



Brand Performance Check

The Cotton Group S.A. (B&C)

Publication date: February 2021

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

About the Brand Performance Check

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

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

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

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

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

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

Brand Performance Check Overview

The Cotton Group S.A. (B&C)

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

Member company information	
Headquarters:	Waterloo , Belgium
Member since:	2017-01-31
Product types:	Promotional Wear and Accessories
Production in countries where Fair Wear is active:	Bangladesh, China, Myanmar
Production in other countries:	Pakistan
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	98%
Benchmarking score	54
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:

B&C Cotton group (hereafter B&C) has met most of Fair Wear's performance requirements. With a score of 54 and a monitoring threshold of 98%, the member is placed in the 'Good' category. The brand has received an insufficient score on indicator 2.7 for the consecutive year. But as the insufficient score and requirement do not pertain to the requirement cited in the previous performance check (which has been remediated), the repeat non-compliance policy does not apply to this indicator. However, with the results of the past years on indicator 2.7 being insufficient, Fair Wear requires the brand to take proactive, timebound action to address the requirements on this indicator.

B&C has a limited list of suppliers with which it has long-standing and direct relationships. The member mainly produces in Bangladesh, where its Dhaka Liaison Office (DLO) follows up on production planning, quality and social compliance. The due diligence and monitoring process of B&C follows Fristads Group's policy and requirements. The compliance office of the group, based in Hong Kong, supports and coordinates factories' compliance with the group's Code of Conduct. In addition to Bangladesh, B&C sourced from factories in Myanmar, China and Pakistan.

B&C has a good overview of where production takes place, what audits were conducted and when. The brand also follows up on the status of corrective action implementation. Coordination and information flow between people located in Belgium, Bangladesh and Hong Kong works well. Follow up of corrective actions is, however, done as an observer rather than (pro)actively engaging in the remediation process of each factory or on strategic country and supply chain related level.

B&C has very high leverage at some key suppliers, so it is expected that progress will be made regarding remediation of excessive overtime, living wages and further remediation of outstanding findings.

It is to be noted that due to the Covid-19 outbreak in 2020, the Brand Performance Check was conducted only in November 2020, which gives B&C hardly any time until the end of 2020 to work on requirements and remediations. Also, staff changes towards the end of 2020 made it challenging to find applicable information in time during the Brand Performance Check. This is to be considered and taken into account when conducting the succeeding Fair Wear performance check.

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.	95%	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: B&C buys 95% of production volume from production locations where the brand buys at least 10% of its suppliers production capacity. With many suppliers, B&C buys close to 50% and in some cases at its main suppliers even close to 100%.

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.	6%	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: The brand has a small number of suppliers and its tail end is a very small amount of factories. B&C doesn't want to have too many suppliers because splitting production within different factories increases prices and risks of products' inconsistency. However, back-up suppliers are needed for B&C. Around 6% production volume is sourced from production locations where B&C buys less than 2% of its total FOB.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	81%	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: B&C's sourcing strategy is to maintain long-term relationships with its suppliers. 82% sourcing comes from suppliers where the brand has five, partly even ten years and more of relationship.

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: In 2019, four new production sites were added to the supplier list in Bangladesh. For all production sites it was shown that the questionnaire with the Code of Labour Practices was signed and returned before first bulk orders were placed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: When conducting its due diligence, B&C looks at production capacity, quality, compliance and financial situation of the factory. The company follows the requirements demanded at Fristads Group level by collecting the following documents:

- The Group Code of Conduct
- The self-assessment document: general information, factory information (processes and mill) and corporate social responsibility (CSR) information
- BSCI membership documents or SA8000 certification

B&C works closely with its Dhaka Liaison Office (DLO) and the compliance team of the Group based in Hong Kong. For Bangladesh, the Compliance Manager visits the potential new factories and creates a report with Corrective Actions. The factory is checked with the factory's self-assessment document. Once a new supplier is selected, the first test order outcome is decisive to decide to continue working together.

