



BRAND PERFORMANCE CHECK

JBC n.v.

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this report covers the evaluation period 01-02-2017 to 31-01-2018

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

JBC n.v.

Evaluation Period: 01-02-2017 to 31-01-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Houthalen, Belgium
Member since:	01-04-2015
Product types:	Fashion, Sportswear, Promotional
Production in countries where FWF is active:	Bangladesh, Bulgaria, China, India, Republic of Macedonia, Romania, Tunisia, Turkey
Production in other countries:	France, Italy, Lithuania, Morocco, Pakistan, Poland
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	89%
Benchmarking score	59
Category	Good

Summary:

JBC has met most of FWF's performance requirements. With a benchmarking score of 59 and a monitoring percentage of 89%, it achieves the Good category for brands in their third year of FWF membership.

Compared to the previous financial year, JBC had significant challenges in structuring the available information into an integrated overview. This was due to a change in staff and it has significantly impacted the company's progress that could be accounted for. Therefore, FWF could not reward all points.

Nevertheless, JBC initiated significant improvements in comparison to the previous year. In the first place, it continued to improve its system that allows JBC to much more effectively be aware of the production locations at which it places orders. The company has also improved its production planning by being aware of the production capacity of a certain production location and ensuring that its orders do not exceed this capacity. The system is now integrated in JBC's digital management system. In addition, it also invested a lot of capacity into its audit follow-up and CAP remediation efforts, particularly related to its Chinese and Bangladeshi suppliers.

FWF encourages JBC to continue its efforts in improving its purchasing practices by creating a complete overview of all existing information concerning audits, trainings and supplier visits, an ex-ante due diligence system, a production planning that facilitates reduction of excessive overtime and moving onto its pricing policy and increased transparency related to workers' wages. The company is furthermore advised to start implementing steps towards a living wage for its suppliers.

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.	73%	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.	3	4	0

Comment: FWF was able to calculate that approximately 73% of JBC's production came from production locations where it was responsible for at least 10% of production capacity. In 2017 considerable changes took place in the organisation of the buying department which should pay off in the medium to long term.

Recommendation: FWF recommends JBC to further consolidate its supplier base where possible and increase leverage at main supplier(s) to effectively request improvements of working conditions. It is advised to clearly describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	49%	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.	0	4	0

Comment: Approximately 49% of JBC's production came from factories where JBC buys less than 2% of its total FOB. This is a very significant percentage and indicates that JBC makes use of a lot of production locations for relatively little of its production volume.

In 2017, JBC made a sourcing strategy forcing the buying department to buy from less buyers, while keeping in mind the capacity. JBC keeps a close eye on their supplier's capacity to make sure that the suppliers don't produce over their capacity. This has been organised both in collaboration with their China buying office as well as the use of an internal order blocking system, which not only blocks the buying department from overordering from single suppliers but also limits addition of new suppliers unless approved as necessary.

Recommendation: FWF recommends JBC to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, JBC should determine whether suppliers where it buys less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

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.	79%	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: JBC focuses on maintaining long-term business relationships with their suppliers. In 2017, 79% of their production was purchased from production locations where a business relationship has existed for at least 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: JBC was able to show that new production locations were informed about the FWF Code of Labour Practice and signed and returned the questionnaire during the FWF Brand Performance Check.

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 suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: In 2017, JBC formalised a buying process which follows a strict criterion for placing orders especially in the case of new production locations. With the aim of developing more long-term relationships with factories, adding new factories or suppliers for production is heavily monitored.

A new potential supplier is shortlisted by the Sourcing & Buying manager based on production necessities, namely price and quality. The supplier is then evaluated by the CSR manager based on its social compliance, and only approved when the FWF Questionnaire is filled in and signed by the supplier. Once the FWF Code of Labour Practices is posted in the local language in every factory. Furthermore, an audit report not older than six months is required from every factory. The audits are evaluated and discussed with the factory beforehand. In case there is no existing audit report, the potential supplier must agree to plan an audit by an external auditor before bulk orders are placed.

