

Brand Performance Check ALBIRO AG

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

About the Brand Performance Check

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

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online Brand Performance Check Guide provides more information about the indicators.

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

Brand Performance Check Overview

ALBIRO AG

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

Member company information	
Headquarters:	Sumiswald , Switzerland
Member since:	2012-06-12
Product types:	Workwear; Outdoor wear
Production in countries where Fair Wear is active:	India, North Macedonia, Turkey
Production in other countries:	Bosnia and Herzegovina, Czechia, Morocco, Serbia, 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	100%
Benchmarking score	70
Category	Good

Summary:

With a benchmark score of 70 points and a monitoring threshold of 100%, Albiro has shown good progress and met most of Fair Wears' performance requirements. In 2020, Albiro switched from a group membership with Fair Wear to a brand membership and as a result it's supply chain was reduced.

Corona Addendum:

2020 was a good year for Albiro, and the pandemic did not significantly impact its orders, turnover, and general business management. When the pandemic hit Europe, this affected the daily operation as all staff at Albiro went into furlough (35% fewer hours on average) from April 2020 until September.

The CSR Manager was on furlough for 50% from April to September, and from October, the CSR Manager was on maternity leave. During the absence of the CSR Manager, the CEO took over the tasks. Travelling to production countries stopped from mid-April but resumed from mid-June/early-July onward. The head of production visited many of the suppliers except for India, and Turkey. None of the planned audits was cancelled, so Albiro was able to verify working conditions and Occupational Health & Safety measures. This was done first via calls and in the second half of the year, mainly through its normal monitoring system.

Orders from Albiro's customers were not affected by COVID-19, and no orders were cancelled. Therefore, the business could continue as usual despite the disruptions that were happening across the industry. Albiro did not cancel any of its orders and was only faced with minor delays due when three of its factories had to shut down due to COVID-19 temporarily.

Orders at the affected suppliers were mostly 'Never of Stock' items, and therefore delays did not matter. Albiro accepted all delays without penalties. Albiro kept in contact with all its suppliers throughout 2020 and followed up on COVID-19 related risks.

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.	85%	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: 85% of Albiro's production volume comes from factories where the company buys more than 10% of the production capacity. This number has remained stable from the previous financial year.

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.	5%	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: Five percent of Albiro's production volume comes from so-called tail-end production locations where it buys less than two percent of its total purchase volume (FOB). That is a decrease of four percentage points over last year and all in all is a very low number for a workwear company.

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.	88%	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: 88% of Albiro's production volume comes from production locations where the brand's business relationship has existed for at least five years. This is a slight decrease compared to the previous year (91%), but still a strong testimony to the focus on long-term business relationships which is a clear focus point at Albiro.

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	o

Comment: No new production locations were added in 2020 and all existing locations had returned the signed questionnaire.

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: Albiro has a clear and well defined procedure for conducting human rights due diligence prior to placing orders with new suppliers. The procedure is described and documented in the company's "MSA system" (Albiro's internal platform). In 2020 the system was structured and refined further and tasks were divided between the head of production, the head of purchasing and the CSR Manager. The process consists of six clear steps.

As a first step, new suppliers are in contact with the head of production. As second step there is a meeting between the CSR Manager and the head of purchasing to have an initial discussion about the supplier.

The third step consists of research where Albiro is looking at existing audit reports either from Fair Wear or Amfori BSCI. If another Fair Wear member is sourcing at the factory, Albiro will reach out to acquire insight and access to the existing audit report.

Country studies are checked in the fourth step and if CSR give it's OK, then the head of production visits the factory and during the visit fill out the Fair Wear health and safety checklist. Then all information gets handed over to the CSR Manager.

In step five, a second meeting between purchasing, buying and CSR is set up where each point is being discussed in terms of: Wages, country specific risks, working conditions and audit results. If everyone agrees to go ahead, the supplier will be asked to fill and submit a document called "supplier approval."

As a the sixth and final step, the CSR Manager visits the factory. The Fair Wear questionnaire and Code of Labour Practices (CoLP), are discussed and the Worker Information Sheet is posted.

All six steps must be completed before sample orders can take place.

If there are no valid audit reports available, a new one will be requested either via Fair Wear, if possible, or via Amfori BSCI.

