costs of direct labour, indirect labour and overhead. At one Macedonian factory where Albiro is doing a living wage-project, it has done a labour minute costing calculation and has learned how prices and wages relate to each other.

At its Moroccan supplier, Albiro has agreed to make sure order fill the factory's production capacity. Albiro pays for the production gaps to ensure that wages are paid.

With its group 2 suppliers, Albiro negotiates prices with its suppliers and compares those among suppliers. It has a pricing policy in place that states that Albiro would like to ensure that the manufacturer ensures the legal minimum wage. Therefore, suppliers are asked to provide the cost of materials, CMT and agent fees. Through audits, it often knows about the wage levels in the factories.

Requirement: Albiro needs to develop a pricing policy for all its suppliers where Albiro knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries. It especially needs to learn more about the relationship between wages and prices at its group 2 suppliers.

Recommendation: FWF recommends Albiro to do labour minute costing calculations at all of its group 1 suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies 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.	1	2	-2

Comment: At one Moroccan supplier, a worker complained to the FWF worker helpline that several illiterate and low-skilled workers were not paid the legal minimum wage. This was confirmed by an on-site investigation. Albiro then investigated its prices and agreed to raise prices. Furthermore, it has entered in an on-going discussion with the supplier to include this group of workers in the regular workforce that earn a legal minimum wage.

Recommendation: FWF recommends Albiro to closely monitor the situation of this group of workers. An option could be that these workers become part of a regular workforce through training. In all cases, all workers active for the supplier should earn the legal minimum wage.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations 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 production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Comment: Albiro has participated in a FWF living wage project in Macedonia. Labour minute cost calculations were done, together with calculations to raise all wages above a certain target wage. In 2016, Albiro and the supplier managed to raise the wages to a specific target wage.

At other group 1 suppliers, Albiro has a good knowledge of wage levels. However, at its group 2 suppliers, it only has little insight into the wage structures of the factories due to incorrect or missing wage records.

Recommendation: FWF encourages to share its lessons learned at one of its suppliers to its other group 1 suppliers and start raising wages at other suppliers. It could also learn more from other FWF members how to market living wages to its customers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	2%	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 member company's score.	Supplier information provided by member company.	1	2	0

Comment: In 2016, Albiro bought a factory in Hungary.

PURCHASING PRACTICES

Possible Points: 46

Earned Points: 28

Additional comments on Purchasing Practices:

The Albiro group exists of five brands. These are:

Albiro ag that produces work wear clothing, both project-based and Never Out of Stock-items

Wikland: work wear and Never Out of Stock-items for craftsmen.

Solida: specific work wear clothing focused on the health care sector

Marsum: work wear clothing for tradesmen and farmers

Frencys: ski wear

The Albiro group sources at three groups of suppliers:

- Group 1: Supplier only does CMT. Albiro delivers the material. Suppliers are from Macedonia, Morocco, Hungary, Slovakia and Bosnia.
- Group 2: Purchasing of models according to ALBIRO designs. Supplier gets the delivery date and sources the raw material. Suppliers are from China, Vietnam, India, Czech Republic, Portugal or Turkey.
- 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)	47%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	20%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	95%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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: The Head of Quality Management is responsible for all CSR related matters, including follow up on problems identified by the monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. 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

Comment: In general, Albiro shares audit reports with the factories and sets up a timeline for improvements in a timely manner. At one Macedonian supplier, some of the issues were also discussed with the worker representatives. At a Turkish supplier, Albiro encountered difficulties to share the audit report with the factory due to its agent.

Recommendation: FWF recommends Albiro to ensure that it can share audit reports at all times with the factory, also in case of uncooperative agents.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: Albiro has a system in place to verify progress on CAPs. It regularly discusses progress with suppliers and also does on-site monitoring at its group 1 suppliers. Most of its group 2 suppliers are BSCI-members. Albiro tracks progress through the BSCI system.

Albiro cooperated with its Macedonian suppliers to improve health and safety issues, overtime hours, involvement of workers and worker committees and living wages. In Bosnia, few issues remain at one factory according to a BSCI-audit.

A BSCI-audit report and a complaint through the FWF worker helpline made clear that its Moroccan supplier still needs to make significant improvements, for example on documentation, the payment of legal minimum wages and social security and prevent precarious work. Albiro has worked closely with the supplier to improve pricing, production planning and other issues.

