



Brand Performance Check

Swiss Post

This report covers the evaluation period 01-01-2021 to 31-12-2021

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 year's 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 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: 01-01-2021 to 31-12-2021

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, 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	37%
Benchmarking score	80
Category	Leader

Summary:

Swiss Post has shown advanced results on performance indicators with a benchmarking score of 80. The member brand monitored 37% of its production volume through factory audits, collection of audit reports and factory visits. Due to the limited possibilities to conduct audits during COVID-19, the monitoring threshold does not apply, and Swiss Post is thus again awarded the 'Leader' status.

Corona Addendum:

Since the beginning of the COVID-19 pandemic, Swiss Post experienced an increase in demand due to a rise in online orders of consumers and hence package deliveries. The member company increased its original forecast in close dialogue with its suppliers. For many years, Swiss Post has been sourcing mainly from low-risk countries except for two Bulgarian suppliers. As all its low-risk production countries have systems that support factories and workers during lockdowns or sick days, Swiss Post could manoeuvre through the pandemic quite smoothly.

Swiss Post's strategy throughout the COVID-19 pandemic has been to support its suppliers by assessing their situation and needs through regular digital meetings. As audit possibilities and factory visits were minimal during COVID-19, Swiss Post used a detailed supplier questionnaire as an alternative monitoring tool. The member showed flexibility on delivery times and prepayment when requested by its suppliers. Swiss Post improved the standard payment terms from 60 to 30 days to support suppliers in its financial flow. The brand cancelled no orders.

In 2021, one factory in Slovakia was in lockdown for two weeks, and all other factories could stay open. Swiss Post closely monitored the number of infections per supplier through the questionnaire and discussed it during regular calls with intermediaries and suppliers. The member checked payment of legal minimum wages during lockdowns, yet wage slip verification still has to be done.

Swiss Post is in the process of creating a strategy to work on living wages systematically, and it is strongly recommended to set a clear timeframe for implementing this strategy, including the definition of target wages. The start of Swiss Post's new internal four-year business cycle creates an excellent opportunity for this.

Overall, Swiss Post showed a proper response to the COVID crisis. Its due diligence and pro-active attitude demonstrated in the first pandemic year were continued and integrated into the general monitoring system during this second pandemic year.

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.	83%	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: Swiss Post buys at least 10% of production volume at suppliers, accounting for 83% of its total production volume. This percentage has not much changed since the previous year (88% in 2020). Swiss Post did not add new suppliers, nor did it phase out suppliers. Annual consolidation of its supply base is done since 2010, and Swiss Post has now come to a point where it feels that further consolidation is not feasible due to the variety of specific styles (accessories) in small quantities.

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.	3%	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 particular products from suppliers in Portugal, Switzerland, Poland and Italy, where it has low production volume and low leverage to influence working conditions. The small tail-end mainly exists due to a few highly specialized products and several orders of tiny products, such as scarves. These orders make the buying volume and leverage at these suppliers relatively small.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	93%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Swiss Post values long-term relationships; with one supplier, the member is already in business since 1950. Its main supplier in Slovakia has been working with Swiss Post for more than five years.

The company's sourcing strategy is built on long-term business relationships, as Swiss Post highly values continuity.

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

Comment: In 2021 Swiss Post did not start new business relationships with production locations. For all existing suppliers, Swiss Post could show during the performance check that all questionnaires were signed, returned, and uploaded to the Fair Wear database.

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: The sourcing strategy of Swiss Post includes a thorough due diligence procedure, both for existing and new suppliers. Potential suppliers are requested to fill in a questionnaire. This file contains the Fair Wear questionnaire, a sheet on wage data, resources and capacity across different departments and a DNA sheet with required open costing calculations for all the products of Swiss Post. Existing audit reports are collected, and the willingness to commit to Code implementation is assessed. The results are integrated into an overview to evaluate and compare the different potential suppliers. Dialogue with the management focuses on social, ethical and environmental standards, in line with the Swiss public procurement criteria. All suppliers must be transparent about subcontractors, which are included in the monitoring system for implementing the Code of Labor Practices. When Swiss Post adds a new supplier or subcontractor, it commissions an audit and training after the start of production, on top of the extensive onboarding process.