In 2019, four new production sites were added to the supplier list. It can be confirmed that the general process described has been implemented. Due to several production sites in Bangladesh and its own Dhaka Liaison Office a general risk assessment for production in Bangladesh has not been explicitly conducted again.

Recommendation: In case B&C sources from new production sites outside of known production countries, a risk analysis as part of the decision-making process of selecting new production locations is an important step to mitigate risks and prevent potential problems. Fair Wear recommends B&C to clearly define preventive actions for identified risks and connect them to sourcing decisions. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association and restricted civil society that are beyond the brand's individual sphere of influence. Fair Wear advises to use information from Fair Wear country studies and wage ladders and use the Fair Wear Health and Safety guidelines. B&C can use the CSR Risk Check (<https://www.mvorisicochecker.nl/en/risk-check>) to further assess the risks in (potential new) sourcing countries. For gender risk assessments, B&C can use the gender-toolkit that has fact-sheets per country, supplier checklists and a model policy on Sexual Harassment.

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: As part of both its due diligence process and continuous monitoring of suppliers, B&C uses an evaluation system depending on BSCI audits' results:

- if A and B: they can start a new partnership
- if C and D: one audit should be conducted in the first year
- if E or zero-tolerance: these represent a red code which means no order can be placed in such a factory.

Concerning ending business with suppliers, B&C does not have a written exit strategy. B&C does have a supplier evaluation system which is constantly updated whenever there are changes.

In 2019, missing order volume related to the size and capacity of the production sites was reason to terminate business relationship with two production sites in Bangladesh. Both production sites have been informed well in advance before last orders were placed.

Recommendation: Fair Wear encourages B&C to implement a responsible exit strategy and make sure all relevant staff is informed about this. Please see Fair Wear's guidelines on a responsible exit strategy.

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

Comment: B&C knows the capacity of each factory at style-level and their lead times. Suppliers also share with the brand their own constraints: on style or colors, and production lines for instance. B&C has a big warehouse that allows being flexible in terms of quantities received if needed, but the company remains strict on delivery times.

The brand has a long-time forecast (of a year) that they share with suppliers to support them in planning their capacities. Factories asked for more stable productions, so B&C spreads out the orders to have even amounts of production throughout the year, this way not having peak seasons and reducing overtime. The main supplier receives very consistent production programs every month and is happy about it because it allows keeping the same amount of workforce (reducing workers' turnover) and the machines can also be adjusted to function at a consistent pace.

The long-run production planning is then reviewed for the next four months to create Purchase Orders. If higher quantities are needed, production will be spread out on several months, in an agreement between factories and B&C's internal finance department.

B&C's Black and White items represent over 50% of the total orders. Those are produced in regular quantities over the year to avoid production peaks and risk of increased overtime.

Looking at the production of 2019, production's capacities booked were used as planned or a bit less, it is very rare that more production needs to be done than what was booked. The production time needed is based on CM, not calculation per minute.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

Fair Wear recommends B&C to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

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

Comment: Overtime was found in the two audits conducted by Fair Wear in Bangladesh and in Myanmar. External audit reports conducted by other organisations than Fair Wear also indicate excessive overtime issues at the production sites in Bangladesh and China where B&C sources from.

B&C could show an overview where the brand monitors findings at the production sites. Explicit mitigation of root causes to prevent overtime has not taken place.

The Dhaka Liaison Office checks the daily output of factories, factories cannot produce too fast, it has impacts on logistics and warehouse if too many goods are delivered too early. If the production is too slow, the representative of the Dhaka Liaison Office discusses the issue to find out the root cause with the factories, sometimes a machine is broken, or there could be fabric quality issues. etc. In such cases, B&C doesn't put more pressure on suppliers and has to accept late deliveries.

According to B&C, Bangladesh factories say that workers want to work overtime so factories plan production with overtime.

Requirement: Fair Wear guidance on excessive overtime can be used to help identify root causes together with all internal departments and B&C's suppliers.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours, not including overtime.

The member could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, B&C could hire local experts to analyse the root cause of excessive overtime in cooperation with the supplier. Fair Wear could recommend qualified persons upon request.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: In general prices are set based on volume and experience of orders of the same and similar products in the past.

