



# **Brand Performance Check**

## **Swiss Post**

**Publication date: July 2019**

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

## 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: 01-01-2018 to 31-12-2018

| Member company information   |  |
|--|--|
| Headquarters:  | Bern , Switzerland   |
| Member since:  | 2012-06-13   |
| Product types:   | Workwear   |
| Production in countries where Fair Wear is active:                                     | Bulgaria, China  |
| Production in other countries:   | Czech Republic, Germany, Hungary, Italy, 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   | 79   |
| Category   | Leader   |

## Summary:

Swiss Post has met most of FWF's performance requirements. It monitored 100% of its total purchasing volume, which is well above the 80% required by members after three years of membership. The benchmarking score of 77 places Swiss Post in the 'Leader' category.

In 2017, Swiss Post went through an organisational structure change and developed an overall corporate responsibility purchasing strategy, which provided its first results in 2018. The strategy's main targets are efficiency, effectiveness, compliance, sustainability and innovation. The company provides its employees with an assortment of 16 garments for all weather and working conditions. All garments must be produced in a responsible and transparent way that is guided and measured by multiple independent organizations.

In 2018, 44% of Swiss Post's total FOB was sourced in high-risk countries (Bulgaria and China) and 56% came from low-risk countries (Slovakia, Hungary, Portugal, Poland, Germany, Switzerland). A very high percentage (93%) of the company's FOB comes from the suppliers with which the company has worked at least five years. This shows the commitment of Swiss Post to establish and work with long-term suppliers. The company has an outstanding process in place to conduct human rights due diligence and to implement the FWF Code of Labour Practices within its direct suppliers or through its intermediary. The continuous evaluation of the suppliers had led to a decision of exiting China due to small order volumes, which is considered ineffective when it comes to transport and sustainability. 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 transparent price calculation sheets, which, aside from the working minute per piece and the price per minute, also gives insight into direct labour costs, indirect labour costs and overhead. The brand compares this information to the legal minimum wage levels in the countries. However, in one case in Bulgaria, the supplier would not disclose the number of working minutes it needs, thus Swiss Post has to rely on the intermediary to receive information.

FWF encourages Swiss Post to actively continue working with its suppliers on improving the targets towards living wage payments.

## 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. | 68%    | 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. | 3     | 4   | 0   |

**Comment:** In 2018, Swiss Post sourced from 17 suppliers, mostly from low-risk countries: Switzerland, Czech Republic, Slovakia, Hungary, Portugal, Poland, Germany, and Italy. 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 17 (2018). The consolidation process is formulated in the company's sourcing strategy.

| Performance indicators  | Result | Relevance of Indicator  | Documentation                                       | Score | Max | Min |
|---|--------|---|---|-------|-----|-----|
| 1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB. | 5%     | FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts. | Production location information as provided to FWF. | 3     | 4   | 0   |

**Comment:** In 2018, 5% of the production volume comes from locations where Swiss Post buys less than 2% of its total production volume. The company sourced some seasonal or very specific products from suppliers in Portugal, Italy, and Hungary.

**Recommendation:** FWF recommends the member to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, members 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. | 93%    | 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:** A very high percentage of 93% of the production volume comes from the suppliers where a business has existed for at least five years shows the commitment of Swiss Post to establish and work with long-term suppliers.

| Performance indicators  | Result  | Relevance of Indicator   | Documentation             | Score | Max | Min |
|---|---|--|---------------------------|-------|-----|-----|
| 1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed. | 2nd years + member and no new production locations selected | The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements. | Signed CoLPs are on file. | N/A   | 2   | 0   |

**Comment:** No new suppliers were added in 2018.

| 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:** Although in 2017 and 2018 no new suppliers were added by Swiss Post, the company has a very strong system in place in conducting human rights due diligence when selecting a new supplier. All new potential suppliers are first requested to fill in a comprehensive document called Uniform 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 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 and training, an initial audit will take place. Once the factory passed the onboarding process, it will be approved for sample order placement.

| 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 has a strict supplier evaluation checklist, including the aspect of factory working on the improvements of CAPs. For each indicator, a number of points are awarded within range 1000-1500 (highest). The final score is taken into a decision-making process of orders placement. This evaluation is done once a year.

