



Brand Performance Check

Filippa K AB

This report covers the evaluation period 01-01-2020 to 31-12-2020

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.

This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

Filippa K AB

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	2008-02-29
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	China, India, Romania, Turkey, Viet Nam
Production in other countries:	Italy, Lithuania, Morocco, Portugal, Spain, Ukraine
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	72%
Benchmarking score	47
Category	Needs Improvement

Summary:

Filippa met some of Fair Wears requirements in 2020. With a benchmark score of 47 points and a monitoring threshold of 72% Filippa K will be placed in the "Need improvement" category this year.

Corona Addendum:

The year 2020 started well for Filippa K, and February was a good month for sales. The brand carried out its last travel activities at the end of February, but when buyers returned at the beginning of March, things started escalating as the pandemic hit Europe. By the end of March, travel restrictions were issued at Filippa K, and no one could travel to suppliers.

Sales came to a complete halt in April. Filippa K faced massive challenges due to retail shops closing down and its customers cancelling wholesale orders. As a response to this situation, Filippa K had to make some tough decisions and decided to lay off all expendable staff members. Other staff had their hours reduced. Filippa K had already developed a strategy to increase online sales and was able to survive 2020 largely due to its strong focus on online sales.

All the employees were on furlough and worked only 40% of their regular hours from April until September 2020. A 20% furlough continued during autumn, and by November 1st, the staff at Filippa K resumed its normal working hours.

Filippa K largely stopped orders when the material had been paid for but had not yet arrived in the factory. In cases where the material had already arrived, Filippa K requested them to be kept in stock at the factories and not go directly into production. In end-effect, orders were decreased by 30%.

Being a fashion company with a collection of around 400 different styles, Filippa K has an extensive supply chain spread across several countries in Europa and Asia. Portugal is its biggest production country, followed by China, Italy, India, and Turkey. Because COVID-19 was transmitting differently in different countries, it was causing problems at different times. As a result, many suppliers were severely hit with lay-offs and even factory closures. Filippa K did not have a strong and systematic response to the pandemic in following up on the COVID-19 related impacts on its suppliers. Contact with suppliers mainly was about how they could manage orders while maintaining the maximum order volume possible. The brand described it as "survival mode", and cancellations were inevitable.

Fair Wear strongly recommends Filippa K improve its system to assess country risks and make more use of other monitoring tools to verify the impact of the pandemic on suppliers and their workers.

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.	11%	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.	1	4	0

Comment: 11 % of Filippa K's production volume comes from the same supplier in China. This is the only supplier where Filippa K buys more than 10% of the production capacity. This is an improvement over the previous year, where none of the production locations reached 10% of the suppliers capacity.

Recommendation: Fair Wear recommends Filippa K AB to consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions. 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
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	27%	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.	0	4	0

Comment: A total of 27% of the production volume is done at production locations where Filippa K buys less than two percent of its total purchase volume. This number is identical to the previous year. Filippa K is aware of this relatively long 'tail-end' for production and is currently in a transition phase to consolidate its supplier base.

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.	59%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: 59% of Filippa K's production volume comes from production locations where the brand's business relationship has existed for at least five years. This is a slight increase compared to the previous year (58%).

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: Filippa K receives a signed copy of the questionnaire from each production location prior to starting production at a new supplier. All questionnaires are uploaded to the Fair Wear database, including those of the new production locations that were started up in 2020.

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.	Insufficient	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.	0	4	0

Comment: Filippa K has a solid on-boarding strategy when starting up with new suppliers. In 2020, Filippa K started up business relationships with five new suppliers. This happened after a six month trial period, in which samples were developed to evaluate quality and meanwhile the company did its due diligence on social compliance. The following was sent and received back: Fair Wear Questionnaire, Company Code of Conduct, Worker Information Sheet, External audit report.

Visits to Vietnam, Turkey and Portugal were conducted in 2019 and in the beginning of 2020 before the COVID-19 pandemic imposed with travel restrictions. That meant that all regular steps in Filippa K's on-boarding procedure could be followed.

Filippa K was able to identify country specific risks related to COVID-19 and was to some extent able to link these to its suppliers. Lock-down and the risk of workers getting infected, were at the top of the list in the start, and this was soon followed by the high risk of order cancellations and non payment of wages and ultimately layoffs.

