



BRAND PERFORMANCE CHECK

ALBIRO AG

PUBLICATION DATE: JANUARY 2015

this report covers the evaluation period 01-01-2013 to 31-12-2013

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at multiple levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of the 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.

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.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK OVERVIEW

ALBIRO AG

Evaluation Period: 01-01-2013 to 31-12-2013

AFFILIATE INFORMATION	
Headquarters:	Sumiswald, Switzerland
Member since:	13-06-2012
Product types:	Workwear, Outdoor
Production in countries where FWF is active:	Bulgaria, China, India, Italy, Macedonia, Portugal, Romania, Turkey, Viet Nam
Production in other countries:	Bosnia and Herzegovina, Czech Republic, Hungary, Morocco, Slovakia
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	62%
Benchmarking score	55
Category	GOOD

Summary:

This Brand Performance Check assesses the second year of FWF membership of Albiro, which represents several brands in work wear (Albiro, Marsum, Solida, Wikland) and outdoor (Frenzy, Bailo). Albiro reached a monitoring threshold of 62%, whereas 60% is required in the second year of membership. Albiro has shown progress in implementing FWFs management system requirements at headquarter level and systematically throughout its supply-chain. Albiro consolidated the existing supplier base for its main production in Eastern Europe and Northern Africa, and reduced production in the Far East. Albiro focused work on FWF standards in Macedonia, where it sources 100% of the production volume at almost all suppliers. In Macedonia, Albiro made considerable efforts to work on productivity improvements with its suppliers, hence create space to increase wages to living wage level, and participated in pilots with FWF to develop a tool to determine the Living Wage factor (additional cost of living wage). Although Albiro's 2012 sustainability strategy clearly defines high and ambitious goals with regard to FWF affiliation, systemic implementation was hindered in 2013 because of the take-over of new brands, including their existing suppliers, and changing CSR staff. Albiro is recommended to intensify overall implementation of FWF management system requirements and work with suppliers in all countries in a systematic manner. Furthermore, it is recommended to develop the management system and procedures in such a way to make its implementation of FWF standards less vulnerable to CSR staff changes.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

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	54%	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.	3	4	0

Recommendation: FWF recommends the affiliate to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

Comment: At many of the production sites, Albiro buys (almost) 100% of the production capacity.

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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Recommendation: FWF recommends the affiliate to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	No new suppliers	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.	N/A	2	0
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Comment: Albiro itself did not have new suppliers. By taking over the company Bailo it did take over Bailo's supplier base. Within a short period it was decided to stop selling Bailo as products did not sell at all, hence no new suppliers.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	No new suppliers	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.	N/A	4	0
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1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	No	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.	0	2	0
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Requirement: A systematic approach is required to integrate social compliance into normal business processes, and supports good decision-making. The approach needs to ensure that the affiliate consistently evaluates the entire supplier base and includes information into decision-making procedures.

Comment: Albiro focuses on the following risk countries: Macedonia and Bulgaria, their main production sites. They have not started yet working on other supplier risk countries.

1.6 The affiliate's production planning systems support reasonable working hours.	General or ad-hoc system.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	2	4	0
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Requirement: The affiliate's forecasting system and production planning system should enable good planning at production level and also help to limit the effects of peaks in demand to reduce overtime.

Comment: Albiro cannot show clear evidence that the production planning systems, even though providing the space, actually support reasonable working hours in practice. Four out of six audits have shown suppliers in group 1 and 2 to have overtime and/or transparent working hour records.

Albiro sources at 3 groups of suppliers (see overview below in additional comments for this chapter for summary).

Group 1 Albiro has a high level of control over the production planning, hence could support reasonable working hours.

Group 2 The suppliers have a 6 months period from planning - delivery, hence could plan with reasonable working hours.

Explanation on groups:

Group 1 (more than 50% of Albiro's turnover): Group 1 covers products where Albiro delivers all materials and the production site is only doing cut-make-trim. Group 1 articles are produced in Europe. The lead time is approx. 15 weeks. The production site is guaranteed that the full production capacity is used. Most of the production sites hence produce 100% for Albiro. In 2012/13 Albiro decided to take over the production planning from the local management. This gives the opportunity to support reasonable working hours more closely. Albiro sees a challenge for production in March and April at the production sites when Albiro can cover 75% of the production only.

Group 2: Goods in category group 2 are purchased at the production site according to Albiro's designs without sourcing of raw materials, but ALBIRO brands labelled. A forecast of production is shared with the production site already at the beginning of the year for production in the coming next year which basically leaves time for production planning of at least one year. The suppliers are requested to source the raw materials themselves, details about the production are shared with the supplier in a way that leaves approx. six months for sourcing of materials, production and transport of the ordered goods.

Group 3: Products from category 3 are considered "external production" at FWF. Albiro sources these products from other brands and functions as a retailer.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Insufficient 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.	0	6	0
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Requirement: The affiliate should investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

Comment: Albiro could not provide evidence that they took specific action after overtime issues were found in four audits.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	No policy in place	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.	0	4	0
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Requirement: The affiliate needs to develop a pricing policy where the affiliate knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

Comment: Albiro's pricing policy depends on the three groups of production (see overview again in Purchasing Practices Comments). Even though Albiro for certain suppliers knows workers payments, Albiro cannot show their overall pricing policy explicitly takes payment of at least the legal minimum wage into account at all supplier groups in all countries.

