



BRAND PERFORMANCE CHECK

Filippa K AB

PUBLICATION DATE: SEPTEMBER 2018

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

Filippa K AB

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

MEMBER COMPANY INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-03-2008
Product types:	Fashion
Production in countries where FWF is active:	China, India, Romania, Turkey, Viet Nam
Production in other countries:	Belarus, Estonia, Italy, Lithuania, Morocco, Peru, Portugal
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	88%
Benchmarking score	55
Category	Good

Summary:

In 2017, Filippa K has met most of FWF's performance requirements. The benchmarking score has decreased significantly, from 74 to 54, but this still places Filippa K in the Good category. Including the monitoring done at their other suppliers, Filippa K has 88% of its production under monitoring, but failed to audit all production locations that produce more than 2% of the brand's total FOB and /or, where they buy more than 10% of the suppliers' overall production capacity.

Filippa K's selection of new suppliers in 2017 showed that its due diligence process is not sufficient. Filippa K must ensure the process is implemented consistently for all production locations and address high risk issues that are specific to the countries in which it sources. Filippa K is also encouraged to continue developing its evaluation system for suppliers. To align sourcing decisions with CSR objectives, it should be made clear how labour standards influence sourcing decisions.

Filippa K experiences delays and excessive overtime at its suppliers. In order to improve its planning, it is recommended to gain further insight into the production capacity of the factories. Filippa K should do a root cause analysis to investigate which steps can be most effective to mitigate excessive overtime hours.

The member company is expected to take more steps towards the payment of a living wage. Filippa K is strongly recommended to select nominated suppliers where they buy a large share of the production volume, to start working on transparent prices.

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.	34%	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.	2	4	0

Comment: 34% of Filippa K's supplier volume in 2017 is bought from factories where the company has substantial leverage (at least 10% of the factory production capacity). Over 60% of Filippa K's purchasing volume comes from suppliers located in low-risk countries.

Recommendation: FWF recommends Filippa K to consolidate its supplier base where possible, and increase leverage at main suppliers to effectively request improvements of working conditions. It is advised to 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.	28%	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: At 28% of Filippa K's production locations, it buys less than 2% of its total FOB. Filippa K analyzed how many suppliers they have per product style, and checked if all suppliers are in fact needed to check where consolidation is possible. Trends dictate the use of new suppliers for one season only, resulting in Filippa K having a longer list of new suppliers in 2017. Filippa K is aware that the list has increased, and believe it to be only a transition phase. When trying new suppliers, these are phased in step by step to check if they can live up to Filippa K's requirements.

Recommendation: It is advised to 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
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	67%	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.	3	4	0

Comment: Filippa K values long term relationships based on close cooperation with its suppliers. 67% of their 2017 purchasing volume comes from factories they have worked with for more than 5 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: Prior to starting production at a new supplier, Filippa K receives a signed copy of the questionnaire from each production location. All questionnaires were shown to FWF.

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: Selecting new suppliers is done by the buying department, in collaboration with the designers, at the beginning of the design process. Filippa K works with a start-up package that contains all documents that need to be used by buyers when working with new suppliers. Guidelines for supplier relations are set up, with templates being used by product developers and purchasing staff when visiting new suppliers. The guidelines include a FWF assessment, using the health and safety checks developed by FWF during a first visit, collecting existing audit reports and researching other clients. The same due diligence process for selecting new suppliers is applied in low-risk countries, as it is for the rest of Filippa K's production locations. In 2017, Filippa K also attended a FWF seminar aimed at highlighting the specific risks facing brands producing in Turkey.

During the first meeting with a potential supplier, FWF and the importance of social standards is always discussed. Sometimes suppliers don't want to complete questionnaires/starter pack, because the Filippa K orders are too small, this will then be discussed during a factory visit.

