



# BRAND PERFORMANCE CHECK

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Filippa K AB

PUBLICATION DATE: MAY 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on factory conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate 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 factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory 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 FWF'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 affiliate employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Filippa K AB

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-03-2008
Product types:	Fashion
Production in countries where FWF is active:	China, India, Romania, Turkey, Viet Nam
Production in other countries:	Estonia, Italy, Lithuania, Portugal
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
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	91%
Benchmarking score	66
Category	Good

## Summary:

Filippa K meets most of Fair Wear Foundation's management system requirements. The company has adopted a number of sourcing practices that effectively support the implementation of the Code of Labour Practices. More than two thirds of Filippa K's purchasing volume in 2015 came from suppliers with whom they have long term business relationships, and where the company has substantial leverage.

51% of Filippa K's purchasing volume comes from suppliers located in low-risk countries where monitoring requirements are fulfilled. With its auditing and other monitoring efforts, the company has monitored over 90% of their supply chain and therefore meets FWF's monitoring threshold for members in their 3rd+ year of membership.

Filippa K has taken steps to gain more insight into excessive overtime, by starting an assessment on working hours, together with another FWF member in a shared factory in China. Additionally, Filippa K started to create more awareness among workers of their rights, by enrolling factories into FWF's Workplace Education Programm, and piloting three factories in QuizRR, an online learning and training tool.

Though FWF recognizes that more effort has gone into resolving corrective actions from audits, it is still recommended to set up systemic procedures that are structurally integrated for all product groups in order to align sourcing decisions with CSR goals and objectives.

In the future, steps can be taken to further analyse the root causes of excessive overtime, and participation in living wage pilots is encouraged.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for affiliates 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 FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates 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. Affiliates 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:** Affiliates 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. Affiliates 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
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	41%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	2	4	0

Comment: 41% of Filippa K's supplier volume is bought from factories where the company has substantial leverage (at least 10% of the factory production capacity). The company's objective is to further deepen the cooperation with selected key suppliers over the years. One factory in Estonia that produces 84% of the production capacity for Filippa K is a key supplier where Filippa K takes its responsibility as the main customer, for instance by ensuring stable orders. Filippa K's supplier base is stable and does not change regularly.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	69%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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Comment: Filippa K values long term relationships based on close cooperation with its suppliers. 69 % of their 2015 purchasing volume comes from factories they have worked with for more than 5 years.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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Comment: New suppliers are requested to complete the FWF questionnaire and CoLP before production starts.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Recommendation:** A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. FWF recommends Filippa K to set up an integrated approach towards assessing the labour standards in the process of selecting a new supplier. This should include the development of written steps for selecting new suppliers and document process on how labour standards are assessed/potential risks investigated, and how the outcome influences sourcing decisions. All staff in the buying department should assess and document their findings. Outcomes of the assessment can be discussed among the team in order to include it in further purchasing decisions. FWF advises to use information from FWF country studies, wage ladders and the health and safety guidelines.

**Comment:** Selecting new suppliers is done by the buying department in the beginning of the design process. There is a start up package on the server that contains all documents that need to be used by buyers when working with new suppliers. Guidelines for supplier relations are set up, with templates being used by product developers and purchasing staff when visiting new suppliers. The guidelines include a FWF assessment, using the health and safety checks developed by FWF during a first visit, collecting existing audit reports and researching other clients. This process is not systematically used for all product groups within the buying department.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0
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**Recommendation:** FWF suggests to define clear steps in the evaluation method to incorporate social compliance information into sourcing and monitoring decisions. In other words, decide on how to track progress and define what happens if a supplier is under-performing or performing exceptionally well and how much this weighs in sourcing decisions.

**Comment:** Filippa K evaluates the progress their suppliers make after an audit has been conducted. The willingness of suppliers to work on improvements is an important criteria for continuing a business relationship. Suppliers are evaluated with designers and buyers together. In the end the buyer decides, and the buyer also is the one with information on social compliance. Filippa K provided an example of one factory who received extra orders because of good performance in several areas, including on social compliance. This practice is not yet included in a system to evaluate the performance of their entire supplier base in which the status of progress is integrated into the overall sourcing decisions. There is an old system to measure suppliers' performance on pricing, quality, social performance etc, but currently this is not in use. Filippa K plans to set up a grading system together with the new sourcing manager to formally integrate social compliance in the sourcing strategy and evaluation.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Recommendation:** It is recommended to gain further insight into the production capacity of the factories. A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

**Comment:** To ensure delivery dates are feasible, production time plans and deadlines are set in cooperation with suppliers. Estimate deadlines are given in an early stage on which suppliers give feedback about the dates the fabric needs to be in and how much time is needed for production. Filippa K indicates they need to trust their suppliers to make a realistic planning based on regular working hours, but that they do not know the exact production capacity for all factories. The company works with carry-over collections that are produced over four seasons. Filippa K makes use of block orders with never out of stock items to reserve capacity and to avoid most of the immediate pressure for deliveries. Those orders can be used to fill a production gap of the factory or to produce in low season. Production for own retail can be better controlled: Filippa K can place orders in advance on estimated sales figures. In some cases the company has direct contact with the mills to facilitate the fabric planning.



