



BRAND PERFORMANCE CHECK

The Cotton Group S.A. (B&C)

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this report covers the evaluation period 01-01-2018 to 31-12-2018

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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

The Cotton Group S.A. (B&C)

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Waterloo, Belgium
Member since:	01-02-2017
Product types:	Promotional
Production in countries where FWF is active:	Bangladesh, China, Myanmar
Production in other countries:	Pakistan
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	95%
Benchmarking score	47
Category	Good

Summary:

B&C Cotton group (hereafter B&C) has met most of FWF's performance requirements. With a score of 47 and a monitoring threshold of 95%, the member is placed in the 'Good' category.

B&C has a limited list of suppliers with which it has long-standing and direct relationships. The member mainly produces in Bangladesh, where its Dhaka Liaison Office (DLO) follows up on production planning, quality, and social compliance. The due diligence and monitoring process of B&C follows Fristads Group's policy and requirements. The compliance office of the group, based in Hong Kong, supports and coordinates factories' compliance with the group's Code of Conduct.

B&C is required to collect the signed Code of Labour Practices and questionnaires as well as making sure the FWF CoLP is posted on factory floors. B&C has very high leverage at some key suppliers so it is expected that progress will be made regarding remediation of overtime, fire safety compliance, and further CAP remediation. On top of that, the member is expected to look further into wage increases and exit a supplier which was terminated by the Accord in Bangladesh.

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.	90%	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: In half its production locations, B&C buys more than 10% of production capacity, close to 50% in some cases and almost 100% at its main supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	3.66%	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

Comment: The brand has a small number of suppliers and its tail end is a very small amount of factories. B&C doesn't want to have too many suppliers because splitting production within different factories increases prices and risks of products' inconsistency. However, back-up suppliers are needed for B&C because they have a small number of suppliers.

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.	91.98%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: B&C's sourcing strategy is to maintain long-term relationships with its suppliers and most sourcing comes from suppliers where the brand has 10 years of relationship.

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.	No	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.	0	2	0

Comment: For two production locations, the questionnaire and CoLP were not signed. Those are factories which relationship did not last for long.

Requirement: B&C needs to ensure that new production locations sign and return the questionnaire before first orders are placed.

Recommendation: When production locations are used for test orders, the CoLP should still be signed.

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.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: The member worked with 3 new suppliers in 2018, including a factory in a new country; Myanmar.

When conducting its Due diligence, B&C looks at production capacity, quality, compliance and financial situation of the factory. The company follows the requirements demanded at Fristads Group level by collecting the following documents:

- The Group Code of conduct
- The self-assessment document: General information, Factory information (processes and mill) and Corporate Social Responsibility (CSR) information
- BSCI membership documents or SA8000 certification

B&C works closely with its Dhaka Liaison Office (DLO) and the compliance team of the Group based in Hong Kong. For Bangladesh, the Compliance Manager visits the potential new factories and creates a report with CAP. She will check the factory's self-assessment document and give her approval to the Sourcing Director if requirements are met. Once a new supplier is selected, the first test order outcome is decisive to decide to continue working together.

Concerning the choice of Myanmar, once the compliance staff from Hong Kong had visited the production location, both the Operations and Sourcing Managers went there to check it too before deciding on working together.

Recommendation: A risk-analysis as part of the decision-making process of selecting new production locations is an important step to mitigate risk and prevent potential problems. FWF recommends B&C to clearly define preventive actions for identified risks and connect them to sourcing decisions. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association and restricted civil society that are beyond the brand's individual sphere of influence.

FWF advises to use information from FWF country studies and wage ladders and use the FWF Health and Safety guidelines. The member can use the CSR Risk Check to further assess the risks in (potentially new) sourcing countries. The member can cooperate with local stakeholders to further investigate the situation in a specific country, particularly with regards to Myanmar. FWF can offer information on local stakeholders.

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	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: As part of both its Due Diligence process and continuous monitoring of suppliers, B&C uses an evaluation system depending on BSCI audits' results :

- if A and B: they can start a new partnership
- if C and D: one audit should be conducted in the first year
- if E or zero-tolerance: these represent a Red code which means no order can be placed in such a factory.

Concerning ending business with suppliers; B&C does not have a written exit strategy.

In 2018, B&C met with FWF Country manager for Myanmar and agreed to exit one Bangladeshi supplier because of a lack of improvement and very low improvement regarding social compliance. The brand informed the factory that their new product range will be done in another factory. The brand is still producing some programmes and is assessing if the factory can be a backup facility.

One factory was a backup production location and they were informed that because business is very slow that the brand will slowly not place any more orders.