Since 2017 Swiss Post bases its risk analysis on the OECD guidelines. Country risks are analysed according to UN Human Index, ILO and the Fair Wear country studies and the results are integrated into an advanced risk analysis covering Swiss Post's entire supply chain.

COVID-19

Since the start of the Corona pandemic in 2020, Swiss Post consulted multiple channels such as ILO and OECD to stay informed on COVID-19-related risks and impact and follow Fair Wear's guidance. Swiss Post showed a clear overview of the risks and developments per production country. Beyond country risk analysis, Swiss Post extended its analysis to the factory level, closely monitoring the number of infections per factory, lock-downs, health risks and measures, layoffs, payment of wages and financial liquidity. This information was collected through a supplier questionnaire, which was sent several times per year, in order to stay up to date throughout the year.

The extensive risk analysis was used to prioritize risks per country and per factory by way of colour coding. Similar to 2020, Swiss Post identified production delays and consequently the drop in revenues as one of the highest risks. While the orders from Swiss Post remained stable, missing orders from the private sector led to a loss of revenue for most of its suppliers. Other risks considered were delays in raw materials and the unplanned quarantine days of workers.

In 2021 one audit was conducted, and other planned audits had to be postponed due to the pandemic. The CSR team at Swiss Post was in direct contact by phone with each supplier on a monthly basis to monitor the situation and check for specific needs or requests. 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.

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

Comment: Swiss Post has a system to evaluate suppliers' compliance with the Code of Labour Practices. The company uses a colour coding system, shown during the performance check. Besides evaluating general vendor criteria, topics such as CAP findings, supplier's willingness and effort to remedy, are integrated into this system. Tier 1 and tier 2 suppliers are treated similarly in this process.

Usually, the supplier evaluation was discussed during factory visits of the CSR team, but in 2021 this could not take place due to the pandemic. Alternatively, CSR staff held regular calls, and the evaluation was shared and discussed online. Swiss Post did not decide unilaterally to change any orders during the pandemic in 2021. Payment terms were met and in some cases even shortened, to minimize the risk of supplier cash flow issues.

There were two shifts in production at subcontractor level in 2021, both upon request by the supplier. For one case, a signed agreement was shown, confirming that the projected loss of capacity would be covered by orders from other clients. In the other case, the subcontractor went in retirement and all seamstresses were taken over by another subcontractor of the supplier.

In 2021 Swiss Post drafted a responsible procurement policy to integrate Code compliance even more in the decision-making processes and align it with the overall sustainability strategy at the top management level.

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 with its 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 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-book capacity at least one year in advance based on its stock data analysis. In 2021 Swiss Post finalized the forecast even earlier to ensure sufficient time in times of material delays and raw material shortages.

In close contact with its suppliers, Swiss Post showed flexibility on delivery dates - the company accepted all delays - and it increased several orders upon request in cases where suppliers lost orders from other clients.

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 2021, one Fair Wear audit was conducted at a production location in Bulgaria. The audit report showed that no excessive overtime took place. Comparing production capacity and labour minutes is done frequently by the CSR staff. During factory visits, this is discussed with suppliers however, in 2021 this was not possible due to COVID-19.

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 created a detailed overview of the product price composition per style. Open cost calculation is made a precondition for each supplier, providing insight into the working minute per piece and the price per minute. One of its main suppliers in Bulgaria did not disclose the number of working minutes requested by Swiss Post. In 2020, this supplier agreed to a wage gap analysis to create more transparency. The outcome of this analysis revealed a significant gap in labour minutes. Swiss Post, in consultation with Fair Wear, is currently discussing this gap and finding a solution with the supplier.

Wage analysis per supplier is made by Swiss Post annually. A clear and detailed overview was shown during the performance check, comparing wages with legal minimum wage levels per country.

Open cost calculation is the basis for price negotiations. In case a price increase is announced, open costing gives insight to Swiss Post on which component of the product price increased. Most suppliers are transparent about the build-up of the annual price increase, and Swiss Post has accepted all price increases.