In 2018, Swiss Post exited two suppliers in China due to small quantity volumes, which are difficult for production pre-booking. The business cooperation has ended after mutual agreement on terms and conditions between Swiss Post and both suppliers. Another business relationship came to an end with the supplier in Jordan. Swiss Post has produced small quantities of a very specific product, which has been removed from its product range. Another long term business relationship ended with a ties supplier in Hungary due to closing the factory/workshop by the owner.

In 2018, several pre-booking production orders had to be reduced or even one order was cancelled at one factory located in Bulgaria. Swiss Post sources from this factory through an agent. The impact of this order cancellation will be accessed during the next performance check.

| 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.

| Performance indicators  | Result           | Relevance of Indicator   | Documentation  | Score | Max | Min |
|---|------------------|--|--|-------|-----|-----|
| 1.7 Degree to which member company mitigates root causes of excessive overtime. | Advanced 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. | 6     | 6   | 0   |

**Comment:** Swiss Post has been working with several suppliers and the audit conducted at the factory showed no issues of overtime, besides two suppliers in China. The company had several discussions on remediations with both Chinese suppliers but came to a conclusion that the overtime is a country endemic issue and after some attempts to work on this issue and partnering with other FWF member, the company came to a conclusion to move this part of production to the suppliers in Europe, which do not have this issue or are willing to cooperate. FWF audit conducted at one supplier in Bulgaria showed no overtime issue. In general, the company plans 6 weeks as production time.

| 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, in some cases in Bulgaria, the supplier would not disclose the number of working minutes it needs or Swiss Post has to rely on the intermediary to receive information.

| Performance indicators  | Result                         | Relevance of Indicator   | Documentation   | Score | Max | Min |
|---|--------------------------------|--|---|-------|-----|-----|
| 1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid. | No problems reported/no audits | If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently. | Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved. | N/A   | 0   | -2  |

**Comment:** In 2018, one FWF audit has been conducted at the supplier in Bulgaria. No minimum wage issue was founded.

| Performance indicators   | Result | Relevance of Indicator  | Documentation   | Score | Max | Min |
|--|--------|---|---|-------|-----|-----|
| 1.10 Evidence of late payments to suppliers by member company. | No     | Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems. | Based on a complaint or audit report; review of production location and member company financial documents. | 0     | 0   | -1  |

| Performance indicators   | Result   | Relevance of Indicator   | Documentation   | Score | Max | Min |
|--|----------|--|---|-------|-----|-----|
| 1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations. | Advanced | 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 | 6     | 6   | 0   |

**Comment:** Swiss Post is conducting thorough wage calculations at production sites by using DNA costing sheets that besides the working minute per piece and the price per minute also gives insight into the wages paid by the supplier. This information is compared per each country to the living wage ladders and wage levels of wageindicator.org. Swiss Post discusses living wages with its direct suppliers or intermediary and makes sure the suppliers are able to pay the wages well above minimum wage in the range between 17%-30%. However, its main supplier in Bulgaria has provided the DNA costing sheet but not the production time in minutes. Swiss Post is sourcing from this supplier through an intermediary and therefore has more difficulties to obtain this information.

**Recommendation:** FWF encourages Swiss Post to discuss with suppliers about different strategies to work towards higher wages.

