



# **Brand Performance Check**

## **Swiss Post**

**Publication date: October 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Brand Performance Check Overview

## Swiss Post

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

Member company information	
Headquarters:	Bern , Switzerland
Member since:	2012-06-12
Product types:	Workwear
Production in countries where Fair Wear is active:	Bulgaria
Production in other countries:	Czechia, Italy, Jordan, Lithuania, 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	70
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:

Swiss Post has met most of Fair Wear's performance requirements. With a monitoring percentage of 100% and a score of 70 points, the brand is placed in the 'Good' category.

Swiss Post sources from 21 suppliers, of which 18 are located in low-risk countries, while two are located in Bulgaria and one in Jordan. The brand has strong management systems in place when it comes to human rights due diligence for new suppliers and collecting wage data of suppliers. Few violations of the Fair Wear Code of Labour Practices remain at its suppliers.

Furthermore, the brand reacted immediately when a Fair Wear audit at their main Bulgarian supplier found that some workers were dismissed while others were sent home with paid leave due to miscommunication around an order cancellation of Swiss Post. The brand then decided to contribute to the supplier's fund from which the workers were paid.

Despite its comprehensive knowledge on wages, the brand has showed little progress on living wages with its main Bulgarian suppliers in 2019. While the brand had discussed living wages with the intermediary, no further steps were taken. The intermediary felt that the living wage benchmark was too high. Fair Wear recommends the member to openly explore with the intermediary and the supplier how to start increasing wages independent of the benchmark. Furthermore, Swiss Post could reach out to local stakeholders or ask support from Fair Wear to learn more about living wage benchmarks for that specific region.

Furthermore, Fair Wear recommends Swiss Post to invest in transformative training, especially concerning living wages, freedom of association and social dialogue at its Bulgarian suppliers.

## 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.	83%	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, Swiss Post sourced from 21 suppliers, mostly from low-risk countries. The company prefers to manufacture its products in Europe due to the traceability of the production locations and materials. Swiss Post started its supply base consolidation in 2010 and since reduced the number of suppliers from 29 to 21 (2019). Compared to last year, the brand increased leverage at its suppliers. Where it had a score of 68% in 2018, this went up to 83% in 2019.

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%	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:** Swiss Post sourced some seasonal or very specific products from suppliers in Portugal, Italy, and Hungary where it has low production volume and low leverage to influence working conditions.

**Recommendation:** Fair Wear recommends Swiss Post to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Swiss Post should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	90%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

**Comment:** Swiss Post values long-term relationships. With its main suppliers, it has a working relationship for more than five years. Compared to last year, the percentage slightly dropped due to the fact that the brand started new relationships with three new suppliers as two other factories stopped their business and therefore the member had to move production.

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:** The brand had requested and received the FWF questionnaire of all three new suppliers before production took place.

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 suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

**Comment:** Swiss Post has a thorough due diligence procedure for new suppliers. All new potential suppliers are first requested to fill in a suppliers questionnaire. This document includes the following topics: supplier's general details info, manufacturing plans, resources and capacity, storage, product quality management, environment management, CSR, special competences and other customer references. The FWF supplier questionnaire is part of this document. In addition, the suppliers have to fill out a wage DNA sheet, provide clarity on working hours and include the latest audit report. Suppliers that do not provide all information as required are excluded from business relationships. Social compliance weighs heavily when selecting a new supplier.



After completing the requested document, the potential supplier is visited where possible and explicitly checked on compliance with regard to social standards. For this, Swiss Post uses the FWF Health and Safety checklist, the FWF country reports, other stakeholders and assesses the wage level and working hours at the factory. After this visit, external audit reports are collected or an audit will take place. Once the factory passed the on-boarding process, it will be approved for sample order placement.

Swiss Post started relationships with a Swiss, Portuguese and Lithuanian supplier. At the Swiss supplier, Swiss Post did not request an audit due to the low risks. The brand collected an external audit report from the Portuguese supplier. Before Swiss Post placed production, the brand was alerted by another Fair Wear member that Vietnamese migrants were working at the Lithuanian supplier. The brands and supplier engaged in an open dialogue in which the supplier was open about the issue. The brands then had an audit take place, which showed that the migrants had to pay high fees to the agent in order to work in Lithuania. The brands collaborated to ensure that the fees were paid by the supplier and not by the workers, which is in line with ILO guidance.