Filippa was in contact with its Chinese suppliers in late February and early March 2020 and follow up was done on the health and safety situation. No problems were indicated and measures taken to protect workers against the pandemic were confirmed by email and in some cases also by photo evidence received from factories.

Questions in regards to how occupational health and safety (OHS) was handled with the factories was a part of the ongoing dialogue, but systematic evidence was not collected and issues identified by suppliers were not tracked in the same system as the Corrective Actions Plans (CAP) and follow up was a challenge due to the large number of issues arising and the limited working hours available.

When the pandemic hit Europe, the situation changed dramatically. The discussions with suppliers were led primarily by the sourcing department and not directly with the CSR staff. This meant that the overall country risks and guidance material from Fair Wear and other sources was not being used and the risk assessment and collection of evidence was not systematically approached. Being hardly hit by the COVID-19 pandemic, Filippa K was forced to lay off staff at headquarters and put remaining staff on furlough, which strained, which strained the resources available to deal with all emerging risks in the supply chain.

The focus at suppliers remained on trying to maintain its workforce, but follow up from the side of Filippa K could not be done sufficiently within the staff-hours available. Orders from its wholesale customers were cancelled and in turn the risk of wage and job lose at suppliers became the biggest threat in addition to having to deal with the rolling factory lock-downs happening in different production countries at different times.

Audits continued where possible. One audit in Turkey got postponed until 2021 as a result of COVID-19.

Two suppliers closed down as a direct result of COVID-19. One located in Belarus and another one in the Ukraine. For these suppliers Filippa K did not follow up on what happened to the workers.

Although the brand did some extend did discuss the impacts of COVID-19 with its suppliers, it did not systematically collect and link country- and sector-specific risks to the suppliers. The regular audits continued but Filippa K did not make use of extra audits to verify the situation. Furthermore, the brand made very little use of additional monitoring tools as a supplement to the information provided by the suppliers.

While Filippa K was informed about the closures of its suppliers, it did not check if workers' wages were impacted.

Requirement: Members are required to conduct a risk assessment of the impact of COVID-19 on its suppliers, identifying the most urgent issues per supplier.

When temporary factory closure has an impact on wages, Filippa K needs to investigate how much workers' wages were affected and ensure they do not fall below the legal minimum wage.

Recommendation: The COVID-19 risk assessment should include country specific information regarding the lockdown and supplier specific information regarding its financial impact. It should link the changes in the member’s purchasing practices to its impact on suppliers. This risk assessment should serve as the basis for dialogue between the member and supplier.

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

Comment: Filippa K has a solid supplier evaluation system in place. It is based on 11 fixed criteria. These criteria are: Sourcing(1), Product Development(2), Technical Support(3), Finance(4), Capacity(5), Lead-time(6), Packing (7), Deliveries(8), Communications(9), Claims(10) and Sustainability(11).

A supplier can be rated either "Good", "Pass" or "Poor" in each criteria. There is no separate weighing of the criteria meaning that sustainability is equal to all the other criteria. Furthermore it covers both the environmental as well as the social aspect.

If a supplier does not meet a criteria, or is unwilling to cooperate, Filippa K may choose to focus less on that supplier. The large range of products in the collection sets limitations on to what extent the system can be used to provide incentive. The actual sourcing decisions are based on having suppliers meet the needs of the collection.

The evaluation system of Filippa K was not adapted as a result of the COVID-19 pandemic. The company faced great challenges when it came to following up on the situation at suppliers. Most of the communication took place via sourcing and it was about ensuring that the maximum amount of orders could be placed to keep production going on and to meet the needs of the collection.

Filippa K reported that 30% of its orders had to be cancelled. Cancellations involved orders where production had not yet started and the brand ensured that the materials were paid for in case factories already bought them.

Business relationship was ended with quite a few suppliers in 2020, but not as result of the COVID-19 pandemic, but being part of an ongoing consolidation strategy. Filippa K decided to move production out of India with the exception of one workshop specialising in leather. The general consideration for moving out of India was that the factories there did not meet quality requirements and the brand faced too many challenges. Some manufactures would have a good agenda when it came to social compliance, but increasingly the designers did not find the products they needed and additionally considered the minimum order quantities too high.