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

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

| Performance indicators                                     | Result       | Relevance of Indicator  | Documentation  | Score | Max | Min |
|--|--------------|---|--|-------|-----|-----|
| 1.13 Member company determines and finances wage increases | Intermediate | Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach. | Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc. | 2     | 4   | 0   |

**Comment:** Swiss Post has a very strong price costing analyzing sheet and collects all relevant data, i.e. labour minutes, salary per worker category, bonuses, holidays payments from all its suppliers. In addition, more country-specific data is collected from external sources like minimum wage and wage indicator. Through this analysis, the company is able to calculate how much the factory is paying to its workers. The legal minimum wage paid to all workers is set up as a baseline and no supplier can pay less. However, the company insists on salary payment higher than minimum wage following a calculation of payment 2x minimum wage. The payment above the minimum wage varies per country with a percentage of 17%-30%. The Responsible Purchasing Specialist is communicating the analysis results to the factory and the 'net take home' salary is the most important indicator.

**Recommendation:** Swiss Post should analyze 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 | 44%    | FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages. | Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc. | 2     | 3   | 0   |

**Comment:** The sourcing price is set up in the way that it supports the payment above minimum wage. The percentage of the production where this is implemented is 44% with the range between 17%-20%, depends on the country. The production volume in low-risk countries is not counted for this indicator.

---

## Purchasing Practices

**Possible Points: 45**

**Earned Points: 40**

---

## 2. Monitoring and Remediation

| Basic measurements  | Result  | Comments   |
|---|---|--|
| % of own production under standard monitoring (excluding low-risk countries)              | 44%   |  |
| % of production volume where monitoring requirements for low-risk countries are fulfilled | 56%   | To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.) |
| Meets monitoring requirements for tail-end production locations.                          | No (implementation will be assessed next performance check) | FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.                               |
| Requirement(s) for next performance check   |   |  |
| Total of own production under monitoring  | 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 FWF membership, and cannot be successfully managed on an ad-hoc basis. | Manuals, emails, etc., demonstrating who the designated staff person is. | 2     | 2   | -2  |

**Comment:** In 2018, the organisational structure has changed. Swiss Post has two people responsible for social compliance and the monitoring system. A third person is responsible for the purchasing of shoes from external brands.

| Performance indicators                                  | Result   | Relevance of Indicator  | Documentation                     | Score | Max | Min |
|---|--|---|-----------------------------------|-------|-----|-----|
| 2.2 Quality of own auditing system meets FWF standards. | Member makes use of FWF audits and/or external audits only | In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system. | Information on audit methodology. | N/A   | 0   | -1  |

| Performance indicators   | Result | Relevance of Indicator  | Documentation  | Score | Max | Min |
|--|--------|---|--|-------|-----|-----|
| 2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner. | Yes    | 2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings. | Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc. | 2     | 2   | -1  |

**Comment:** One FWF audit has been conducted at the supplier in Bulgaria. The audit report was shared with the factory through the agent. Swiss Post discusses the audit report and CAP findings with its agent in a timely manner.

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

**Comment:** Swiss Post systematically addresses CAP follow up. The Purchasing Specialist keeps track of the remediation statuses of the CAP findings. CAP findings are prioritized by the company and follow-up is discussed with suppliers (direct) or agents via email. CAP status and relevant correspondence on the findings are documented and if possible supported by photos. Swiss Post sees CAP follow-up as a shared responsibility between them and the suppliers.

In 2018, Swiss Post has worked on two CAPs at its Chinese suppliers but after a decision taken to move this production to Europe, there was no leverage to continue working with both factories on the excessive time issue. The company closed both CAPs with some remaining issues open on a living wage, FoA and H&S.

In addition, the company has worked on a CAP with its Bulgarian supplier. All communication with the factory is through the intermediary, which is not always as fast and as efficient when the contact is direct with the factory. Swiss Post buys ready-made garments (not CMT) and needs an intermediary to purchase the fabric.

**Recommendation:** It is advised to include worker representation in the remediation process. Either to engage workers in identifying and implementing improvements or to verify realized improvements.

| Performance indicators   | Result | Relevance of Indicator   | Documentation   | Score | Max | Min |
|--|--------|--|---|-------|-----|-----|
| 2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year. | 66%    | 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. | 3     | 4   | 0   |

**Comment:** Swiss Post plans carefully in advance all the visits at its suppliers and during those visits trainings of the management and the workers are conducted. The trainings are on Swiss Post' Code of Conduct and FWF CoLP. The outcomes of the visits are documented.

