



## BRAND PERFORMANCE CHECK

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Suit Supply B.V.

PUBLICATION DATE: MAY 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation 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. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF'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 FWF 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 FWF 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 FWF's work.

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

This report is based on interviews with 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Suit Supply B.V.

Evaluation Period: 01-01-2016 to 31-12-2016

| MEMBER COMPANY INFORMATION   |   |
|--|---|
| Headquarters:  | Amsterdam, Netherlands                                |
| Member since:  | 07-05-2007  |
| Product types:   | Fashion   |
| Production in countries where FWF is active:   | China, Indonesia, Macedonia, Myanmar, Turkey          |
| Production in other countries:   | Italy, Mauritius, Netherlands, Peru, Poland, Portugal |
| BASIC REQUIREMENTS   |   |
| Workplan and projected production location data for upcoming year have been submitted? | Yes   |
| Actual production location data for evaluation period was submitted?                   | Yes   |
| Membership fee has been paid?  | Yes   |
| SCORING OVERVIEW   |   |
| % of own production under monitoring   | 97%   |
| Benchmarking score   | 77  |
| Category   | Leader  |

## Summary:

Suitsupply has shown advanced results on performance indicators and has made exceptional progress. Jumping from the category 'Needs Improvement' to 'Leader' within one year, Suitsupply demonstrates what can be achieved if the necessary resources are made available. The former Head of Shirts has become a full time CSR manager and this change has paid off.

Suitsupply introduced a stricter due diligence process; before sample orders are placed, external audit reports are requested or FWF audits are organised. An order is only placed if Suitsupply has sufficient knowledge of what is happening on the factory work floor. This year, the member company's monitoring percentage increased from 65% to 97% of the company's total FOB.

In conjunction with the Dutch development bank FMO, the member company started a project to reduce working hours and work towards a living wage at their Chinese suppliers. In 2016, steps were made to reduce bottlenecks in the production process at one of these suppliers. In this way, orders should be able to be produced within normal working hours. The next step is to verify whether the implemented measures have indeed led to fewer overtime hours and more net income for workers.

FWF expects Suitsupply to take further steps to help their Burmese supplier implement the FWF CoLP, especially by promoting processes that enhance social dialogue. The audit report of December 2016 provides a good starting point. In early 2017, Suitsupply began a project with a local NGO to support their supplier in remediating the identified issues. These activities will be assessed in the 2018 Brand Performance Check.

## 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 FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF 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. | 98%    | 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:** Suitsupply has a strong collaboration with a select number of suppliers. The close business relationship with the company's Chinese suppliers are laid down in contractual partnership agreements.

Suppliers are experiencing growth through the growth of Suitsupply.

This shows the member company's high level of influence, being an important buyer at the factories.

Additional leverage is created by being the only international buyer and by setting up partner agreements when investing in new factories.

| 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. | 7%     | FWF 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 FWF. | 3     | 4   | 0   |

| 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. | 61%    | Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions. | Supplier information provided by member company. | 3     | 4   | 0   |

Comment: 61% of Suitsupply's 2016 purchasing volume comes from suppliers where a business relationship exists for at least 5 years. The company aims to have long term relationships and has worked with their main suppliers since the start of the company.

| PERFORMANCE INDICATORS  | RESULT | RELEVANCE OF INDICATOR   | DOCUMENTATION             | SCORE | MAX | MIN |
|---|--------|--|---------------------------|-------|-----|-----|
| 1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed. | Yes    | The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements. | Signed CoLPs are on file. | 2     | 2   | 0   |

Comment: Suitsupply started with a new supplier in Indonesia, which has returned the signed questionnaire and posted the CoLP in the factory.

| 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 new suppliers. | Documentation may include pre-audits, existing audits, other types of risk assessments. | 4     | 4   | 0   |

Comment: Since the last brand performance check Suitsupply has invested in more due diligence before placing orders at new production locations. CSR developed a risk assessment tool that shows the severity and likelihood of CoLP violations per country, that can easily be compared against each other. This tool informs the buying department and is used when discussing potential new production countries.