Only after this evaluation and a positive feedback of both the Buying and Sourcing manager and the CSR manager can a new supplier be added.

Recommendation: JBC is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon with top management/sourcing staff. The UN Framework on Business and Human Rights provides more background on the concept of human rights due diligence.

FWF recommends JBC to assess the risks associated with operating in specific production areas. FWF advises to use information from FWF country studies and wage ladders in their production countries and other sources.

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: JBC keeps track of the performance of its suppliers and production locations. JBC started with the productions locations in China, this tracking has been improved since the previous Brand Performance Check. JBC is currently working on a system to so that the internal database of factories shows more audit information that can be seen by buyers in the different departments (e.g. most important findings).

Recommendation: JBC is encouraged to further develop its 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. Another part of the system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

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: JBC has two seasons in a year: summer and winter. Within this division, new collections are produced on a monthly basis. Production is forecast based on past sales figures and trend forecasts. In general, the lead time for production in the Far East is 22 weeks while the lead time for Eastern Europe and North Africa ranges from 6 to 10 weeks.

Since the previous Brand Performance Check, JBC implemented a system that works to ensure that production locations are not given more orders than they can handle. This is done using a combination of the factory indicating its maximum capacity and an assessment of JBC staff done during production location visit(s). An online system within JBC then shows the amount of production that can take place and 'blocks' orders that exceed this limit from being entered. In 2017, JBC worked to increase lead times, shifting "always in stock" items to lower production seasons. To reduce approval times, JBC has started working closer with their overseas buying office in order to decrease sample approval times and enable flexibility in lead times.

Recommendation: FWF recommends JBC to further integrate this planning process and clearly define the process in the sourcing strategy agreed upon with top management/sourcing staff.

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: Audits conducted in 2017, revealed that there was overtime in factories where JBC sourced.

In case overtime was found by JBC, quality control staff and representatives discuss with management to ensure any overtime is properly compensated. This is, however, on a case to case basis, and is most advanced for their Chinese factories.

JBC developed an order blocking system, as well as increasing their flexibility for shipping options in case of delays, to buffer any time strain for meeting deadlines. The company has also worked on estimating average factory capacity to ensure not to overload suppliers with orders even though suppliers are willing to take on more work. JBC also spreads its orders to low seasons for their always in stock items such as jackets.

Recommendation: JBC is encouraged to investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime is the first step to investigate which steps can be most effective to reduce overtime. JBC can develop instruments or policies to deal with possible delays to avoid excessive overtime. Those instruments could include being flexible with delivery dates, prioritizing orders, offer support/flexibility for material delivery, ordering in low season etc. The outcomes of the root cause analysis can be used for identifying strategies that minimise the impact of its sourcing practice on working hours at other factories.

Whilst JBC has already started on this process in 2017, FWF recommends JBC to further strengthen their internal policies and strategy when dealing with possible delays to avoid excessive overtime. This should be applied to all their suppliers within their supply chain.

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: When it comes to pricing, the process is generally set by determining the commercial price and then working backwards with the margins. This produces a target production price. The only difference with previous years is that with JBC's new buying structure, production managers are much more specialised and can better evaluate the average price for their product per country.

As of April 2018, JBC worked with an open costing system where JBC is able to receive and analyse information related to Bill of Material (BOM) and CMT cost. The buying team was trained on open cost calculation, in which they are also now able to calculate the minimum legal wage paid to workers. JBC was able to show price break down for each item at a style level, from material to labour payment.

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: JBC followed up on a number of cases where it was unclear whether or not legal minimum wages were being paid. However, documentation was not provided in all cases to prove that this had been remediated.

Requirement: Critical findings like minimum wage problems require a more in depth follow up. FWF expects JBC to make sure that when audits indicate that legal minimum wage has not yet been paid, it receives sufficient proof that this urgent finding is remediated adequately and properly.

Recommendation: JBC is encouraged to receive and maintain better documentation on the follow-up related to the non-payment of legal minimum wages. Factory visits with a documents check or additional verification by FWF may be needed to verify remediation.