The member knows the yarn prices. The fabric represents 80% and fixed costs are 20% of FOB prices. All costs are known, as well as production outcomes per line, which allows B&C to evaluate productivity too.

Whether the wages paid are at least minimum wage is checked via regular (mainly) BSCI audits.

Requirement: B&C needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage. The percentage of labour needs to be linked to minutes (time) in order to make the connection to wages.

Recommendation: At a minimum, members are recommended to investigate wage levels in production countries, among others by making use of Fair Wear's Wage Ladder and country studies. As an advanced step, increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

B&C could provide suppliers who don't use open costing, training on product costing and how to quote prices including (direct and indirect) labour costs. Fair Wear can be of help upon request.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No	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.	-2	0	-2

Comment: Fair Wear conducted two audits at B&C production sites in 2019, one in Myanmar and one in Bangladesh. In Myanmar workers in probation period were not paid minimum wages. B&C discussed this finding but factory management insisted on wages paid. The production was phased out from this production site (not only for this reason). There were no findings related to failure to pay minimum wage at the production site audited by Fair Wear in Bangladesh.

At two production sites where external audits by BSCI were conducted, wage related issues were found. At one production site, payment of minimum wage was not granted to workers paid by piece rate and infirmary staff. At the other production site there were issues with benefits mentioned in the report. Also these findings were not followed up adequately.

In principle, audit reports are used to verify what wages are paid at the production site and whether the wage levels meet minimum wage requirements.

Requirement: If a supplier fails to pay minimum wages, members are expected to respond in time, identify root causes with factory management, and resolve that local labour laws are respected. Evidence of remediation must be collected. Factory visits with a documents check or additional verification by Fair Wear may be needed to verify remediation.

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: There is no evidence of late payments to suppliers by member company.

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: Both Fair Wear audit teams who conducted audits in 2019 in Myanmar and Bangladesh concluded that the wages paid are below living wages as estimated by local stakeholders. In 2019, B&C made an analysis showing that wages paid to workers in Bangladesh factories are higher than minimum wages and some meet living wages. Wages are discussed in general during factory visits.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	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: B&C would like to increase wages but is a player in a segment of the industry based on competitive low prices (because promotional wear is often free clothing for the end-user).

B&C's management team prepares a plan of where they want to stand in five years, in terms of sustainability, but has no clear wage target. B&C is working on factory cases individually and increases prices at factories they have long-term relationships with.

Requirement: Being almost the sole buyer at its main production location in Bangladesh, the member company has full influence over the wages and should be able to cost for a living wage. B&C should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

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: At none of the production sites a target wage was implemented.

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

Purchasing Practices

Possible Points: 52

Earned Points: 26

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.	98%	
% of production volume where Fair Wear audits took place.	10%	
% of production volume where an audit took place.	98%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	98%	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: There is a CSR person designated to follow up on problems identified by monitoring system at B&C headquarters. This person is supported by colleagues in an office in Bangladesh and Hong Kong. The Bangladesh manager is responsible to monitor the factories in Bangladesh, Myanmar and Pakistan, reports to the CSR manager in Hong Kong who follows up CSR matters in China and reports to the headquarter in Belgium.

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: CAPs are shared with factories. Worker representatives are not actively involved yet. Improvement timelines are established in a timely manner.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	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.	4	8	-2

Comment: B&C has a written procedure on how to follow up on corrective actions. After an analysis of the audit report, the follow up is taken up with the factories mainly through the BSCI platform and for production sites in Bangladesh looking at ACCORD requirements. After a discussion on findings with factory management, the time frame for each corrective action is set and the factory management is asked to submit a remediation plan. Production sites in Bangladesh are visited on a monthly basis mainly by colleagues from Dhaka Liaison Office. Also, staff from Hong Kong and Belgium visit production sites, checking remediation. After having received the information from factory management that remediation is full-filled, a follow-up audit is requested.