1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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**Recommendation:** In cooperation with their suppliers, Filippa K could conduct a root cause analysis of excessive overtime at all suppliers and provide support to manage overtime. It is recommended to look at specific cases where delays happened and where own style changes may have contributed to excessive overtime. The outcomes of the root cause analysis can be used for identifying strategies that minimise the impact of its sourcing practice on working hours at other factories.

**Comment:** Despite a robust production planning system, Filippa K still experiences delays and excessive overtime was found during a FWF audit in China. The company has several ways to deal with that: designers, buyers and logistical department work closely together to measure delays and estimate quantities. In addition they can block production to take an early order, spread different styles and work on their warehouse capacity. The company has the option of taking air freight or split orders in case delays occur. During two audits conducted by FWF teams in China, excessive overtime was found at one factory. The other factory did not have complete records; as a result the exact overtime hours could not be verified. A follow up audit in Romania showed some improvements; overtime is now legally registered, overtime premiums are paid per law and overtime during the weekend is avoided. Together with another member and the China country representative, Filippa K organized an indepth assessment on reducing hours in a shared factory. The outcome was that productivity increased; workers working less overtime but still earning the same wage.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
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**Recommendation:** Filippa K can start by working on transparent prices with nominated suppliers where they buy a large share of the production volume, to get a better insight in the cost of labour and the share that goes to workers. Filippa K needs to develop a pricing policy where they know the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

**Comment:** Country level minimum wages are known. Filippa K has a cost break down of the fabric and Cut Make Trim (CMT) price, but does not know the exact cost of labour or the share of the CMT price that is going to the salaries.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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**Requirement:** Critical findings like minimum wage problems require a more in depth follow up. The suppliers need to show evidence that the finding is remediated and the member should use a stricter timeline for these type of findings to be resolved, and proved to be resolved.

**Recommendation:** See also indicator 2.2.

**Comment:** During one audit conducted by FWF in China in 2014, it was concluded that a tiny portion of the unskilled and ineffective workers' wage is between 7.8 to 8.2 RMB per hour, which is below the local minimum wage of 8.45 RMB per hour. In 2014 this was insufficiently followed up. In 2015 Filippa K had an email exchange with the factory to follow up on this finding. Their statement that the problem has been remediated will be checked during a visit that Filippa K planned for 2016. FWF therefore decided to not give full scoring here.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories 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 factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

**Recommendation:** FWF advises to use the wage ladder amounts into the experiment for calculating the social costs. In case Filippa K shares suppliers with other FWF members, FWF encourages the affiliate to discuss the possibilities to work together towards higher benchmarks.

FWF encourages the affiliate to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

**Comment:** In 2015 Filippa K started to work together with two other FWF members on a wage analysis at one of their shared suppliers in Portugal. In 2014 Filippa K started on a collaboration with True Cost to calculate social, environmental and economical costs. A profit and loss account is made throughout the supply chain; from farming to ready made garments. This requires transparency from all stakeholders in the supply chain. Because it was difficult to deliver all information, this collaboration was prolonged, and the study will be completed in June 2016.

Filippa K uses the Wage Ladder tool to discuss wage levels with suppliers. They look at departments with low wages, and discuss this with suppliers. However, these discussions often get stuck, as the factory responds that workers earn less because they are slow or new. Filippa K is very interested to embark on wage pilots, particularly in China.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	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 affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

## PURCHASING PRACTICES

Possible Points: 42

Earned Points: 26

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	40%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	51%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	91%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Recommendation: FWF advises to set up integrated approaches for all product groups to systematically work on realising improvements in working conditions.

Comment: All buyers/product developers in direct contact with suppliers are responsible for the follow up of audits in cooperation with the sustainability manager. Buyers/product developers are often observing audits.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2
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Recommendation: FWF strongly recommends Filippa K to develop guidelines for appropriate timeline and follow up of CAP findings, differentiated by severity of problem. Urgent issues such as non payment of minimum wage require a shorter and stricter timeline, and more follow up questions. In these cases, Filippa K should ask for evidence to show remediation, and a timely verification activity should be scheduled.

