



# **Brand Performance Check**

## **Swiss Post**

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](http://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

## Swiss Post

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

Member company information	
Headquarters:	Bern , Switzerland
Member since:	2012-06-12
Product types:	Workwear
Production in countries where Fair Wear is active:	Bulgaria
Production in other countries:	Czechia, Germany, Italy, Lithuania, Poland, Portugal, Slovakia, Switzerland
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	77%
Benchmarking score	75
Category	Leader

## Summary:

Swiss Post has made progress and shown advanced results on performance indicators. With a benchmarking score of 75 points, Swiss Post has been rewarded the 'Leader' category.

Swiss Post monitored 77% of its supply chain, which is less than a leader brand normally needs to monitor. However, as monitoring was more difficult in 2020, the monitoring threshold does not determine the category in 2020.

## Corona Addendum:

In the beginning, there was uncertainty at Swiss Post regarding planning security. The increase in online orders and thereby package deliveries led to an increase in staff and thereby to a higher demand for products. Hence Swiss Post increased its original forecast. Swiss Post sources from 10 suppliers, which produce in 15 different locations. In 2020, the member sourced mainly from low-risk countries with an exception of two Bulgarian suppliers. Producing only within the European Union made it easier for Swiss Post to manoeuvre through COVID-19, as all its production countries have systems in place that supported factories and workers during lock-downs or during sick days. The department of procurement was not on furlough and the staff that became idle due to COVID-19 received new tasks via an internal job market.

Overall, Swiss Posts response to the pandemic was strong thanks to the existing systems the member has in place. For instance, each country and each factory was scanned for COVID-19 specific risks systematically. Throughout the pandemic, the member was in continuous conversation with its suppliers and collected detailed information via a supplier survey about the impact of COVID-19. Thereby, Swiss Post was informed about government measures, health risks and preventive measures and the payment of wages. While the orders from Swiss Post remained stable, missing orders from the private sectors led to a loss of revenue for most of its suppliers. Therefore, Swiss Post included as well questions about order status from other clients in its supplier survey in order to monitor the risk of financial liquidity during the pandemic.

Through this profound risk assessment, Swiss Post identified as one of the highest risks the impacts of lockdowns on production and the losses in revenue. Nevertheless, none of the suppliers requested financial help and confirmed that all legal minimum wages are paid to the workers. The payment during sick leave was covered by the health insurance in all its production countries. All suppliers responded saying that no workers had to be laid off due to COVID-19.

Two factories in Italy and one factory in Portugal were closed from mid-March to the beginning of May 2020. Another factory in Poland was closed three times in total. Swiss Post reached out to all its suppliers to check if legal minimum wages were paid during lock-downs. While all suppliers responded that LMW were paid, Swiss Post did not verify the payment by requesting wage slips from all suppliers.

Due to COVID-19 infections in the factories and in the transport companies, there were delays in the delivery of goods in 2020. Swiss Post accepted late deliveries from its suppliers.

## Performance Category Overview

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

# 1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	88%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** In 2020, Swiss Post sourced from 10 different suppliers, which produce in 15 different locations. The brand prefers to manufacture its products in Europe due to the traceability of the production locations and materials. Swiss Post started its supply base consolidation already in 2010 and since reduced the number of production locations from 29 to 15 (2020). Compared to last year, the brand increased leverage at its suppliers. Where it had a score of 83% in 2019, this went up to 88% in 2020.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	6%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

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

**Recommendation:** Swiss Post 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.	91%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0



**Comment:** Swiss Post values long-term relationships, with one supplier the member is already in business since 1950. With its main supplier in Slovakia, it has had a working relationship for more than five years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** In 2020, the Swiss Post started a new business relationship with one Italian supplier. The brand had requested and received the Fair Wear questionnaire of the new supplier before production took place. Swiss Post also commissioned an external audit at this new supplier 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.	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:** In 2020 Swiss Post started to source from one new supplier in Italy. Before placing its first order, Swiss Post commissioned an external audit at this supplier. Overall, the sourcing strategy of Swiss Post includes a thorough due diligence procedure. All new potential suppliers are first requested to fill in an extensive suppliers questionnaire, which includes besides the Fair Wear questionnaire, a sheet on wage data, resources and capacity across different departments and a DNA open costing calculation for all the products of Swiss Post. The results are integrated into an overview table to evaluate and compare the different potential suppliers. The supplier with the best performance is selected as a new supplier. While existing audit reports are requested as part of the supplier evaluation, Swiss Post always commissions an audit before starting a business relationship.