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.	Basic approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Comment: JBC focuses its production on quality and workmanship rather than on price. JBC feels that it is a small company with relatively small orders in the global garment industry and so feels that its impact on pricing is limited. Instead, it focuses on a good price-quality ratio and payment of the local minimum wage.

Pricing of its production orders currently does not have a relation to workers' wages other than audit reports that indicate whether legal minimum wages have been paid or not.

JBC's external auditing organization has started including living wage benchmark information in its audit reports. This formed a basis for discussions with suppliers on payment of living wages.

Recommendation: FWF encourages JBC to have more robust discussions with its suppliers on the topic of wages and the role JBC can play. This can be done by assessing the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

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).	None	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.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 22

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	89%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	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.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Total of own production under monitoring	89%	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: JBC has a designated CSR person who follows up on all problems identified in the monitoring system. The CSR person is assisted by one of their China based personnel when following up on issues specifically at their Chinese suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Yes	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.	0	0	-1

Comment: JBC makes use of an external auditing company for auditing most of its suppliers in China and other countries which has been trained by FWF. In the course of JBC's membership of FWF, JBC and FWF had various discussions with the providers of JBC's own auditing system.

Recommendation: FWF recommends a better tracking system for the audits collected and the assessment done per external audit. Due to change in CSR manager, JBC had more difficulties to show all audit quality assessments.

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

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: JBC works closely with their buying office in China, who are also all JBC employees. They regularly follow-up on the audit findings and discuss them with factory management. This is also easier due to language barriers. JBC was able to show their communication with factory management and tracking of ongoing remediation at several supplier locations.

JBC has started the transition of responsibilities to their Bangladesh office. Currently it is still mostly related to lead times, but the goal is to also have local assistance for CAP follow-up and remediation.

Recommendation: Whilst JBC has a stronger presence and relationship in China with regards to their remediation discussion with suppliers. JBC is encouraged to maintain its level of CAP remediation and follow-up, beyond China. It is encouraged to make use of its new local agent/intermediary in Bangladesh to provide assistance, as this country is of increasing importance to JBC.

To facilitate further remediation, JBC could consider:

- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing 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.	54%	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.	3	4	0

Comment: JBC was not able to provide a complete overview of the production locations visits by the brand. As a result, the percentage visited has decreased from 89% in the previous financial year to 54% during this financial year.

Recommendation: FWF recommends documenting the outcome of visits in an integrated system and ensure checking whether the Code of Labour Practices is posted is part of every visit. Reporting back to the whole team on the discussions and follow up of CAPs with the supplier will help towards setting up an integrated system for improving working conditions. FWF has developed a Health & Safety Guide that can be used during these visits.

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 part of JBC's sourcing policy, any existing audit reports are always first collected and assessed before placing any orders.

Recommendation: Existing audit reports form a basis for understanding the issues and strengths of a supplier reducing double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	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.	4	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	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	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: When JBC assesses its production locations there is increased attention for specific “high risk” areas. The company was able to provide some examples related to these risks:

- Turkey: JBC closely follows the changing context in Turkey. As millions of Syrian refugees live and work in Turkey now, there is an increased risk for illegal Syrian workers and child labour in the Turkish garment sector. JBC discussed the risks with its Turkish suppliers to prevent or mitigate related risks. However, JBC was not able to clearly show that the company was able to show that the policy was fully implemented. Therefore, full points cannot be awarded.
- Bangladesh: JBC is aware of FWF’s high risk policy for Bangladesh. Bengali suppliers are informed that the company is signatory of the ‘Accord on Fire and Building Safety in Bangladesh’. Therefore, it can only enter a business relationship if the supplier is partner of the Accord and is open for inspections and respects provisions of the Accord. In the past three years only one active production location had a WEP training in the last three financial years. For this reason, full points cannot be awarded.
- India: JBC is aware of the risk of ‘Sumangali scheme’ labour in the region of Tamil Nadu. New suppliers operating in Tamil Nadu are asked by JBC to declare that there is no production taking place under the Sumangali Scheme, which is verified by audit reports.

