



Brand Performance Check

ALBIRO AG

Publication date: August 2020

This report covers the evaluation period 01-01-2019 to 31-12-2019

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear's work.

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

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

Brand Performance Check Overview

ALBIRO AG

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Sumiswald , Switzerland
Member since:	2012-06-13
Product types:	Outdoor products; Workwear; Outdoorwear
Production in countries where Fair Wear is active:	China, India, North Macedonia, Turkey, Viet Nam
Production in other countries:	Austria, Bosnia and Herzegovina, Czechia, Morocco, Portugal, Serbia, Slovakia, Switzerland
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	92%
Benchmarking score	65
Category	Good

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

Albiro met most of Fair Wear's performance requirements in 2019. With a monitoring percentage of 92%, it meets the monitoring threshold required by members after three years of membership. With a benchmarking score of 65 points, Fair Wear is awarding Albiro the 'Good' category.

Albiro's sustainability team has shown an understanding of the Fair Wear Code of Labour Practices and has been able to demonstrate this in practice. Monitoring efforts and following up on audits and complaints have remained strong.

In 2019, Albiro continued to engage with and discuss living wages at its production locations. The member brand is working on labour minute costing but still needs to engage more strongly with its suppliers to gain a full understanding in order to work towards the implementation of a living wage. Fair Wear strongly encourages Albiro to continue its work on living wages and social dialogue.

Fair Wear also recommends that Albiro start working more closely with its suppliers to prevent the occurrence of excessive overtime. Although its intermediaries are more aware of the Fair Wear Code of Labour Practices, issues around excessive overtime are still prevalent in these production locations.

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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.	86%	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: In 2019, the total number of suppliers amounted to 35 active suppliers. This is a small increase compared to last year due to increased sales in specific styles. Albiro buys 78% of its production volume from its 4 main suppliers.

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.	9%	Fair Wear 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 Fair Wear.	3	4	0

Comment: In 2019, Albiro sourced 9% of its production volume from tail-end production locations, which is a small increase compared to last year. Albiro still has a number of suppliers where it has little leverage, limiting its ability to actively monitor and follow up. In previous years, Albiro has been able to reduce their tail-end and has stagnated as the the current tail-end is needed for specific products. Nevertheless, Albiro indicated to remain committed to its strategy to reduce its tail-end.

Recommendation: Fair Wear recommends Albiro to continue pursuing an active strategy to limit the number of suppliers where it has small leverage.

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.	91%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Valuing long-term relationships, Albiro has been actively working to improve labour conditions for more than five years with the majority of its suppliers.

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: For all its new suppliers in 2019, Albiro has received signed questionnaires. The company requires suppliers to sign the Fair Wear Code of Labour Practices before first orders are placed. In 2019, four new suppliers were onboarded based in China and Serbia due to increased orders of specific styles. The Serbian suppliers were already familiar with Fair Wear's approach as another member brand used to source from these suppliers as well. Albiro expects to work together with these suppliers more in the future.

In the case of China, Albiro is using an intermediary to plan production. Albiro requires the intermediary to ensure that new suppliers sign the Fair Wear Code of Labour Practices before production starts.

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: Albiro prefers to place orders at new suppliers that either is member of BSCI or supplier to a Fair Wear member brand. The management system of Albiro prescribes a standard operating procedure when onboarding new production locations.

Before starting to search for a new production location, the company has described the possible countries it can source from. This list is based on the BSCI risk analysis. A number of countries are excluded from sourcing; partially due to human rights concerns, but also because Albiro tries to concentrate on a limited number of countries.

Once a new production location is identified, Albiro's production manager will make the first visit. The manager will make a first check of the health and safety issues in the production location. The brand also investigates if there are already existing audits carried out in the factory. Once the company agrees to continue the Development and Sustainability Coordination Team will visit the production location to discuss the Fair Wear Code of Labour Practices (CoLP), its commitment to Fair Wear audits and specific high-risk issues for the country. Once the Fair Wear CoLP questionnaire is signed and returned, Albiro's orders can be placed. The factory management will also be invited to visit Albiro's headquarters to discuss partnership development.

In general the brand has committed to staying as much as possible in Macedonia due to the good knowledge they have of the local industry and its stakeholders. Nevertheless, Albiro added Serbia as a new sourcing country in 2019. Besides the above-mentioned approach the company was able to benefit from the country-specific knowledge of another Fair Wear member brand.