Recommendation: FWF encourages B&C to improve its evaluation system for suppliers where compliance with labour standards is a criterion for future order placement, possibly adding a ranking or grading of production locations. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. B&C is encouraged to make more explicit how social compliance in the supplier rating system in which quality, relationship, price, and planning are assessed is weighted and how compliance with CoLP leads to production decisions.

FWF encourages the member to implement a responsible exit strategy and make sure all relevant staff is informed about this. Please see FWF's guidelines on a responsible exit strategy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: B&C knows the capacity of each factory at style-level and their lead times. Suppliers also share with the brand their own constraints: on style or colors, and production lines for instance. B&C has a big warehouse that allows being flexible in terms of quantities received if needed, but the company remains strict on delivery times.

The brand has a long-time forecast (of a year) that they share with suppliers to support them in planning their capacities. Factories asked for more stable productions, so B&C spread out the orders to have even amounts of production throughout the year, this way not having peak seasons and reducing overtime. The main supplier receives very consistent production programs every month and is happy about it because it allows keeping the same amount of workforce (reducing workers' turnover) and the machines can also be adjusted to function at a consistent pace.

The long-run production planning is then reviewed for the next 4 months to create Purchase Orders (PO). If higher quantities are needed, production will be spread out on several months, in an agreement between factories and B&C's internal finance department. Looking at the production of 2018; production's capacities booked were used as planned or a bit less, it is very rare that more production needs to be done than what was booked.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours (not including overtime).

Recommendation: FWF recommends B&C to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

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: Overtime was found in the three audits conducted by FWF at Bangladeshi suppliers. According to B&C; Bangladesh factories say that workers want to work overtime so factories plan production with overtime (OT).

The suppliers discussed the festival period's production planning in advance with B&C. Usually, there is more production before Eid because workers want to earn more money before the festival, but this discussed in advance to make ensure no excessive overtime.

The Dhaka Liaison Office (DLO) checks the daily output of factories, factories cannot produce too fast, it has impacts on logistics and warehouse if too many goods are delivered too early. If the production is too slow, the DLO will discuss to find out the root cause with the factories, sometimes a machine is broken, or there could be fabric quality issues. etc. In such cases, B&C doesn't put more pressure on suppliers and has to accept late deliveries.

Black and White items represent over 50% of the total orders, so those are produced in regular quantities over the year to avoid production peaks and risk of increased overtime.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours, not including overtime.

The member could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, B&C could hire local experts to analyse the root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

Comment: The brand uses an open costing model, is aware of the labour cost of garments, salary grades, and negotiates the price with the supplier based on this information. B&C makes sure it is in line with local regulation through BSCI audits.

The member knows the yarn prices. The fabric represents 80% and fixed costs are 20% of FOB prices. All costs are known, as well as production outcomes per line, which allows B&C to evaluate productivity too.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: Non-compliance was resolved at one production location where minimum wages were not paid.

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

Comment: B&C makes sure legal minimum wages are paid but doesn't study if nor why wages are below living wages. However, in some factories audited by BSCI, an assessment of workers' needs ("BSCI fair remuneration quick scan" made through workers' interviews) started in order to evaluate what level of salary would be enough to cover those.

The end-of-2018 Bangladesh's increase of legal minimum wage was included in B&C prices since October 2018 (the law was passed in December). The brand had prepared different scenarios before the law was passed. Suppliers told B&C what the prices should be after the increase and if these met the scenario prepared by the brand then they agreed on adjusted prices. In some cases, negotiation with suppliers was needed in order to come to an agreement.

There is very little staff turnover at the main supplier, so the brand made sure to increase prices in order to support wages' increases, even though the factory was already meeting the minimum requirement.

Recommendation: FWF encourages B&C to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

B&C is advised to use FWF wage ladders. BSCI assessments of workers' needs could constitute a basis for discussion with factories.

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).	0%	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.		2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	4	0

Comment: B&C would like to increase wages but is a player in a segment of the industry based on competitive low prices (because promotional wear is often free clothing for the end-user).

The management team of the member is preparing a plan of where they want to stand in 5 years, in terms of sustainability, but has no clear wage target. B&C is working on factory cases individually and increases prices at factories they have long-term relationships with.

Requirement: Being almost the sole buyer at its main production location in Bangladesh, the member company has full influence over the wages and should be able to cost for a living wage. B&C should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

Requirement: The member is expected to begin setting a target wage for its production locations.