Before starting with a new supplier, Suitsupply discusses it's FWF membership with them, and stresses the importance of the supplier being committed to cooperate and be transparent. The member company asks the supplier to fill in the FWF questionnaire. Next to that, an external audit report is requested. Where this report does not exist, or provides too little information, Suitsupply asks the supplier to cooperate with a FWF audit. When a FWF audit is not possible because FWF is not active in the country, Suitsupply arranges an audit using the FWF audit methodology. The member company consults online resources and local NGOs to develop an understanding of the potentials risks of CoLP violation in the country.

In 2016 Suitsupply developed a new product item that requires specialised skills, and needed to find a suitable supplier to produce this. Via an agent, Suitsupply found a supplier in India who would be able to make this item. When the external audit report provided too little information about the actual working conditions, Suitsupply asked them if they would cooperate with a FWF audit. The agent and supplier were not willing. Suitsupply refused to start production with a supplier without knowing the working conditions. Because the member could not find another suitable supplier, the new product item has not been made. This case clearly shows that due diligence is taken very seriously by Suitsupply and considered a leading factor in deciding whether the buying department can continue sourcing a specific product.

All buyers are made aware that this due diligence process needs to take place before sampling. The CSR manager has trained all buyers on this requirement, and continues to do so with new buyers.

| 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:** Suitsupply has followed the recommendation of last year's brand performance check to develop an overall matrix that shows the performance of their suppliers and the status of monitoring.

When starting with new suppliers, the member communicates their interest in growing with the supplier, if they are willing to work on remediation. Orders in low season months are given to suppliers who have shown progress in following up corrective action plans.

In one case, evaluation of the supplier's commitment to implement the CoLP, resulted in discontinuation with a supplier in Turkey. This supplier did not want to follow up on the Corrective Action Plan. Suitsupply offered to grow together with this supplier if they would show that remediation is taken serious. Because the supplier was not interested, Suitsupply stopped working with them.

**Recommendation:** Because it is not always feasible to offer placing more volumes or never out of stock (NOS) items, Suitsupply could look into other incentives that reward a supplier's commitment towards the CoLP. An example would be to offer buyer- paid training for skill building/capacity development.

| 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:** Suitsupply has a strong production planning system that is a shared process with suppliers.

Minimum orders are guaranteed for suppliers that take up 80% of the total FOB. The company plans a year ahead, reserving capacity, and knows the production capacity of each supplier per week. This information is weekly updated, and used to even out high and low season as much as possible.

Suitsupply has several means to support reasonable working hours; among others placing orders in low season (October and November) and spreading production with never out of stock items. NOS items take up around 30% of the suits and 50% of the shirts.

In case a new factory does not have sufficient capacity, Suitsupply reserves capacity for the next year so that the factory can prepare for their orders. In some cases, Suitsupply has ensured financial commitment that enabled the factory to hire more personnel.

| 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:** Suitsupply started a project with FMO for its Chinese suppliers to reduce working hours and work towards a living wage. In this project Suitsupply looks into the root causes of overtime, starting with one factory that can take a leader role towards the other Chinese suppliers of Suitsupply. As FMO focuses on efficiency, Suitsupply is looking into ways how to get workers involved in the process; they are the ones who know where the hickups in the production process take place.

Suitsupply started with a separate sampling line for this supplier, instead of having sampling done in the normal production line. Another way to approach the issue is by looking at the efficiency of the machines. If they are regularly updated and diligently maintained, these machines can live up to the expected output. Suitsupply supports the supplier in selecting investment-worthy machines, a consultant has been approached to guide this process.

Suitsupply delivers own fabrics to their manufacturing suppliers. As a result, the company can ensure fabric arrives on time and monitor the entire production process. In case of delays, Suitsupply can split orders, use another style first, spread out production through the network of Chinese suppliers or offer airfreight or transport by train.

Despite above efforts, the three factory audits conducted by FWF teams in 2015 showed excessive overtime with workers working more than 7 days consecutively. In one of the factories Suitsupply has 100 % leverage. Suitsupply has taken action by reducing orders and ensuring more staff was hired. In another of the three factories Suit Supply leverage is low; when excessive overtime persists Suitsupply will look out for another supplier. In the 2018 brand performance check it can be verified whether these measures have indeed reduced excessive overtime.