Since 2017 Swiss Post bases its risk analysis on the OECD guidelines. Country risks are analysed according to Amfori, UN Human Index and the Fair Wear country studies and the results are integrated into a risk analysis overview table. Thereby, Swiss Post has an advanced overview of risks in its entire supply chain.

In 2020, the COVID-19 specific risks were included in the risk analysis, providing Swiss Post with an overview of existing lock-downs and risks to social standards per production country. Swiss Post scores the overall risk per country by four risk levels. Beyond country risk, Swiss Post extended its risk analysis to the factory level. To collect information about the impact of COVID-19 on its suppliers, Swiss Post sent a supplier questionnaire to all its suppliers. The questionnaire collected information about lock-downs, health risks and measures, existing infections, layoffs, payment of wages and financial liquidity.

Through this profound risk assessment, Swiss Post identified as one of the highest risks the impacts of lockdowns on production and the losses in revenue. While the orders from Swiss Post remained stable, missing orders from the private sectors led to a loss of revenues for most of its suppliers.

None of the suppliers requested financial help and confirmed that all legal minimum wages are paid to the workers. The payment during sick leave was covered by the health insurance in all its production countries. All suppliers responded in the questionnaire that no workers had to be laid off due to COVID-19. In general, more workers are needed, as production increased within Europe due to COVID-19.

Swiss Post made use of Fair Wear's country-specific guidance where possible. Generally, the suppliers indicated they were doing ok both in the supplier survey and in direct contact with Swiss Post (this was demonstrated during the performance check).

Besides the audit conducted at its new supplier, two more audits were conducted at two Italian suppliers.

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 evaluates the performance of its suppliers continuously. In 2020, Swiss Post was in continuous dialogue with its suppliers and kept track of shared information to be able to respond when necessary. COVID-19 related areas were added to the evaluation such as the implementation of health and safety measures, layoff and financial liquidity. Besides committing to long-term partnerships, the member does not reward suppliers with good performance specifically.

Swiss Post did not cancel or reduce any orders because of COVID-19. At the start of the pandemic, the member reached out to all suppliers to check on their situation. Eventually, Swiss Post increased orders at suppliers as more staff was hired in 2020.

No supplier relationship was ended in 2020.

**Recommendation:** Fair Wear recommends Swiss Post to share and discuss the outcome of the supplier evaluation with all its suppliers. Furthermore, Fair Wear recommends Swiss Post to consider how it can stimulate progress on social issues, for example by offering price increases, bonuses or financial support to resolve issues.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** Swiss Post has an advanced forecasting system and discusses delivery deadlines in close collaboration with suppliers. As the orders of Swiss Post are made to refill the stock and are not direct orders, the brand asks suppliers for their low season production periods, in order to place its orders in the low season, which is usually after the Christmas period. Moreover, the member is informed about the yearly production capacities of its suppliers and pre-books capacities one year in advance based on its stock data analysis.

Swiss Post seldom has style changes. Usually, production for one article goes on for several seasons of production. Hence, the member can maintain a high stock of materials which also allows the brand to easily respond to delays in raw materials. Normally, raw materials are ordered before Christmas to ensure sufficient time for delivery. As Swiss Post hired more people than anticipated in 2020, more products were needed than forecasted. This resulted in some delays as materials had to be re-ordered. The delays in production were communicated by the suppliers and partial deliveries or late deliveries were accepted by Swiss Post.

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

**Comment:** In 2020, no Fair Wear audits were conducted. A previous audit report of a Bulgaria supplier showed that no excessive overtime took place at the supplier.

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 has a good overview of the price composition of its products. All suppliers have to fill out an open cost calculation, which provides insights into the working minute per piece and the price per minute. One of its main Bulgarian supplier did not disclose the number of working minutes which Swiss Post requested. In 2020, this supplier was chosen for a wage gap analysis (see indicator 1.11) in order to create more transparency.

Swiss Post also collects every year wage information from its suppliers and compares it with the legal minimum wages. Thereby, Swiss Post can track the wage level of each worker from its suppliers. The wage data from its Slovakian, Czech, Portuguese and Swiss suppliers are well maintained. As a next step, Swiss Post wants to collect as well wage information from its subcontractors.

For price negotiations, the open cost calculation is the basis. When prices increase at its suppliers, the open costing gives direct insights to Swiss Post on which component of the product price increased.

The increased labour costs due to COVID-19 were covered either by the governments or by the suppliers themselves. None of the suppliers requested financial support throughout the pandemic or increased their prices to cover the costs of the safety measures.

