



# BRAND PERFORMANCE CHECK

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De Berkel B.V.

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this report covers the evaluation period 01-01-2018 to 31-12-2018

## ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

De Berkel B.V.

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Varsseveld, Netherlands
Member since:	29-06-2007
Product types:	Fashion, Workwear
Production in countries where FWF is active:	Macedonia, Republic of
Production in other countries:	Lithuania, Moldova, Republic of, Poland, Ukraine
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	60%
Benchmarking score	40
Category	Suspended

## Summary:

De Berkel has shown insufficient progress in FWF's performance indicators. The monitoring percentage is 60% of its total production volume, which falls short of the 80% minimum requirement. Additionally, the total benchmarking score of 40 is below the required 50 points.

In 2018, De Berkel faced difficulties meeting FWF requirements and was placed in the Needs Improvement category. With the sick leave of the General Director of the company, the capacity was very limited to work on the FWF CoLP. An additional complicating factor is that sourcing and monitoring processes are being conducted by De Berkels mother company Teamdress, and De Berkel did not have much direct contact with suppliers. De Berkel and FWF concluded that De Berkel on its own was not able to meet the full requirements of FWF membership, and that it will need the commitment and resources of Teamdress in order to continue with its membership. Late 2018, this resulted in Teamdress Holding GmbH and De Berkel B.V. combining forces in a new joint membership as of January 2019.

De Berkel needs to develop a thorough due diligence process. This process should include which steps need to be taken before a new production location can be added. By thoroughly checking and monitoring from the start, the risk of unauthorised subcontracting can be minimised. CoLP compliance of suppliers should be evaluated in a consistent way. Therefore, CSR parameters can be included in the general assessment of the suppliers. De Berkel is expected to play an active role in the remediation of CAP issues identified in audits.

Teamdress is dedicated to working on living wages and could show a considerable increase in wage for the workers at its own production location in Poland. De Berkel has absorbed the increased costs both by itself but also by increasing prices for customers. FWF expects that with the new membership of Teamdress, both companies are enabled to take more steps regarding living wages in their high-risk countries.

## 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.	77%	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:** De Berkel buys more than 10% of the production capacity at all but one of its suppliers. As the production volume from this supplier increased, the total volume from production locations where member company buys at least 10% of production capacity decreased from 92% last year to 77%.

De Berkel and its mother company Teamdress have no explicit consolidation strategy but aim to limit risks and transport costs by not expanding their supply chain.

**Recommendation:** Even though Teamdress and De Berkel agree on the importance of keeping a short supply chain, it is advised to write down a strategy that is explicit about the advantages of maintaining a consolidated supply chain.

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.	0%	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.	4	4	0

**Comment:** Production volume from each of De Berkel's suppliers is above 2% of its total FOB.

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.	66%	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: The percentage of the production volume from production locations where a business relationship has existed for at least five years decreased from 80% last year to 66%.

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: De Berkel's Macedonian supplier, with which they started in 2017 has not signed and returned the questionnaire, even though a requirement was included in the previous performance check. All other locations did return a signed questionnaire.

Recommendation: FWF recommends to make signing the FWF questionnaire the first step when starting with a new production location, for example by including it in the contracts with suppliers.

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:** In 2017, De Berkel received a sudden large order which could not be placed at their current suppliers. Therefore, De Berkel needed to find a location that could produce in a short time frame. As none of the regular suppliers could do it, a business relation was started with a new Macedonian supplier, without doing appropriate due diligence. The requirement of the previous performance check was not implemented, as the member didn't foresee more orders for this supplier. However, in 2018 this Macedonian supplier became more important for De Berkel, taking up almost a quarter of the total production volume. When De Berkel and Teamdress discussed quality issues with the supplier, the supplier disclosed that the orders were outsourced to another production location.

Since this discovery, Teamdress created a document requiring basic information from suppliers such as production capacity and production processes. This can be used to check whether De Berkel's orders are actually able to be produced at the location of the supplier. The document also includes some health and safety issues.

