



BRAND PERFORMANCE CHECK

The Cotton Group S.A. (B&C)

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this report covers the evaluation period 01-01-2017 to 31-12-2017

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

The Cotton Group S.A. (B&C)

Evaluation Period: 01-01-2017 to 31-12-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Waterloo, Belgium
Member since:	01-02-2017
Product types:	Promotional
Production in countries where FWF is active:	Bangladesh, China
Production in other countries:	Pakistan
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	62%
Benchmarking score	42
Category	Good

Summary:

In 2017, as a first-year member, B&C met most of FWF's performance requirements. It monitored 62% of its production volume, thereby meeting the monitoring threshold of 40% required for the first year of membership. With a benchmarking score of 42 points, B&C is awarded the 'Good' category. B&C is currently a brand of Fristads Kansas Group, and has been a FWF member through Fristads Kansas Group since 2015 and the Kwintet Group since 2008. In this first year of membership as an independent member, B&C has focused on setting up systems and allocating resources to fulfil membership requirements. Its business model of selling promotional wear through wholesalers, with styles developed and kept in the collection for many years, allows the brand to work with the same suppliers over a long term, using sizeable capacity at its key production locations. Additionally, this also facilitates better production planning, with the brand having knowledge of costing and capacities of all suppliers and the sales budget. The sales forecast further supports an informed production forecast.

With 100% production at high risk countries, B&C does not demonstrate the necessary robust system/ guidelines to consistently evaluate, support, mitigate and remediate risks in the context of supplier selection and engagement decisions. In the case of sourcing from Bangladesh (82%), B&C has not signed the Accord on Fire and Building Safety and does not have a policy requiring production locations to be part of the Accord remediation. Generally, conducting business in areas at a higher risk for human rights abuses requires more stringent levels of due diligence, and FWF recommends that the brand reviews in detail the requirements of the FWF Enhanced Monitoring Programme for Bangladesh and take necessary steps to mitigate risks. Additionally, FWF encourages B&C to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement.

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.	88%	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: B&C has a manageable number of suppliers with 5 key suppliers, one each catering to T-shirts and polo's, Organic range, Shirts and 2 suppliers for Sweatshirts, contributing to 70% of the B&C's sourcing.

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.	8%	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.	3	4	0

Comment: The main business B&C is focused on basic T-shirts and polo's. The relatively low FOB is from suppliers where B&C sources shirts, jackets, work wear, accessories. That apart, B&C has reduced production at 4 suppliers in Bangladesh, for business reasons.

Recommendation: FWF recommends that B&C consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, B&C should determine whether suppliers where they buy less than 2% of its FOB is of strategic relevance. Shortening the tail will reduce the social compliance risks the brand is exposed to and will allow B&C to focus, invest and 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.	90%	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: B&C's sourcing strategy is to maintain long-term relationships with its suppliers and currently over 80% sourcing of the brand is from suppliers where the brand has had 10 years of relationship.

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.	No	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.	0	2	0

Comment: Production locations have not signed and returned the FWF Code of Labour Practices.

Requirement: Member needs to ensure that existing suppliers and all new suppliers have signed and returned the FWF Code of Labour Practices.

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.	Insufficient	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.	0	4	0

Comment: B&C (Regional Compliance Manager in Dhaka) collects available audit reports (BSCI, WRAP, SEDEX, ACCORD etc.) from prospective production locations and also visits the factory to ensure that the supplier complies with the Fristads Group Code of Conduct. But given that B&C has suppliers with business relationship exceeding 10 years, this due diligence may not be necessarily consistent.

Generally, conducting business in areas at higher risks for human rights abuses requires more stringent levels of due diligence. With 100% production at non low-risk countries, B&C does not demonstrate the necessary robust system/ guidelines to consistently evaluate, support, mitigate and remediate, in the context of supplier selection/ engagement decisions.

Requirement: A formal process should exist to continuously evaluate the risks of Human Rights and labour violations in the production areas B&C is operating. Broad human rights concerns cover issues such as violence and harassment at work as well as buildings and fire safety. The evaluation should influence the decision on whether to place new orders, how to prevent and mitigate risks, and what remediation steps may be necessary.