Most of its group 2 suppliers still need significant improvements, for example on excessive overtime. In 2016, Albiro visited several of its Chinese suppliers to discuss CAPs and labour standards. In Turkey, Albiro joined efforts of another FWF member at one factory to investigate whether Syrian refugees were employed, prevent subcontracting and discuss health and safety issues. Improvements were made but could not yet be verified.

Recommendation: FWF recommends Albiro to further enhance its system to track and follow up on CAPs. It should not close CAPs unless sufficient proof has been provided or verification has been done.

FWF encourages Albiro to continue working on more complex issues at its group 1 suppliers, e.g. on social dialogue, gender and living wages.

FWF encourages Albiro to take further steps to consolidate the number of group 2 suppliers. FWF recommends Albiro to include actively its intermediaries in following up on issues, especially to ensure that 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.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	84%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Albiro regularly visits its suppliers. In 2016, it visited all of its suppliers except several suppliers in India, China, Turkey and Bosnia.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0

Comment: As a BSCI-member, Albiro has access to both FWF audit reports and BSCI audit reports. In case of a shared factory, the BSCI-system requires that the member with the most leverage checks whether the factory has set up a CAP and needs to follow up. It has collected audit reports from most of its factories. It assesses the quality of the report. With factories that are not in the tail end, Albiro has set up a CAP and is actively following up. With factories that are in the tail end, Albiro monitors progress but does not always set up a CAP and actively follow up.

Recommendation: FWF recommends Albiro to work with other brands to ensure that a CAP is actively followed up, also for suppliers in the tail end.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	N/A	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: Albiro has a country policy in place which does not allow sourcing from Myanmar and Bangladesh, neither does it use abrasive blasting for its products.

The CSR officer is aware of human rights risks per country that Albiro sources from, but it has not yet been fully integrated into its organizational and decision-making processes. Albiro has discussed employment of Syrian refugees and subcontracting with its Turkish suppliers. With its Macedonian partners, it is working towards fulfillment of freedom of association. Albiro is cooperating with its Chinese agent to limit excessive overtime at its Chinese factories by improving production planning.

Recommendation: FWF recommends Albiro to more systematically analyze human rights risks per country and integrate that into its organizational and decision-making processes. Per country, it could assess and mitigate risks, set priorities and develop possible solutions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances 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.	2	2	-1

Comment: At several suppliers, Albiro actively cooperates with other FWF members to resolve corrective actions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	Member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	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. At two suppliers in low-risk countries, BSCI-audits were conducted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	3	3	0

Comment: Albiro uses FWF and BSCI to monitor almost all of its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	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.	2	2	0

Comment: In 2016, Albiro bought products from about from 21 external brands. From almost all the external brands, it has received the questionnaire.

Recommendation: FWF recommends Albiro to ensure that it receives a signed questionnaire from all external suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	4.15%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	1	3	0

Comment: Albiro bought products from 1 FWF member.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 31

Earned Points: 26

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	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	1	

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

Comment: The Head of Quality Management is responsible for all CSR related matters, including addressing worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	No	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	0	2	0

Comment: At most of its suppliers, Albiro checks whether the Worker Information Sheet is posted through frequent visits and asks for pictures of a posted Worker Information Sheet. At several of its Asian suppliers, Albiro did not receive confirmation that the FWF Worker Information Sheet was posted. It checks this during visits, but there could be a year between the start of the relationship and a visit by Albiro.

Requirement: Albiro must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted at all of its suppliers at the start of the relationship. The Worker Information Sheet should be posted in a location that is accessible to all workers. Albiro should check whether the Worker Information Sheet is posted in the factories.

Recommendation: Albiro could make more active use of its agent, who regularly visits the factories, to check whether the Worker Information Sheet is posted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	33%	The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	2	4	0

Comment: Albiro is increasing its efforts to make workers more aware of the FWF worker helpline. In 2016, it has organized training sessions at factories in Macedonia, Turkey and China.

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 could use the worker information cards available for download on FWF's website to create more awareness among workers..

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: Albiro has received one complaint from a worker at its Moroccan supplier after a BSCI-audit had taken place. On-site investigation confirmed parts of the complaint, like double book-keeping, no payment of legal minimum wage and social security for several workers and no signed permanent contracts were given.

Albiro discussed the outcome of the FWF investigation with factory management, after which it increased its prices and improved production planning. Furthermore, it is looking with management for a solution to train low-skilled workers and have them included in the regular workforce.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company 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	0

COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 9

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	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.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	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	-1

Comment: The Head of Quality Management visited FWF's annual conference, the Swiss Stakeholder meeting and participated in FWF and BSCI webinars. Other staff in direct contact with suppliers, e.g. technicians and the Head of Production are briefed by her.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
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 member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	0

Comment: Albiro worked together with three intermediaries in China and one in Turkey. It ended the relationship with two Chinese intermediaries. Albiro has informed both remaining intermediaries about FWF's Code of Labour Practices, but they are not actively following up on FWF requirements and audit results. Its Chinese intermediary is a BSCI-member and focuses on BSCI.