PURCHASING PRACTICES

Possible Points: 49

Earned Points: 27

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	95%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	7	
Total of own production under monitoring	95%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of 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: A Compliance Manager from the Dhaka Liaison Office (DLO) is in charge of the follow-up of CAPs. Another staff is doing regular reporting concerning Chinese factories. Both are reporting to B&C headquarters and to the Hong-Kong based office.

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: CAPs are shared with factories, checked and discussed on the factory floor by the DLO.

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.	Basic	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.	4	8	-2

Comment: Dhaka based Compliance Manager checks all the CAPs related to BSCI findings. Through visual inspection and discussions with workers, she adds her own observations to the existing CAPs. In case of critical finding, the issue is shared directly with B&C Operations manager.

From a BSCI perspective, significant progress could be shown on CAPs regarding safety and security (Accord criteria) and overtime. Some issues remain unsolved because they demand big investments from factories. In such cases, B&C gives more time to factories to remediate.

From a FWF approach, solving an issue (such as Overtime) cannot be fully done if root causes have not been analysed. Some CAP issues of the audit done in 2017 at the main supplier still need to be discussed with the factory.

Recommendation: B&C has very important leverage in 5 factories. FWF advises that for CAPs remediation, the member should study the possibility to support factories financially if investments need to be done, for fire and building safety in Bangladesh in particular.

FWF encourages B&C to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices.

FWF also recommends B&C to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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.	95%	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

Comment: Regular visits to factories are made by the DLO, the Operations team and the Compliance teams (from Hong-Kong and headquarters).

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: B&C mainly collects BSCI audit reports as required by Fristads group and used FWF audit quality tool to assess those.

Recommendation: FWF recommends B&C to use the Audit Quality Assessment Tool and immediately discuss with the supplier what information is missing and how to collect that information.

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.	1	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Insufficient			-2	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
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: For Bangladesh, most factories are covered by the Accord or the National Initiative. One factory was terminated from the Accord and the member had agreed to phase out of the factory with FWF. The member is gradually reducing orders there but has no clear agenda about when to exit this production location fully. The Anti-Harassment Committees' requirement is also included in BSCI, so all factories have grievance mechanisms and have had training. For factories not covered by the Accord, the brand showed OHS/ fire and safety policies documents, and pictures of first-aid and fire safety training. These are audited on behalf of ILO by a third party named TUV.

For Myanmar, the Due Diligence explained in indicator 2.4 was followed. The Compliance office of Hong Kong visited the factory first and then the Operations Manager of B&C did as well. Although the Group's Code of Conduct covers all aspects from FWF CoLP, B&C didn't show how country-specific risks such as Social Dialogue or Wages were taken into account.

Requirement: For Bangladesh, the member has to end sourcing at the factory which is not part of the Accord anymore.

For Myanmar;

FWF members sourcing from Myanmar must specifically describe in their annual work plan how each labour standard will be implemented in collaboration with the supplier, and report on this in their social reports. Members will specifically describe how practices of ethnic discrimination in factories in Myanmar are monitored and remediated.

FWF members sourcing in Myanmar are required to develop and publish wage ladders for each factory where production takes place.

FWF members are generally required to contribute to processes that strengthen social dialogue in factories and in production countries in general.

Recommendation: For Bangladesh; B&C should share responsibilities with their production locations as business partners to improve workers' safety at the workplace. At the minimum, the member company should provide necessary support to the suppliers. In terms of fire and building safety, the member could offer financial or technical support, or offer flexible lead time so that factories could prioritize remediation.

In terms of ensuring women's safety at work, the brand should make sure that suppliers have sufficient knowledge and a functional system to promote gender equality and prevent gender-based violence. A functional system to prevent violence needs involvement of both factory management and workers representatives. FWF local team has extensive experience on supporting both employees and employers in setting up anti-harassment systems. FWF local team could provide training and regular support to suppliers upon request.

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.	No 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.	-1	2	-1

Comment: FWF members sourcing in the same production locations as B&C were not contacted to discuss remediation.

Requirement: Cooperation among FWF members is required. In addition, it is advised to identify other clients and their commitment to improving working conditions. Involving more customers of the factory increases leverage, the chances of successful outcomes and long term improvements.

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.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	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: 27

Earned Points: 14

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	1	

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

Comment: In 2018, the Operations Manager was receiving the FWF complaints. The resolution and follow-up on the complaints was done by him together with the Sourcing Manager and Dhaka Compliance Manager.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	No	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	-2	2	-2

Comment: B&C did not collect pictures of the CoLP for a couple of factories where they started and stopped producing in 2018.