**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. FWF 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. | No existing reports/all audits by FWF or FWF member company | 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. | N/A   | 3   | 0   |

**Comment:** In 2018, no third party audits were collected.

| 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 FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF. | Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents. | N/A   | 6   | -2  |
| Compliance with FWF enhanced monitoring programme Bangladesh   | Policies are not relevant to the company's supply chain                  |   |   | N/A   | 6   | -2  |
| Compliance with FWF Myanmar policy   | Policies are not relevant to the company's supply chain                  |   |   | N/A   | 6   | -2  |
| Compliance with FWF guidance on abrasive blasting  | Policies are not relevant to the company's supply chain                  |   |   | N/A   | 6   | -2  |
| 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 excessive overtime in China or the position of trade unions in Bulgaria. It also relates such risks to the performance of suppliers.

In China, Swiss Post actively tried to mitigate the risk of excessive overtime. The company discussed this directly with its suppliers as well as with the agent. Due to very low volume quantities, Swiss Post stopped sourcing from both factories in China in 2018 and has no longer active production in this country.

| 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:** In 2018, Swiss Post actively cooperated with one other FWF member at one of their shared suppliers.

| Performance indicators  | Result   | Relevance of Indicator  | Documentation   | Score | Max | Min |
|---|--|---|---|-------|-----|-----|
| 2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled. | 50-100% AND member undertakes additional activities to monitor suppliers | Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries. | Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires. | 3     | 3   | 0   |

**Comment:** In 2018, Swiss Post visited six factories in low-risk countries (Slovakia and Hungary). When Swiss Posts visits the factories, the company checks health and safety issues, documentation and speaks to workers. Staff of Swiss Post gives presentations to factory management and workers on the importance of the Code of Labour Practice. Furthermore, Swiss Post regularly received updates on wage levels in those factories and compared them to living wage estimates.

| Performance indicators  | Result | Relevance of Indicator  | Documentation  | Score | Max | Min |
|---|--------|---|--|-------|-----|-----|
| 2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met). | Yes    | FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold. | Production location information as provided to FWF and recent Audit Reports. | 2     | 2   | 0   |

**Comment:** Swiss Post audits all its suppliers in high-risk countries whether part of the tail-end or not.

| Performance indicators   | Result  | Relevance of Indicator   | Documentation               | Score | Max | Min |
|--|---|--|-----------------------------|-------|-----|-----|
| 2.11 Questionnaire is sent and information is collected from external brands resold by the member company. | Yes, and member has collected necessary information | FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods. | Questionnaires are on file. | 2     | 2   | 0   |

**Comment:** Swiss Post buys from two external producers, with whom it has been working for a long time. The questionnaires were filled out.

| Performance indicators  | Result | Relevance of Indicator   | Documentation   | Score | Max | Min |
|---|--------|--|---|-------|-----|-----|
| 2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume). | 0%     | FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods. | External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members. | 0     | 3   | 0   |

**Comment:** One of the two external brands is an FWF member with 0.42% of the total external sales volume. As this percentage is too low, no points are awarded.

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

---

## Monitoring and Remediation

**Possible Points: 28**

**Earned Points: 22**

---

### 3. Complaints Handling

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

| Performance indicators   | Result | Relevance of Indicator   | Documentation  | Score | Max | Min |
|--|--------|--|--|-------|-----|-----|
| 3.1 A specific employee has been designated to address worker complaints | Yes    | Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis. | Manuals, emails, etc., demonstrating who the designated staff person is. | 1     | 1   | -1  |

**Comment:** The person responsible for sustainable purchasing is responsible to address 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 FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations. | Photos by company staff, audit reports, checklists from production location visits, etc. | 2     | 2   | -2  |