Filippa K ended its relation with in total 41 suppliers, based in country Vietnam, China, Portugal and Lithuania. Main reasons were discontinuation of products and Filippa K's consolidation strategy.

Because of the small leverage at the suppliers that were ended, and the 5 month notice period given prior to terminating the business relationship, Fair Wear concludes that a responsible exit-strategy was followed when leaving suppliers. This assessment covers factories that were not excited as a result of COVID-19.

Requirement: The member should frequently communicate with its suppliers about the impact of the COVID-19 crisis. Filippa K should check whether other clients have cancelled orders and what kind of support suppliers need.

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: Filippa K issues orders five months ahead of the delivery date for the seasonal collections as well as for the CORE products. Orders are issued eight times per year with projections of quantities together with block of material issued five months ahead. This gives suppliers sufficient time to prepare and plan production.

For each style, Filippa K has insight into production capacity, knowing the costs of CMTP (Cut Make Trim and Packing), however not at the level of standard minutes per part of a style and total capacity of the production location. Filippa K indicates they trust their suppliers to make realistic planning based on regular working hours. An extra 3-4 weeks is always built in to allow delays of fabric. For their Asian suppliers, Filippa K adds another 4 weeks for shipment.

In addition to this, the buyers of Filippa K inform each other with the aim to evenly split orders across various suppliers. Or, if they know a supplier will not be able to manage a large quantity, orders will be moved to different suppliers. Filippa K checks the production process on a weekly basis during production.

During the COVID-19 pandemic factory lock-downs were a problem causing massive delays. Late deliveries were accepted by Filippa K without penalties.

Filippa K is planning six month ahead but in 2020 it was very challenging to know what the situation would be six months ahead. Suppliers were informed accordingly when orders needed to be reduced.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	N/A	6	0

Comment: Overtime was not an issue at Filippa K's factories in 2020 due to COVID-19 slowing down the order flow.

One audit report of December 2020 shows inaccurate time records. Follow up will be assessed in the next performance check.

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.	Insufficient	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.	0	4	0

Comment: Since 2018, Filippa K works with open costing sheets, required for all suppliers to work with. Information provided in the costing sheet is still based on the CMT (Cut, Make, Trim) price with no insight into labour minutes and wages. There is not yet a solid system to verify payment of legal minimum wages at all suppliers. Filippa K has the intention to learn more about the Fair Wear wage ladder and use it to gain better understanding on wage levels. Due to the limited time for the CSR staff on furlough during 2020, this was not a focus area last year and no further insight was gained.

No investigation was made into potentially increased costs at suppliers when implementing COVID-19 measures, hence this was not factored into the brands buying prices.

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

Recommendation: Its highly recommendable to have a proper wage insight when ever possible. Paying "higher" prices is not enough if Filippa K cannot demonstrate how its prices paid are linked to workers wages.

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: One supplier in China changed its payment system from piece rate to a hourly rate as a result of the pandemic. This was done to maintain the workforce, but it also meant that legal minimum wages could not be upheld and the workers were paid wages that were falling significantly below the legal minimum wage. Filippa K was informed about this but did not remediate the situation.

In several countries suppliers had to temporarily close down. Filippa K did not investigate this closures had on workers' wages.

Requirement: During COVID-19 the member is expected to thoroughly check with its suppliers whether they foresee any issues with payment of wages.

If a supplier fails to comply with legal wage regulations, 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.

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: Filippa K has agreed with its European suppliers on a payment term of 60 days. It was an increase from 30 days since the middle of 2019 and it was accepted by suppliers in Italy and Portugal.

Other examples are Lithuania which still offer 30 days and Vietnam where suppliers are paid by letter of credit. During the pandemic, Filippa K was funded by the Equity fond that owns the company and in this way it was ensured that suppliers received their payments in full and on time. Filippa K was able to sufficiently demonstrate this during the performance check.

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.	Insufficient	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: No work was done on addressing root causes to payments lower than Living Wages in 2020.

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

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: Filippa K wants to start up a Living wage project with a factory in Turkey during 2021, but during 2020 no target wages were determined and financed by the company.

Requirement: Filippa K 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: Filippa K is currently not paying its share of target wages at any of its production locations.