To stay updated about what is happening in the sourcing countries, Teamdress visits embassies and local governments in the sourcing countries. However, no other sources are checked, nor did the meetings give a deeper understanding of potential risks.

**Requirement:** A formal process should exist to evaluate the risks of labour violations in the production areas where De Berkel is operating. This evaluation should influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary.

**Recommendation:** It is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon with top management/sourcing staff. This process should describe defined steps such as requesting audit reports and visiting the location and checking on health and safety with the FWF checklist. When a new supplier will be added in the future, this information needs to be stored together with the document that Teamdress created.

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.	No	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.	0	2	0



**Comment:** De Berkel has not evaluated CoLP compliance of its suppliers in a systematic manner, despite this being a requirement in the previous performance check. The suppliers are currently being assessed on issues like communication, timely delivery, and quality.

**Requirement:** A systematic approach to evaluating CoLP compliance of suppliers is required to integrate social compliance into normal business processes and support good decision-making. The approach needs to ensure that De Berkel consistently evaluates the entire supplier base and includes information into decision-making procedures.

**Recommendation:** De Berkel is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can show whether and what information is missing per supplier and can include outcomes of audits and trainings and commitment of suppliers to remediate identified issues. CSR parameters can be included in the overall assessment of the suppliers, and be given at least equal weight as the other parameters. This evaluation can then be discussed with the supplier and the supplier can be shown how they score compared to De Berkel's other suppliers.

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:** Given the high leverage at its suppliers, De Berkel is able to make an accurate production plan. All products are defined in sewing minutes and orders are placed based on the available production capacity at each factory. A total of 2,000 production minutes per week (the equivalent of some 33 hours) per sewing worker is taken as a basis for planning, which supports reasonable working hours and ensures suppliers a steady supply of work. A space of 20% of capacity is built into the plan, in case of rush orders. De Berkel is also able to control the flow of orders through its stock program, reducing the risk of overtime. Any request for overtime at its suppliers must be approved by the General Director of De Berkel's parent company before it is forwarded to the factories.

As De Berkel has fabric in stock, fabric delays will not happen. Suppliers also have fixed minimum orders guarantees with suppliers.

When orders suddenly need to be increased because of customer demands, De Berkel tries to find a solution that doesn't affect working hours, such as splitting orders.

**Recommendation:** As some audit reports indicated that order flows may be unstable, FWF recommends De Berkel to discuss the audit findings and work with the factory to improve production planning where possible.

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:** De Berkel has not been directly in touch with suppliers about production planning and potential effects on overtime and not followed up on the previous requirement. While excessive overtime is apparent in the Macedonian garment industry and the Macedonian supplier took up nearly one-quarter of De Berkel's supply chain, the member had no information about the situation of the working hours at this supplier. Communication about (potential) overtime goes directly via its mother company Teamdress.

From the three audits in 2018, one audit for a Moldovan supplier did not show excessive overtime. The two audits done at De Berkel's own production locations in Moldova could not verify the working hours, as overtime was not registered properly. However, the findings of the reports did not lead to one clear conclusion. For the own factories, the CEO of Teamdress needs to approve overtime. In the cases that there was overtime this was related to sick leave of a worker and a broken machine. The caused overtime was compensated later on. As technicians are placed in all factories, Teamdress can respond to issues as broken machines that may squeeze production time in an effective way.