**Recommendation:** Suitsupply is recommended to share the lessons learned at the one Chinese factory with the other Chinese suppliers, as soon as conclusions can be drawn. Upon request, FWF can organise mini audits to check on working hours per month per production line to verify progress.

| PERFORMANCE INDICATORS  | RESULT             | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|---|--------------------|--|--|-------|-----|-----|
| 1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries. | Style-level policy | The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments. | Formal systems to calculate labour costs on per-product or country/city level. | 4     | 4   | 0   |

**Comment:** Suitsupply can demonstrate the production costs at a style level and is aware of the overall prices of the factory. A cost break down can be made for each style with the price per complication. With that model, Suitsupply can estimate the shares for salary costs. The exact cost of labour is known and margins of the suppliers are now known for more suppliers.

**Recommendation:** With the experience of local production staff and open relationship Suitsupply has with suppliers, a suggestion would be to investigate the cost of labour more closely in relation to the company's own pricing policy and the share that goes to workers' salaries.

| PERFORMANCE INDICATORS   | RESULT            | RELEVANCE OF INDICATOR   | DOCUMENTATION   | SCORE | MAX | MIN |
|--|-------------------|--|---|-------|-----|-----|
| 1.9 Member company actively responds if suppliers fail to pay legal minimum wages. | No data available | If a supplier fails to pay minimum wage, FWF member companies 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. | N/A   | 2   | -2  |

| 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  |

| PERFORMANCE INDICATORS   | RESULT                             | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|--|------------------------------------|---|--|-------|-----|-----|
| 1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages. | Production location level approach | Sustained progress towards living wages requires adjustments to member companies' policies. | Documentation of policy assessments and/or concrete progress towards living wages. | 4     | 8   | 0   |

Comment: Suitsupply agreed with FMO to reach a living wage at their suppliers within 3 years and is looking into solutions for the piece rate system in China. With one Chinese supplier that plays a positive leader role among the suppliers of Suitsupply, the member company had intensive discussion on how a living wage can be reached within normal working hours. A well being study was undertaken to study how worker satisfaction at this supplier could be improved. The study showed that a large part of income of the workers is spent on child care. Therefore Suitsupply discussed with its supplier to organise an in-house child care facility. In this way the net income of workers is expected to increase, while the costs of the supplier are relatively low. The FMO project also aims to reduce energy costs; and the member company would like to discuss with their supplier how these energy savings can be used to benefit its employees.

Suitsupply participates in the FWF living wage incubator that launched its first working session in January 2017. In this incubator FWF members are offered more expert advice on how to work towards living wages.

**Recommendation:** Suitsupply is recommended to analyse whether it's own pricing model needs some revisions in order to absorb wage increases, particularly at factories where Suitsupply is the only buyer. Suitsupply is encouraged to conduct an evaluation a few months after the introduction of the child care facility to check if employees make use of it or how to improve the facility. Suitsupply could start with conducting workers' well being study at the other Chinese suppliers.

| 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   |

## PURCHASING PRACTICES

Possible Points: 42

**Earned Points: 33**

## 2. MONITORING AND REMEDIATION

| BASIC MEASUREMENTS  | RESULT | COMMENTS   |
|---|--------|--|
| % of own production under standard monitoring (excluding low-risk countries)              | 75%    |  |
| % of production volume where monitoring requirements for low-risk countries are fulfilled | 22%    | FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries. |
| Meets monitoring requirements for tail-end production locations.                          | Yes    |  |
| Total of own production under monitoring  | 97%    | Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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: Since mid 2016 Suitsupply has appointed one CSR manager that is the first contact person for FWF and responsible for follow up on problems identified by its 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 FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system. | Information on audit methodology. | N/A   | 0   | -1  |

| 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: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings. | Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc. | 2     | 2   | -1  |

Comment: Suitsupply could show that Audit reports and CAPs were timely shared with their suppliers.

| 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 | FWF 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:** Since 2016, CAP follow up is coordinated by the CSR manager. Suitsupply could show active follow up of the audits in China and has a clear system in place to keep track of all CAP follow up. In 2016, Suitsupply appointed one person as part of the China buying office to check CAP follow up and support suppliers in the process of Code implementation.

At one Chinese supplier the registration system was repaired, so that the working hour situation can be checked again. Workers are now provided with wage slips.