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 keeps track of the progress of suppliers. Once a year, the member evaluates the performance of suppliers. There are few issues at their suppliers and hence do not give reason to move production between them. The brand does not provide incentives to suppliers on specific progress, such as on living wages or social dialogue.

The brand had a last order at its Jordanian supplier. It initially had ended relations in 2018, but due to an excess of material paid for by Swiss Post, the brand and supplier agreed to do one last run. No further exit strategy was needed.

**Recommendation:** As it is not always possible to reward suppliers with more volumes, Swiss Post could look into other incentives that reward supplier's commitment towards living wages and social dialogue. An example would be to offer training for skill building/capacity development, increase in prices, etc.

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 is pre-booking the factory capacity one year in advance based on its stock data analysis. Actual orders are placed after summer and Christmas periods, which are considered as low seasons. The company is always asking suppliers for their low season production periods in advance as products of Swiss Post are made to refill the stock and not to direct orders. Moreover, the company is informed about the yearly production capacities of its suppliers.

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.

The brand maintains a high stock which also allows the brand to easily respond to delays in case there was any.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	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.	N/A	6	0

**Comment:** In 2019, no audits were conducted. Previous audit reports of the three suppliers in Bulgaria and Jordan showed that no excessive overtime took place at the suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

**Comment:** Swiss Post is proactive in collecting all information on the wages paid and therefore knows the wage levels at its suppliers. The information is collected through 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, at its main Bulgarian supplier does not disclose the number of working minutes it needs or Swiss Post has to rely on the intermediary to receive information. In case of wage increases at this supplier, the brand is able to relate that to their prices as they know the wage component. In general, the brand accepts prices without (much) negotiation.

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:** At the end of 2018, a Fair Wear audit found at Swiss Post main Bulgarian supplier that due to a late order cancellation of Swiss Post, several workers were dismissed, while others had to take leave which was paid from a reserve fund of the supplier. The brand and supplier are not in direct contact with each other about production planning.

Swiss Post conducted a root cause analysis which showed that due to miscommunication between the brand, two intermediaries and the supplier, the supplier was informed too late of the order cancellation. The supplier was then not able to fill the production gap. This was exacerbated by the fact that another customer with significant leverage had recently left the supplier.

Swiss Post was then informed too late of the effects of the cancellation. Therefore, the brand was not able to mitigate the effects immediately. After consultation with the supplier, the intermediaries and Fair Wear, the brand decided to pay damages equivalent to 25% of the cancelled order, which was used to refill the reserve fund. Swiss Post had proposed that every party paid a share, but the intermediaries declined to pay a share of the damages.

In the end, all the dismissed workers were paid severance pay in accordance with legal requirements. The workers that received paid leave, received at least the legal minimum wage.

As follow up was done in 2019, the evaluation of the members' performance was not included in the 2018 performance check but in the current one.

**Recommendation:** As there are 2 intermediaries involved, Fair Wear recommends Swiss Post to agree with the supplier and the intermediaries that in case of urgent matters, the brand and supplier can establish direct contact, for example concerning violations of labour rights or production planning.

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 late payments were identified by Fair Wear.

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:** At its two main suppliers, the brand knows the general reasons why the factories are not able to pay living wages. At one supplier, the intermediary is reluctant to progress on living wages as it feels the living wage benchmark is too high. The prices of intermediaries and other buyers is too low to cover for living wages. At the other supplier, there is a lack of funds and interest of the owner to increase wages.

The brand addressed the topic with the suppliers and intermediaries on several occasions.

**Recommendation:** Fair Wear recommends Swiss Post to draw from experiences of other Fair Wear members to tackle barriers that intermediaries and suppliers raise. Furthermore, Swiss Post could also make more use of Fair Wear's expertise, training and personal support for its intermediaries to create a road map and step-by-step approach for its suppliers. Instead of focusing on the benchmark, Swiss Post could look into what is needed to start increasing wages. Fair Wear also recommends Swiss Post to reach out to other customers and create commitment towards living wages.