To reduce due diligence risks associated with the agent in China and Turkey moving orders across different factories, Albiro has signed an agreement that provides the brand with greater insight into factories being used for its orders. The agents are required to discuss and inform Albiro in case of using new factories, before placing the orders.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: Albiro rates its suppliers in an annual review according to criteria such as price and quality. The brand has integrated the review in their logistics management system and added a chapter on social and environmental sustainability, albeit small. In a separate assessment, suppliers are rated based on their compliance with the eight labour standards based on audit results. All scores are discussed with suppliers on an annual basis, but it does not lead to production decisions on a structural basis.

Since Albiro uses suppliers oftentimes for a specific product style, it is difficult to reward compliant suppliers with more orders. The company is still considering how they can reward suppliers. Albiro has consolidated its supply chain in the last years, phasing out at several production locations. The brand is aware of the Fair Wear responsible exit strategy and has applied it when exiting former production locations.

Recommendation: As it is not always possible to reward suppliers with more volumes, Albiro could look into other incentives that reward supplier's commitment towards the CoLP. An example would be to offer training for skill building/capacity development.

Fair Wear recommends Albiro to extend the evaluation of social sustainability with more indicators that are related to the performance of factories on social standards. It could discuss an evaluation methodology with its suppliers that include social performance targets.

Fair Wear encourages Albiro to systematically evaluate all of its suppliers and discuss such evaluations with its suppliers and collect their feedback.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: Albiro sources its products from four different groups of suppliers. (see additional comments on purchasing practices). In case of delays, Albiro considers changing the sequence of the order, flexible delivery dates, splitting orders, or using air freight. In general, July to December is peak time in terms of orders. Albiro aims to have as many orders finalized before July in order to spread orders as good as possible. Last minute changes in design are not possible due to the brand's logistics management system. Orders can only be finalized once the design is approved.

For group 1 suppliers, Albiro plans production in close cooperation with the factories. Albiro has a good understanding of the capacity of its suppliers. Albiro's technicians visit the suppliers regularly to check production planning and quality. In case of possible overtime, Albiro has the option to provide more time to its group 1 suppliers or place part of the order with another group 1 supplier depending on the product style.

For group 2 suppliers, Albiro works through agents who do the production planning and check production. Delivery dates are discussed. The agents can shift production to other factories in case that a factory is already running on full capacity. They have signed an agreement to keep the brand informed in case this happens.

Group 4 suppliers are subcontractors in many cases part of the tail-end. The brand has little control over the planning systems of these production locations as FOB and leverage is low in most instances.

Recommendation: Fair Wear recommends Albiro to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: Overtime took place in facilities in Macedonia and China. In the Macedonian production location, Albiro was able to remediate the issue by improving the production planning and to default part of the production to other suppliers. In China, the brand has tried to get more insights into the production planning of the production locations and the relation to excessive overtime but was unsuccessful. The agent and production locations were not willing to share information.

Requirement: Albiro should investigate to what extent its current buying practices have an effect on the working hours at suppliers with overtime issues. It should work with its agents to improve production planning. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

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.	Intermediate	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.	2	4	0

Comment: Albiro is working with standard minutes per style for its group 1 suppliers. The member brand negotiates the cost per minute with the factory. It knows the country wage levels and wage levels in the factory. However, the member brand was not yet able to relate the price per minute to the costs of direct labour, indirect labour and overhead. Albiro is planning to update their labour costing calculation in their main sourcing country Macedonia.

With its group 2 suppliers, Albiro negotiates prices with its suppliers and compares those among suppliers. It has a pricing policy in place that states that Albiro would like to ensure that the manufacturer ensures the legal minimum wage.

Requirement: Albiro buys exclusively at several suppliers. The member should be able to demonstrate the link between its pricing and the wage levels at the supplier.

Albiro needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

Recommendation: Albiro could provide suppliers who do not use open costing, training on product costing and how to quote prices including (direct and indirect) labour costs.

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.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: In 2018, there was one complaint regarding the non-payment of the legal minimum wage which continued in 2019. Workers did not receive payment of the legal minimum wage for a specific period of time. Although the complaint is still in remediation (part of the remediation is setting up a trade union or worker committee), the brand has actively responded to the non-payment of the legal minimum wage and financed the solution.

