



## BRAND PERFORMANCE CHECK

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Swiss Post

PUBLICATION DATE: AUGUST 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

## 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

Swiss Post

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Bern , Switzerland
Member since:	2012-06-13
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, China
Production in other countries:	Czech Republic, Germany, Hungary, Italy, Jordan, Poland, Portugal, 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	100%
Benchmarking score	82
Category	Leader

## Summary:

Swiss Post has shown advanced results on performance indicators and has made exceptional progress. With an impressive monitoring percentage of 100%, Swiss Post goes beyond the required threshold for members after three years of membership. With a score of 82 points, Swiss Post has been awarded the 'leader' category.

The supply base of Swiss Post is mainly located in low-risk countries. Six suppliers are located in China, Bulgaria and Jordan, which are considered high-risk countries. Swiss Post has strong processes in place to conduct human rights due diligence and to implement the FWF Code of Labour Practices at its suppliers. Swiss Post goes beyond auditing by training workers and management at factories on labour standards to ensure that workers are aware of their rights and can obtain those rights. In 2016, a Bulgarian factory that supplies Swiss Post participated in the first WEP basic training in Bulgaria. The member company has continued to work together with the ILO to implement labour standards at its supplier in Jordan.

In 2016, Swiss Post analysed the root causes of excessive overtime at its Chinese suppliers. Poor production planning by other customers, aggravated by peak season order placement, result in excessive overtime. Furthermore, migrant workers prefer to work overtime hours to compensate for low wages. Swiss Post has agreements in place that do not allow for the use of excessive overtime at these suppliers.

Swiss Post could still improve by focusing on issues like social dialogue, living wages and excessive overtime. It could provide more specific support to factories to improve on these issues. Furthermore, FWF recommends Swiss Post to seek out more active cooperation with other customers to resolve issues, in particular with FWF members at one Chinese supplier.

Swiss Post has learned a lot from the work it has done on the responsible sourcing of clothing and rightfully considers this a best practice. The brand is currently extending these lessons learned across the entire procurement department of Swiss Post.

## 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.	76%	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 2016, Swiss Post further consolidated its supplier base. The brand moved more of its production to low-risk countries. Swiss Post's choice of production countries is based on risk assessment (preferably a low-risk country), proximity for travel (to enable regular visits) and availability of product.

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.	5%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

**Comment:** In 2016, 5% of Swiss Post's production volume came from production locations where the brand buys less than 2% of their total FOB. Swiss Post has several articles of low volumes which can only be bought at specific suppliers.

**Recommendation:** FWF recommends Swiss Post to look for ways to further limit the number of suppliers at which it buys less than 2% of its total FOB, for example by increasing the FOB that Swiss Post spends at the supplier.

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.	72%	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:** Swiss Post has a stable supplier base. The brand maintained long term relationships with its suppliers and actively works on labour issues that need improvements.

**Recommendation:** FWF recommends Swiss Post to further maintaining stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions

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 new production locations added in past financial year	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.	N/A	2	0

**Comment:** In 2016, Swiss Post continued cooperation with the same suppliers and did not start relationships with a new supplier.

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.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

**Comment:** Swiss Post conducts thorough human rights due diligence when selecting new suppliers. All potential suppliers are either audited or visited and explicitly checked on compliance with regard to social standards at the beginning of cooperation before even sample orders are placed. For this, Swiss Post uses the FWF Health and Safety checklist, the FWF country reports and other stakeholders and assesses the wage level at the factory. Swiss Post also conducts worker interviews during their visit.

In the case that any obvious non-compliances are found and factory management is not willing to sign the CoLP and work towards remediation, production does not start at this new production site for Swiss Post. Swiss Post has taken the decision that several countries with too high risks are excluded from sourcing possibilities. The decision was made depending on extensive country specific risk assessment. However, for products with specific requirements, exceptions are made.

In 2016, Swiss Post worked towards further improving its due diligence procedure by developing a questionnaire in which it has integrated the 8 ILO labour standards. The questionnaire contains detailed questions about wage levels, overtime hours, corruption, etc. The questionnaire will be finalized and used in 2017.

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, and leads to production decisions	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.	2	2	0

**Comment:** Swiss Post's top management evaluates supplier compliance with Code of Labour Practices twice a year, based on an analyzed list prepared by the CSR staff. Suppliers were thus ranked according to audit results, wages at the production site, risk analysis with regard to non-compliance on social standards, and costs to be incurred in case the risk is considered to be high and if production needs to be reallocated to another production site.