However, Filippa K's due diligence process for selecting new suppliers is not sufficient. In 2017, Filippa K began working with a new supplier in Italy, but stopped again soon after production began due to the working conditions in the factory and poor communication from factory management. Furthermore, in 2017 Filippa K started sourcing at two new Turkish suppliers. The guidance on Syrian refugee employees was shared with the agents, but not followed up directly with the factories, neither were the locations visited.

Recommendation: Filippa K should include in its start up package how the outcome of a supplier check will/should affect sourcing decisions, and what weight it is given when selecting a new supplier. FWF recommends Filippa K to assess the risks associated with operating in specific production areas and include this information in their start up package for consideration of all buyers before deciding to start at a new production location. FWF advises to use information from FWF country studies and wage ladders. The member can cooperate with local stakeholders to further investigate the situation in a specific country, and can meet with them during monitoring visits to gain a better understanding of the local context. FWF can offer information on local stakeholders. In order to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures how labour standards influence monitoring and sourcing decisions.

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: Social compliance of each supplier is discussed within each buying team, as well as decisions to give more orders to suppliers with good performance results. To assist these discussions, Filippa K buyers use a standard supplier evaluation form, including social compliance and transparency as equal factor to quality, communication and delivery.

Recommendation: Filippa K is encouraged to continue developing its evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. FWF would recommend expanding the evaluation to include more details on social compliance, and include specific direction to buyers on what this entails. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. As it is not always feasible to offer placing more volumes or never out of stock (NOS) items, Filippa K could consider other incentives that reward a supplier's commitment towards the CoLP. An example would be to offer buyer- paid training for skill building/capacity development. In order to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures how labour standards influence monitoring and sourcing decisions.

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: To ensure delivery dates are feasible, production time plans and deadlines are set in cooperation with suppliers, usually starting six months prior to delivery times. Estimate deadlines are given in an early stage on which suppliers give feedback about the dates the fabric needs to be in and how much time is needed for production. In this way, seasonality is included in production planning. When logistics issues can be expected for certain production countries an additional buffer is added. A margin for delays is included in the delivery cycle.

Filippa K indicates they need to trust their suppliers to make a realistic planning based on regular working hours, but that they do not know the exact production capacity for all factories. Additionally, the buyers of Filippa K consult with one another to try to evenly split orders across various suppliers, or move orders to different suppliers if they know a supplier will not be able to manage a large quantity.

In several cases, in factories where Filippa K have large order/high capacity, the company has an understanding of the total capacity of the factory. This informs the plan of orders per month. Filippa K spaces out its orders to try and control the production flow, placing basic items in low season. In general, Filippa K knows total yearly capacity, but this information is not used in a detailed way to plan production for smaller factories.

To provide suppliers more security, minimum orders are guaranteed. Filippa K's product development is also expected to support reasonable working hours. The member company has in-house pattern makers, who make sketching as accurately as possible for sizing. This minimizes the sample rounds. Filippa K also considers the complexity of orders, by reducing the amount of colours per style (normally three colours per style), and providing suppliers with same or similar styles and same fabrics.

To improve production planning continuously, each delivery cycle is analyzed internally.

Recommendation: It is recommended to gain further insight into the production capacity and availability of minutes of the factories. A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

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: Despite a robust production planning system, Filippa K still experiences delays and excessive overtime was found during all three FWF audits done in 2017. No effort was taken to address the root causes of the excessive overtime in their suppliers.

Despite several meetings and phonecalls about this topic, one Chinese supplier falsified the wage and time records for the second time during an audit. Filippa K has consulted FWF's China representative to advise the member company how to take this further, but no concrete steps have been taken so far. The member company continues addressing this issue with the supplier, and the supplier has already indicated their willingness towards the FWF CoLP. It is therefore expected that the next audit in spring 2019 shows improvement. The factory is enrolled in the QuizRR training to raise awareness of labour rights and conditions among workers. In the coming year, Filippa K plans to make these trainings more focused.

For one Turkish factory, Filippa K recently took over the CAP follow-up from another FWF member brand, who has phased out its production at this location. Filippa K discussed its own performance on production planning with the factory to see whether this was a factor in excessive overtime. The factory claimed that they did not have overtime in the last few months, however this was during the low season.