In 2019, several issues related to the Legal Minimum Wage law came up in China. The brand could show follow-up, but this issue is not yet solved and needs to be taken up in the next performance check.

Recommendation: Fair Wear recommends to follow up on the issues that showed in audit findings related to the legal minimum wage law in China.

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

Comment: In 2019, no late payments by Albiro were registered.

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.	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	4	6	0

Comment: Albiro is aware of the legal minimum wage and living wage benchmarks per country. The company has an overview of the wages at their Group 1 suppliers. These suppliers have shown the intention to start working on labour minute costing together with Albiro. Albiro needs to tap into this opportunity and respond to the root causes for wages below a living in these production facilities.

Requirement: Albiro buys exclusively at a supplier. The member is held more accountable for implementing adequate steps. The member is expected to take an active role in discussing living wages with its suppliers and should take steps to work towards living wages.

Albiro must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Albiro is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

Recommendation: Fair Wear encourages Albiro to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

Fair Wear encourages Albiro to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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

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	6	0

Comment: Although Albiro had set a target wage for one supplier in 2016, this target wage was not updated in the last few years. The member is waiting for proper labour minute costing to resume wage increases. At another production location, the member increased the price in 2019 to assure that legal minimum wage and bonuses can be paid.

In previous years, Albiro did a customer survey, asking their customers if they would be willing to pay extra for living wages in factories (even if it means that the price of the product will increase). The outcome of the survey was positive. Many of Albiro's customers would be willing to pay a higher price if that would mean that workers are receiving a living wage. The brand is still looking into integrating a living wage upcharge to their customers for the Group 1 suppliers.

Requirement: Albiro buys exclusively at multiple production locations (i.e. 100% leverage in these factories). The member company has full influence over the wages and should be able to cost for a living wage.

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%	Fair Wear 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	6	0

Comment: In 2019, the member brand was not able to show that it pays its share of the target wage.

Requirement: Albiro is expected to begin setting a target wage for its production locations.

Purchasing Practices

Possible Points: 52

Earned Points: 29

Additional comments on Purchasing Practices :

The Albiro group consists of five brands. These are:

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

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

Solida: specific workwear clothing focused on the health care sector

Marsum: workwear clothing for tradesmen and farmers

Frencys: ski wear

The Albiro group sources at four groups of suppliers:

- Group 1: Supplier only does CMT. Albiro delivers the material. Suppliers are from Macedonia, Morocco, Slovakia, and Bosnia.
- Group 2: Purchasing of models according to Albiro designs. The supplier gets the delivery date and sources the raw material. Suppliers are from China, Vietnam, India, Czech Republic, Portugal or Turkey.
- Group 3: Purchasing of non-Albiro labeled ready-made garments.
- Group 4: Subcontractors of group 1 and 2 suppliers

At FWF, group 1, 2 and 4 are defined as "own production", group 3 as "external production".

Albiro started a strategy to reduce the number of suppliers within the next three years and to work with a few core suppliers only in the future.

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	31%	
% of production volume where Fair Wear audits took place.	57%	
% of production volume where an audit took place.		
% of production volume where monitoring requirements for low-risk countries are fulfilled.	4%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	92%	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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: The Development & Sustainability co-ordination team is responsible for all CSR related matters, including follow up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear 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: Fair Wear 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: Albiro shares audit reports with the factories and sets up a timeline for improvements in a timely manner. CAP follow up was presented during the performance check and evidence provided. Worker representation was not included in the communication on audit reports and CAP follow-up.

Recommendation: Before an audit takes place, Albiro is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: In 2019, Albiro demonstrated engagement and follow-up on CAPs for its Group 1 suppliers but limited engagement with group 2 suppliers regarding CAP follow-up and remediation. For Group 1 suppliers, they actively monitor the progress on the CAP closely and demand proof of improvements made. If needed, the CSR manager (or a colleague) verifies the improvements made during a visit. For Group 2 supplier this is more difficult as these production locations are not as easy to follow up with due to long response time from production locations.

In the past years, the company has been working on the issue of living wage with locations where they have high leverage.