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).	0%	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.		2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	6	0

**Comment:** Swiss Post has not set a target wage for its suppliers.

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:** The workers' wages at its suppliers have not yet reached a living wage level yet. As a target wage has not been set, points cannot be rewarded for this indicator.

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## Purchasing Practices

**Possible Points: 46**

**Earned Points: 31**

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## 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.	5%	
% of production volume where Fair Wear audits took place.	23%	
% of production volume where an audit took place.	28%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	72%	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.	N/A	
Requirement(s) for next performance check		
Total monitoring threshold:	100%	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:** 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 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:** Swiss Post received the audit report for its main Bulgarian supplier in January 2019. The audit was conducted in the last quarter of 2018. The brand immediately informed the supplier and its agents and set up a CAP with timelines. The factory does not have worker representation.

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:** Swiss Post followed through on the audit report from their Lithuanian supplier and Vietnamese migrants as described in indicator 1.4. The brand ensured corrective measures were in place and Vietnamese migrants no longer had to pay the hiring fees.

The brand received the audit report of its main Bulgarian supplier at the end of 2018 and followed up in 2019. The report noted few issues. The brand immediately followed up on the unpaid leave finding as described in indicator 1.9. The issues concerned living wages, a lack of social dialogue and minor issues concerning health and safety. Although a response from the supplier and intermediary was provided to Swiss Post, the brand could not show proof of corrected measures on health and safety. As the intermediary was resistant to move forward on the issues of wages and social dialogue, the brand could only show little progress on the CAP.



The member mainly sources from low risk countries and will continue with two suppliers from Bulgaria where few issues remain. This also offers the opportunity for Swiss Post to resolve all issues in the first tier of its supply chain when the member keeps sufficient effort and focus on remediation of these issues.

**Recommendation:** Fair Wear encourages Swiss Post to remain committed to resolving the last issues at its suppliers. When intermediaries are lacking awareness, the brand should continue finding ways to tackle these barriers step-by-step in a continuous dialogue. Visiting the supplier and the intermediary could help in coming towards an action plan. The brand could also reach out to other brands sourcing from that factory.

Concerning living wages and social dialogue, the brand could define intermediary steps with the supplier and the intermediary to continue taking steps. The brand could make use of Fair Wear support in defining these steps and convincing the supplier and intermediary.

Furthermore, Fair Wear recommends Swiss Post to verify improvements made by collecting proof through pictures or monitoring visits by third parties.

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.	6%	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:** The brand visited two suppliers: its new supplier in Switzerland and a supplier in the Czech Republic.

**Recommendation:** Regular visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide opportunities to discuss problems and corrective actions in the time period between formal audits. Fair Wear has developed a Health & Safety Guide that can be used during these visits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0

**Comment:** The brand collected the ILO Better Work progress report of April 2019 from its Jordanian supplier. Due to the fact that it was a last order, the brand did not follow up on the outcomes of the audit.

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	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** Swiss Post regularly analyses human rights risks with the help of FWF country studies, and reports of the Clean Clothes Campaign, the OECD, the World Bank and other organisations. The responsible CSR-person is well aware of risks in countries where Swiss Post sources from, such as the position of trade unions in Bulgaria. It also relates such risks to the performance of suppliers. The brand has not incorporated this knowledge in its management system in a structural way.

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:** The brand collaborates with other Fair Wear members in case there are issues at its 2 suppliers in low risk countries.

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.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. 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

**Member undertakes additional activities to monitor suppliers.:** Yes (1)

**Comment:** At suppliers in low risk countries, the brand ensures that the Worker Information Sheet is posted. In the past, the brand conducted trainings at these suppliers on the FWF CoLP. At its Lithuanian supplier, it conducted an audit and followed up on the findings. It collects wage data from these suppliers annually and compares them to living wage estimates. In recent years, only few of these factories received a visit.