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: Swiss Post was aware of the overall risk of non-payment during COVID-19 lockdowns. The survey carried out several times per year confirmed payment of legal minimum wages. The input from all suppliers was documented and updated throughout the year. Intermediaries played a vital role in collecting information. The responses from suppliers have not been verified by requesting wage slips from its suppliers. All suppliers of Swiss Post are located within the European Union; hence, Swiss Post argues that the governments regulate and ensure the payment of legal minimum wages.

During COVID-19, Swiss Post cancelled no orders, and none of the suppliers indicated any problems regarding payment of legal minimum wage.

Recommendation: Fair Wear strongly recommends Swiss Post to verify whether legal minimum wages have 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: Swiss Post pays its orders on time. In 2021 the general payment terms of Swiss Post were changed from 60 days to 30 days in order to support suppliers even more in their business. In one case, a supplier requested payment earlier, which was accepted by Swiss Post. The forecast selling price is set one year in advance, parallel to the production planning. Swiss Post accepted in 2021 a 20% price increase requested by its main suppliers. The price increase calculation was shown during the performance check, which was a combination of overhead, materials and wages.

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 has a clear understanding of wages and has been collecting wage information since 2012. Feedback from suppliers is collected annually and workers are interviewed during factory visits to understand cost of living per household.

Swiss Post has insight into living wage estimates and understands the built-up of the various wage standards available. A clear analysis of all wages paid, per supplier and per department, was shown during the performance check.

In 2020, Swiss Post conducted a wage gap analysis together with Fair Wear at its main supplier in Bulgaria to gain more transparency on how prices need to change to meet a living wage. The next step in this project was to make a plan on how to best address this wage gap together with the supplier. In 2021 this did not yet happen, as travelling was not possible and Swiss Post feels that the topic of wage gaps must be discussed in person, as it is a very complex matter and suppliers were occupied with pandemic challenges.

Recommendation: Fair Wear 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: Even though price increases over the past four years could be shown, Swiss Post has not set a clear target wage with its suppliers in Bulgaria. The insight of the wage gap analysis, conducted in 2020, is a first step toward setting an appropriate target wage. Swiss Post argues that it needs more understanding on household composition per worker and area-specific cost of living before target wages can be defined. In 2021, Swiss Post discovered that the wage gap for one Bulgarian supplier mainly concerns efficiency within the factory, as it showed that the labour minutes in this factory are twice as high as other factories for the same type of products. A roundtable meeting was held to discuss this matter, but the factory owner could not be present as he was travelling, new data was only received in 2022 and must be verified in the next financial year.

Meanwhile, internal discussions around this topic with top management have started, and a living wage strategy document was drafted. Swiss Post could show that CMT prices of all suppliers are increased, yet a plan to set target wages towards living wages is not yet formed.

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 discuss the price and wage analysis with its suppliers in question to agree on a plan for setting a target wage towards living wages.

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 workers above the legal minimum wage level, wages have not yet reached the level of any of the recommended living wage estimates in the Fair Wear living wage policy. Several steps have been taken (see 1.13), but as a target wage has not been set, none of the FOB for the year 2021 can be counted towards this indicator.

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

Recommendation: We encourage Swiss Post to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Purchasing Practices

Possible Points: 44

Earned Points: 33

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	6%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	31%	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:	37%	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: Swiss Post makes use of Fair Wear audits and/or external audits only. Informal own audits are conducted, integrating both the Fair Wear questionnaire, as well as 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

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 two Bulgarian suppliers. A clear system is in place to document and monitor improvements on CAPs. Audit findings are directly integrated into the CAPs. Critical findings require an immediate response from the supplier and are followed by on-site visits. Health and safety findings once solved appear again a few years later, to verify status continuously. Significant actions (photos, files, visit report and meeting notes) are filed and analyzed, particularly in the area of health and safety and wages.

In 2021 one audit was conducted at a Bulgarian supplier. The main findings were related to wages, legal contracts, bookkeeping, health and safety. Immediately after Swiss Post received and shared the report, a round table meeting was arranged with the supplier and its intermediary to discuss the most critical findings, such as double bookkeeping and payment of allowances. Proof of follow-up was shown for most of the findings during the performance check and extra monitoring will be done in the next financial year during on-site visit, due to health problems of the factory owner, the CAP is currently on hold.