No new suppliers were onboarded in 2020. There was some contact with potential new suppliers in Serbia in 2019, but no activities last year on this due to COVID-19.

When COVID-19 hit, many production countries closed their borders and onsite visits were not possible from mid-March and onwards. Albiro kept in frequent contact with it's suppliers by phone, video-calls and emails. The situation in the production units were discussed in terms of staff issues and health & safety matters and in particular what preventive measures had been taken by the factory to avoid the spreading of the infection. Wages were also part of the conversation, but no supplier indicated they had difficulties paying workers. Albiro did not ask for payslips as proof that at least the legal minimum wage was paid, but since the brand was able to conduct its scheduled audits, monitoring was still taking place that could verify that wages were paid in April, May and June,. After June the head of production were again travelling to visit suppliers.

During the brand performance check Albiro could show protocols of follow up actions discussed with the factories.

Factory visits started up again in June for Serbia and from mid-July it was again possible to visit Macedonia and Bosnia.

Three production locations had to close down temporarily due to government dictate. The supplier in Morocco was closed for seven weeks. No infections were reported within the factory. One production site in Serbia reported 20 persons infected with COVID-19 and had to close for six weeks during the months of April and May. One production facility in Bosnia was closed for 20 days.

Even with the lock-downs, Albiro did not experience large delays in orders and it stayed in continuous dialogue with its suppliers throughout 2020.

The biggest risk highlighted by suppliers was that production would stop due to quarantine in there was infection among workers in the factory. Worst case this could result in a full lock-down with the factory being unable to operate.

Albiro kept on top of the COVID-19 situation by consulting governmental websites and it made use of Fair Wear's COVID-19 specific guidance and the online information made available on the country pages.

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: Albiro already had a supplier evaluation system in place in terms of a software system called "Improved". Last year Albiro received feed-back from Fair Wear and were advised to make more detailed points on the sustainability indicator and to explicitly reward suppliers that were achieving good ratings.

Suppliers are now being evaluated on the parameters: Quality, On-time delivery, Compliance with agreements and CSR. The CSR part has been extended with more focus on Corrective Action Plan progress, Communication and Collaboration in working towards better working condition.

The evaluation results in a rating and the outcome is communicated to suppliers at the end of year. Albiro was able to document how a good rating led to increased order volume or other benefits. A new green sustainability collection was placed at a supplier that had put a lot of work into improving working conditions.

During COVID-19, Albiro extended it's supplier evaluation system with a chart to track implementation of infection preventive measures. The system was further strengthened by visits from the head of production, who after June was able to travel to the production facilities and could verify the working conditions and do onsite follow up and fill out the Fair Wear Health & Safety checklist.

No orders were cancelled or postponed by Albiro and the company did not experience a significant delays in orders. Orders that were running during the lock-downs were mostly being produced for the warehouse and therefore actual customers orders were not effected much.

No supplier relationships were ended in 2020.

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: Albiro sources its products from two groups of suppliers. In case of delays, Albiro considers changing the sequence of the order, flexible delivery dates, splitting orders, or using air freight. July to December is peak season and Albiro aims to have as many orders finalized before July as possible in order to have a more even distribution throughout the year. Last minute changes in design are not possible due to the brand's logistics management system. Orders can only be placed once the design is approved.

In 2020, 66% of Albiro's production volume came from North Macedonia. At suppliers with 100% leverage (Group one) all production planing is done in Switzerland. At these production locations the head of production knows the production process and the sewing minutes. The developments are 100% done in Switzerland. For each style a sample is made in Albiro's own atelier and this sample is used to calculate the sewing minutes.

For Group one suppliers the production planning starts in October. Planning is agreed on a months to month basis with each supplier. The product groups are divided into into three-four different sections (areas) of production. One area for simple styles and a second area for complicated styles. There is also an area for softshell jackets and mid-layers. Some suppliers are able to produce the complete product range and the company has insight into the suppliers capacity per week/months.

The planning is shared via a Google Drive document where several people have access. The document is regularly updated to ensure optimal utilisation of suppliers. The head of production works with an order sheet which is made by the disposition department and in this sheet all planned orders for the coming 8-10 weeks can be seen. This information is then matched to the available capacity at suppliers to ensure a good planing.