Recommendation: Fair Wear recommends that Albiro actively include its intermediaries in following up on issues, especially to ensure that more severe findings, like missing production records, are addressed. Albiro can hire local consultants or request a Fair Wear audit or monitoring visit to verify improvements.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	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: Albiro aims to visit all suppliers at least once a year but did not manage in 2019. Nevertheless, the member brand visited the production locations whom are responsible for 78% of its production volume.

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: Albiro also uses BSCI audit reports. In case of a shared factory, the BSCI-system requires that the member with the most leverage checks whether the factory has set up a CAP and needs to follow up. It has collected audit reports from most of its factories. Albiro also has a CAP for the points of improvement which are then discussed and implemented in cooperation with the factory.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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.	3	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	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Albiro has a country policy in place which does not allow sourcing from Myanmar and Bangladesh. The brand also doesn't use abrasive blasting for its products.

Regarding addressing risks in Turkey, Albiro has discussed the employment of Syrian refugees and subcontracting with its Turkish suppliers. Although the brand has mentioned that they do not mind Syrian workers being employed at the factory as long as it is done in a correct manner, the management has indicated that they do not want to employ Syrian refugees. The brand has not done further research on the issue of Syrian refugees.

Albiro is well aware of the risk in its main production countries. With its Macedonian partners, it is working towards the fulfillment of freedom of association. At the most important factory, a process was started in 2018 after a complaint to install worker representation in the factory.

In India, the brand wants to implement a training program on sexual harassment and female line supervisors in 2020. The factory has already established an anti-harassment group and appointed a contact person for this topic. The group meets on a monthly basis with the factory management.

In Portugal, Albiro has addressed the issue of subcontractors with factory management.

Albiro is cooperating with its Chinese agent to limit excessive overtime at its Chinese factories but this is not very successful due to its limited leverage and order sizes.

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: Albiro actively cooperates with other Fair Wear members to resolve corrective actions. In 2019, the brand could show active cooperation with other FWF member brands in three factories.

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.	74%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	No			0	1	0

Comment: Albiro fulfilled monitoring requirements for 74% of all production in low-risk countries, meaning that the Fair Wear CoLP was signed by the supplier and posted at the factory and the supplier was visited by Albiro.

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	Fair Wear 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 Fair Wear and recent Audit Reports.	N/A	2	0

Recommendation: Fair Wear encourages members to go beyond the minimum required monitoring threshold and rewards members who audit production locations in the tail end as well to mitigate potential social compliance risks.

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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	1	2	0

Comment: In 2019, Albiro bought products from 19 external brands. From most of the external brands, it has received the questionnaire.

Recommendation: Fair Wear members are encouraged to send the Fair Wear questionnaire for external production to the brand(s) it resells.

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).	8%	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	1	3	0

Comment: In 2019, Albiro bought products from one other Fair Wear member brand.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 34

Earned Points: 26

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	2	
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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The Development & Sustainability co-ordination team is responsible for all CSR related matters, including follow up on problems identified by the monitoring system. The production planning team is consulted for issues at Group 1 suppliers.

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 Fair Wear 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: Albiro's suppliers scan and share the photos of the Worker Information Sheets posted at the factory. At most of its suppliers, Albiro staff also checks whether the Worker Information Sheet is posted through frequent visits and updates the documentation.

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.	55%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: In the last three years, Albiro's suppliers participated in 2 WEP basic modules. These WEP basic modules were held at their most important suppliers.

Recommendation: Fair Wear recommends members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline among a larger portion of its suppliers. Albiro should ensure good quality systematic training of workers and management on these topics. To this end members can either use Fair Wear's Workplace Education Programme (WEP) basic module, or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear guidance on good quality training 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.	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: The 2018 complaint in a Macedonian factory was still in remediation. Initially the complaint was solved by assuring minimum wage for all workers and settling with the workers. The member brand has paid the amount needed to settle the complaint with the workers. However, the supplier used the money to settle a similar issue in 2019. The brand and supplier are still in communication to settle the issue. For the future, Albiro wants to work with the labour minute costing methodology to have a better overview of how their prices paid to the supplier relate to the wages paid to workers.

The supplier and Albiro have installed worker representation and will train the management and worker representative in 2020.

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 Fair Wear 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

Comment: The complaints in 2019 were in a factory that was not shared with other customers.