Remediation of findings in existing CAPs of external audits was shown as well. Swiss Post keeps track of CAPs per supplier and external audit findings are followed up with photographic proof or documents to verify this. Through one external audit, Swiss Post found that the Code of Labour Practices was taken down from the wall and immediate follow-up with photographic evidence was shown.

During the pandemic, as visits to the factories were not possible, Swiss Post sent out questionnaires to all its suppliers several times per year. All the feedback received from suppliers is kept in one overview to keep track of progress and risks. The more complex topics, such as worker involvement and awareness, are discussed during training and face-to-face meetings on-site, but due to COVID-19-related travel limitations, this was difficult in 2021.

The risk of suppliers' revenue loss 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: 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. In case of management issues at supplier end - due to illness/accidents such as the one in Bulgaria for example - Swiss Post is strongly recommended to make it a priority to appoint an alternative contact person at the supplier level to continue working on the CAP.

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 2021.

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: There were no external audit reports collected in 2021, yet, follow-up of corrective actions from reports that were collected in previous years did continue.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	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	Advanced			6	6	-2

Comment: Swiss Post sources only from European countries. Human rights risks analysis is done annually with the input of Fair Wear country studies, Clean Clothes Campaign reports, the OECD, the World Bank and other organisations. Swiss Post's CSR manager is well aware of the risks in each sourcing country. Examples are precarious employment of migrant workers in Portugal, discrimination of Roma workers in Slovakia and Bulgaria, and occupational health and safety in all of Eastern Europe. To address those specific risks, Swiss Post highly values training workers during on-site visits and discussing these topics with factory management.

COVID-19

Throughout the pandemic, Swiss Post has followed the ILO Action in the Global Garment Industry and Fair Wear's requirement regarding COVID-19. Through its intermediaries and direct contact with factories, Swiss Post was able to monitor COVID-19-related risks. With the input of the questionnaires, priorities could be set.

By 2021, COVID-19 health and safety measures had become common practice, and none of the suppliers requested help implementing OHS measures. Swiss Post collected proof of implemented OHS measures from the Bulgarian suppliers. Besides Bulgaria, Swiss Post produces only in low-risk countries within the European Union. Swiss Post stated that within those countries, governments have taken appropriate measures to implement OHS measures.

Any issues collected through the questionnaire or via intermediaries were taken up digitally by Swiss Post's CSR team. To monitor the financial level, Swiss Post regularly checked in with its suppliers if prepayment was needed or other wishes in terms of payment. No reports of worker dismissal due to COVID-19 were received by Swiss Post from its suppliers.

Recommendation: Fair Wear recommends Swiss Post continue remediation of the COVID-19-related issues and check the status during the planned on-site visits in the next financial year.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Swiss Post is actively cooperating with other Fair Wear member companies in resolving corrective actions at shared suppliers when the opportunity arises. Also for external audits. The one audit conducted in 2021 was at a supplier shared with another Fair Wear member. Swiss Post showed email contact, yet cooperation started in 2022.

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.	32%	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.	1	2	0

Member undertakes additional activities to monitor suppliers.: No (o)

Comment: At suppliers in low-risk countries, the brand ensures that the Worker Information Sheet is posted. 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, due to COVID-19. For 32% of the production volume from low-risk countries, Swiss Post could show recent (less than 3 years old) external audit reports and/or visits.

In 2020, Swiss Post was given the recommendation to map the supply chain in Italy and gain insight into ownership structure at supplier and subcontractor level.

Existing audit reports have been used for monitoring. In 2021, no external audits were commissioned by Swiss Post in low-risk countries, which is considered an additional monitoring activity.

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: Swiss Post does not have tail-end suppliers in 2021.

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 2021, Swiss Post resold products from two external suppliers: one supplier delivered a small quantity of tie pins and one delivered shoes. Both external brands have completed the Fair Wear questionnaire for external producers, which was verified in previous performance checks.