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: All factories are regularly visited by the brand and regional compliance team in Dhaka. They systematically review if there is any non-compliance with the Fristads group Code of Conduct, for example, child labour, health and safety standard on the factory floors, such as blocked fire exits, and deviations are reported for discussion with the factory. These discussions are mostly done by the regional compliance team. Currently, the brand does not have an evaluation system to review and score their suppliers on social performance.

Recommendation: B&C is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. As it is not always possible to reward suppliers with more volumes, the member company could look into other incentives that reward supplier's commitment towards the Code of Labour Practices (CoLP). An example would be to offer training for skill building/capacity development.

FWF recommends that the regional compliance team, prepares a 'factory visit' file providing key information on CoLP deviations and mitigation, remediation steps for the brand to proactively engage with the supplier (during visits) and ensure necessary importance and attention is given to addressing issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: The brand is engaged in production of promotional wear, with no seasonality (primarily never-out-of-stock items), and a style lasting for many years. B&C's customers are wholesalers, which requires the brand to have accurate stock tracking and production forecasting to ensure all sizes, colours for styles are always in stock. Additionally, the sales budget, sales forecast supports informed production forecast. The member is aware of the production capacities at all their supplier locations. Thus, B&C has instruments that can support progress towards reasonable working hours.

Recommendation: FWF recommends that B&C works towards using the production planning system to proactively identify and address root causes of excessive overtime at production locations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Insufficient 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.	0	6	0

Comment: The brand is aware of overtime issues at some of the supplier locations and has identified the possible causes based on experience: 1) Lack of capacities for production planning at certain suppliers, 2) Seasonal overtime due to regional holidays etc. 3) Variations in order sizes by the brand 4) Workers preferring overtime to earn more wages.

When the brand foresees insufficient capacity of the supplier to deliver on time, it moves the extra orders to another production location.

Requirement: B&C should 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 should be done to investigate which steps can be most effective to reduce overtime.

Recommendation: B&C could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, the brand could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

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: The brand uses an open costing model, is aware of the labour cost of garments and negotiates the price with the supplier based on this information. The price negotiation also takes into account an expected increase in productivity and the price is adjusted (made lower) after a period.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2

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.	No efforts shown.	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	0	8	0

Comment: The brand is yet to start working on living wages.

Requirement: B&C has to take adequate steps to move towards living wages as estimated by local stakeholders.

Recommendation: The brand works with suppliers over a long term, with majority of sourcing in Bangladesh and uses a open costing model. This could be leveraged as a strong starting point to perform a living wage analysis, and engage suppliers. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder is included in FWF's audit reports. FWF encourages B&C to assess 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. FWF encourages the brand to define a strategy with clear goals and timelines to support their suppliers move towards a living wage.

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: 20

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	62%	
% 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.	N/A	1st or 2nd year member and tail-end monitoring requirements do not apply.
Total of own production under monitoring	62%	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 Fristads Kansas Group has appointed a Regional Compliance Manager in Dhaka, who oversees, reviews and updates B&C (as with other Fristads brands) on problems identified by the monitoring system across all B&C production locations.

Recommendation: FWF recommends that the brand set-up a system to stay updated on issues, support the regional team with remediation, through follow-up discussion of issues with suppliers during factory visits of sourcing, quality teams.

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

Comment: While the brand also uses BSCI audits, for this performance check, the audits considered for the monitoring threshold are FWF audits.

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: The Regional Compliance Manager in Dhaka maintains and updates the status of CAPs, tracks and verifies the remediation efforts of the supplier.

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.	Basic	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.	4	8	-2

Comment: The Regional Compliance Manager in Dhaka follows up on the CAPs and verifies remediation. This might be sufficient for issues that are basic where the remediation can be verified through outcome-based evidence. But the issues that are more complex, like those pertaining to wage records, overtime, functioning of grievance channels and awareness of workers, will require further investigation to understand the root causes, with the remediation also involving changes at the system level to ensure sustainable change.