For Group 2 suppliers which constitutes 20 % of the production volume there are two factories in Turkey and one in India. At these production locations, Albiro forwarded the Fair Wear Labour Minute Costing Tool (LMCT) to the suppliers to fill it out and send back. From Albiro now has an overview of the sewing minutes and the calculation. For the supplier in India, Albiro works with an agent who is also responsible for other brands placing order in the same factory. This gives Albiro better influence due to increased leverage through the agent.

In Turkey the suppliers did not share the production planning, but Albiro has a guarantee that it's orders are not leading to excessive overtime. Planning is done in weekly/daily contact with Group 2 suppliers via the purchasing department.

There were no big peaks in overtime hours at the 3 production locations that needed to close down temporarily due to COVID-19. Albiro avoided placing additional order with these factories so they had time to catch up on orders that were placed before the closure. No pressure was applied on factories in terms of upholding agreed delivery dates.

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

Comment: No excessive overtime was found at Albiro's factories. One CAP finding from an audit in July 2020, showed a problem with the workers time registration cards due to which the audit team was unable verify the actual working hours. Albiro did start working on the CAP, but due to the maternity leave of its CSR manager and prioritising a finding on legal minimum wages not being paid as a result of COVID-19, the remediation of the time card finding first started in 2021. Albiro was able to document the CAP follow up and further received confirmation that the factory only worked 5 days per week in general.

Group two suppliers all confirmed that there were no excessive overtime and no pressure was applied from the side of Albiro. Group two suppliers are mostly producing Never Out of Stock (NOS) styles which can be produced without fixed delivery dates since they are being produced to stock up the warehouse rather than to customers waiting for them.

Recommendation: Problem with time-registration cards makes it impossible to verify the actual working hours and therefore it cannot be know if overtime is taking place and for this reason Fair Wear recommends Albiro to work with suppliers where these issues are found to ensure they understand the importance of correct time registration and tracking of excessive overtime.

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

Comment: For Group one suppliers the CSR manager took part in the training on the Labour Minute Costing Tool (LMCT) in North Macedonia organized by Fair Wear. Albiro is still working to coach factories on filing in the sheet correctly. Three production locations of Albiro will now work with the Fair Wear wage team in the development of the new Fair Price App which will be released in 2021.

A similar price calculation tool to the Fair Wear LMCT is used with Albiro's main supplier in North Macedonia. It calculates the costing situation in the factories and provides an overview on overhead costs and Albiro received the effective working hours for 2020. With this information Albiro could define the standard sewing minutes and this amount is used for existing and new styles. With this tool, the head of production can check if a standard sewing minute of a style is sufficient to pay the legal minimum wage and the same in case target wages are set.

For the group two suppliers in India and Turkey, Albiro received back the filled labour minute costing tool which now means Albiro has some degree of overview regarding the costs and wages. With these efforts Albiro is well on it's way to being able to demonstrate the link between its buying prices and wage levels in all its production locations.

No subsidies were given by Albiro to cover possible added COVID-19 costs at suppliers as a result of implementing preventive measures. Albiro also did not investigate to what extend such costs occurred, but was checking with suppliers if general support was needed and the reply from suppliers was that the best support Albiro could provide them at that point, was be to keep placing orders, which the company did.

Recommendation: Fair Wear recommends Albiro to expand its knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to its own buying prices. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any COVID-19 related costs. Priority would be to make sure this level of transparency can be achieved with their suppliers.

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.	Yes	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.	0	0	-2

Comment: At a factory in Macedonia a complaint was received about some workers receiving wages lower than the legal minimum wage. The factory claimed to be following governmental regulations, allowing it to pay only 50% of wages to workers that were absent due to COVID-19. Albiro immediately reacted to the complaint and with the help of the local Fair Wear team it was found that that the factories were receiving governmental support with the purpose of paying workers in full. In addition paying workers below the legal minimum wage is in either case a clear violation of the Fair Wear wage policy. Albiro also addressed the issue with its other suppliers in North Macedonia and found the same malpractice carried out there. The issue also appeared in CAPs from 2020 audits and in all cases Albiro actively responded to remediate that the legal minimum wages could be paid.