Requirement: Albiro needs to ensure agents are aware of FWF requirements and actively support the implementation of the CoLP.

Recommendation: FWF recommends Albiro to actively train its intermediaries on FWF requirements and enable them to support the implementation of the CoLP. Albiro could encourage its intermediaries to take part in specific FWF trainings for agents and supplier meetings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	74%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: Albiro is active in Turkey, China, Vietnam, India and Macedonia, where FWF provides trainings. Albiro invested in training its biggest suppliers in Macedonia and two suppliers in Turkey and China.

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. FWF currently offers the following training modules for the WEP: Basic, Communication, Gender Based Violence, Supervisor and the Factory Guide. More info on availability in countries can be found on the FWF website. Albiro should motivate its supplier(s) to join WEP trainings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	1%	In areas where the Workplace Education Programme is not yet offered, member companies 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.	1	4	0

Comment: At one Vietnamese supplier, management and workers were trained on labour standards.

Recommendation: All factory workers and management should be informed about FWF, labour standards and grievance mechanisms. In order to further communication between employers and workers in the workplace FWF recommends Albiro to ensure suppliers participate in training. Training must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the training, 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 participation should be balanced and representative.

FWF has developed the Factory Guide, an innovative and comprehensive e-learning tool to increase awareness of factory managers on FWF requirements and labour standards. This tool specifically provides FWF member companies the opportunity to increase awareness of managers in countries where FWF does not offer the WEP modules. FWF recommends Albiro to ensure suppliers actively use the Factory Guide.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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 member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: At its group 1 suppliers, Albiro is aware of subcontracting. Due to its integrated planning of production and on-site visits of technicians, Albiro knows which subcontractors are used during production.

With its group 2 suppliers, Albiro encounters more difficulties to identify all subcontractors. It discusses subcontracting with all its suppliers. Furthermore, it regularly checks quality and learns of subcontracting through BSCI and FWF audit reports. It also tries to involve its agents in the prevention of illegal subcontracting, like through on-site visits. In Turkey, it has discussed subcontracting with the supplier. A FWF audit confirmed that subcontracting was done by the supplier, but for another FWF member. At its other Turkish supplier, due to an uncooperative agent, Albiro is not yet aware of potential subcontractors.

Recommendation: FWF recommends Albiro to periodically check with its agents whether all known production locations are still up to date and use the information coming from questionnaire to update supplier data, including subcontractors. Furthermore, FWF recommends Albiro to require agents to be informed about the production location before the order starts.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	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: Staff of 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 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: FWF membership is communicated on the website of Albiro, leaflets and tenders. This communication adheres to the FWF communication policy. Issues concerning on-garment communication that were found during the previous Brand Performance Check had been resolved.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company 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.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	2	0

Comment: Albiro has not published production locations, Brand Performance Check reports or audits online.

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.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Albiro has submitted its social report to FWF and posted it online.

TRANSPARENCY

Possible Points: 6

Earned Points: 4

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 evaluated during this meeting.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: Albiro had to follow up on eight requirements after last years' Brand Performance Check report. It has sufficiently followed up the requirements concerning on the payment of legal minimum wages, obtaining questionnaires from external producers, raising awareness of workers on the FWF Worker Information sheet also through training, and adherence to the FWF communications policy.

It has not sufficiently followed up on requirements concerning excessive overtime, its pricing policy and the posting of the CoLP.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Albiro recommends FWF to:

- Continue its focus on innovative projects like the living wage incubator;
- Keep a focus on members and provide more guidance to them;
- Change the Brand Performance Check period by assessing the year before the day of the Brand Performance Check
- Cooperate more together with other initiatives, like BSCI and accept audit reports and training.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	28	46
Monitoring and Remediation	26	31
Complaints Handling	9	13
Training and Capacity Building	11	15
Information Management	4	7
Transparency	4	6
Evaluation	6	6
Totals:	88	124

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

71

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

13-04-2017

Conducted by:

Wilco van Bokhorst

Interviews with:

Andrea Graefe, Head of Quality Management

Roland Loosli, CEO

Corinne Loosli, Purchasing

Marco Plochberger, Production

Hans Steinger, Sales

Jamina Brügger, Marketing