All audits, no matter who conducted the audit , are filed in an overall excel which helps to follow up findings. DLO, Hong Kong office and CSR responsables in Belgium meet on a monthly basis to discuss audit report findings.

While the procedure is clear, it was difficult for B&C to show the degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems. This was partly due to the fact that relevant staff in Belgium and Bangladesh have left the company. The current approach is to regularly check the status of remediation with suppliers, but active support by the brand to the suppliers in remediation of corrective actions could not be verified.

Requirement: Resolving and remediating non-compliances is one of the most important criteria member companies can do towards improving working conditions. Fair Wear expects B&C to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

Recommendation: B&C has very important leverage in several factories. Fair Wear advises that for CAPs remediation, the member should study the possibility to support factories financially if investments need to be done, for fire and building safety in Bangladesh in particular.

Fair Wear encourages B&C to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices to facilitate prevention and remediation.

Fair Wear also recommends B&C to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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.	96%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: All factories are regularly visited by the HQ-teams, those based in Hong Kong and Dhaka-office-teams. Travelling staff systematically reviews if there is any non-compliance with the Code of Conduct.

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: B&C mainly collects BSCI audit reports as required by Fristads group and uses the Fair Wear audit quality tool to assess those.

Recommendation: Fair Wear recommends B&C to use the Audit Quality Assessment Tool and immediately discuss with the supplier what information is missing and how to collect that information.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average insufficient result on relevant policies	Aside from regular monitoring and remediation requirements under 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.	-2	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Insufficient			-2	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Insufficient			-2	6	-2

Comment: BANGLADESH:

For Bangladesh, it is important to note that B&C did not sign the Accord. Out of the 14 factories in Bangladesh, 10 are covered by the Accord. One factory was terminated from the Accord and the member had agreed to phase out of the factory with Fair Wear. Termination of production at this production site was shown during the Brand Performance Check. The last placement of order was in March 2019; the respective production volume was shifted to another production site. The three remaining factories have been audited by other audit organisations. Serious safety issues have been found, remediation of the findings could not be verified. In 2019, B&C did not take steps to mitigate these risks which leads to a score of 'insufficient' in this brand performance check.

The Anti-Harassment Committees' requirement is also included in BSCI, so all factories have grievance mechanisms and have had training. For factories not covered by the Accord, the brand showed OHS/ fire and safety policies documents, and pictures of first-aid and fire safety training. These are audited on behalf of ILO by a third party named TUV.

MYANMAR:

The last order at the production site in Myanmar was placed in May 2019, production was shifted to a known production location in Bangladesh. With this, B&C does not have production in Myanmar anymore. At the production site there have been a total of eight order placements over 2018 and 2019 only, which is why Corrective Actions from the Fair Wear audit conducted in 2019 and also the requirements from Fair Wear's Myanmar Policy have not been followed up.

CHINA:

The production sites in China are audited by BSCI on a regular basis. All three suppliers are long-term suppliers which are managed mainly by B&C's office in Hong Kong. A country study analysis was not conducted, general information is read but no findings which might be country specific explicitly addressed.

PAKISTAN:

The one production site in Pakistan is audited by BSCI. It is a production site run by a Belgium family whom (according to the company) B&C has a trustful relationship. The Belgium owners visit the production site every month, B&C staff visits the site every two years. A country study analysis was not conducted, general information is read but no findings which might be country specific explicitly addressed.

Requirement: B&C's monitoring system should identify and address high risk issues that are specific to the member's sourcing practices. Fair Wear provides policies and country-specific requirements to member companies. Priorities in remediation efforts are guided by these policies.

BANGLADESH:

B&C should assure to comply with the requirements of the Fair Wear enhanced monitoring programme on Bangladesh. This is to be done by making certain that all production locations are inspected for building and fire safety, in accordance with the National Tripartite Plan of Action, that there is an approved CAP and that the CAP findings are being followed up consistently and in full. At present, the preferred and easiest way to ensure the above would be by becoming a signatory of the 2018 Transition Accord or subsequent agreement that governs the RSC which ensures a robust inspection of the factory to gain insight into the safety situation and participate in active follow up of remediation.