**Recommendation:** De Berkel could develop instruments or policies to deal with possible delays to avoid excessive overtime. Those instruments could include being flexible with delivery dates, prioritizing orders, offer support/flexibility for material delivery, ordering in low season, keeping stock, etc. The outcomes of the root cause analysis can be used for identifying strategies that minimise the impact of its sourcing practice on working hours at other factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

**Comment:** De Berkel works with standard minutes and contracts with suppliers are based on minutes instead of pieces. Calculations for pricing per minute are based on sampling done at De Berkel's own location in Poland. At almost all of De Berkel's factories, workers receive a fixed salary during the first three months of employment. This fixed salary is based on the legal minimum wage. After three months, when the worker has achieved a higher degree of productivity, the worker receives a piece rate payment. The piece rates for workers in factories allow workers at 60% efficiency to earn at least legal minimum wages. The legal minimum wage is guaranteed for workers below 60% efficiency. Higher efficiency rates mean workers are earning up to double the minimum wage, which is supported by audit findings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-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 and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

**Comment:** De Berkel has not engaged in conversations about living wages with its suppliers. Its mother company Teamdress visits the locations and then discusses the costs of living, such as rent, electricity, staple food, etc with management and workers to come to a better understanding of what a local living wage should be. As this performance check assesses the performance of De Berkel only, this can not be included in this appraisal. However, as FWF membership of De Berkel will be included in Teamdress' new membership this will change in the next performance check.

**Requirement:** De Berkel owns three of the factories that it sources from and one other factory is owned by its parent company in Germany. Therefore the member is held more accountable for implementing adequate steps. De Berkel is expected to take an active role in discussing living wages with its suppliers and should take steps to work towards living wages. The member should assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy.

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

**Comment:** Two production locations in Moldova concern a joint venture in which De Berkel B.V. has a 75% stake. Additionally De Berkel owns a production location in the Ukraine and Teamdress owns a production location in Poland. This in total comes up to 32% of De Berkel's production volume.

**Recommendation:** Owning a supplier provides clear accountability for and direct influence over working conditions. FWF expects that De Berkel uses this influence to take advanced steps on FWF requirements, such as working towards living wages. It is expected that with Teamdress taking over FWF membership there is a more advantageous starting point to deliver on this increased accountability.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	4	0

**Comment:** Teamdress increased the wages of its own Polish production location. A skill level diversification was implemented that did not exist yet in the factory. Under this new level diversification, all workers receive more wages, with the highest increase for the most skilled workers. As this means that De Berkel had to increase the prices for the Polish supplier, this action of its mother company can be counted towards this indicator. The increased price is both absorbed by De Berkel, Teamdress and their customers.

**Recommendation:** To support companies in analysing the wage gap between paid wages and a living wage, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models. These calculation models have only been created for countries where FWF is active. The member may use these models as a reference in order to make own detailed calculations for their suppliers in countries where FWF is not active.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

Comment: As Teamdress implemented increased wages in the Polish production location, De Berkel is paying increased prices. This indicator assesses wage increases in high risk countries as FWF believes that in low risk countries mechanisms are in place to negotiate for better wages. Therefore, the increased wages in the Polish factory will instead be assessed under indicator 2.9.

## PURCHASING PRACTICES

Possible Points: 47

Earned Points: 21

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	42%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	18%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	N/A	Monitoring threshold below 80%.
Requirement(s) for next performance check	FWF requires De Berkel to ensure it audits all production locations that are responsible for over 2% of production and production locations where De Berkel is responsible for over 10% of the location's production capacity.	
Total of own production under monitoring	60%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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: Because of long term sick leave of the General Director, De Berkel's Product Manager became responsible for following up on problems identified by the monitoring system, without having time allocated for this.



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.	No	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.	-1	2	-1

**Comment:** Only after two months after receiving two of the three audit reports, De Berkel shared these with the responsible person within Teamdress who is in direct contact with the suppliers. Additionally, correspondence shows that CAP updates are only requested a year after the audit.

**Requirement:** De Berkel is required to share and discuss the audit report and CAP findings with the factory within 2 months. A reasonable time frame should be specified for resolving findings. In case worker representation is applicable the CAP should be shared with worker representative as well as involved in setting the timeframe for realising improvements.

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.	Insufficient	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.	-2	8	-2

**Comment:** Three audits have been conducted in 2018; one at an external Moldovan supplier, two at De Berkel's own Moldovan suppliers. In 2018, De Berkel did not follow up on the audit findings.