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, 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.	N/A	0	-2

**Comment:** All the suppliers confirmed to Swiss Post that legal minimum wages were paid throughout 2020 and as well during lock-downs. The answers from all suppliers were documented by Swiss Post and shown during the Brand Performance Check. While Swiss Post requested information from all its suppliers if legal minimum wages were paid throughout 2020 and especially during lock-downs, it did not verify the responses by requesting wage slips from all its suppliers. All suppliers of Swiss Post are located within the European Union and hence the member stated that the governments regulate and ensure the payment of legal minimum wages.

**Recommendation:** Fair Wear strongly recommends Swiss Post to always verify whether legal minimum wages have actually been paid by requesting wage slips.

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

**Comment:** No late payments were identified by Fair Wear. In order to support its suppliers with liquidity issues, Swiss Post paid all invoices from mid-end 2020 directly/before the payment deadline.

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 collects wage information from all its suppliers since 2012 and tracks the responses from the suppliers in a table. Thereby, Swiss Post has an overview of the wage development per supplier. Moreover, Swiss Post requested information about the living wage estimates from its suppliers and those estimates are as well tracked in the same table.

In 2020, Swiss Post has conducted a wage gap analysis together with Fair Wear at its main supplier in Bulgaria in order to gain more transparency on how prices need to change to meet a living wage.

Swiss Post wanted to know specifically what the living wages are in the region, however reliable calculations at the regional level do not exist in Bulgaria. This is why for the analysis national ones were used. The Labour Minute and Product Costing Calculator was applied, which gives Swiss Post insights into the gap that exists between the prices currently paid by Swiss Post and a. the prices needed to cover the minute price needed for Swiss Post products, b. the living wage estimates and c. some target wages in between.

The analysis was presented to the top management of Swiss Post. As a next step, Swiss Post wants to find a joint solution with its supplier to address this wage gap.

**Recommendation:** Fair Wear strongly encourages Swiss Post to address the wage gap.

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	6	0

**Comment:** While Swiss Post has not set a target wage for its main supplier in Bulgaria, it conducted the wage gap analysis in order to set an appropriate target wage eventually. Swiss Post also started an internal discussion around this topic with top management and drafted an overview document as a basis for a living wage strategy.

**Requirement:** Swiss Post should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

**Recommendation:** Swiss Post is advised to compare the wages paid by all its suppliers with local living wage estimates (local trade union, wage indicator or Clean Clothes Campaign). The living wage estimates need to be discussed as well with the worker representation of the suppliers. Based on that Swiss Post can assess if the paid wages are considered a living wage.

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:** While all its suppliers pay wages above the legal minimum wage, the workers' wages have not yet reached a living wage level. As a target wage has not been set, points cannot be rewarded for this indicator.

**Requirement:** Swiss Post is expected to begin setting a target wage for its production locations.

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## **Purchasing Practices**

**Possible Points: 46**

**Earned Points: 35**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	8%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	69%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	N/A	
Requirement(s) for next performance check		
Total monitoring threshold:	77%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

**Comment:** Swiss Post has three people responsible for social compliance and 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

**Comment:** Member makes use of Fair Wear audits and/or external audits only (N/A). Swiss Post additionally conducts its own audits, which integrates besides the Fair Wear questionnaire, questions regarding wage levels and environmental compliance.

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:** In 2020, Swiss Post commissioned three external audits in Italy. Once the member receives an audit report, it first reviews the report, discusses findings internally and then shares it with its suppliers within approximately two weeks. The time-frames to remediate the CAP findings follow the Fair Wear guidelines. In general, it takes 1-2 years to remediate an entire CAP.

Involving worker representation is perceived as difficult by the brand in its respective production countries. Workers are informed about Fair Wear and the grievance mechanism by Swiss Post itself during on-site visits.

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

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

**Comment:** Swiss Post mainly sources from low-risk countries and from two Bulgarian suppliers. The member integrates updates on findings directly in the CAPs. While the remediation of health and safety findings is verified with pictures, the findings once solved appear again a few years later.

The member received the audit report of its main Bulgarian supplier at the end of 2018 and continued to follow up in 2020. The finding on living wages is continuously addressed (see indicator 1.11). Some health and safety findings are still pending, such as the overdue medical checks. The checks were scheduled for April 2020 but had to be postponed due to COVID-19.