At another Chinese supplier, the calculation example that FWF provided was used to make sure that the total piece rate of workers always covers the Legal Minimum Wage and appropriate overtime premiums. Suitsupply made a detailed analysis of all clock in and clock out times for a period of six months. A next step is to do this exercise in the new location of the factory as well, where Suitsupply recently started the largest buyer.

At the Macedonian supplier Suitsupply worked on setting up a worker representation. The most respected employee was approached to take the lead, and he helped in setting up the worker representatives committee. The committee meets every month to discuss main concerns and issues.

**Recommendation:** Suitsupply is recommended to work on remediation of issues that are not yet resolved and to continue involving worker representatives in this process.

| 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. | 98%    | Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices. | Member companies should document all production location visits with at least the date and name of the visitor. | 4     | 4   | 0   |

| PERFORMANCE INDICATORS                                       | RESULT                   | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|--|--------------------------|---|--|-------|-----|-----|
| 2.6 Existing audit reports from other sources are collected. | Yes and quality assessed | 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. | 2     | 3   | 0   |



Comment: As mentioned under indicator 1.4 Suitsupply requested an external audit report before placing an order at a new Indian supplier. The quality assessment showed that the information provided in this report was insufficient to be able to continue. Suitsupply also requested an audit report for a new Indonesian supplier. This audit report gave sufficient information and also showed the progress that was made since an earlier audit. Suitsupply will be involved in following up on the CAP in 2017.

| 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 FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF. | 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                           | Intermediate   |   |   | 3     | 6   | -2  |
| Compliance with FWF guidance on abrasive blasting            | Policies are not relevant to the company's supply chain                  |   |   | N/A   | 6   | -2  |

**Comment:** Suitsupply submitted an annual supplier register including the name of their supplier in Myanmar. Using this information, FWF published an aggregated list of factories in Myanmar supplying FWF members. This supplier information is also communicated in the social report, that can be found on Suitsupply's website.

Suitsupply investigated wage levels in surrounding factories in Myanmar and compared this to the wage scale at their supplier. End of 2016 a FWF audit was organised. Because the results of the audit were shared with Suitsupply in January 2017, follow up of the audit will be assessed in the 2018 brand performance check.

**Requirement:** A next step that FWF requires is for the member company to publish the wage ladders per factory, compared against available benchmarks. Additionally, FWF requires Suitsupply to describe specific activities to monitor and implement labour standards at the Burmese supplier in the annual work plan and social report. The member company is required to promote processes that enhance social dialogue within the factory.

**Recommendation:** FWF recommends to include the information on wage levels at the supplier compared against available benchmarks in the next social report, or on the company website. FWF will use this information to assess how each member progresses towards payment of living wages in cooperation with its suppliers.

| 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:** Suitsupply shares a supplier in Peru and Italy with another FWF member. Suitsupply approached this company and both agreed to share results, checklist and pictures and reports of visits.

| 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. | 50-100% | Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. | Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires. | 1     | 2   | 0   |

Comment: For all suppliers in low risk countries, Suitsupply could show that monitoring requirements were fulfilled.

| PERFORMANCE INDICATORS   | RESULT | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold. | 90%+   | FWF encourages all of its members to audit/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 FWF and recent Audit Reports. | 3     | 3   | 0   |

Comment: Suitsupply has monitored 97% of their total FOB volume.

| PERFORMANCE INDICATORS   | RESULT                    | RELEVANCE OF INDICATOR   | DOCUMENTATION               | SCORE | MAX | MIN |
|--|---------------------------|--|-----------------------------|-------|-----|-----|
| 2.11 Questionnaire is sent and information is collected from external brands resold by the member company. | No external brands resold | 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. | N/A   | 2   | 0   |

| PERFORMANCE INDICATORS  | RESULT                    | RELEVANCE OF INDICATOR   | DOCUMENTATION   | SCORE | MAX | MIN |
|---|---------------------------|--|---|-------|-----|-----|
| 2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume). | No external brands resold | FWF 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 FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members. | N/A   | 3   | 0   |

| PERFORMANCE INDICATORS  | RESULT       | RELEVANCE OF INDICATOR  | DOCUMENTATION   | SCORE | MAX | MIN |
|---|--------------|---|---|-------|-----|-----|
| 2.13 Questionnaire is sent and information is collected from licensees. | No licensees | FWF 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: 32