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

| Performance indicators   | Result | Relevance of Indicator   | Documentation  | Score | Max | Min |
|--|--------|--|--|-------|-----|-----|
| 3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline. | 38%    | After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue. | Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes. | 4     | 6   | 0   |

**Comment:** Between 2016 and 2018, three of Swiss Post's suppliers, accounting for 38% of its production volume in high-risk countries, participated in FWF's Workplace Education Programme (WEP) basic module. These production locations are located in China and Bulgaria.

| Performance indicators   | Result                 | Relevance of Indicator   | Documentation  | Score | Max | Min |
|--|------------------------|--|--|-------|-----|-----|
| 3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure | No complaints received | Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues. | Documentation that member company has completed all required steps in the complaints handling process. | N/A   | 6   | -2  |

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

---

## Complaints Handling

**Possible Points: 9**

**Earned Points: 7**

---

## 4. Training and Capacity Building

| Performance indicators  | Result | Relevance of Indicator   | Documentation                                      | Score | Max | Min |
|---|--------|--|--|-------|-----|-----|
| 4.1 All staff at member company are made aware of FWF membership. | Yes    | Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed. | Emails, trainings, presentation, newsletters, etc. | 1     | 1   | 0   |

**Comment:** 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 FWF requirements and advocate for change within their organisations. | FWF 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

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

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

**Recommendation:** FWF recommends Swiss Post to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end Swiss Post can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

| Performance indicators  | Result   | Relevance of Indicator  | Documentation  | Score | Max | Min |
|---|--|---|--|-------|-----|-----|
| 4.5 Degree to which member company follows up after a training programme. | No training programmes have been conducted or member produces solely in low-risk countries | After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact. | Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees. | N/A   | 2   | 0   |

---

## **Training and Capacity Building**

**Possible Points: 11**

**Earned Points: 5**

---

## 5. Information Management

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

**Comment:** In 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.

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

**Comment:** The 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.

---

## Information Management

**Possible Points: 7**

**Earned Points: 4**

---

## 6. Transparency

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

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

| Performance indicators                                      | Result  | Relevance of Indicator  | Documentation  | Score | Max | Min |
|---|---|---|--|-------|-----|-----|
| 6.2 Member company engages in advanced reporting activities | Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency. | Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry. | Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List. | 1     | 2   | 0   |

**Comment:** 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 FWF's communication policy. | Social report that is in line with FWF's communication policy. | 2     | 2   | -1  |

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

---

## **Transparency**

**Possible Points: 6**

**Earned Points: 5**

---

## 7. Evaluation

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

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

| Performance indicators   | Result  | Relevance of Indicator  | Documentation   | Score | Max | Min |
|--|---|---|---|-------|-----|-----|
| 7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company. | No requirements were included in previous Check | In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach. | Member company should show documentation related to the specific requirements made in the previous Brand Performance Check. | N/A   | 4   | -2  |

## Evaluation

**Possible Points: 2**

**Earned Points: 2**

# Recommendations to Fair Wear

## Scoring Overview

| Category                       | Earned | Possible |
|--------------------------------|--------|----------|
| Purchasing Practices           | 40     | 45       |
| Monitoring and Remediation     | 22     | 28       |
| Complaints Handling            | 7      | 9        |
| Training and Capacity Building | 5      | 11       |
| Information Management         | 4      | 7        |
| Transparency                   | 5      | 6        |
| Evaluation                     | 2      | 2        |
| Totals:                        | 85     | 108      |

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

79

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

05-06-2019

Conducted by:

Terezia Haselhoff

Interviews with:

Secil Helg - Responsible Purchasing Specialist

Jan Patrick Willmes - Head of Procurement

Marion Jülke - Deputy of Direct Procurement

Daniel Jaisli - Head of Direct Procurement

Michael Heim - Head of Social Responsibility

Camilla Krebs - Internal Communication

Yves Zimmermann - Corporate Project Controller

Martin Zürcher - Procurement Project Controller

Volker Schindler - Purchaser