Swiss Post could show as well progress in the remediation of findings for one of the external audits conducted in 2020 at an Italian supplier. Most of the findings were remediated and the supplier had sent pictures for proof. The only unresolved finding left is the execution of regular emergency drills.

While workers were not actively involved in OHS remediations, Swiss Post ensured that the Fair Wear videos for workers were screened in its Bulgarian suppliers.

The risk of the loss of revenue of its supplier on workers was monitored by Swiss Post through regular conversations and through the supplier questionnaire. Despite losses in revenue, suppliers continued to pay the legal minimum wages by using their own financial resources. As all suppliers are located within the European Union, Swiss Post stated that the respective governments monitor the payment of legal minimum wages. Also, workers who suffered from COVID-19 or had to quarantine received their wages through health insurance.

**Recommendation:** To streamline monitoring activities, COVID-19 related issues can be included in outstanding CAPs to facilitate monitoring.

In order to implement more long-term solutions for OHS findings, Fair Wear recommends Swiss Post to support its suppliers in the implementation of solutions more actively. For instance, involving workers more intensively in the remediation of findings will support the implementation and the continuous monitoring of these measures. Once managers and workers are involved in joint-solution-finding processes and are aware of the importance of long-term solutions, the ownership to uphold measures and maintain OHS conditions more independently might increase.

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.

**Recommendation:** Once on-site visits are possible again, Swiss Post is recommended to plan regular production visits to all its suppliers, including subcontractors. During personal visits, complex topics such as the involvement of workers in CAP remediation can be addressed more effectively.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	2	3	0

**Comment:** For one new potential Bulgarian supplier existing audit reports were selected and their quality assessed with the Fair Wear form. In case Swiss Post decides to source from a new supplier it rather commissions a new audit instead of integrating existing audit reports in its monitoring activities.

**Recommendation:** Existing reports reduce double work for suppliers. Therefore, Fair Wear recommends Swiss Post to integrate findings from existing audit reports in its monitoring activity, in case the audit report gives sufficient basis to work with and the quality of the report is assessed as good.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** Swiss Post regularly analyses human rights risks with the help of Fair Wear 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, such as the precarious employment of migrant workers in Portugal.

Since April 2020, the Swiss Post has followed the ILO Action in the Global Garment Industry as well as the FWF's requirement regarding COVID-19. Since the beginning, the member was in contact with the factories. Findings related to COVID-19 and implemented remediations were collected and verified through supplier questionnaires and regular calls. The member used its own questionnaire instead of the Fair Wear guidance (Covid-19 Factory Health and Safety Discussion Sheet, the Covid-19 Health and Safety Measures Checklist) as it perceived it as too complex for its suppliers. None of the suppliers requested help in the implementation of OHS measures. While Swiss Post verified with pictures that the Fair Wear workers videos were indeed shown to the workers of its Bulgarian suppliers, it did not request pictures of implemented OHS measures from the other suppliers. Besides Bulgaria, Swiss Post produces only in low-risk countries within the European Union. Swiss Post stated that within those countries, governments are taken appropriate measures to ensure the implementation of OHS measures.

To ensure that suppliers are financially stable enough to continue the payment of wages, Swiss Post regularly checked in with its suppliers and paid all invoices directly. While all suppliers confirmed that during lock-downs legal minimum wages are paid, Swiss Post did not verify this with wage slips. As the suppliers of Swiss Post are all located within the European Union, Swiss Post stated that the respective governments regulate and ensure the payment of legal minimum wages. Furthermore, all suppliers informed Swiss Post that none of the workers was dismissed due to COVID-19.

The payment of wages is verified with wage slips during on-site visits, however, this was not possible in 2020 due to the pandemic.

**Recommendation:** The member is encouraged to verify the information that came up through the additional monitoring tools (e.g. supplier questionnaires, meeting minutes).

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	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.	N/A	2	-1

**Comment:** The member collaborates with one other Fair Wear member in case there are issues at the shared supplier.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	75%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

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

**Comment:** At suppliers in low-risk countries, the brand ensures that the Worker Information Sheet is posted. Three external audits were commissioned at Italian suppliers in 2020.

The member collects wage data from all its suppliers and compares them to living wage estimates. In recent years, only a few of these factories were visited.

**Recommendation:** Swiss Post is advised to conduct a mapping of its supply chain in Italy that includes: investigation of subcontractors, the ownership structure of production locations, the number of workers and the type of employment relationship (irregular and migrant employment) to identify and mitigate potential labour rights violations. Swiss Post is encouraged to visit its production locations in Italy to discuss the risks associated with irregular and migrant employment relationships.