A few weeks before this performance check the member requested an update from the suppliers and was informed about the remediation of some findings. This response has not been verified with requesting pictures or other documents that can prove that remediation was implemented. Neither did De Berkel take up an active role in the remediation.

**Requirement:** Resolving and remediating non-compliances is one of the most important criteria FWF Member companies can do towards improving working conditions. FWF expects De Berkel to examine and support remediation of any problem that they encounter. A designated staff person and coordinated efforts between different departments are required to ensure sustained responses to CAPs.

**Recommendation:** FWF recommends De Berkel to only close CAP issues when verification can be provided by showing proof (pictures, documentation) or by on-site visits of De Berkel and Teamdress or an independent third party.

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.	77%	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: Except for one supplier in Macedonia, all production locations have been visited by representatives from Teamdress. The suppliers have been informed during these visits that Teamdress will join FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No	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.	0	3	0

Comment: De Berkel has not collected existing audit reports during 2018. A week before this performance check De Berkel requested an existing audit report for the Macedonian supplier. However, this cannot be counted towards this indicator, as the performance check looks back upon the past year.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average 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	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
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	Insufficient			-2	6	-2

**Comment:** De Berkel has not investigated which risks they may be confronted with in Ukraine, Moldova, and Macedonia.

When its mother company Teamdress visits Ukraine and Moldova, embassies and local governments are visited to discuss local developments. Teamdress debriefs to De Berkel, but in 2018 country-specific risks have not been part of these debriefs and the focus is on identifying potential new production locations. Teamdress also attends meetings of the German Textile Association where information can be exchanged about possible risks in sourcing countries.

**Requirement:** De Berkel's monitoring system should identify and address high risk issues that are specific to its sourcing practices. FWF can direct De Berkel to sources of country-specific information.

**Recommendation:** De Berkel can inform itself on risks in Ukraine, Moldova, and Macedonia by reading country studies from FWF, looking at the Human Rights Index, reading reports from NGOs. Valuable sources are for instance business-humanrights.org. De Berkel could systematically evaluate the information gathered from the embassies and German Textile Association and incorporate what it learned into its due diligence process. If the member is exploring starting a business relationship in a new sourcing country, the member can contact the FWF brand liaison to discuss potential risks.

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

**Comment:** In 2018, De Berkel did not share any suppliers with other FWF members.

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% AND member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	3	3	0

Comment: There are two suppliers in low risk countries and both have signed and returned the CoLP and the questionnaire, posted the Worker Information Sheet and the locations are visited regularly. As Teamdress implemented increased wages in its own Polish production location, De Berkel is paying higher prices that can cover these increased wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to 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	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

Comment: De Berkel could show all signed questionnaires except for one external brand that was bankrupted and one brand that sent their own CoC. This CoC included information about the brand's monitoring practices. In this way, the previous requirement has been implemented.

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).	2%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	1	3	0

Comment: One of the external brands resold by De Berkel is a FWF member.

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

## MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 7

## Additional comments on Monitoring and Remediation:

De Berkel and Teamdress are actively engaged in social initiatives. They arranged to coach workers of their own production locations to help them become more efficient and higher skilled, which means that their wages will also be higher. Teamdress is building a kindergarten for its production location in Poland. De Berkel donates to the Mother Teresa Foundation which helps impoverished people in East Europe and sends unsalable clothing to Romania.



### 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: De Berkel checks whether the Worker Information Sheet is posted during factory visits.

Recommendation: It is suggested to ask production locations to submit a photo of the posted Worker Information Sheet with the questionnaire and to ask staff of De Berkel or Teamdress visiting a supplier to check if the documents are still posted as indicated on the obtained photo.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	0%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** Most of De Berkel's production takes place in countries without access to the FWF worker helpline. Only the Macedonian supplier is located in a country where FWF is active. None of the production locations have been enrolled in training to raise awareness about the FWF CoLP.