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:** Swiss Post plans its production cycles on a long-term basis. Swiss Post anticipates a purchasing period of eight months from Asia. For Europe the period is one and half months depending on the availability of the material. In April, the brand communicates the planned order quantities for the coming year, so that the suppliers have sufficient time to plan the production and purchasing of material and to meet the delivery dates. In Asia, there is one delivery at the end of the year. In Europe, there are three to five deliveries per year. Swiss Post has a large stock, what gives the brand flexibility to accept late deliveries.

In most cases, Swiss Post also chooses the materials. Suppliers are requested to order the materials and Swiss Post ensures to cover the cost for the materials. At a later stage, the supplier is informed on how many pieces to produce in what size. Swiss Post seldom has style changes. Usually production for one article goes on for several seasons of production.

For one of its Chinese suppliers, Swiss Post is aware of the production capacity per line per month, whereas with other Chinese suppliers a general idea of the factory production capacity is known. This allows them to plan production accordingly together with the factory management.

At one Bulgarian supplier, Swiss Post shifted a part of its production to the low season to prevent that workers could not work their regular hours and be send home.

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:** In 2016, a FWF audit was conducted at one of its Chinese suppliers which found excessive overtime. Previous audits at two other Chinese suppliers also showed excessive overtime. Swiss Post has very little leverage over these suppliers (less than 5%).

Swiss Post analyzed the relationship between production capacity of the factory, peak seasons and the placement of orders by Swiss Post. Therefore, Swiss Post learned to what extent its current buying practices have an effect on the working hours at supplier level. According to the brand, root causes of excessive overtime are that the factory is squeezing in extra orders on the production line reserved for Swiss Post and workers asking for overtime to increase their wages.

The brand signed an agreement with the factories that no excessive overtime would be used for Swiss Post's production. Swiss Post has specific lines reserved for its production at these factories and is aware of the working minutes per style and the capacity of these lines.

**Recommendation:** Based on an analysis of the common periods where overtime occurs in the factories, FWF recommends that Swiss Post shifts some of the times orders are placed therefore relieving some of the production demand at peak times. Furthermore, FWF recommends to seek cooperation with other customers to reduce overtime hours.

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

**Comment:** Swiss Post knows the wage levels at its suppliers. It has conducted thorough wage calculations at its production sites by using DNA costing sheets that besides the working minute per piece and the price per minute also gives insight into direct labour costs, indirect labour costs and overhead. The brand compared this information to the legal minimum wage levels in the countries. However, in some cases the supplier would not disclose the amount of working minutes it needs or Swiss Post has to rely on the intermediary to receive information.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2

**Comment:** No payments below legal minimum wages were found during (FWF) audits in 2016.

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:** No evidence of late payment by Swiss Post was found.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

**Comment:** Swiss Post conducted a detailed analysis of wages and uses wage indicators to assess living wages per country. They have conducted a thorough wage calculations at production sites by using DNA costing sheets that besides the working minute per piece and the price per minute also gives insight into the wages paid by the supplier. It has compared this to the living wage ladders and wage levels of wageindicator.org. However, in some cases the supplier would not disclose the amount of working minutes it needs or Swiss Post has to rely on the intermediary to receive information. Swiss Post discussed living wages with suppliers.

**Recommendation:** FWF encourages Swiss Post to discuss with suppliers about possibilities to work towards higher benchmarks. It is advised to start with suppliers where Swiss Post has high leverage and long term business relationship. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process roll-out on request. FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends Member companies to commit to a long term process that leads to sustainable implementation of living wages.

In case FWF members are interested to develop a joint approach to improve wages at a shared supplier, FWF is in the position to give advice on measures that need to be taken by the Member companies to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

## PURCHASING PRACTICES

Possible Points: 42

Earned Points: 33

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	29%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	63%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	100%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

**Comment:** Swiss Post has two people responsible for social compliance and the monitoring system. A third person is responsible for the purchasing of shoes from external brands.

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



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

**Comment:** Swiss Post shared audit reports with factory management and discussed the CAPs and progress timelines. In 2016, one FWF audit was conducted at a Chinese supplier. The supplier did have worker representation, but those were appointed by the local government. The brand did not share the report with the worker representation.

**Recommendation:** In case worker representation is applicable, FWF recommends Swiss Post to share the CAP with worker representatives and to involve them 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.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

**Comment:** Most of Swiss Post's production locations are in low-risk countries. Swiss Post conducts on-site assessments on the 8 labour standards and requests documentation on wages and working hours. Most issues in low-risk countries are health and safety-related. Swiss Post actively follows up on these issues.