Recommendation: FWF recommends that the brand work closely with suppliers (including worker representatives) to understand root causes of issues and ensure that the remediation process is holistic, towards finding sustainable solutions to critical issues such as overtime, wage records etc.

To facilitate this, the Member company could consider the below:

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

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.	100%	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: All factories are regularly visited by the B&C head office teams and Dhaka office. The regional compliance manager documents the outcomes of the visit, specifically focusing on the CAP remediation of FWF, BSCI and Accord.

Recommendation: FWF recommends to ensure checking whether the FWF CoLP is posted part of every visit. Setting up a process to report back to the whole team on the discussions and follow up of CAPs with the supplier will help towards facilitating an integrated system for improving working conditions. Additionally, FWF has developed a Health & Safety Guide that can also 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	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.	1	3	0

Comment: Before placing orders, the brand (Regional Compliance Manager in Dhaka) collects available audit reports (BSCI, WRAP, SEDEX, ACCORD etc) from prospective production locations.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. The quality of existing audits must be considered when evaluating working condition at suppliers. 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 insufficient result on relevant policies	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.	-2	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Insufficient			-2	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
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: B&C has not signed the Accord on Fire and Building Safety and does not have a policy requiring production locations to be part of the Accord remediation.

Requirement: The FWF 2014 Enhanced Monitoring Programme for Bangladesh (still in force), requires members to sign the current (2013) Accord on Fire and Building Safety as a way to ensure they take their responsibility in ensuring improvements are realized. For the new 2018 Accord on Fire and Building Safety in Bangladesh, FWF will maintain this position.

For FWF, a brand being part of the Accord is the most preferred option as a way to fully comply with the FWF enhanced monitoring programme for the part of building and fire safety. If not this, at minimum, brands are required to ensure that they source from factories that are considered safe (or working towards that), by sourcing only from factories that are covered under Accord/Alliance.

Recommendation: FWF recommends that the brand review in detail the requirements of the Enhanced Monitoring Programme for Bangladesh and take necessary steps to mitigate risks. Some key steps to consider:

- 1) Ensuring that credible fire and building safety inspections have taken place at all production locations in Bangladesh
- 2) Retrieving the inspection reports and (updated) corrective action plans from Accord, Alliance and DiFE websites
- 3) In case inspection reports and CAPs are not available on-line, checking directly with all the suppliers in Bangladesh if their facilities have had a comprehensive safety inspection in accordance with the National Tripartite Plan of Action on Fire Safety and Structural Integrity. If so, collecting the inspection report, the CAP and status of remediation of the CAPs
- 4) If no inspection report and corrective action plan can be identified, defining necessary steps to ensure that safety.
- 5) Active follow-up on to ensure effective and timely remediation of corrective action plans. This is particularly pressing for factories that are not covered by the Accord or Alliance, and thus fall under the National Initiative.
- 6) Facilitating effective remediation follow-up and increased leverage, through cooperation with other brands sourcing at the same factory
- 7) Reviewing and discussing training needs and arranging relevant training for owners and management of suppliers (including the FWF training on fire and building safety)
- 8) Contributing to the remediation, either financially, or by guaranteeing orders
- 9) Defining a responsible exit strategy for factories that are not able or not willing to be inspected or make sufficient progress on remediation of the CAPs. This specifically applies to factories that are terminated by the Accord for failure to implement workplace safety measures.

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.	No CAPs active, no shared production locations or refusal of other company to cooperate	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.	N/A	2	-1

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.	No production in low-risk countries	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.	N/A	2	0

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.	No external brands resold	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.	N/A	2	0

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).	No external brands resold	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.	N/A	3	0

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: 25

Earned Points: 11

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: The operations manager is designated to address 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: Worker Information Sheets have not been posted at all supplier locations.

Requirement: B&C must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. B&C should check by means of a visit whether the Worker Information Sheet is posted in the factories. Additionally, the brand should collect evidence by taking pictures etc. for their management system.

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.	0%	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.	1	4	0

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

Recommendation: The brand 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, the brand 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: 2

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: Staff were trained on FWF membership through department meetings.