In case B&C decides not to become an Accord member, Fair Wear requires that a comprehensive inspection is made by an external third party (for example TUV) for all factories that are not covered by the Accord/RSC, resulting in an updated and time-bound CAP. B&C needs to make sure that the external third party is specifically qualified to do the Detailed Engineering Assessment. The inspection report and CAP needs to be submitted to Fair Wear by end of June 2021. Based on this, the brand is required to diligently follow-up with the factories concerned in a timely manner and complete remediation of all the CAP findings. If the factory shows insufficient commitment to remediate CAP findings in full and in accordance with the said timeframes, the brand, after an escalation process that includes fair warning and opportunity for the factory to improve, is to discontinue sourcing from the factories concerned in accordance with Fair Wear responsible exit policy.

Recommendation: BANGLADESH:

In the last Brand Performance Check, it was recommended to B&C that at the minimum, the member company should provide necessary support to the suppliers during remediation. E.g. In terms of fire and building safety, the member could offer financial or technical support, or offer flexible lead time so that factories could prioritize remediation. B&C monitors remediation at factory level but does not actively support production sites on remediation. B&C raises the concern, that none of the production sites has ever mentioned help needed. The recommendation remains.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No 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.	-1	2	-1

Comment: Fair Wear members sourcing in the same production locations as B&C were not contacted to discuss remediation.

Requirement: Cooperation among Fair Wear members is required. In addition, it is advised to identify other clients and their commitment to improving working conditions. Involving more costumers of the factory increases leverage, the chances of successful outcomes and long term improvements.

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.	No production in low-risk countries	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.	N/A	2	0

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).	Yes	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.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	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.	N/A	3	0

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

Monitoring and Remediation

Possible Points: 28

Earned Points: 13

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	0	
Number of worker complaints resolved since last check.	1	

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: Staff located at B&C's headquarter receives Fair Wear complaints. The resolution and follow-up on the complaints is done by the CSR person in Belgium in cooperation with the Dhaka Liaison Office or colleagues in Hong Kong.

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: B&C has informed factory management and workers about the Fair Wear CoLP and complaints hotline. Picture proof was collected and shown during the Brand Performance Check.

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.	1%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: Two production sites in Bangladesh were trained by Fair Wear's Workplace Education Programme Violence and Harassment Prevention training in 2017 and 2019 which together only account for 0.97% of B&C's FOB.

Requirement: Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. B&C should ensure good quality systematic training of workers and management on these topics. To this end members can either use Fair Wear's Workplace Education Programme (WEP) basic module, or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear's guidance on training quality standards is available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes	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.	3	6	-2

Comment: In 2019, B&C received one complaint from a worker working at a Bangladeshi factory. Claim was that without providing any reason, factory management forced workers in the finishing and sewing departments to sign their resignation by giving them their salary of May with festival and attendance bonus, and three days' salary for the month of June 2019. After re-opening of the factory, Fair Wear was informed by the complainant that the management forced 50 workers to sign for their resignation and sent them away by giving them their salary of the previous and running month plus eid bonus. Workers were not willing to file a complaint with the police, even though it concerned a forced resignation. Fair Wear followed up with the workers in August 2019 and came to know that the complainants were not interested in pursuing the case further, as some were hired by other factories and others did not return from their native village. This case is closed.

Aside the fact that the complaint had to be closed and couldn't be followed up and remediated, the member company could have taken preventive steps to prevent similar cases to happen. This was not done. B&C is of the opinion that having a local office in Bangladesh is already preventive enough.

Recommendation: It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories. And HR training might be of good use at the production site where the complaint originated from.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

Comment: The complaint came in from a factory which is not shared with another Fair Wear member brand.

Complaints Handling

Possible Points: 15

Earned Points: 10

Additional comments on Complaints Handling :

B&C has its own complaints procedure with steps to be followed in case of a complaint. This written procedure is in line with Fair Wear's requirements to follow up on complaints.

