



Brand Performance Check

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

Publication date: August 2021

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

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

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

Member company information	
Headquarters:	Waterloo , Belgium
Member since:	2017-01-31
Product types:	Promotional wear and accessories
Production in countries where Fair Wear is active:	Bangladesh, China
Production in other countries:	Pakistan
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	99%
Benchmarking score	65
Category	Good

Summary:

B&C Cotton group (hereafter B&C) has met most of Fair Wear's performance requirements. With a score of 65, the member is placed in the 'Good' category. Although the monitoring threshold does not determine the category this year, B&C has fulfilled the monitoring requirements at suppliers responsible for 99% of its production volume.

Corona Addendum:

In March and April, B&C lost 90% of its turnover at the start of the pandemic, requiring the top management to review and make strategic business decisions to stay afloat. The sustainability team was on furlough from March for most of the year, with the sourcing team both at headquarters and the Dhaka Liaison office taking up social compliance responsibilities. Having a local presence in Bangladesh, the brand was able to actively track situations in the country, and at individual suppliers, including government measures, opening and closing of factories, H&S measures, wage payments, and order cancellation by other brands, among others. B&C collected supplier responses to COVID-19 self-assessment questionnaires sent by the Fristads group company for all production locations and was in regular contact with its Chinese and Pakistani suppliers. B&C did not reduce or cancel any orders. Brand reviewed orders placed and classified them in categories based on the stage of production (e.g., raw material stage, in production, already shipped).

During April, B&C management discussed individually with all suppliers and agreed on a payment plan for goods produced and shipped (and all payments have been completed for goods delivered). For orders that were yet to be shipped, the brand's main suppliers agreed to keep the raw material/ goods at their premises. Production/shipping was reviewed monthly, with shipments starting in June 2020 and continuing into 2021. One supplier did not agree to the proposed payment plan and later closed the factory without informing the brand. The brand followed up with this factory to ensure it completed all legally required payments to workers and staff and collected payment vouchers to verify. Despite being a tough business year for the member due to COVID-19, having a local presence in Bangladesh, and long-term relationship with suppliers, the brand was able to monitor and remediate issues reported in audits and complaints. B&C has not explicitly discussed the impact of increased costs for suppliers related to COVID-19. At the same time, suppliers have not requested financial support from the brand to cover these costs.

Performance Category Overview

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

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

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

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

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

1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	95%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: B&C buys 95% of the production volume from production locations where the brand buys at least 10% of its supplier's production capacity.

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.	9%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

Comment: The brand has a relatively small supply chain. Its tail end locations include two factories making test orders and one factory making small orders (every two years) for a specific product type.

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.	62%	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: B&C's sourcing strategy is to maintain long-term relationships with its suppliers. When onboarding new suppliers the brand ensures the possibility for a long-term relationship. About 62% of B&C's production volume comes from suppliers where the brand has five, partly even ten years and more of relationship.

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

Comment: In 2020, the brand started sourcing from three new production locations in Bangladesh and China. For these locations, the brand was able to show that the questionnaire with the Code of Labour Practices was signed and returned before the first bulk orders were placed.

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

Comment: In 2020, the brand took efforts to strengthen its Due Diligence process and system. As the sustainability team was on furlough from March for most of the year, the sourcing team both at headquarters and the Dhaka Liaison office worked on developing a three-part Due Diligence process – i) Supply chain mapping, ii) Risk identification and Assessment, iii) Mapping of memberships, tools, and mechanisms that inform/ limit the risks. This system was handed over back to the sustainability team at the end of 2020 and will be implemented in 2021 with the idea to use this analysis to inform business strategy, and mitigate risks.

That apart, B&C along with 60 other brands participated in advocacy efforts to officially request the Belgian government to create a law on Due Diligence in the supply chain for all the companies (not only Multinationals).

For 2020, the Due Diligence process followed to onboard three new suppliers - two in Bangladesh and one in China is the same as previous years, mentioned below:

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

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

B&C works closely with its Dhaka Liaison Office (DLO) and the compliance team of the Group based in Hong Kong. For Bangladesh, the Compliance Manager visits the potential new factories and creates a report with Corrective Actions. Once a new supplier is selected, the first test order outcome informs the brand on whether to continue working with the supplier. It is important to note that B&C's due diligence process was limited in China as the brand does not have a local office, and the sustainability team was on furlough. Due to these limitations, the due diligence check for the China location was done post order placement.