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

Purchasing Practices

Possible Points: 46

Earned Points: 9

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	20%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	52%	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.	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 monitoring threshold:	72%	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: At Filippa K, the CSR manager is the one following up on problems identified by the monitoring system.

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

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

Comment: The Fair Wear audit reports and Corrective Action Plans (CAPSs) were shared with factory management. Timelines for improvement are established and the CAPs are regularly checked upon. Documents and pictures are collected as proof of follow up. The CSR manager coordinates this process in close contact with the buyers to monitor timelines and verify implementation.

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: At one of the suppliers, there were findings related to communication, health and safety and Freedom of Association (FoA). With the use of QuizRR, improvement was shown on the area of communication. One of the four audited suppliers participated in the first three QuizRR modules, focusing on communication and labour conditions. The fourth module which deals with FoA was planned for 2020/2021, but was cancelled due to COVID-19. Filippa cancelled its QuizRR membership in 2020 in order to cut costs.

The regular work on the Corrective Action Plans (CAP) continued. An active CAP from a 2019 audit was shared during the performance check and some progress could be demonstrated.

Filippa K did not integrate its COVID-19 related findings at suppliers into a CAP format, and did not have a systematic way of addressing these issues.

Filippa K knew about the risks suppliers were facing such as wage and job-loss among workers due to declining orders and lock-downs, but for the most part was not in a position to provide solutions that went beyond trying to maintain as many orders as possible.

In regards to checking for risks related to occupational health and safety (OHS), the conclusion was that Filippa K due to its own internal struggles during COVID-19, did not sufficiently demonstrate the follow-up on these risks.

Requirement: Issues related to COVID-19 should not be considered solved without adequate verification.

Recommendation: COVID-19 related issues can be included in outstanding CAPs to facilitate monitoring.

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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2020 for all Fair Wear members. The calculated value would have been 63%.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Existing audit reports are collected as a step in the due diligence process to investigate new factories. When Filippa K works with a production location, it prefers to monitor through Fair Wear audits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	2	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	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Insufficient			-2	6	-2

Comment: Filippa K is generally well aware of the risks in its production countries. It follows the country guidance developed by Fair Wear and has developed its own a country risk policy for Portugal where the majority of its suppliers are located.

In China there are risk identified in relation to both excessive overtime and non-payment of a living wage. Filippa K is monitoring these risks and are looking to start working on a living wage project in China in 202/2022

In Turkey the buying team is checking on Syrian migrant workers during its visits, but Filippa K still does not have a written policy in place that has been signed by its suppliers.

In Italy, Filippa K is following up vigilantly on the risk of migrant workers from China being employed in its workshops. So far no problems have been found related to this.

In Vietnam Filippa K is monitoring the issue of Gender Based Violence (GBV) and Harassment.

COVID-19:

During the pandemic Filippa K tried its best maintain a steady flow of orders to as many suppliers as possible. This was the maximum effort the brand felt it could accomplish in terms of support and remediation.

In the beginning of the year, Filippa K followed up with its Chinese suppliers regarding which health and safety measures were implemented prior to reopening factories an the buying team used Fair Wear's discussion sheet and check-list on Occupational Health and Safety to follow up with suppliers.

From the time the pandemic hit Europe and other production countries, the follow up became less systematic and the adverse impact of lock-downs in terms of lose of wage and jobs were not remediate.

Requirement: The member should take measures to prevent the loss of jobs or lowering of wages at suppliers due to COVID-19, following the guidelines in Handbook: COVID-19 Lost wages and jobs series.

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: Filippa K currently actively cooperates with one other Fair Wear member in resolving corrective actions. Roles are divided between the two brands and the costs are shared.

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.	89%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

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

Comment: Filippa K monitored 89% of its low-risk production volume in 2020. An external audit was conducted at one of Filippa K's low-risk production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	N/A	2	0

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: 26

Earned Points: 18

3. Complaints Handling

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

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

Comment: Filippa K's CSR manager is designated to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: A random sample of factories confirmed that the Worker Information Sheets were posted in the factories.

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.	0%	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.	0	6	0

Comment: No training from Fair Wear training was conducted in 2019/2020 and the company did not engage in other type of awareness raising of the Fair Wear Code of Labour Practices. Filippa discontinued its membership of Quizzer to cut costs.