**Comment:** Filippa K's monitoring system is to send the CAP to the supplier and document progress in the CAP. Filippa K could show communication with the suppliers about the CAP findings but it often took a long time to get a response, or to ask follow up questions and ask for evidence. Filippa K finds it important to discuss structural findings such as living wage and excessive overtime in a meeting with the supplier in stead of over email, but this can delay the follow up of CAP findings too long.

Filippa K works with QuizRR, an online learning tool for suppliers' management staff and workers to learn about labour rights and increase awareness on social dialogue. The tool can be continuously monitored with real time information on how workers are trained, how often it is used and the results of the quizzes. In 2015 three factories in China piloted. Filippa K distributed tablets to the workers in these factories to participate in the online training.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	82%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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**Recommendation:** FWF recommends to document the outcome of visits and ensure checking whether the CoLP is posted is part of every product developers' visit. Reporting back to the whole team on the discussions and follow up of CAPs with the supplier will help towards setting up an integrated system for improving working conditions.

2.4 Existing audit reports from other sources are collected.	Yes	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.	1	3	0
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**Recommendation:** Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

**Comment:** In 2015 Filippa K requested existing audit reports from several suppliers. In 2016 Filippa K plans to use the FWF Quality Assessment Tool to assess their quality, and follow up on the findings.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: To ensure effective communication with their Romanian supplier, Filippa K got the CAP of their audit translated into Romanian.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
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Requirement:

Recommendation: FWF strongly encourages Filippa K to train their production agents about country specific risks, especially in Turkey, going beyond sharing information only. It is recommended to visit all Turkish production locations, check the workfloor for signs of possible subcontracting and audit those locations that have not yet received an audit.

**Comment:** The monitoring system of Filippa K addresses high risk issues in the supply chain. Most buyers of each product group are well aware of the risks in specific countries. In 2015 Filippa K worked with three suppliers in Turkey. The member company signed the petition letter and sent it to their Turkish suppliers. They have also sent the guidance document to their suppliers in Turkey and their production agents. There is only one buyer involved in Turkey, who has not visited the suppliers in 2015 because of the safety situation in the country.

To address the structural risks in China, Filippa K enrolled three factories QuizRR, an on line learning tool for both management and workers, to increase awareness on social dialogue and labour rights. Filippa K has decided to stop with production in India. among others because it is more difficult to control the risks in this country.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0



2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes 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
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**Comment:** Filippa K has been sharing information with other FWF members. Filippa K started cooperation with other members in a shared supplier in Portugal to assess the wage levels, which will be carried out in September 2016. Filippa K cooperates with another member and commissioned an in-depth assessment on overtime in a shared factory in China. There has not been an opportunity for actively following up on corrective actions.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	No	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	0	2	0
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**Requirement:** Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Be visited annually by member company representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

**Comment:** Most suppliers in low risk countries have been visited in 2015, but not all. Therefore Filippa K scores 0 points in this indicator. During visits health and safety issues are assessed and it is checked whether the CoLP is posted. Filippa K also cooperated with other FWF members to assess wage levels at one of their shared Portuguese suppliers.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	100%	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	3	3	0
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**Comment:** In 2015 Filippa K had a collaboration with a Swedish brand for leather bags. They have signed and returned the external brand questionnaire.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	0%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
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**Recommendation:** If Filippa K in the future starts a new collaboration with an external brand, FWF advises Filippa K to check whether the brand is member of a credible CSR initiative for monitoring its supply chain.

**Comment:** In 2015 Filippa K had a collaboration with another Swedish brand for leather bags. This was a one time only collaboration. This brand is not part of a CSR initiative.

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## MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 21

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	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	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 FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

Comment: It is checked by means of a visit if the CoLP is posted, and photos per supplier are saved on the server.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	60%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
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**Recommendation:** In recent years of FWF membership, Filippa K has audited the majority of its suppliers. The next step is to work on sustainable improvements and raise awareness among workers and management of their rights. Filippa K can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, affiliates can use the worker information cards available for download on FWF's website to distribute when visiting suppliers.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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**Requirement:** All complaints received from factory workers have to be addressed in a timely manner.

**Comment:** in October 2015 FWF received a complaint from an employee who worked for a Chinese supplier to Filippa K. Upon resignation her bonus and annual leave were deducted. The complaint has been resolved in early January.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate 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	-2
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## COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 9

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

**Comment:** Staff at Filippa K is informed of FWF membership requirements. The company has regular supplier meetings with different departments. Filippa K distributes CSR information to all employees around Europe including store employees. Twice a year it organizes retail education: talking to stores about the collection, including social, sustainability and FWF membership.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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**Recommendation:** A training session on labour standards can be held for purchasing staff. FWF can support or facilitate in providing trainings. In addition, it is recommended for other product developers in the team who are in contact with suppliers to take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference and webinars.