CAP report were shared during the performance check which showed that some of these issues were still being resolved and in next year's check this issue needs to be followed up again to check that all workers received their wages due.

Recommendation: Fair Wear strongly recommends Albiro to always verify whether legal minimum wage issues have actually been resolved in case factory management claims so. Albiro could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check whether the issue has actually been resolved.

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

Comment: The general payment terms at Albiro is 10 days after issuing of the invoice. No payment terms were extended during COVID-19 and no late payments took place.

At one supplier in Turkey, Albiro is prefinancing the materials.

One audit report spoke about that the members payments often were late. The audit was shared with another Fair Wear member who received the same comment, however Albiro was able to show proof during the performance check that no late payments had taken place.

Recommendation: To support the liquidity at their suppliers, Albiro could consider prepayments.

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

Comment: Albiro is aware of the legal minimum wage and living wage benchmarks per country. The company has an overview of the wages at their group one suppliers. These suppliers have shown the intention to start working on labour minute costing together with Albiro.

In 2020 Albiro focused primarily on financing the Legal Minimum wages in factories and gave examples. For North Macedonia Albiro knows what price per minute they need to pay in order to at least finance the legal minimum wage.

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

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

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

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

Comment: Although Albiro had set a target wage for one supplier in 2016, this target wage was not updated in the last few years. Work has been done to get better wage insight by working with the Labour Minute Costing tool.

For one supplier Albiro is paying a lump sum on a month by month basis to help suppliers pay wages and also increasing prices on existing styles to further help the supplier.

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: No work was done on setting and paying its share of target wages in 2020.

Purchasing Practices

Possible Points: 50

Earned Points: 30

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	62%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	90%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	100%	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: The Development & Sustainability co-ordination team is responsible for all CSR related matters, including follow up on problems identified by the monitoring system.

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

Comment: Member makes use of FWF audits and/or external audits only (N/A)

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

Comment: Albiro shares audit reports with the factories and sets up a timeline for improvements in a timely manner. Evidence was provided during the performance check.

Albiro started sharing audit reports and Corrective Action Plans with the worker representation at one supplier in 2020. This is done in collaboration with another Fair Wear member and they two members engage in joint follow up and remediation.

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: Albiro has a good system in place for following up on Corrective Action Plans (CAPs). After having received a CAP and shared it with the supplier, the CSR Manager follows up monthly on the remediation progress. The status of CAP remediation is also checked as a fixed agenda point when the head of production is visiting suppliers. During the brand performance check all active CAPs were reviewed, but while it did show that most CAPs were being worked on systematically, many points still had not been fully resolved. The CSR Manager was on maternity leave at the end of the year of 2020 which partially limited CAP follow up and practically meant that much of the follow up on CAPs happened in 2021 rather than in 2020.

No COVID-19 related issues came up during interactions with suppliers that Albiro felt needed to be put in to a CAP framework. Albiro stayed in touch with suppliers via phone calls, video calls and emails and the head of production systematically gathered the COVID-19 related preventive measures at factories in a sheet. From mid-June and on wards the head of production resumed travelling activities to visit factories and all planed audits were able to take place in 2020, so from that side Albiro could uphold a good level of monitoring of issues and verification on remediation.

There were no lay-offs at any of Albiro's suppliers as a result of COVID-19. This was checked up on specifically by the CSR-Manager.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	O

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2020 for all Fair Wear members. Albiro nevertheless managed to visit 78% of its total production volume which the same level as previous year.

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

Comment: In addition to Fair Wear audits, Albiro uses BSCI audit reports. In case of a shared factory, the BSCI-system requires that the member with the most leverage checks whether the factory has set up a CAP and needs to follow up. It has collected audit reports from most of its factories. Albiro also has a CAP for the points of improvement which are then discussed and implemented in cooperation with the factory.

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

Comment: Albiro has a company policy in place which does not allow sourcing from Myanmar and Bangladesh. The brand also doesn't use abrasive blasting for its products. The company is well aware of the risk in its main production countries.