COVID-19:

Having a local presence in Bangladesh the brand was able to actively track situations in the country and at individual suppliers, including, the number of COVID-19 cases in the country and government measures, opening, and closing of factories, H&S measures, wage payments, order cancellation by other brands, among others. B&C collected supplier responses to COVID-19 self-assessment questionnaires sent by the Fristads group company for all production locations and was in contact with Chinese and Pakistan suppliers regularly. One supplier in Bangladesh closed down the factory without informing the brand. That apart, both in the supplier surveys and in direct contact with B&C, the suppliers indicated they were able to manage the situation.

Recommendation: Conducting pre-audits or analysing existing audit reports can be a way to assess the level of working conditions before deciding to start or continue the business relationship. If audits are not possible, the member can request a digital video factory tour, or resort to other monitoring options mentioned in 'Guidance on monitoring labour conditions during the COVID-19 pandemic'.

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

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

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

The above information is included in the supplier scorecard managed by the Dhaka Liaison office. The performance on social compliance has a 25% weight in the overall scoring, which additionally captures supplier performance on indicators related to delivery, quality, and financial status. The brand is in the process of reviewing, updating, and improving its supplier evaluation approach.

Concerning ending business with suppliers, B&C does not have a written exit strategy. In 2020, factory's decision to end operations and the brand's decision to exit Myanmar were reasons to terminate business relationship with two tail-end production locations in Bangladesh and one in Myanmar. For suppliers where the brand initiated the exit, the production location have been informed well in advance before last orders were placed.

The brand lost 90% turnover in March and 80% in April because of COVID-19. At the same time, considering the nature of business and long-term relationships with suppliers, B&C did not reduce or cancel any orders. The brand reviewed orders placed and classified them in three categories -

1. Not produced (yarn booking stage) and not shipped
2. In production and not shipped
3. Shipped and in transit

B&C management discussed individually with all suppliers during the month of April and agreed on a payment plan for goods produced and shipped (and all payments have been completed for goods delivered). For orders that were yet to be shipped, the brand's main suppliers agreed to keep the raw material/ goods at their premises and production/ shipping was reviewed monthly with shipments starting in June 2020 and continuing into 2021. One supplier did not agree to the proposed payment plan and later closed the factory without informing the brand. The brand followed-up with this factory to ensure all legally required payments to workers and staff were completed and collected payment vouchers to verify.

The brand closely reviewed the COVID-19 situation in Bangladesh, impact on individual suppliers, workers and wages through bi-weekly updates from the local team. Two of the brand's suppliers paid two months' wages in advance before factory closure due to lockdowns (March and April).

For Pakistan and China, the brand stayed updated on lockdowns and general COVID-19 impact on suppliers.

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

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

The planning department reviews sold stock, sales forecasts and updates production requirements accordingly also taking into account factory capacity and ability of the factory to meet product specifications. The long-run production planning is then reviewed for the next four months to create Purchase Orders. If higher quantities are needed, production will be spread out over several months, in an agreement between factories and B&C's internal finance department.

In 2020, production's capacities booked could not be used as planned because of factory lockdowns due to COVID-19, factories experiencing the uncertainty of orders during certain months and a sudden rush of orders when markets opened in Europe. The brand had to work closely with individual suppliers on a monthly rework of production planning based on available capacity and company finance situation.

The brand has an overtime policy that encourages suppliers to plan and calculate capacities based on legal working hours and without overtime.

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

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

Comment: Overtime was found in one of the audits conducted by Fair Wear at a production location in Bangladesh. External audit reports also indicate excessive overtime issues at two production locations in China.

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

The Dhaka Liaison Office discusses the issue with factories to find out the root cause, and for the Bangladesh location identified - Order pressure from fashion brands, delays in raw material, disruption in electricity supply as some of the main reasons for overtime.

For China locations, the brand has limited leverage and finds it challenging to address overtime issues which is a systemic issue in the country.