**Comment:** Two buyers participated in the FWF seminar in 2015.

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 affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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**Recommendation:** FWF recommends extra training for agents that work in high risk countries, and instruct them on common CoLP violations in these countries, and how to check for possible subcontracting.

**Comment:** Filippa K has been actively working on having their agents support the implementation of the CoLP and on ensuring the Filippa K values are translated to their suppliers. Agents are continuously informed about requirements and guidances for specific production countries, and support the monitoring efforts by providing follow up on Corrective Action Plans.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	57%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0
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**Comment:** Besides enrolling two factories in FWF's Workplace Education Programme in 2015, Filippa K enrolled three of their factories in China in QuizRR, an online learning tool to create awareness among workers and management staff on labour rights.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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**Recommendation:** All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further strengthen communication between employers and workers in the workplace, FWF recommends affiliates to ensure suppliers participate in trainings, also in countries where trainings are not offered by FWF, for instance in Peru. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

**Recommendation:** It is advised to develop a systematic approach to complete the supplier list. Part of the approach can be:

- 1) automatically include information from audit reports and complaints. In addition, information from the FWF questionnaires can be used to update information on production locations and subcontractors.
  - 2) Business relationships with agents include transparency of production locations. Agents should not be included as production locations in the database.
  - 3) Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process. By suppliers and subcontractors, FWF means all locations that in involved in turning fabric into garments including; sewing, embroidery, screenprinting, ironing, marking, packing.
- The member company is asked to notify FWF as soon as possible in case unknown subcontractors are discovered.

**Comment:** Filippa K's financial account system is able to show payments to factory locations, including estimated shares that are produced at subcontractors. Through visits and monitoring by the agents, Filippa K can identify the majority of the production locations. Subcontractors that are discovered are included in the database and visited. During the transparency project that Filippa K started, the member company discovered one supplier in Portugal used subcontractors for Filippa K's products. An agent in China did not inform Filippa K about using another factory than agreed upon, this was suddenly discovered during a China visit to the agent.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	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
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**Recommendation:** In order to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures how labour standards influence monitoring and sourcing decisions.

**Comment:** Filippa K holds regular meetings with all production staff. Production staff is divided per product group and are all responsible for implementing the Code of Labour Practices. The one who is placing orders is also the one following up on corrective action plans. After a visit the buyer shares their experience on social compliance with the buyers team in a meeting and with notes and pictures.

In 2015 Filippa K started to organize social audit group meetings that are to be held 4 times a year. During these meetings buyers and Filippa K's sustainability manager discuss audit results and different topics on social compliance. The server contains a start up kit with FWF tools and information, that is accessible for all staff.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

Comment: FWF membership is communicated in correct wording on the company website. Filippa K has launched a new sustainability website where it clearly explains the company's social responsibility and how it works on upholding human rights in the supply chain.

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
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Comment: Filippa K has published the earlier Brand Performance Check on their website. The In 2015 the member company started a large transparency project to actively engage suppliers and be transparent about suppliers and all subcontractors that are used. This information is shared online since the start of 2016, by publishing supplier information of each style in the online shop.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: The Social report that filippa K submitted to FWF is integrated in the Sustainability Report, published in May.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Recommendation:** It is recommended to discuss the outcomes of this performance check with the production staff and sustainability manager.

**Comment:** FWF membership is evaluated within a group of product developers, the sustainability manager and supply chain manager; particularly when writing the workplan and evaluating the performance check report. Feedback from agents regarding the progress of suppliers is integrated.

7.2 Changes from previous Brand Performance Check implemented by affiliate	66%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2
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**Comment:** The last Brand Performance Check included three requirements; on indicator 1.9, 2.2 and 3.2. The last two requirements have been remediated.

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

Filippa K suggested to make a space available for members who want to be open about their suppliers towards other members. In addition, it would be appreciated when FWF develops more activities for China, as it still is the largest production country for FWF members.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	26	42
Monitoring and Remediation	21	35
Complaints Handling	9	13
Training and Capacity Building	11	15
Information Management	4	7
Transparency	4	4
Evaluation	6	6
Totals:	81	122

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

66

PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

20-04-2016

Conducted by:

Niki Janssen and Annabel Meurs

Interviews with:

Elin Larsson (Sustainability Manager)

Doreen Chiang (Sourcing Manager)

Anna-Karin Bons (Product Developer)

Anna Lönnerstedt (supply chain director)

Ellen Dixdotter (PR & Marketing manager)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.