Overall, Fair Wear recommends Swiss Post to continue visiting its suppliers, once this is possible again. The brand should do this at least every three years. Fair Wear encourages Swiss Post to maintain the same high standard of raising awareness on the Fair Wear CoLP through training.

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

**Comment:** The brand does not have tail-end suppliers in 2020.

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

**Comment:** In 2020, Swiss Post worked with three external suppliers: one supplier delivered very small quantities of tie pins, the others were shoe suppliers. All external suppliers have already completed the Fair Wear questionnaire for external suppliers.

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

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

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

**Comment:** No licensees (N/A).



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## Monitoring and Remediation

**Possible Points: 29**

**Earned Points: 20**

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### 3. Complaints Handling

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

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

**Comment:** The person responsible for sustainable purchasing is responsible for addressing worker's complaints.

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

**Comment:** In each factory, the Fair Wear Code of Labour Practices is posted in the local language. This is checked by the Swiss Post during factory visits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	100%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

**Comment:** The Fair Wear worker videos regarding COVID-19 were shown at its Bulgarian suppliers and the screening of the videos was documented.

**Recommendation:** Fair Wear recommends Swiss Post to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Swiss Post should ensure good quality systematic training of workers and management on these topics. To this end, Swiss Post can either use Fair Wear's WEP Basic module or implement training related to the Fair Wear CoLP and complaint helpline through third-party 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
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

**Comment:** There were no complaints reported in 2020.

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

**Comment:** No complaints or cooperation not possible / necessary (N/A).

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 9**

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## 4. Training and Capacity Building

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

**Comment:** Swiss Post uses various communication tools to inform staff about the Fair Wear membership. Information about Fair Wear is shared internally through the intranet. The member also made a video with Fair Wear for internal and external use and regularly mentions Fair Wear in its newsletter.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** The procurement team members, who are directly involved with suppliers, are in regular exchange about the Fair Wear membership and related news.

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:** Intermediaries are trained in relation to Fair Wear's guidelines.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** The brand did not organize any training at its suppliers focused on transformative processes.

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

**Comment:** No transformative training programmes were conducted in 2020 by Swiss Post.

## 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.	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:** Swiss Post has a good overview of all its production locations, including subcontractors. The member requests from its suppliers to be informed in case production gets outsourced to subcontractors. This agreement is part of the business contract. In order to have an overview of conditions at the subcontractors, Swiss Post commissions audits at subcontractors.

Due to the comprehensive production planning, there is a low risk of subcontracting.

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:** Within Swiss Post, there is an internal task force for all staff members involved in CSR-related activities. In meetings, information is shared to ensure alignment across the different CSR teams. Moreover, the entire staff of Swiss Post has access to audit results and CAPs.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

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## 6. Transparency

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

**Comment:** There are several channels through which Fair Wear related information is shared. Swiss Post communicates about Fair Wear on its website and the shared content is in line with the Fair Wear communication policy. Fair Wear related information is also shared in reports such as the Sustainability Report and the Financial Report. In several interviews information about Fair Wear is placed as well.

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

**Comment:** Swiss Post published the Brand Performance Check report online. The member has disclosed production locations on the Fair Wear website. 68% of production volume is disclosed and 0% is disclosed to other members internally.

**Recommendation:** Fair Wear recommends Swiss Post to continue the dialogue with its suppliers about the importance to disclose production locations to other members in Fair Force.

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

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

## 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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** Swiss Post evaluates the membership of Fair Wear regularly. The results and progress since the previous Brand Performance Check were discussed with the top management.

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

**Comment:** No requirements were included in the previous check (N/A).

## Evaluation

**Possible Points: 2**

**Earned Points: 2**

## Recommendations to Fair Wear

- While the Fair Wear membership is important to the Swiss Post, the Swiss Post expects more guidance from Fair Wear especially when it comes to new requirements that could impact the score.
- The brand liaison is changing too often, at least for three years there should be consistency.
- More regular exchange between Brand Liaison and members.
- Fair Wear documents are too long which leads to overload. More focus on summarising essential points.
- Audit reports are too long.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	35	46
Monitoring and Remediation	20	29
Complaints Handling	9	9
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	83	110

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

75

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

31-08-2021

Conducted by:

Hannah Ringwald

Interviews with:

Secil Helg

Volker Schindler

Marion Juelke

Christopher Kayatz

Daniel Jaisli

Lara Wenig

Patricia Perren

Pascale Funk