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

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

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

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

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

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

Whether the wages paid are at least minimum wage is checked via regular (mainly) BSCI audits. The brand has started discussing the Fair Wear Labour Minute Costing tool with some of its suppliers.

B&C has not explicitly discussed the impact of increased costs for suppliers related to COVID-19. At the same time, suppliers have not requested financial support from the brand to cover these costs.

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

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

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

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

Comment: Requirements from the previous check pertaining to minimum wage payments at a supplier location in Bangladesh have been addressed and verified by checking payslips. For a China location where the finding linked to worker participation in social insurance, the brand is monitoring supplier progress on this finding.

B&C monitored wage payments at supplier locations in Bangladesh by reviewing wage statements to ensure workers received legal minimum wages. B&C is aware that workers received only 65% of wages for the month of April during the lockdown (also indicated in the BSCI audits), as per local government regulations. The brand shared that two suppliers paid wages two months in advance during the lockdowns to support workers.

Requirement: During COVID-19 the member is expected to thoroughly check with its suppliers whether they foresee any issues with payment of wages. The brand is encouraged to review the Fair Wear / ETI COVID Lost Wages and Jobs Series, which lays out guidance for member brands to uphold their responsibilities to workers in their supply chains who are facing reduced wages in the context of COVID-19.

Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

Recommendation: In case of a crisis such as COVID-19, the brand is encouraged to find solutions in collaboration with their suppliers to ensure they can continue the payment of minimum wages to their workers.

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: The brand was able to make payments as per agreed terms with suppliers. There is no evidence of late payments to suppliers by member company.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: Fair Wear audits (in previous years) and external audits conducted in 2020 in Bangladesh and China concluded that the wages at supplier locations are below living wages estimated by local stakeholders. In 2019, B&C made an analysis showing that wages paid to workers in Bangladesh factories are higher than minimum wages and some meet living wages. Wages are discussed during factory visits.

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

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

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

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

Comment: B&C does not contribute to higher wages through paying its share of a target wage nor does any of its locations pay a living wage.

Recommendation: To support companies in analysing the wage gap, Fair Wear has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

It is advised that the strategy for how to finance wage increases is agreed upon by top management.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	0

Comment: The member is yet to set target wages for production locations.

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

Purchasing Practices

Possible Points: 52

Earned Points: 27

Additional comments on Purchasing Practices :

It is to be noted that due to the COVID-19 outbreak in 2020, the Brand Performance Check was conducted only in November 2020, with the report sent to the brand in January 2021 which gives B&C no time in 2020 to work on requirements and remediations.

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	99%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	99%	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: B&C has a dedicated sustainability team both at headquarters and in Bangladesh to follow up on problems identified by the monitoring system. But from March onwards, as these teams were on furlough, the responsibilities were taken up by the sourcing team and Bangladesh country manager.

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 FWF audits and/or external audits only.

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

Comment: CAPs are shared with factories and improvement timelines are established in a timely manner. Worker representatives are not actively involved as yet.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	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: In all, 10 external audits were conducted at locations in China, Bangladesh and Pakistan, with most audits being conducted at the end of 2020. B&C has an established procedure on how to follow up on audit findings. After an analysis of the audit report, the follow-up is taken up with the factories mainly through the BSCI platform and for production sites in Bangladesh looking at ACCORD requirements. After a discussion on findings with factory management, the time frame for each corrective action is set and the factory management is asked to submit a remediation plan.

As it was not possible to visit suppliers in the year, the brand maintained a follow-up outlook per supplier, collected pictorial and other evidence of remediation of findings.

All audits are filed in an overall excel which helps to follow up findings. B&C was able to show the degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.

COVID-19

B&C closely reviewed the COVID-19 situation in Bangladesh, impact on individual suppliers, workers and wages through bi-weekly updates from the local team. Through photos and documents submitted by suppliers, visits when possible, and information shared by the quality controllers the brand verified measures to maintain stipulated health & safety requirements, wage payments, among others. For Pakistan and China, the brand stayed updated on lockdowns and general COVID-19 impact on suppliers. One supplier in Bangladesh closed the factory without informing the brand. The brand followed up with this factory to ensure all legally required payments to workers and staff were completed and collected payment vouchers to verify.