Regarding addressing risks in Turkey, Albiro has discussed the employment of Syrian refugees and subcontracting with both Turkish suppliers. At one supplier the management indicated that they do not want to employ Syrian refugees although, Albiro is not against Syrian workers being employed at the factory, as long they are are equipped with same rights, salary and benefits as Turkish nationals. A 2020 audit confirmed that no Syrian refugees were employed at the factory.

At the other Turkish factory an audit report revealed that Syrian workers were not provided an employment contract in Arabic and Albiro stepped in and remediated the issue together with another Fair Wear member. For 2021 it was confirmed that all workers had received a contract in Arabic and that the Worker Information Sheet was posted in both Arabic and Turkish.

With it's Macedonian partners, it is working towards fulfilment of freedom of association and resolving minimum wage issues. At the most important factory, a process was started in 2018 after a complaint of failing to install a worker representation in the factory. Follow up on this in 2020 showed that a workers council had been elected and that training with management and worker representatives was taking place. This was further a requirement from last years performance check.

In India, the brand had the ambition to implement a training program on sexual harassment and female line supervisors in 2020, but this training did not take place due to COVID-19. The factory has already established an anti-harassment group and appointed a contact person for this topic. The group meets on a monthly basis with the factory management.

Fair Wear stayed on top of country risks and used Fair Wear guidance on Lost wage and Job lose, as well as the discussion sheet and check list on Occupational Health and Safety. The worker videos made by Fair Wear was not shared with the suppliers in 2020 (Relevant for Turkey and North Macedonia), but they have been shared in 2021.

Recommendation: Albiro is recommended to consider how a systematic, integrated and documented approach can be implemented to ensure that most or all of the high-risk issues in the supply chain can be addressed and remediated as stipulated in policy.

For Turkey, Albiro are recommended to formulate a company policy on the hiring of Syrian refugees. In India, Albiro is advised apply the gender lens.

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: During the performance check Albiro gave examples of collaboration with another Fair Wear member on remediation of audit findings and working on CAPs. Albiro worked with two suppliers in China and Turkey on CAPs remediation.

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

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

Comment: In 2020 there was a BSCI audit at one of Albiro's suppliers in Czechia.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	2	0

Comment: Albiro are buying products from a number of external suppliers and are facing difficulties in collecting questionnaires from these external brands, especially thoese from Switzerland, who doesn't understand why they need to sign and return a document about complying with Fair Wear. Albiro is working on this topic and managed to collect one questionnaire in 2020.

Recommendation: Fair Wear members are encouraged to send the Fair Wear questionnaire for external production to the brand(s) it resells and explain that its within the frame work of Fair Wear to request these commitments to the Fair Wear Code of Labour Practises even when the brand headquarters in a country were the risk of worker violations is very low.

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).	3%	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.	1	3	0

Comment: In 2020, Albiro bought products from one other Fair Wear member brand.

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: 31

Earned Points: 23

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.	1	
Number of worker complaints resolved since last check.	3	

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 CSR Manager is responsible for following up on worker complaints

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

Comment: Albiro's suppliers scan and share photos of the Worker Information Sheets posted at the factories. At most of its suppliers, Albiro staff checks whether the Worker Information Sheet is posted during onsite visits.

In 2020, an audit in Turkey revealed that the member had not provided the new Worker Information Sheet to the factory with the updated telephone number for the complaint helpline. This urgent finding was immediately remediated and proof collected that this had now been solved.

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.	64%	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 workermanagement dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: In the last three years, Albiro's suppliers participated in 2 WEP basic modules. These WEP basic modules were held at it's most important suppliers in North Macedonia.

Recommendation: Albiro could consider implementing additional activities to raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline next to providing good quality training. This could include providing the Fair Wear worker information cards to workers during visits or when handing out pay slips, making use of Fair Wear Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: In 2020, Albiro received quite a serious complaint from a worker at a supplier in North Macedonia. Due to COVID-19 measures some workers during 3 months would fall below the legal minimum wage. First the factory claimed that they were in the right to pay workers less as a result of the new governmental measures, but after consultation with the Fair Wear team, this turned out to not be the case and Albiro was able to secure that legal minimum wages were paid to all workers also retrospectively. Because Albiro was faced with this issue at one of its Macedonian suppliers, it decided to check this issue at all its supplier in the country, and it turned out the malpractices was adopted by more suppliers. Albiro was able to start remediating the issue and take preventive steps that would ensure it does not happen in the future.