Recommendation: FWF recommends that B&C develops a standard procedure for all new employees to get familiar with FWF membership. FWF has training tools available that can be used to inform (sales) staff.

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: Sourcing, operations and compliance staff were aware of the FWF membership but did not have all the necessary information to fulfil membership requirements.

Recommendation: It is recommended that the staff in direct contact with suppliers, access the member portal, review the relevant information on the FWF monthly updates, participate in the FWF member seminar and other member learning activities to increase their knowledge and fulfil FWF membership requirements.

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.	No	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.	0	2	0

Recommendation: FWF encourages purchasing staff and agents to observe factory audits by FWF audit teams to learn about the audit process and to be able to better follow up on corrective action plans. Apart from this, the brand can also discuss with FWF the possibility to organise training for agents and staff.

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)	0%	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.	0	6	0

Comment: No production location has participated in the Workplace Education Programme and audits indicate low awareness levels of workers on Code of Labour Practices and grievance mechanisms.

Requirement: Factory management and workers should be informed and made aware about the relevant labour standards and grievance mechanisms.

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: The brand sources from Pakistan, which is not a FWF production country.

Recommendation: For non-FWF production locations, the brand must take efforts to ensure that all factory workers and management are informed about FWF, labour standards and grievance mechanisms. In order to improve communication between employers and workers in the workplace, FWF recommends that B&C ensures suppliers participate in relevant training. These trainings 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.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 3

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: As a strategy to lower risks related to subcontracting, the brand tries to identify suppliers who have all product processes in-house and the necessary capacity. However, some challenges with identification of production locations exist, and include:

- 1) In some cases, the invoicing to parent companies, specifically in case of composite factories in Bangladesh makes it difficult to ensure that all production locations are identified and monitored.
- 2) For one production location, the compliance team had a different factory location than the sourcing team.
- 3) Audits indicate unauthorised subcontracting at certain locations.

Requirement: The sourcing and the compliance team must ensure all active production locations are included in the FWF database for the financial year under review.

Recommendation: B&C 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 and location.

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: The compliance manager in Dhaka shares the CAP report and updates with the brand.

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: The brand communicates the FWF membership through the website, product catalogue, worksheets, advertising and customer newsletters.

Requirement: For advertising and worksheets, FWF advises B&C not to use the FWF logo next to products. If there is one page in the beginning of the catalogue, e.g. a welcome page which explains what you can find in the catalogue, FWF recommends that B&C add the FWF logo there with an explanation of the membership. FWF is also working on a FWF logo (for members to use in communication) with the necessary text to support members use the FWF logo in a more convenient manner.

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: This is the first Performance Check for B&C, hence cannot publish the Performance Check Report.

Recommendation: FWF recommends B&C 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 the member 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 submitted to FWF	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.	1	2	-1

Comment: The social report was submitted during the performance check.

Requirement: The social report needs to be submitted to FWF and published on the brand's website, maximum 90 days after end of financial year.

TRANSPARENCY

Possible Points: 6

Earned Points: 3

7. EVALUATION

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

Comment: The brand engages with the Fristads group CSR team to discuss FWF membership.

Recommendation: FWF recommends that the brand organises a meeting with management and sourcing staff to discuss the outcomes of this performance check and use the results to formulate future plans.

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.	No requirements were included in previous Check	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.	N/A	4	-2

Comment: This is the first performance check hence the indicator is NA.

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

The brand recommends that FWF increase its visibility among customers and consumers.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	20	44
Monitoring and Remediation	11	25
Complaints Handling	2	7
Training and Capacity Building	3	15
Information Management	4	7
Transparency	3	6
Evaluation	2	2
Totals:	45	106

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

42

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

26-07-2018

Conducted by:

Supraja Suresh

Interviews with:

Luc Pinxten, Operations Manager

Ad Bakker, Quality Manager

Pierre-Jean Larrieu- sourcing manager

Nahid Shoma, Group Regional Compliance Manager (Bangladesh, India, Pakistan)

Jean-Stéphane Delbosse - Finance and IT manager

Virginie Kamensky - Market Intelligence & Strategic Branding