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

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	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: This indicator is not applicable for all members due to the travel restrictions in 2020.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

Comment: B&C (as part of Fristads Group) is a member of BSCI and receives BSCI audit reports as required by Fristads group and uses the Fair Wear audit quality tool to assess those (when necessary). As these audits are commissioned, and reports directly accessed by B&C this indicator is marked N/A.

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	Intermediate			3	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: Bangladesh: The brand is not a signatory of the Bangladesh Accord/RSC on Fire and Building Safety, but in principle only works with factories that are covered by the Accord/RSC. Despite this, one supplier of the brand, with around 0.2% FOB, is not covered under the Accord/RSC program. The brand commissioned a building and fire safety inspection for this location, and has fulfilled the requirement from the previous check. For two other locations covered by the RMG Sustainability Council (RSC), due to the COVID-19, Accord/RSC audits have been delayed, but the brand has closely followed up with the factory to stay updated and ensure that the factory is enrolled for the audits. The brand is aware of gender-related risks for Bangladesh. All factories have anti-harassment committees established and one factory is enrolled in the Fair Wear WEP Violence prevention training.

COVID-19:

B&C mapped out key risks and the impact of COVID-19 on suppliers in Bangladesh, namely - No production/ lack of orders leading to income/job loss, COVID-19 cases in the factory, additional costs for H&S measures, impact on production planning, among others. The brand engaged with suppliers almost daily on these risks and having a local office in Bangladesh, B&C was able to visit the suppliers when it was possible. The brand collected and reviewed the COVID-19 assessment by Fristads Group shared by suppliers. The assessments included photos that helped the brand gain a better understanding of supplier response and preparation to address COVID-19 health and safety risks (e.g. arrangements for temperature checks, availability of hand sanitization stations etc.). The brand did not find specific issues to be remediated. During visits when the brand found a lax in H&S measures at a factory, B&C engaged with the factory to address them.

CHINA:

The production sites in China are audited by BSCI on a regular basis where B&C specifically scans the audit reports for issues pertaining to Forced Labour. Also considering the geographic location of the suppliers, the brand believes this risk is comparatively low. Two of the three suppliers are long-term suppliers. The brand has started working on a country risk assessment as part of its overall approach Due Diligence that will be implemented in 2021.

PAKISTAN:

The one production site in Pakistan is audited by BSCI. It is a production site run by a Belgium family whom (according to the company) B&C has a trustful relationship. The Belgium owners visit the production site every month, B&C staff visits the site every two years. The brand has started working on a country risk assessment as part of its overall approach Due Diligence that will be implemented in 2021.

Recommendation: Knowing the country-specific risks facilitates the starting point for discussing this with suppliers.

Member companies can agree on additional commitments that are required to mitigate risks. B&C can provide additional measures for support and integrate that in the monitoring system.

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: B&C did not have any Fair Wear audits in 2020.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	N/A	2	0

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

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

Monitoring and Remediation

Possible Points: 19

Earned Points: 15

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	9	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.	8	
Number of worker complaints resolved since last check.	1	

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

Comment: The resolution and follow-up on the complaints are done by the sustainability team in Belgium in cooperation with the Dhaka Liaison Office. In 2020, due to COVID-19, the sustainability team was not present for the majority of the year, and the responsibility was taken up by the sourcing team, senior management, and Dhaka Liaison Office.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	1%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: One production location in Bangladesh underwent Fair Wear's Workplace Education Programme on Violence and Harassment Prevention in 2019 which accounts for 0.15% of B&C's FOB.

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

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

Comment: In 2020, B&C received 9 complaints at 3 supplier locations in Bangladesh. Due to a system issue, the brand was not notified of all complaints, with the brand being informed of some complaints in 2021. Nevertheless, B&C actively participated in addressing complaints even at supplier locations with low leverage/ where the brand has stopped order placements. Furthermore, as the member has a local team in Bangladesh, it supported other members with active orders in the production locations in addressing the complaint by participating in meetings with factory management and information sharing. The brand focused on understanding and addressing root causes (for example, reviewing training needs) to prevent similar issues in the future. When necessary, the brand involved senior management to engage with the factory owner to ensure complaints are taken seriously, and appropriately addressed by the factory.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	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.	2	2	0

Comment: In 2020, B&C received 9 complaints at 3 supplier locations in Bangladesh, all shared with other Fair Wear members. The brand could demonstrate active cooperation, participation, and engagement with other Fair Wear members in addressing worker complaints.