Recommendation: JBC’s monitoring system should identify and address high risk issues that are specific to the JBC’s sourcing practices. FWF provides policies and country-specific requirements to JBC. Priorities in remediation efforts are guided by these policies.

JBC could encourage their Turkish suppliers that if a position opens up they can consider employing a Syrian refugee worker. They can discuss with their suppliers to cooperate with United Work, an NGO that collects the CVs of Syrian refugees in Turkey. JBC could discuss what support they can offer support when Syrian workers are employed. This support could consist of covering the costs of work permits and supporting HR where needed. Please note that the Syrian refugee guidance will be updated later this year.

Regarding the enhanced programme for monitoring and remediation in Bangladesh, JBC should share responsibilities with their production locations as business partners to improve workers' safety at the workplace. At the minimum, the member company should provide necessary support to the suppliers. In terms of fire and building safety, the member could offer financial or technical support, or offer flexible lead time so that factories could prioritize remediation. In terms of ensuring women's safety at work, the brand should make sure that suppliers have sufficient knowledge and a functional system to promote gender equality and prevent gender-based violence. A functional system to prevent violence needs involvement of both factory management and workers representatives. FWF local team has extensive experience on supporting both employees and employers in setting up anti-harassment systems. FWF local team could provide training and regular support to suppliers upon request.

Regarding India, FWF encourages suppliers to enroll for the FWF WEP to reduce gender-based violence and establish legally required anti-harassment committees and the FWF Supervisor programme that aims to improve working relations between line supervisors and workers and trains female workers with skills to become supervisors.

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: In 2017, JBC continued to cooperate with other FWF brands at shared suppliers in audit follow-up and remediation of the risks found.

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.	0-49%	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.	0	2	0

Comment: JBC managed to show that their suppliers in low-risk countries had returned the completed Code of Labour Practices questionnaire. However, none of the low-risk locations were visited by a JBC representative. Instead five out of the eleven suppliers visited the JBC headquarters in Belgium in the last three years.

Requirement: Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Be visited annually by JBC's representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

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.	Not applicable	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.	N/A	3	0

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 2017, JBC included their external brands into their own assortments. These brands signed and returned their questionnaires.

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).	0%	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.	0	3	0

Comment: No external brands are FWF members or members of another credible initiative.

Requirement: The member company has to ensure progress towards an external supplier base that is covered by either FWF or have another acceptable system in place for monitoring its supply chain.

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: 34

Earned Points: 23

Additional comments on Monitoring and Remediation:

JBC has not met monitoring requirement for tail end suppliers.

Requirement: In the tail end of JBC's supplier base, FWF requires JBC to ensure it audits all production locations that are responsible for over 2% of JBC production volume and production locations where JBC is responsible for over 10% of the location's production capacity.

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

Comment: JBC's CSR Manager is responsible for dealing with complaints from workers or their representatives against their employer within the supply chain of JBC.

In 2017, neither JBC nor FWF's country contact persons received complaints from factory workers or management involved in its supply chain.

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.	Yes	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.	2	2	0

Comment: JBC has a system in place to ensure that the Worker Information Sheets are posted. As part of JBC's due diligence procedure factory management has to send pictures. In addition, JBC staff is aware that they have to make pictures during travels. In Bangladesh, the local office checked the Worker Information Sheets for each factory. In China, Worker Information Sheets instead of Code of Labour Practices were hung up in all factories.

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.	54%	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.	3	4	0

Comment: Approximately 54% of JBC's FWF-audited production locations were either aware of the FWF worker helpline or had a WEP training session conducted at the production location.

Recommendation: JBC 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, Member companies can use the worker information cards available for download on FWF's website.

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	No complaints received	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.	N/A	6	-2

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: 7

Earned Points: 6

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: JBC's CSR Manager gives presentations internally on a regular basis. There are also presentations for new employees on the topic of CSR and FWF. The CSR Manager also regularly provides a CSR update during monthly staff meetings and is involved in on-boarding of new employees.