The worker videos provided by Fair Wear were not shared with the suppliers.

Requirement: Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. Filippa K AB 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.

Recommendation: Filippa K can share the Fair Wear COVID-19 videos that were made available for Turkey with its suppliers.

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 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

Complaints Handling

Possible Points: 9

Earned Points: 3

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: During the furlough period, the CEO held a digital meeting every week to inform on the status of the company and ensure that all staff was informed when working from home.

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: CSR staff participated in the buying meetings every month and a separate meeting was held once every 6 weeks.

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

Comment: Filipa is working with one agent in Portugal since many years. This agent is actively supporting the CoLP. In Turkey there is a new agent hired, and this agent will be trained in Fair Wear requirements during 2021.

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.	5%	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: In 2018 and 2019 a supplier was enrolled in QuizRR and obtained the highest level. This training in communication took place with several modules and four rounds of updates and can therefore be considered transformative training. The supplier accounted for five percent of Filippa K's production volume. QuizRR was discontinued at Filippa K in 2020, but the training is valid for three years, and therefore valid for this performance check.

Recommendation: Fair Wear recommends Filippa K 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, Filippa K AB 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: No training follow up was conducted in 2020. The Quizzer membership was discontinued and focus on training follow up was not a priority with the limited working hours available.

Training and Capacity Building

Possible Points: 13

Earned Points: 6

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: Filippa K has a solid understanding of where its products are made. The buying contract requires suppliers to be transparent about production locations, including subcontractors before orders are placed.

Filippa K visits production locations and is proactively asking for updated production location data before orders are placed. The data is checked again during the production cycle. Filippa K's financial system is able to track payments to factory locations, including estimated shares for most of the subcontractors.

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

Comment: All relevant staff actively share information with each other about working conditions at production locations. The buying team and the CSR team engage in regular meetings to discuss CAP remediation and other pending issues.

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: Filippa K's public communication about Fair Wear membership is concise and complies with Fair Wear's Communication Policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	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.	2	2	0

Comment: Filippa K discloses 76-99 % of its suppliers, including subcontractors on the Fair Wear website and internally towards other members.

On its own website, Filippa K discloses the following for each style: The factory name, location, number of employees, the first year of collaboration, and whether it has been visited by the Filippa K team.

Recommendation: Fair Wear recommends member brand to disclose 100% of production locations to other Fair Wear members in Fair Force and on the Fair Wear website

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: A complete and accurate social report was submitted to Fair Wear and published on the member's website.

Transparency

Possible Points: 6

Earned Points: 6

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: Fair Wear membership is evaluated with the management team. A new CEO joined the company in 2021 and coming from another brand that was also Fair Wear member he brings with him an enthusiasm for Fair Wear and a eagerness to grow and do better in sustainability.

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.	33%	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: Filippa K made progress in two out of six requirements given in the previous year. The requirement to submit a social report and meet its tail-end monitoring requirements were fulfilled.

The four requirements that were not worked on by the company were:

Indicator 1.8 - Being able to demonstrate a link between its buying prices and wage levels in production locations

Indicator 1.11 - Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.

Indicator 1.13 - Member company determines and finances wages increases.

Indicator 1.14 - Percentage of production volume where the member company pays its share of the target wage.

The requirements to work on these indicators are repeated in this report.

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

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

Filippa K expressed satisfaction with Fair Wear's monitoring, evaluation and the audits which were described as being good and on a very high level.

Its been a very challenging year for Filippa K and since Fair Wear system is very much based on fact the company is afraid it will not be doing well performance check.

It was considered to even stop with the Fair Wear membership due to cost considerations, but Filippa K decided to continue, The new CEO sees Fair Wear membership as a way to benchmark Filippa K against the best and gain insight into how the leaders of the industry are doing on the topic of sustainability.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	9	46
Monitoring and Remediation	18	26
Complaints Handling	3	9
Training and Capacity Building	6	13
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	53	113

Benchmarking Score (earned points divided by possible points)

47

Performance Benchmarking Category

Needs Improvement

Brand Performance Check details

Date of Brand Performance Check:

26-05-2021

Conducted by:

Peter Jahns

Interviews with:

Jodi Everding, Material Sustainability
Christina Mujadi, Compliance Manage
Rikard Frost, CEO