Complaints Handling

Possible Points: 17

Earned Points: 15

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: B&C staff is trained on Fair Wear membership in department meetings. The European sales team meets every month when launching a new product. Fair Wear topics are usually discussed during these meetings, given that the company receives a lot of queries from customers on this topic. The new staff is usually briefed at the beginning of employment.

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

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

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

Comment: B&C maintains a direct relationship with its suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	1%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	1	6	0

Comment: One production location in Bangladesh was enrolled in Fair Wear's Workplace Education Programme Violence and Harassment Prevention training.

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: One production location in Bangladesh was enrolled in Fair Wear's Workplace Education Programme Violence and Harassment Prevention training. This training was requested by another Fair Wear member hence the brand was not aware and did not follow up on this training. At the same time, the member has stopped orders at this factory.

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

Training and Capacity Building

Possible Points: 11

Earned Points: 4

5. Information Management

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

Comment: B&C has a written procedure to monitor its production locations and subcontractors involved. All necessary information is collected before production starts, audit reports are collected to check for hidden subcontracting. New suppliers including their subcontractors are visited before first orders are placed. In Bangladesh, the Dhaka Liaison Office regularly visits the production site and can thus check whether production might be outsourced. In the case of China, some of the production locations have moved outside the city, and the supplier subcontracts to their own production locations with capacities that are not fully booked. That apart, the styles sourced from these locations are long-run styles which makes it logical for factories to not outsource to maintain efficiency. Based on the quality received the brand is confident that it can cross-check for subcontracting risks.

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

Comment: Operation and sourcing managers in Belgium and the teams of Dhaka and Hong Kong share all information and CAPs. During 2020, the sourcing team worked closely with the Dhaka Liaison Office to stay updated on COVID-related issues and also to strengthen due diligence and compliance systems. This close cooperation and combined work efforts have been verified during the Brand Performance Check.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

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

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

In its product catalog, Fair Wear is mentioned in the introduction and then beginning of each product category. That apart emails to customers also include information about Fair Wear membership.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	No	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	2	0

Comment: B&C has not disclosed factories to other members in FairForce or on the Fair Wear website.

Requirement: Fair Wear requires member brands to disclose production locations to other member brands in Fair Force and on the Fair Wear website.

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

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

Transparency

Possible Points: 6

Earned Points: 4

7. Evaluation

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

Comment: The senior management was involved and reviewed the outcome, requirements, and recommendations of the performance check.

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: It is to be noted that due to the COVID-19 outbreak in 2020, the Brand Performance Check was conducted only in November 2020, with the report sent to the brand in January 2021 which gives B&C no time in 2020 to work on requirements and remediations. At the same time, for the requirement on indicator 2.7 the brand was given a deadline of June 2021. Given the severity of the risk, the fulfillment of this requirement has been verified in the performance check. All other requirements have been retained to be verified in the next performance check.

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

1. Fair Wear should offer case studies and business case for reduced overtime and Living wages. Will be nice to have one pager examples of projects implemented.
2. Living wage is FOB driven and Fair Wear should offer other possibilities to address this issue.
3. WEP training coordination should be improved as members are unaware of trainings happening at supplier locations.
4. Fair Wear should improve its visibility. Many customers are mainly familiar with certifications. Fair Wear should offer some handy documents regarding the membership which can be shared with suppliers and customers.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	27	52
Monitoring and Remediation	15	19
Complaints Handling	15	17
Training and Capacity Building	4	11
Information Management	7	7
Transparency	4	6
Evaluation	2	2
Totals:	74	114

Benchmarking Score (earned points divided by possible points)

65

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

28-06-2021

Conducted by:

Supraja Suresh

Interviews with:

Murielle Degeest - Managing Director

Bruno Van Steenberghe - Head of Sustainability

Bruno Van Sielegem - Sustainability & CR Manager

Ilse Roosens - Compliance Manager

Pierre-Jean Larrieu - Sourcing & Procurement Manager

Shuvashees Indu - Country Manager (Dhaka Liaison Office)