The third factory where excessive overtime was found is one where Filippa K will not continue to work with, so no active follow up is being done.

Requirement: FWF requires Filippa K to do a root cause analysis to investigate which steps can be most effective to reduce overtime. Filippa K could hire local experts to help with this analysis in cooperation with the supplier. The process and learnings from this supplier can be used as a starting point for work with other suppliers. Filippa K could use the outcome of this analysis to discuss with factory management how to manage overtime.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0

Comment: Filippa K is aware of country level minimum wages and has a cost break down of the fabric and Cut Make Trim (CMT) price. However, it does not know the exact cost of labour or the share of the CMT price that is going to the salaries. The company has started conversations about this with one supplier in 2017, but did not feel as though this was the right supplier to begin this process with.

Recommendation: Filippa K is strongly recommended to select nominated suppliers where they buy a large share of the production volume, to start working on transparent prices. In this way Filippa K can get a better insight in the cost of labour and the share that goes to workers. Filippa K needs to develop a pricing policy where they know the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

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.	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: Filippa K has discussed wage levels and how to move towards living wage with some of its suppliers in Portugal and China. However, Filippa K has not yet been able to make progress on increasing wages.

Requirement: Filippa K has to take adequate steps to move towards living wages as estimated by local stakeholders. The member company is expected to take an active role in discussing living wages with its 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. It demonstrates the gaps between workers' wages at a factory and living wages demanded by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

FWF encourages Filippa K to discuss with suppliers about possibilities to work towards higher benchmarks. It is advised to start with suppliers where the member company has high leverage and long-term business relationship. FWF could give companies specific guidance on process rollout on request.

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)	25%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	63%	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	88%	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: At Fillippa K, the buyers directly manage the relationships with their suppliers, therefore each buyer is responsible for the follow up of audits at their suppliers, in cooperation with the sustainability manager. Buyers are also often observing audits.

Recommendation: In order to ensure consistency among all responsible buyers, FWF recommends Filippa K to create a guidance document that describes the necessary steps for certain CAP issues, including different levels of urgency that require different types of action.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: All three FWF audit reports and Corrective Action Plans were shared with factory management. Improvement timelines are established in a timely manner and the CAPs are regularly checked upon through emails. Documents and pictures are used as proof of follow up.

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: Factories are asked by the responsible buyer to provide follow up on Corrective Actions primarily focusing on factory-level issues via email. All buyers are working with the same system, but there is no formal process or documentation or tracking of CAP follow-up.

When visiting factories CAPs are discussed and all CAPs are pending. The more basic findings are in the process of being resolved, however more complex and structural issues such as transparency and excessive overtime have not been actively taken up in 2017.

Requirement: Resolving and remediating non-compliances is one of the most important measure Filippa K can do towards improving working conditions. FWF expects Filippa K to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

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.	78%	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: Buyers, often along with the design team, visit most of their suppliers at least once a year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Filippa K has worked with two existing audit reports for suppliers in high risk countries. FWF checked the reports and follow-up was shown by Filippa K.

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.	2	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Insufficient			-2	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: Filippa K produces denim products, and has a written policy against sandblasting that all of its relevant suppliers must sign and adhere to. They have not had or seen any evidence of sandblasting occurring at their suppliers, or reports from workers on illnesses. They are aware of this risk and continuously evaluate during visits.

In 2017, Filippa K started sourcing at two new Turkish suppliers. Both suppliers are shared with other FWF member companies, one of was audited in 2017 for another member. The guidance on Syrian refugee employees was shared with the agents, but not followed up directly with the factories, neither were the locations visited. The factories did return a signed FWF questionnaire. The factories were encouraged to join a workshop in Turkey, but this did not happen in the end. At both factories, Filippa K only placed very small orders and they will not continue working with one of them.

Requirement: Filippa K's monitoring system should identify and address high risk issues that are specific to the its sourcing practices. FWF provides policies and country-specific requirements and priorities in remediation efforts can be guided by these policies.