In high risk countries, three suppliers are from China, two from Bulgaria and one from Jordan. Swiss Post set up CAPs with those suppliers. Although Swiss Post did not visit many of their suppliers in 2016, the brand continued to regularly checks updates for CAPs and are in daily communication with factories via email and calls. The factories showed significant improvements, although recurrent issues like excessive overtime and inactive social dialogue remain. Improvements made are verified through FWF audits, requesting documentation or on-site visits.

Its Chinese suppliers have made significant progress in providing social security to its workers. Those factories also instated a worker committee or trade union. Social dialogue at these factories could still be improved. In Bulgaria, Swiss Post joined FWF in piloting the WEP basic training at one of its factories to inform management and workers about labour rights. At its Jordanian supplier, ILO Better Work monitors and trains the supplier. A Performance Improvement Consultative Committee (PICC), consisting of workers and management, ensures that the factory complies with local labour laws and that the level of cooperation at the factory is improved. ILO Better Work reports show that there are still issues concerning wages, overtime, migrant rights, and social dialogue.

**Recommendation:** FWF recommends Swiss Post to focus on issues concerning overtime hours, living wages and social dialogue. Ensuring that a functioning social dialogue takes place could lead to improvements of all issues. Swiss Post could encourage management and workers to have a regular dialogue about improvements. The brand could provide training on social dialogue to workers and management. Furthermore, it could check minutes of meetings between management and worker representatives, also discuss audit results with worker representatives and provide additional support.

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.	18%	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.	1	4	0

**Comment:** In 2016, Swiss Post visited its Bulgarian supplier. It did not visit its other suppliers.

**Recommendation:** Annual visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.

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:** Swiss Post collects the ILO audit reports, assesses its quality and sets up a CAP. Swiss Post actively follows up on the CAP.

**Recommendation:** FWF recommends Swiss Post to collect existing reports from all its factories, when available. In between FWF audits, such reports could give an update on the progress made by the supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	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.	N/A	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

**Comment:** In earlier years, Swiss Post developed a risk matrix classifying countries as low, medium or high risk and listing actions necessary to prevent risks. Certain countries are banned from sourcing due to high risks and common violations of labour standards in those countries, although exceptions are made. Swiss Post is thus consciously moving production towards low-risk countries. This was also followed for 2016.

In general, through sourcing experience Swiss Post is aware of common risks in the countries they produce in. For example, the brand is aware of issues in China, like lack of freedom of association and excessive overtime.

Swiss Post made use of this combined knowledge through experience as well as the FWF country studies and other reports to stay informed about the conditions of its supplier's countries.

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:** At one supplier, Swiss Post shared information with two other FWF members to improve working conditions at the factory.

**Recommendation:** FWF recommends Swiss Post to set up a joint action plan to reduce overtime hours and work towards living wages at this supplier.

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.	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.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

**Comment:** In addition to the monitoring requirements for low-risk countries, Swiss Post regularly visited the suppliers. During those visits, Swiss Post checked health and safety issues, documentation and speaks to workers. Staff of Swiss Post gave presentations to factory management and workers on the importance of the Code of Labour Practice. Furthermore, Swiss Post regularly received updates on wage levels in those factories and compared them to living wage estimates.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	3	3	0

**Comment:** Swiss Post had an exceptional monitoring percentage of 100%. All factories in high-risk countries have been audited.

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:** Swiss Posts received signed questionnaires from all external brands from which it buys garment products.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	0%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0

**Comment:** The external brands are not a member of another credible initiative, like FWF or FLA.

**Recommendation:** FWF recommends Swiss Post to ensure progress towards an external supplier base that is covered by either FWF or have another acceptable system in place for monitoring its supply chain.

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

## MONITORING AND REMEDIATION

Possible Points: 31

Earned Points: 23

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	0	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

**Comment:** Swiss Post has designated personnel to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

**Comment:** Swiss Post requires every supplier to confirm in writing that the CoLP is posted as well as send pictures of the posted CoLP as evidence. This is then checked by Swiss Post staff during factory visits. During these visits, the staff equally give a presentation to factory management and workers on the importance of posting the Code of Labour Practices.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	80%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	4	4	0

**Comment:** Swiss Post put a lot of effort in increasing the awareness of management and workers of the FWF Code of Labour Practices, the worker helpline and local labour law. At most of its suppliers, workers have been trained and are aware of FWF and the FWF worker helpline. Swiss Post also gives presentations on FWF at suppliers in low-risk countries.

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

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## COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 7

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## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

**Comment:** Swiss Post has a huge federal authority with many employees, which can pose challenges with regards to keeping everyone informed. Nonetheless, there are various communication efforts made to inform staff about FWF membership. Information about FWF is shared internally through its intranet. It also made a video on FWF for internal and external use and regularly mentions FWF in its employee magazine.