Earned Points: 25

### 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 |        |  |
| Number of worker complaints resolved since last check    | 1      |  |

| PERFORMANCE INDICATORS   | RESULT | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 3.1 A specific employee has been designated to address worker complaints | Yes    | Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis. | Manuals, emails, etc., demonstrating who the designated staff person is. | 1     | 1   | -1  |

Comment: From mid 2016 onwards, one specific staff person is designated to address all worker complaints.

| PERFORMANCE INDICATORS  | RESULT | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|---|--------|---|--|-------|-----|-----|
| 3.2 System is in place 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 production location visits, etc. | 2     | 2   | 0   |

Comment: Suitsupply could show pictures of all Worker information Sheets, the CSR manager instructs colleagues to physically check this during factory visits.

| PERFORMANCE INDICATORS  | RESULT | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|---|--------|--|--|-------|-----|-----|
| 3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline. | 44%    | The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator. | Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme. | 2     | 4   | 0   |

| 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    | 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. | 3     | 6   | -2  |

Comment: Suitsupply immediately visited the factory after receiving a complaint via FWF and enrolled the supplier for the WEP Programme. To ensure that a sufficient number of workers were enrolled, two WEP trainings were organized. The communication between the member company and FWF did not run smooth from both parties. Suitsupply has since designated one person responsible for follow up of complaints, which will ease communication. FWF could also communicate clearer to Suitsupply and be open for input on investigation methods.

| 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 FWF member company can be critical in resolving a complaint at a supplier. | Documentation of joint efforts, e.g. emails, sharing of complaint data, etc. | N/A   | 2   | 0   |

## COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 8

## 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 FWF membership requirements helps to support cross-departmental collaboration when needed. | Emails, trainings, presentation, newsletters, etc. | 1     | 1   | -1  |

**Comment:** All staff members of Suitsupply are informed of FWF membership requirements. Information sessions on among others FWF membership is given to sales staff. New employees are informed about CSR related matters during their general training at "Suit school". All staff, whether IT, salespersons or executive, attend this training. In this training Suitsupply discusses working conditions and how to make a change in the textile industry.

**Recommendation:** Suitsupply could use the FAQ section of the FWF communications toolkit to support sales staff.

| 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 FWF requirements and advocate for change within their organisations. | FWF Seminars or equivalent trainings provided; presentations, curricula, etc. | 2     | 2   | -1  |

**Comment:** The CSR manager gives all staff that is in contact with suppliers training on FWF CoLP implementation, and the required due diligence in every stage of production.



| 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, FWF audit findings. | 2     | 2   | 0   |

Comment: Suitsupply trained two agents, in Italy and Peru, to use the Health and Safety checklist, on how to check follow up on CAPs, and support the implementation of the CoLP. The checks and outcomes are regularly shared with Suitsupply.

| PERFORMANCE INDICATORS  | RESULT | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|---|--------|---|--|-------|-----|-----|
| 4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume) | 78%    | Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements. | Documentation of relevant trainings; participation in Workplace Education Programme. | 6     | 6   | 0   |

Comment: Suitsupply enrolled more suppliers in the Workplace Education Programme, and therefore the percentage increased from 24% last year to 78%.

| PERFORMANCE INDICATORS  | RESULT | RELEVANCE OF INDICATOR   | DOCUMENTATION   | SCORE | MAX | MIN |
|---|--------|--|---|-------|-----|-----|
| 4.5 Production location participation in trainings (where WEP is not offered; by production volume) | 0%     | In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator. | Curricula, other documentation of training content, participation and outcomes. | 0     | 4   | 0   |

Comment: Suitsupply is active in Mauritius, where FWF does not offer the Workplace Education Programme. The member company started to investigate online training tools to offer to this supplier.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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## 5. INFORMATION MANAGEMENT

| PERFORMANCE INDICATORS                                   | RESULT       | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|--|--------------|---|--|-------|-----|-----|
| 5.1 Level of effort to identify all production locations | Intermediate | Any improvements to supply chains require 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. | 3     | 6   | -2  |

Comment: Suppliers in China are regularly visited by the local buying office staff, including conducting in-line assessments where production is monitored closely. The suppliers in other countries are annually visited by Amsterdam staff. FWF audits did not identify unknown subcontractors. Suitsupply has contacted FWF throughout the year to discuss potential new suppliers for sampling or full production.

| 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:** Within the buying department, all product managers are responsible for working on the implementation of the Code of Labour Practices with their suppliers. Findings and updates are shared in regular department meetings, where audit findings are also discussed.