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Filippa K should agree on additional commitments that are required to mitigate risks, it should actively train its agents in this area and enable them to support in the implementation of country specific policies. If buyers plan to place a one-time product in a high risk country such as Turkey, it should be topic of discussion whether Filippa K would be able to fulfill sufficient due diligence.

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: During autumn 2017, Filippa K joined a working group together with other FWF and non-FWF brands to develop strategies and approaches to improve labour standards and practices through Italian supply chains. In this working group, experiences in relation to Italian supply chains and efforts to improve labour practices are shared. Filippa K cooperated with one other FWF brands in a factory in Turkey. However, that brand stopped working with the supplier and handed follow-up over in late 2017.

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.	50-100%	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.	1	2	0

Comment: Filippa K has fulfilled monitoring requirements for almost all low-risk suppliers, with some small exceptions being suppliers they are stopping production at.

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: 29

Earned Points: 20

Additional comments on Monitoring and Remediation:

In the tail end of Filippa K's supplier base, FWF requires Filippa K to ensure it audits all production locations that are responsible for over 2% of Filippa K's production volume and production locations where Filippa K 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: Each buyer is responsible for addressing worker complaints that occur at their suppliers, in conjunction with the Sustainability Manager.

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: Filippa K's buyers check that the Worker Information Sheet is posted when they visit suppliers and photos per supplier are saved on the server. When they have not visited the sites, Filippa K requests the supplier to send photos of the posted Worker Information Sheet. During one audit in China it was found that the Information Sheet was not posted, however Filippa K followed up immediately and the sheet was posted again.

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.	20%	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

Comment: In 20% of FWF audited production locations at least half of workers are aware of the worker helpline.

Requirement: Filippa K can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker helpline.

In addition to sending the worker information sheet, Filippa K can use the worker information cards available for download on FWF's website and encourage suppliers to hold internal trainings or sessions for workers on the Code of Labour Practices.

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: 4

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: FWF membership is part of the overall Sustainability Strategy at Filippa K, which all staff are made aware of via presentations or trainings during annual meetings. Filippa K includes updates on FWF in two annual sales meetings with wholesale team and store managers.

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: Staff of the different buying departments of Filippa K are aware of FWF membership and its requirements, and each buying department is responsible for CAP follow up of its own factories. During monthly meetings, audit findings are shared and relevant staff is involved.

Recommendation: It is recommended to actively take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference, webinars and national member and stakeholder meetings.

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 + actively support COLP	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.	2	2	0

Comment: Filippa K continuously informs agents about requirements and guidances for specific production countries, and request them to support the monitoring efforts by providing follow up on Corrective Action Plans. Filippa K has long-standing relationships with many of its agents, who understand that sustainability efforts are core to Filippa K's work. An agent always joins factory visits with Filippa K staff. Several agents joined QuizRR meetings and seminars in China.

Recommendation: FWF recommends extra training for agents that work in high risk countries, and instruct them on common Code of Labour Practices violations in these countries, and how to check for possible subcontracting.

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 the past three years, Filippa K has enrolled three suppliers (two in Vietnam and one in China) in the FWF Workplace Education Programme. Filippa K further extended the enrollment of their suppliers in QuizRR, an online learning tool. This learning tool has now reached more than 3200 workers.

Recommendation: FWF recommends Filippa K to enroll more suppliers in the FWF Workplace Education Programme. This helps to increase awareness among workers about grievance mechanisms and the availability of the FWF complaints mechanism.

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)	All production is in WEP areas.	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.	N/A	4	0

Comment: Less than one percent of the total FOB of Filippa K is placed at two suppliers in Peru who have not received additional training on labour standards. However because this supplier accounts for less than 1% of their total FOB and the member company is phasing out production, this indicator is N/A.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 7

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require 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: Filippa K makes efforts to identify production locations, through visits by buyers, by asking for updated production location data prior to placing all orders and by checking this data at least twice in the production cycle. Because Filippa K publishes the supplier information, including production locations, on their website, they check this information regularly. Additionally, Filippa K's financial system is able to show payments to factory locations, including estimated shares for some subcontractors. Filippa K currently does not include all subcontractor information in the database, and does not know estimated shares for some of these subcontractors.