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

Comment: The complaints in 2020 were in a factory that was not shared with other customers.

Complaints Handling

Possible Points: 15

Earned Points: 13

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	o

Comment: Albiro's intranet contains Fair Wear information which is included in internal communication channels. New employees receive training by the CSR Manager.

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 CSR team is responsible to explain Fair Wear's requirements to Albiro's staff, including all staff in direct contact with 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: Audit reports and CAPs are shared with Albiro's Swiss agent who in turn address these with the factory in India. This agent is working actively to acquire knowledge on sustainability and there is a good collaboration between Albiro and this agent. The collaboration already resulted in an increased order to the factory to reward good collaboration.

Recommendation: Fair Wear recommends Albiro to keep building on the agents knowledge about the Fair Wear requirements and to keep involving him in raising awareness of the Code of Labour Practices among the workers and management at the Indian factory.

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

Comment: No training programs were implemented in the last three years that support transformative processes related to human rights.

Recommendation: Fair Wear recommends Albiro to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end, members can make use of Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. Fair Wear guidance on good quality training is available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No 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: 11

Earned Points: 5

5. Information Management

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

Comment: For group one suppliers, Albiro is aware of subcontracting. Due to it's integrated planning of production and onsite visits of technicians, Albiro knows which subcontractors are used during production.

In 2020, Albiro strengthen the system for monitoring group two suppliers and checking for unauthorised subcontracting, the agent has hired a former amfori BSCI employee to do quality inspections and off-site worker interview on Albiro's orders.

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: Albiro has a weekly meeting of the development and sustainability team in which it discusses the main issues in factories. The concerns and issues are then shared with management and heads of teams within Albiro.

Albiro's agents in Turkey and China support the efforts of Albiro and share their findings with the CSR and other staff members as well.

The staff of Albiro has access to the supplier database which includes all relevant information about working conditions at suppliers.

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: Fair Wear membership is communicated on the website of Albiro, leaflets, and tenders. This communication adheres to the Fair Wear communication policy and guidelines.

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	O

Comment: Albiro is dislosing 100 % of its suppliers internally to other Fair Wear Members as well as 100% publicly on the Fair Wear website.

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

Comment: Albiro submitted it's social report to Fair Wear and posted the report on their 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: Top management is involved in the evaluation of Fair Wear membership. The CEO and Head of Purchasing are involved in daily business. All new employees are trained by the CSR Manager in Fair Wear, BSCI and Albiro's sustainability policy.

Management and CSR has a monthly meeting and everything else is discussed ad hoc. Management steps in on a needs basis, and keeps itself informed about complaints and audit findings.

In addition, the topic is discussed in board meetings which are held six times a year. In these meetings, Fair Wear is also discussed as a strategical theme with input from the product and sustainability team. Fair Wear Leader status is the main goal.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	33%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: Last performance check ended with five requirements.

- 1.7 Degree to which member company mitigates root causes of excessive overtime.
- 1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.
- 1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.
- 1.13 Member company determines and finances wage increases.
- 1.14 Percentage of production volume where the member company pays its share of the target wage.
- 7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company

1.7 and 1.8 was resolved but on the indicators regarding wages 1.11, 1.13 and 1.14 no progress was shown, mainly due to COVID-19. The same goes for 7.2 and therefore there are repeat requirements for those indicators this year.

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

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

Albiro would like to see an advanced training developed for North Macedonia.

Albiro wishes for Fair Wear become more known in Switzerland as well as international

Scoring Overview

Category	Earned	Possible
Purchasing Practices	30	50
Monitoring and Remediation	23	31
Complaints Handling	13	15
Training and Capacity Building	5	11
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	88	126

Benchmarking Score (earned points divided by possible points)

70

Performance Benchmarking Category

Good

Brand Performance Check details

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U	ate	OT	Brand	Performance	· Cneck:

13-07-2021

Conducted by:

Peter Jahns

Interviews with:

Lukas Loosli, CEO Corinne Loosli, CEO Benedikt Schweighart, Production planning Linda Thommesen, CSR Manager. Production Technician