Requirement: The member must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. Member company should check by means of a visit whether the Worker Information Sheet is posted in the factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	0%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: No production location of B&C was enrolled in a FWF Workplace Education Programme. Bangladeshi factories received several pieces of training on different topics to be in line with the Accord: fire safety, anti-harassment committees, grievance mechanisms etc. The local Compliance Manager follows-up and she sometimes attend these trainings. According to her, workers are more aware of their rights than before, they ask questions to DLO staff.

Requirement: FWF requires members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline. The member should ensure good quality systematic training of workers and management on these topics. To this end members can either use FWF's Workplace Education Programme (WEP) basic module, or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF's guidance on training quality standards is available on the Member Hub.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	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: Complaints are handled by headquarter Operations Manager with the support of the DLO's Compliance Manager.

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: 15

Earned Points: 2

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	0

Comment: Staff are trained on FWF through departments' meetings

Recommendation: It is advised to develop a standard procedure for all new employees to get familiar with FWF membership. FWF has material available that can be used to inform (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: Bangladesh Compliance Manager reports on issues related to the group's Code of Conduct to the Hong-Kong office, to the Country manager, and to B&C headquarters. The Bangladesh Country manager reports to the Operations Director. Audit reports and CAPs are shared among all these people. The Dhaka Liaison Office is aware of FWF requirements although Quality Controllers don't yet report systematically on CoLP issues.

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.	Member does not use agents/contractors	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.	N/A	2	0

Comment: B&C has only direct relationships and works with its Dhaka Liaison Office.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 3

5. INFORMATION MANAGEMENT

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

Comment: In the self-assessment form suppliers have to name their subcontractors. In Bangladesh, the DLO has nine people working in factories and checking in production which can reduce risks of production taking place somewhere else. The Hong Kong team covers Pakistan, China and Myanmar.

At one factory where an FWF audit showed a risk of subcontracting, the subcontractors were doing processes which are not used by the member, such as embroideries.

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: Operation and Sourcing managers in Belgium and Compliance teams of Dhaka and Hong Kong share all information and CAPs.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Severe problems found, but remediated appropriately	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: B&C used the FWF logo next to their products on their website. The brand told FWF these were not catalog's pictures but technical sheets. However, since this could create potential confusion, making clothes look like they were "certified", FWF asked the brand to make sure no logo would appear next to products' pictures.

Besides, on B&C 's website; information about FWF is registered under the "Certifications" section, which is also a severe issue.

In its paper catalog; FWF is mentioned in the introduction and then beginning of each product category, but not near products' shots.

Requirement: FWF membership should be communicated according to the FWF communications policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company 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.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	2	0

Recommendation: FWF recommends the member 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 member 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 submitted to FWF	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.	1	2	-1

TRANSPARENCY

Possible Points: 6

Earned Points: -1

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: B&C is independent within the group and wants to look at sustainability as a whole (social aspects being one component of it). The member is aware that its purchasing practices can affect many workers. The member is evaluating pollution impacts and environmental potential improvements and wants to make progress together with the suppliers on these aspects, as well as on working conditions.

The Operations Manager works directly with suppliers.

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.	45%	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.	2	4	-2

Comment: B&C needs to show progress on the remaining following indicators: 1.11, 3.2, 3.3, 4.4 and 6.3. New requirements are linked to living wages: 1.13 and 1.14.

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

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

FWF should not generalise too much when evaluating members' efforts, because some business models are not comparable. Fashion retailers are different from promotional; on the topic of living wages, for instance, it is not the first could raise their retail prices whereas that is not an option for promotional wear.

The member enquired whether FWF will have a logo including the wording "member of" soon?
The communication department would like to be able to use the logo on more communication support even without the Leader status.

B&C recommends FWF to attend promotional wear fairs such as PSI Dusseldorf, CTCO Lyon, Tecstyle Vision in Germany. If not able to join then FWF could provide input for articles and content, for their magazines.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	27	49
Monitoring and Remediation	14	27
Complaints Handling	2	15
Training and Capacity Building	3	9
Information Management	7	7
Transparency	-1	6
Evaluation	4	6
Totals:	56	119

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

47

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

15-07-2019

Conducted by:

Florence Bacin

Interviews with:

Luc Pinxten : Operations Manager

Pierre-Jean Larrieu : Procurement & Sourcing Manager

Virginie Kamensky : Market Intelligence & Strategic Branding Manager

Shirley Rupchandani : Planning Manager

Ilse Roosens : Quality & Compliance Manager

Nahid Nazia Shoma: Fridstads Group Regional Compliance Manager

Anouar Amharech: Chief Financial Officer

Jean-Francois Vanvarebergh: Accountant