Requirement: FWF considers any supplier that takes part in the Cut Make Trim (CMT) process of a garment as a supplier or subcontractor, including those responsible for the finishing processes. After the end of each financial year, Filippa K must confirm their list of suppliers and provide relevant financial data. A complete suppliers list means ALL suppliers are included.

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: Filippa K holds regular meetings with all production staff. Production staff are divided per product group and are all responsible for implementing the Code of Labour Practices. The person placing orders is also responsible for following up on Corrective Action Plans (CAPs). After a visit the buyer shares their experience on social compliance with the buyer's team in a meeting and with notes and pictures.

However, follow-up on CAPs and evaluation of suppliers is not actively shared among the different buying teams. All buyers sit near each other in an open office, and often discuss ad-hoc issues that have arisen, and/or which supplier is most suited for new production. Additionally, the server contains a start-up kit with FWF tools and information, that is accessible for all staff.

Recommendation: In order to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures how labour standards influence monitoring and sourcing decisions. Regular meetings on CAPs follow up would help buyers exchange the steps they take to follow up on more difficult CAP issues.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

Additional comments on Information Management:

Filippa K needs to ensure that audits occur at all production locations where more than 2% of production takes place, or where the company has over 10% leverage.

6. TRANSPARENCY

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

Comment: FWF membership is communicated in correct wording on the company website. Filippa K has a separate sustainability website, Filippa K Circle, where it clearly explains the company's social responsibility and how it works on upholding human rights in the supply chain, as well as posting interesting articles related to its work.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Production locations are disclosed to the public	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.	2	2	0

Comment: Filippa K has published the earlier Brand Performance Check on their website. The company is transparent about suppliers and some subcontractors that are used. This information is shared online by publishing supplier information of each style in the online shop, including the factory name, location, number of employees, first year of collaboration, and whether it has been visited by the Filippa K team.

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: The social report is integrated in the overall sustainability report of Filippa K, which is published on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 6

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: FWF membership is evaluated within a group of product developers, the sustainability manager and supply chain manager; particularly when writing the workplan and evaluating the performance check report. An evaluation of membership with top management also takes place when completing the budget. Feedback from agents regarding the progress of suppliers is integrated.

Recommendation: Filippa K is urged to include the recommendations from the Brand Performance Check report in its yearly Work Plan to ensure consistent progress.

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.	0%	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: Last year a requirement was included to fulfill the tail end monitoring requirements. Filippa K has not followed up on this, and during 2017 Filippa K has not audited all production locations that are responsible for over 2% of Filippa K's production volume and production locations where Filippa K is responsible for over 10% of the location's production capacity.

EVALUATION

Possible Points: 6

Earned Points: 0

RECOMMENDATIONS TO FWF

Filippa K would like to see FWF improve its database system, to reduce the amount of administration work for members.

The member company finds communicating to customers about FWF membership difficult and requests FWF's help. In particular, to show why FWF is comparable to other social initiatives in the industry.

Filippa K requests FWF to provide more guidance and support for brands producing in Italy.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	20	44
Monitoring and Remediation	20	29
Complaints Handling	4	7
Training and Capacity Building	7	11
Information Management	4	7
Transparency	6	6
Evaluation	0	6
Totals:	61	110

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

55

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

23-05-2018

Conducted by:

Hendrine Stelwagen, Emma Conos

Interviews with:

Elin Larsson (Sustainability Director)

Doreen Chiang (Sourcing Manager)

Anna-Karin Bons (Product Developer)

Anders Eriksson (Buyer)

Emelie Erixson (Buyer)

Emma Arnström (Buyer)

Irina Nirland (Marketing and Frontrunner team)