**Requirement:** FWF requires members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline. The member should ensure good quality systematic training of workers and management on these topics. To this end, members can either use FWF's Workplace Education Programme (WEP) basic module or - where FWF is not active - implement training related to the FWF CoLP and complaint hotline through service providers or brand staff.

FWF's guidance on training quality standards is available on the Member Hub.

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: 9

Earned Points: 3

## 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	0

**Comment:** FWF membership has been explained during staff meetings and is on the agenda of the weekly management team meetings. The updates of these meetings are shared to all employees and on occasion, the FWF newsletter has also been forwarded to all employees.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** Information about FWF membership and its requirements are shared between De Berkel and Teamdress. Although the latter is involved in the selection of De Berkel's suppliers, they are yet to include FWF requirements as selection criteria.

Technicians from its own production locations often visit other suppliers of De Berkel and Teamdress and train workers on improving sewing skills, prevent bottlenecks in the production flow and check pay slips if needed. These technicians have not been informed yet about FWF requirements, but Teamdress intends to inform them so they can also be involved in CAP follow-up, conduct H&S check, etc.

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.	Member does not use agents/contractors	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.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** No suppliers have been enrolled in training that supports transformative processes.

**Recommendation:** FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. In countries where FWF is not active, members can implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

## TRAINING AND CAPACITY BUILDING

Possible Points: 9

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:** Polish technicians visit the locations in Ukraine and Moldova and can then check if all orders are made in the production location.

When quality issues were discussed with the Macedonian supplier, it was disclosed that the orders were actually being produced at another production location. This location was not yet entered in the database and this has been remediated during the performance check. Therefore the previous requirement about including all suppliers in the suppliers list still remains.

The member needs to improve on its efforts to gain transparency about all production locations, especially important for suppliers that are not owned by De Berkel or Teamdress. De Berkel and Teamdress already started working on this by creating a document that requires basic information from suppliers such as production capacity and production processes. This can be used as a check whether De Berkel's orders are actually able to be produced at the location of the supplier.

**Requirement:** After the end of each financial year, member companies 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: Information is increasingly exchanged between Teamdress and De Berkel and in this sense, the previous requirement about information sharing has been followed up upon.

## 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: The performance check of 2018 is published on the website.

Recommendation: FWF recommends De Berkel to publish one or more of the following reports on its website: the most recent brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate 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 AND 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: De Berkel has submitted the social report and published this on its website.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 7. EVALUATION

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

Comment: De Berkel and Teamdress evaluated membership and this discussion resulted in the decision that the mother company becomes FWF member. As most sourcing and monitoring processes are being carried out by Teamdress, it is expected that this will help implementation of the FWF requirements.

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.	17%	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: Twelve requirements have been included in the previous performance check. Two requirements were resolved, and one requirement was resolved partly. One resolved requirement pertains to collecting information from external brands, and De Berkel could show signed questionnaires. Another resolved requirement is the information exchange between all relevant staff; as in 2018 De Berkel and Teamdress did exchange more information.

Two resolved requirements out of twelve come down to 17%.

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## EVALUATION

Possible Points: 6

Earned Points: 4

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## RECOMMENDATIONS TO FWF

De Berkel suggests to have the performance check conducted twice a year, or at least have a mid-year period for review and update on the implementation of the FWF requirements.

The member would like to see more indicators on social initiatives (such as kindergarten, school internships and efficiency coaching for workers).

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	21	47
Monitoring and Remediation	7	33
Complaints Handling	3	9
Training and Capacity Building	3	9
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	47	117

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

40

### PERFORMANCE BENCHMARKING CATEGORY

Suspended

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

24-04-2019

Conducted by:

Niki Janssen

Interviews with:

Ronald Klunder, Technical Product Manager De Berkel

Annegret Dyck, Quality management Teamdress

Roland Seidel, Director of Teamdress Holding

Mr. Stein, CEO Teamdress