**Recommendation:** FWF recommends Swiss Post to continue visiting its suppliers. The brand should do this at least every three years. Fair Wear encourages Swiss Post to maintain the same high standard of raising awareness on the Fair Wear CoLP through training.

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

**Comment:** The brand does not have tail end suppliers.

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	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.	2	2	0

**Comment:** The brand buys products from four external producers. Two were added in 2019. The brand ensured that the producers signed the questionnaires and returned them to Swiss Post.

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%	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.	0	3	0

**Comment:** None of the external producers are a member of Fair Wear or FLA.

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

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## Monitoring and Remediation

**Possible Points: 35**

**Earned Points: 23**

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### 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 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 person responsible for sustainable purchasing is responsible for addressing worker's complaints.

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:** 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.

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.	83%	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.	6	6	0

**Comment:** The WEP-basic training at their main Bulgarian supplier was conducted in 2016 and no longer counts for this indicator. However, during the 2018 audit, it was established that the workers at this factory were sufficiently aware of the FWF CoLP and complaints hotline.

**Recommendation:** Fair Wear recommends Swiss Post to take additional measures to maintain the level of awareness and built trust in the complaints system among workers. For example, the brand could distribute Worker Information Cards while they receive their pay slips.

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

**Comment:** There were no complaints reported in 2019.

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

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 9**

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

**Comment:** Swiss Post uses various communication tools to inform staff about FWF membership. Information about FWF is shared internally through its intranet. The company 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.

FWF membership and fair purchasing are 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 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 two staff members who purchase garments keep track of FWF requirements and share any updates with the relevant departments. One of the staff members is new and has not yet participated in a Fair Wear seminar for new members and new employees.

**Recommendation:** Fair Wear recommends Swiss Post to let the new staff member participate in a Fair Wear seminar to build understanding of Fair Wear methods and requirements.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	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, Fair Wear audit findings.	2	2	0

**Comment:** Swiss Post works with intermediaries/agents and closely involves 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 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:** The brand did not organize any training at its suppliers focused on transformative processes.

**Recommendation:** Fair Wear recommends Swiss Post to train its Bulgarian suppliers on living wages, freedom of association and social dialogue. Fair Wear could provide recommendations on specific service providers.

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

Comment: No training programmes were conducted in 2019 by Swiss Post.

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## **Training and Capacity Building**

**Possible Points: 11**

**Earned Points: 5**

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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.	Advanced	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.	6	6	-2

**Comment:** In general, Swiss Post is well aware of its production locations and specific country risks. The company knows which subcontractors are used for production in Slovakia. Several factories sent quality inspection reports that include pictures with Swiss Post garments being made in the factory. The audit report for their main Bulgarian supplier confirms that no subcontractors are used. At the other Bulgarian supplier, the printing subcontractor has been identified.

Due to the comprehensive production planning and long-term relationships, there is a low risk of subcontracting.

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

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## Information Management

**Possible Points: 7**

**Earned Points: 6**

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## 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:** Swiss Post communication about FWF on its website 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 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:** Swiss Post published the Brand Performance Check report online.

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:** Swiss Post published a complete social report on its website.

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## **Transparency**

**Possible Points: 6**

**Earned Points: 5**

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## 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:** Swiss Post evaluates Fair Wear membership annually. The results and progress since the previous Brand Performance Check are 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.	No requirements were included in previous Check	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.	N/A	4	-2

## Evaluation

**Possible Points: 2**

**Earned Points: 2**

## Recommendations to Fair Wear

Swiss Post recommends Fair Wear communicate less and provide shorter documents.

The brand also recommends Fair Wear to shorten the cycle of auditing, for example by providing a continuous cycle of progress reports.



## Scoring Overview

Category	Earned	Possible
Purchasing Practices	31	46
Monitoring and Remediation	23	35
Complaints Handling	9	9
Training and Capacity Building	5	11
Information Management	6	7
Transparency	5	6
Evaluation	2	2
Totals:	81	116

### Benchmarking Score (earned points divided by possible points)

70

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

07-07-2020

Conducted by:

Wilco van Bokhorst

Interviews with:

Secil Helg