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

Monitoring and Remediation

Possible Points: 28

Earned Points: 21

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 accountable for addressing workers' 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. In 2021, Swiss Post discovered through an external audit report that the Code was taken down in one factory. This was immediately followed up and proof was sent.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Both Bulgarian suppliers showed the Fair Wear worker videos on COVID-19 in the previous financial year. The most recent training was done in 2018. One WEP Basic training was planned for 2021 but postponed due to the pandemic.

Because COVID-19 restrictions in 2021 limited the possibility of conducting training, this indicator is considered not applicable in this check.

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

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

Complaints Handling

Possible Points: 3

Earned Points: 3

4. Training and Capacity Building

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

Comment: Swiss Post uses various communication tools to inform staff about Fair Wear membership. Information about Fair Wear is shared internally through the intranet and non-CSR staff is able to reply to the content shared on the intranet. A good level of interaction was shown during the performance check.

Swiss Post made a video about 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, directly involved with suppliers, regularly exchange about the Fair Wear membership and related developments.

During COVID-19, regular supplier updates were within the team to keep track of the impact on suppliers.

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: Swiss Post worked with four intermediaries in 2021. The intermediaries always join Swiss Post staff during factory visits; they are trained on Fair Wear requirements and showed active involvement in CAP follow-up.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility to conduct training, this indicator is not applicable in 2021. No training that supports transformative processes was planned.

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

Training and Capacity Building

Possible Points: 5

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. Suppliers must be transparent about subcontractors; this is part of the supplier business contract. When the supplier indicates that subcontracting is needed, locations are included in the monitoring system for implementing the Code of Labor Practices before production. To have a clear insight into conditions at the subcontractor level, Swiss Post commissions audits. Usually, during on-site visits, production is checked to identify production locations and monitor if production occurs in the agreed locations.

During COVID-19, on-site visits could not take place. Still, intermediaries could identify, and Swiss Post did follow up through the regular calls and virtual meetings with suppliers. Information gathered with the questionnaires is used to check information on locations as well.

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: Swiss Post has an internal task force for all staff members involved in CSR-related activities. CSR-related topics are discussed and shared monthly with all staff related to sustainability to ensure alignment across the different CSR teams. Moreover, the entire staff of Swiss Post has access to audit results and CAPs.

Recommendation: As one person performs most of the CSR tasks and has the most insight into the system, Swiss Post is encouraged to create a clear roadmap to make the CSR system better accessible for the wider CSR team and relevant staff.

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: 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 shared.

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

Comment: Swiss Post published the Brand Performance Check report online. The member has disclosed production locations on the Fair Wear website. 100% of production volume is disclosed and 0% is disclosed to other members internally.

Recommendation: Fair Wear recommends Swiss Post to disclose 100% of production locations to other Fair Wear 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 and accurate social report on its website.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	25%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: In the previous financial year, two requirements were given to Swiss Post. Both of the requirements were related to target wages (indicators 1.13 and 1.14). Even though some progress could be shown on 1.13, the requirements remain valid for this year, as Swiss Post is expected to agree on a plan to set target wages and implement those.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

- Fair Wear requirements and guidance is sometimes perceived - especially by the intermediaries - as too unusual; for Swiss Post it sometimes feels difficult to push suppliers any further when it comes to wage analysis in the factories.
- In the wage gap analysis done at one Bulgarian supplier, Swiss Post had expected more support from Fair Wear regarding evidence and root cause analysis of the gap, such as efficiency and production minutes.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	33	44
Monitoring and Remediation	21	28
Complaints Handling	3	3
Training and Capacity Building	5	5
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	79	99

Benchmarking Score (earned points divided by possible points)

80

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

22-06-2022

Conducted by:

Hendrine Stelwagen

Interviews with:

Secil Helg - CSR Manager

Michael Heim - Communication

Camilla Krebs - Marketing communication

Daniel Jaisli - Head of Direct

Marion Juelke-Suess - Deputy Head of Direct

Volker Schindler - Purchasing, Pandemic Purchasing, Strategic Purchasing

Lara Wenig - Accounting