In 2016 the newly appointed CSR manager worked on a consistent way to file all relevant documents, enabling information sharing among staff. The CSR manager also visited all production locations except two (of which one will be visited in 2017, and with the other one the business relation was ended). After the factory visit the relevant buyers are informed about CoLP issues and progress and asked to pay attention to specific issues when they will visit their supplier.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 6. TRANSPARENCY

| PERFORMANCE INDICATORS  | RESULT  | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|---|---|---|--|-------|-----|-----|
| 6.1 Degree of member company compliance with FWF Communications Policy. | Minimum communications requirements are met AND no significant problems found | FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers. | FWF membership is communicated on member's website; other communications in line with FWF communications policy. | 2     | 2   | -3  |

Comment: FWF membership is mentioned on Suitsupply's corporate website in correct wording. FWF is occasionally mentioned in the company's newsletter that is shared with stakeholders and consumers, and a clickable FWF logo leads to the FWF page with the company's profile.

| PERFORMANCE INDICATORS                                      | RESULT   | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|---|--|---|--|-------|-----|-----|
| 6.2 Member company engages in advanced reporting activities | Production locations are disclosed to the public | Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry. | Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List. | 2     | 2   | 0   |

Comment: Suitsupply mentions the names and locations of all suppliers in the social report, that is published on the website.

Recommendation: FWF recommends the member to explore options of sharing audit reports and the remediation taken. Good reporting by members helps to ensure the transparency of the member company and FWF's work.

| PERFORMANCE INDICATORS   | RESULT   | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|--|--|---|--|-------|-----|-----|
| 6.3 Social Report is submitted to FWF and is published on member company's website | Complete and accurate report 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 FWF's communication policy. | Social report that is in line with FWF's communication policy. | 2     | 2   | -1  |

Comment: The social report 2016 is online containing information of all production locations.

## 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 FWF policies are integrated into the structure of the company. | Meeting minutes, verbal reporting, Powerpoints, etc. | 2     | 2   | 0   |

Comment: After receiving the last brand performance check the head of buying, Suitsupply internally discussed what to do differently from then on. To make the needed improvements, it was decided to appoint a full time CSR manager. The CEO and CSR manager communicate directly about concerning or urgent issues. The previous Brand Performance Check was shared with the China office.

| 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. | 100%   | In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach. | Member company should show documentation related to the specific requirements made in the previous Brand Performance Check. | 4     | 4   | -2  |

Comment: Suitsupply has taken action on all 7 requirements that were included in the brand performance check of last year.

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

Suitsupply recommends FWF to include a working hours ladder (resembling the wage ladder) in audit reports that shows the average working hours per month and per production line, benchmarked against the ILO standard and the industry average. The member company would welcome a more user friendly database where signed questionnaires and other documents can be uploaded and that can easily show which audits need to be renewed, what the current monitoring percentage is, etc. Where documents cannot provide sufficient proof for a complaint, Suitsupply recommends FWF to do on site interviews next to off site interviews. Suitsupply finds the WEP basic module very basic and urges FWF to deepen the training to ensure that workers awareness is increased. FWF could look into developing more issue focused trainings or cooperation with other service providers that do.

## SCORING OVERVIEW

| CATEGORY                       | EARNED | POSSIBLE |
|--------------------------------|--------|----------|
| Purchasing Practices           | 33     | 42       |
| Monitoring and Remediation     | 25     | 32       |
| Complaints Handling            | 8      | 13       |
| Training and Capacity Building | 11     | 15       |
| Information Management         | 4      | 7        |
| Transparency                   | 6      | 6        |
| Evaluation                     | 6      | 6        |
| Totals:                        | 93     | 121      |

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

77

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-05-2017

Conducted by:

Niki Janssen

Interviews with:

Roos Fleuren (Head of Buying department)

Joy Roeterdink (CSR manager)

Jonne Kuipers (Product Manager)

Marius van Dijk (Finance Control)