Distribution workers and directors who do not have access to the intranet or do not use it frequently are trained by CSR staff separately. CSR staff also trains Swiss Post workers in Swiss distribution centers. FWF membership and fair purchasing is furthermore mentioned in the welcome package for new employees, in master presentations on sustainability and it is a topic in the annual sustainability Board meeting.

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:** In addition to FWF membership and fair purchasing being part of a every new employees' welcome pack, Swiss Post' staff directly in contact with suppliers attended several FWF and ILO seminars and webinars throughout the year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

**Comment:** As part of their sourcing strategy, Swiss Post works with five intermediaries who are responsible for 11 factories, mostly in low-risk countries. Swiss Post closely involved these intermediaries in implementing the FWF Code of Labour Practices. Intermediaries are involved in discussions on labour standards, CAP follow-up and training.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	92%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

**Comment:** In 2016, Swiss Post trained several suppliers through the FWF Workplace Education Programme both in China and Bulgaria.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	100%	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	4	4	0

**Comment:** In 2016, Swiss Post continued to support the supplier training in Jordan, where FWF does not offer WEP training, however through close collaboration with ILO Better Work programme, Swiss Post ensured the awareness of rights and dialogue between workers and factory management is enhanced. Furthermore, Swiss Post goes the extra mile by training staff on the FWF Code of Labour Practices in low risk countries.



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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 15

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

**Comment:** IN 2016, Swiss Post was generally aware of all production locations including subcontractors. The production sites, including subcontractors, are regularly visited and lines are checked. Swiss Post also checks the invoices of its suppliers and subcontractors. At some suppliers, Swiss Post has also reserved specific lines for production.

At its Chinese suppliers, Swiss Post relies on FWF audit reports to learn more about subcontracting. One Chinese supplier that uses a printing subcontractor produced garments that had a logo of Swiss Post printed on it. The subcontractor is known to Swiss Post.

**Recommendation:** FWF recommends Swiss Post to further analyze possible subcontracting at its Chinese suppliers for the production of its garments. Possible measures are checking quality, checking lines during production, compare required standard minutes per style and the required production capacity to the available production capacity of the lines. Swiss Post could also compare the total amount of orders to the available capacity of the factory to see whether subcontracting takes place at the supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** The Swiss Post staff had access to all FWF related information, including audits, trainings and CAPs. The two purchasers actively shared information with CSR staff to further integrate CSR at the entire purchasing department.

## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

## 6. TRANSPARENCY

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

**Comment:** Swiss Post communication about FWF on its website as well as use of on-garment communication is in line with the FWF communication policy.

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

**Comment:** Swiss Post has published the Brand Performance Check on its website. It has not yet published more detailed supplier information.

**Recommendation:** FWF recommends Swiss Post to engage in more advanced reporting activities, like publishing its supplier list and audit reports.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

**Comment:** Swiss Post submitted and published the social report on its website.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 7. EVALUATION

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

**Comment:** Swiss Post evaluates FWF membership annually. The results and progress since previous Brand Performance Check are also annually discussed with top management.

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.	100%	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.	4	4	-2

**Comment:** After the last Brand Performance Check, FWF had required Swiss Post to analyze root causes of excessive overtime and take additional measures to prevent excessive overtime. Swiss Post discussed excessive overtime at its suppliers. At one supplier, it made more detailed analysis of working hours, planning of production by the factory and Swiss Post orders. Swiss Post is using its limited leverage to bring improvements on overtime hours.

## EVALUATION

Possible Points: 6

Earned Points: 6

## RECOMMENDATIONS TO FWF

Swiss Post had the following recommendations for FWF:

- Write shorter Brand Performance Check reports;
- Adapt audit reports in making them more easier to read and ensure a timely delivery;
- Change questionnaires for new suppliers into more comprehensive questionnaire including questions about quality, fabric, etc.
- Ensure that FWF requirements contain less administrative work. For example, the work plan was considered to have too many detailed questions.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	33	42
Monitoring and Remediation	23	31
Complaints Handling	7	7
Training and Capacity Building	15	15
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	93	114

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

82

### PERFORMANCE BENCHMARKING CATEGORY

Leader



## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

31-05-2017

Conducted by:

Wilco van Bokhorst; Sandra Gonza

Interviews with:

Secil Helg, Project buyer clothing

Marina Agostinis, Project buyer clothing

Michael Heim - Head of CSR department

Antonia Stalder - Project manager

Dominique Bruce - Communication officer

Gabriel Schmid - trainee

Philippe Häberli - Head of services corporate procurement

Marion Jülke - Team Leader publications, promotion articles, garments and also purchaser of shoes

Patric Zurfluh - Financial Controllor