Group 1: The price depends on the minutes of work time needed for the product to be produced. All products are produced once at Albiro and minutes hence calculated. Albiro has 100% transparency and knowledge about workers payment.

Group 2+3: Prices are given by the supplier and then discussed taking into consideration the minutes of work time needed for production and difficulty of product itself to be produced. Albiro pays extra in case of small order amounts. Albiro does not know the share of earning for a worker in comparison to the total product price. When deciding where to produce a new product, country wages are taken into account.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2
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Comment: None of the six audits which were conducted by FWF audit teams in 2013 indicated suppliers fail to pay legal minimum wages.

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
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Comment: None of the audit reports indicated evidence of late payments to suppliers by affiliate.

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
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Requirement: Affiliate is expected to take an active role in discussing living wages with its suppliers in its supply chain. The FWF wage ladder can be used as a tool to implement living wages.

In case FWF Affiliate buys exclusively at a supplier or owns a supplier, the affiliate is held more accountable for implementing adequate steps.

Recommendation: FWF encourages Albiro to follow-up on the hypothetical cost effects of increasing wages in Macedonia, as calculated in the FWF Macedonia living wage project. FWF furthermore encourages Albiro to also discuss with suppliers in other countries about possibilities to work towards higher benchmarks.

Comment: Albiro participated in the FWF project starting in 2013 on the development of living wage calculation sheets in Macedonia, with the 2 production sites which they selected because of Albiro's potential to work on living wage there. One production site in Macedonia was included in the productivity assessment done by FWF in this project. Albiro, via a hired consultant, contributed greatly to the development of the living wage cost calculation sheet in the FWF Macedonia project.

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

Recommendation: FWF supports direct ownership of suppliers. Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.

Comment: Even though 13 suppliers of Albiro produce 100% of their volume for Albiro (representing 38% of the total FOB of Albiro), Albiro does not (yet) directly own production sites in production countries.

PURCHASING PRACTICES

Possible Points: 34

Earned Points: 14

Additional comments on Purchasing Practices:

Albiro sources at three groups of suppliers:

- Group 1: Supplier only does CMT. Albiro delivers the material.
- Group 2: Purchasing of models according to ALBIRO designs. Supplier gets the delivery date and sources the raw material.
- Group 3: Purchasing of non-ALBIRO labelled ready-made garments.

At FWF, group 1 and 2 are defined as "own production", group 3 as "external production".

Albiro started a strategy to reduce the amount of suppliers within the next three years and to work with few core suppliers only in the future.

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	23%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	32%	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	62%	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

Comment: Specific staff at Albiro is designated to follow up on problems identified by monitoring system. Staff changed at Albiro end of 2013. A new person responsible for FWF requirements started 2013/14.

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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Requirement: Albiro must make sure most or all CAP's continue to be addressed in all countries and records are kept to enable verifying this.

Comment: The appointed CSR staff during 2013 actively followed-up on CAP's. However, after a change in CSR staff, not the same database is kept by new CSR staff.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	79%	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: Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits. Albiro is recommended to make sure that during annual visits social compliance issues are checked.

2.4 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
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Comment: Albiro could show some existing audit reports from other sources, though Albiro did not systematically collect them. For one external audit Albiro could show follow-up, implementation, visit to the supplier by the CSR rep and discussing the audit report with the supplier.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be 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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Recommendation: FWF recommends Albiro to systematically have procedures and a management system in place, which can guarantee implementation, also when CSR staff changes.

Comment: For most of the period under assessment, Albiro shared audit reports with the management of the production site and internally with staff at Albiro in direct contact with the suppliers. In Macedonia, Albiro engaged one freelance worker to follow up on corrective actions at the suppliers in Macedonia. Time lines for corrective actions are agreed upon in a timely manner.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Insufficient 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.	0	6	0
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Requirement: Albiro's monitoring system should identify and address high risk issues that are specific to the affiliates' sourcing practices. FWF provides policies and country-specific requirements to affiliates. Priorities in remediation efforts are guided by these policies.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	No CAPs active or no shared suppliers.	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.	N/A	2	-1
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2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	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.	2	2	0
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Recommendation: FWF recommends Albiro to set up a systematic approach and a system recording implementation of monitoring requirements of suppliers in low-risk production countries.

Comment: Albiro could show emails of technical staff showing monitoring, but at the moment of the performance check did not use a system to keep these data systematically up to date.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	55%	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.	1	3	0
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Requirement: Albiro should make sure it receives returned and completed questionnaire from external brands resold by the affiliate.

Comment: All external suppliers have been informed about FWF membership and have received the external brand questionnaire (group 3 suppliers). Albiro faces the problem that not all of them return the questionnaire signed.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	19%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
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Comment: One of the external brands resold by Albiro is member of FWF.

MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 18

3. COMPLAINTS HANDLING

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of 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

Comment: Although Albiro did not have a complaint in the evaluation period, The former CSR staff of Albiro had prepared an internal procedure to follow in case a complaint is received in future (Beschwerdeverfahren).

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
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Recommendation: It is suggested to ask suppliers to submit a photo of the posted CoLP with the annual questionnaire and to ask staff visiting a supplier to check if the documents are still posted as indicated on the obtained photo.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	67%	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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Requirement: Requirement 1): Albiro should check if the worker information sheet is posted. The information sheet is the first step towards awareness raising about the existence and functioning of FWFs worker hotline. Requirement 2): It is important that the affiliate informs the factory managers about the existence of the hotline. The factory managers are the key actors in informing workers about their rights.

Recommendation: The affiliate 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.

Comment: Two out of six audit reports indicated that the Code of Labour Practice has not been shared with the factory and not posted at the production site. Workers have not been informed about the FWF complaints handling system.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	N/A	6	-2
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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: 7

Earned Points: 6

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: All staff in Austria and Switzerland are trained by FWF January 2013. The company's intranet contains FWF information and FWF info is included in internal communication like newsletters.

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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Requirement: Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements.

Comment: Part of the assessed period, trainings were conducted by Albiro's COO, who was also the CSR responsible staff.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	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.	1	2	-2
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Requirement: FWF affiliate needs to ensure agents are aware of FWF requirements and actively support the implementation of the CoLP.

Comment: Less than 10% of the production is sourced through the use of agents. Agents are informed about FWF membership requirements, Albiro's sourcing strategy and how to follow up on corrective actions.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	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.	0	6	0
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Requirement: Manufacturers and their workers should be systematically informed about FWF and the implementation of the Code of Labour Practices. All factory management and workers should be informed and aware about the relevant labour standards and grievance mechanisms.

Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in the 4 priority countries. The affiliate should motivate its main supplier(s) to join WEP trainings.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	37%	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.	3	4	0
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Recommendation: FWF recommends to also find possibilities for trainings at production sites outside of Macedonia.

Comment: Albiro hired a freelance worker who is explicitly responsible to implementation of social standards at the production sites in Macedonia. This person visits the production sites regularly and also gave a training to management and workers on the Code of Labour Practices and grievance mechanisms (focus FWF hotline). The person reports on a monthly basis to Albiro.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 7

Additional comments on Training and Capacity Building:

Albiro participates with one production site in Macedonia in a FWF project to assess the productivity at the production site to assess whether the cost for increasing wages can be absorbed by improving productivity.

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations and update supplier information.	Intermediate	Any improvements to supply chains require affiliates to first know all of their suppliers and 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

Requirement: It is required to make an effort to identify all production locations and keep FWF up-to-date on supplier changes and newly discovered subcontractors.

Recommendation: Albiro 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
- 2) Business relationships with agents include transparency of production locations.
- 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.

Comment: Albiro discovers quite a lot of subcontractors the more the company investigates in the supply chain. Albiro started to reduce intermediaries and production sites which are not cooperating and do not want to be transparent. The financial records verified the accuracy of the supplier registers handed in.

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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Comment: Generally, all staff at Albiro has access to the supplier database which includes the relevant information about working conditions at suppliers.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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
6.2 Affiliate engages in advanced reporting activities	No	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.	0	1	0
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 brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2

Recommendation: FWF recommends the affiliate to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

TRANSPARENCY

Possible Points: 4

Earned Points: 3

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

Comment: A strategy meeting takes place once a year with involvement of top management. Fair Wear Foundation membership is part of the sustainability strategy of Albiro.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	60%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	6	8	-4
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Requirement: On the following indicators with requirements, Albiro could show progress was made:

2.9 (signed and returned questionnaires of external suppliers)

3.3 (awareness of workers of FWF hotline)

5.1 (keep updated supplier registers including subcontractors and inform FWF of changes)

Two of the 5 requirements of last year's Brand Performance Check could not show progress, specifically: related to the indicators:

1.5 (was 1.8 in 2012; systemic evaluation of supplier compliance with CoLP)

4.4 (factory participation in WEP)

EVALUATION

Possible Points: 10

Earned Points: 8

RECOMMENDATIONS TO FWF

1. Complaint (forms) and audit CAP's in local language
2. FWF factory membership for Albiro's suppliers where Albiro buys 100% of the production volume, like in Macedonia, to give them a sense of ownership and responsibility as well

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	14	34
Monitoring and Remediation	18	33
Complaints Handling	6	7
Training and Capacity Building	7	15
Information Management	4	7
Transparency	3	4
Evaluation	8	10
Totals:	60	110

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

55

PERFORMANCE BENCHMARKING CATEGORY

GOOD

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

01-07-2014

Conducted by:

Ruth Vermeulen, Stefanie Santila Karl

Interviews with:

Roland Loosli, CEO

Ewa Jakoubi, Assistant Purchasing

Andrea Graefe, Head of Quality Management

Heinz Amrein, Head of Supply Chain

Armin Vollmer, Head of Product Management and Development

Lukas Loosli, Marketing

Klaus Hohenegger, Consultant

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. Future Brand Performance Checks will include improved usability and transparency for audit data.