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 CSR Manager has one-on-one meetings with new buyers about FWF and social compliance in general who are in direct contact with suppliers as part of their onboarding policy. Explanation of human rights due diligence needs to be frequently repeated, especially in relation to JBC's order blocking system.

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: JBC works with several agents. These agents are all informed of FWF membership and took steps to ensure access to factory level information. As far as FWF can ascertain, these agents have not yet taken an active role to support implementation of the FWF Code of Labour Practices by, for example, providing training sessions to factory management.

Recommendation: FWF recommends JBC to actively train their sourcing contractors/agents on monitoring and remediating gender-related problems and enable them to support the implementation of the Code of Labour Practice.

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)	16%	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.	2	6	0

Comment: In 2017, approximately 16% of JBC's production locations received WEP training sessions which is slightly more compared to last year.

Recommendation: 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.

JBC is encouraged to provide WEP training sessions for its strategic (new) suppliers in countries where the WEP program is provided.

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)	0%	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.	0	4	0

Comment: JBC did not enrol its factories in training sessions where WEP is not offered.

Recommendation: All factory workers should be informed about the labour standards and the process of monitoring and remediation. To promote communication between employers and workers in the workplace FWF recommends JBC 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 participation should be balanced and representative. Before carrying out the training FWF recommends JBC to contact FWF for approval of the training for the Brand Performance Check.

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 member companies to ensure suppliers actively use the Factory Guide.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

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: In comparison to last year, JBC has booked significant progress in identifying its production locations by making it mandatory for its buying teams to add production locations to all of its order placements. It worked hard to ensure that production locations were known before orders were placed, but this was not always possible. Instead, locations were sometimes added after the fact.

For several suppliers, JBC was unable to ascertain the exact production locations for all orders, especially for those suppliers that produce for it via an agent. It has taken steps to address this situation, and the supplier data is increasingly more complete compared to previous years.

Recommendation: JBC is advised to develop a systematic approach to complete the supplier list. Part of the approach can be:

1. automatically include information from audit reports and complaints
2. Business relationships with agents include transparency of production locations.
3. Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.

FWF furthermore recommends JBC to periodically check with its agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

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: JBC was able to show that the CSR Manager shared information on working conditions at production locations with its China office, members of the buying/sourcing teams and members of the executive board.

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: JBC communicates about FWF on its website, magazine and additionally on the doors of its headquarters, email signatures of employees and in their stores. All communication is compliant with FWF's communication policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	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.	1	2	0

Comment: The Brand Performance Check report is published online on its website with a description of the result. For its I AM collection, JBC discloses the production locations where the products are made online. The list of production locations for its entire supply chain is not complete. Therefore, full points cannot be awarded.

Recommendation: FWF recommends JBC to publish one or more of the following reports on its website: audit reports, supplier information of all production locations. Good reporting by JBC helps to ensure the transparency of JBC's 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: JBC published a complete and accurate social report on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

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: JBC's top management regularly reviews FWF membership, social compliance and its efforts related to both.

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.	33%	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.	2	4	-2

Comment: In the previous Brand Performance Check, JBC had 3 requirements. JBC was able to show that it booked progress on the following indicators:

- 1.1a: Percentage of production volume from production locations where member company buys at least 10% of production capacity.

The following indicators still need urgent attention from JBC:

- 1.9: Member company actively responds if suppliers fail to pay legal minimum wages.
- 2.9: Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.

Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further steps need to be taken with regard to the requirements mentioned in the previous Brand Performance Check.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

- Need for more assistance on the performance indicators, especially the changes related to subcontractors.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	22	44
Monitoring and Remediation	23	34
Complaints Handling	6	7
Training and Capacity Building	6	15
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	70	119

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

59

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

08-06-2018

Conducted by:

Jesse Bloemendaal; Sandra Gonza

Interviews with:

Valerie Geluykens, CSR Manager

Michiel Vandermeer, Sourcing & Buying Manager

Hanne Berckmans, Capacity & Supplier Performance Specialist

Ann Claes, CEO