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: Staff are trained on Fair Wear through department meetings. The European sales team meets every month, when launching a new product the whole team world wide comes together. Fair Wear topics are usually discussed during these meetings. New staff is usually briefed at the beginning of employment.

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 Bangladesh compliance manager reports on issues related to the group's Code of Conduct to the Hong-Kong office, to the country manager and to the B&C headquarters. The Bangladesh country manager reports to the operations director. Audit reports and CAPs are shared among all these people. The Dhaka Liaison Office is aware of Fair Wear requirements although Quality Controllers don't yet report systematically on CoLP issues.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	N/A	2	0

Comment: B&C has only direct relationship with its suppliers.

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.	1%	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.	1	6	0

Comment: Two production sites in Bangladesh were enrolled in Fair Wear's Workplace Education Programme Violence and Harassment Prevention training.

Recommendation: Fair Wear recommends B&C to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. To this end, B&C can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No follow-up	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.	0	2	0

Comment: The two production sites in Bangladesh where Fair Wear conducted a transformative training in 2017 and 2019 received the training well. After that, B&C did not actively follow up.

Requirement: Fair Wear requires B&C to discuss the outcome of advanced training with their supplier and agree on next steps such as regular dialogue or committee meetings.

Recommendation: It is recommended to repeat the trainings at the production site which received the training in 2017 already.

Training and Capacity Building

Possible Points: 11

Earned Points: 4

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	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: B&C has a written procedure to monitor its production sites and subcontractors involved. All necessary information is collected before production starts, audit reports are collected to check for hidden subcontracting. New suppliers including their subcontractors are visited before first orders are placed. In Bangladesh, colleagues working at the Dhaka Liaison Office regularly visit the production site and can thus check whether production might be outsourced.

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: Operation and sourcing managers in Belgium and the compliance teams of Dhaka and Hong Kong share all information and CAPs. Close cooperation and combined work efforts have been verified during the Brand Performance Check.

Information Management

Possible Points: 7

Earned Points: 7

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: The brand's website includes very limited information on Fair Wear. The membership is mentioned and Fair Wear's logo shown. This is in line with Fair Wear's communication policy of 2019.

In its paper catalog, Fair Wear is mentioned in the introduction and then beginning of each product category.

Recommendation: Although B&C's communication is according to Fair Wear membership requirements (communication policy 2019), it is recommended to include few words on Fair Wear and also provide a link to Fair Wear's website for the interested reader.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	No	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.	0	2	0

Comment: B&C neither publishes its Brand Performance Check report, nor the audit reports nor shows any other efforts that lead to increased transparency. A supplier list is not disclosed to the public.

Recommendation: Fair Wear recommends B&C to publish one or more of the following reports on its website: the Brand Performance Check report, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF	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.	1	2	-1

Comment: A complete and accurate social report was submitted to Fair Wear. It was not published on B&C's website.

Requirement: The Fair Wear approach requires transparency on B&C's work towards social standards. The social report needs to be submitted to Fair Wear and published on B&C's website.

Transparency

Possible Points: 6

Earned Points: 3

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The operations manager involved in daily CSR work is also part of the board of B&C. Other colleagues at top management level are regularly informed and included especially when the work plan is written for the succeeding year.

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.	40%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: A total of eight requirements have been given in the past Brand Performance Check which were either completely full-filled or not at all making a total of 40% implemented.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

B&C would appreciate practical tools from Fair Wear to train its sales team.

In general more 'easy to read' information is needed for the customers in Europe to raise awareness about Fair Wear and what members being a member do.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	26	52
Monitoring and Remediation	13	28
Complaints Handling	10	15
Training and Capacity Building	4	11
Information Management	7	7
Transparency	3	6
Evaluation	4	6
Totals:	67	125

Benchmarking Score (earned points divided by possible points)

54

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

23-11-2020

Conducted by:

Stefanie Santila Krause

Interviews with:

Pierre-Jean Larrieu – Sourcing Manager

Pablo Dattilesi – Sourcer

Shuvashees Indu – Merchandising and Quality Manager