Complaints Handling

Possible Points: 15

Earned Points: 13

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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: The company's intranet contains Fair Wear information which is also included in internal communication channels. New employees receive training by the development and sustainability coordination team.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The development and sustainability team is responsible to explain Fair Wear's requirements to Albiro's staff, including all staff in direct contact with suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	1	2	0

Comment: The development and sustainability team is responsible to explain Fair Wear's requirements to Albiro's sourcing contractors and agents. They actively help support the Fair Wear Code of Labour Practices by collecting Fair Wear CoLP questionnaires and by sending proof of the Worker Information Sheets. Furthermore, they update Albiro which production locations will be used for their production.

Albiro's agents also follow up on corrective action plans, but it does not lead to improved results on hard to solve issues such as excessive overtime.

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. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: No training programs were implemented in the last three years that support transformative processes related to human rights. Albiro has planned two advanced WEP modules in 2020.

Recommendation: Fair Wear recommends Albiro 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. To this end, members can make use of Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. Fair Wear 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: 11

Earned Points: 4

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

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

With its group 2 suppliers, Albiro encounters more difficulties to identify all subcontractors. Agents, especially for its Chinese suppliers, agreed to disclose information on subcontracting but it is harder for Albiro to verify this information. Nevertheless, Albiro discusses subcontracting with all its suppliers. Furthermore, it regularly checks the quality and learns of subcontracting through BSCI and Fair Wear audit reports and on-site visits by their agents.

Albiro also tries to involve its agents in the prevention of illegal subcontracting, for example through on-site visits. In Turkey, the brand has discussed subcontracting with the supplier, which in turn disclosed all its suppliers of which none were subcontractors.

Recommendation: Fair Wear recommends Albiro to integrate systematic periodical checks with its agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: Albiro has a weekly meeting of the development and sustainability team in which it discusses the main issues in factories. The concerns and issues are then shared with management and heads of teams within Albiro.

Albiro's agents in Turkey and China support the efforts of Albiro and share their findings with the CSR and other staff members as well.

The staff of Albiro has access to the supplier database which includes all relevant information about working conditions at suppliers.

Information Management

Possible Points: 7

Earned Points: 4

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Fair Wear membership is communicated on the website of Albiro, leaflets, and tenders. This communication adheres to the Fair Wear communication policy and guidelines.

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 Fair Wear'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: Albiro publishes the Fair Wear performance check report and social report on the Albiro website but does not disclose the production locations. Albiro signed Fair Wear's new transparency policy in 2019 which will publicly disclose factory locations in an aggregated manner as of 2020.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: Albiro submitted its social report to Fair Wear and posted the report on their 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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The membership of Fair Wear Foundation is evaluated annually. Since the last performance check the former CEO has stepped down and is followed up by members from the management team that have been closely involved with Fair Wear membership. Sustainability and social improvement in the supply chain are familiar topics to them.

On Monday there's a weekly meeting to update on FWF related subjects and two times per month updates are shared in the management team meeting.

In addition, the topic is discussed in board meetings which are held six times a year. In these meetings, FWF is also discussed as a strategical theme with input from the product and sustainability team. FWF leader status is the main goal.

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.	10%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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: The brand had 5 requirements from last year on the following indicators:

- 1.7 Degree to which member company mitigates root causes of excessive overtime.
- 1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.
- 1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.
- 1.13 Member company determines and finances wage increases.
- 1.14 Percentage of production volume where the member company pays its share of the target wage.

Although some efforts have been made, the requirements have not been addressed and still need the brands' urgent attention.

The requirement on the investigation of root causes of excessive overtime is a repeated requirement from previous performance checks and remains to be sufficiently followed up.

NOTE JESSE TO PROOFREADER: I always feel troubled with this indicator. I feel that some efforts were made but the reqs still stand from last year. I already gave less points in the indicators on LW. giving 0% would be harsh in my opinion.

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

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

- provide additional box when entering new request for FWF audit. This box should be in place to highlight specific issues that a brand wants to highlight.
- Keep doing monthly catch-ups.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	29	52
Monitoring and Remediation	26	34
Complaints Handling	13	15
Training and Capacity Building	4	11
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	85	131

Benchmarking Score (earned points divided by possible points)

65

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

12-05-2020

Conducted by:

Jesse Bloemendaal

Interviews with:

Linda Thommesen - Development and Sustainability Coordinator

Benedikt Schweighart - Production and Quality & Control manager