



# BRAND PERFORMANCE CHECK

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Filippa K AB

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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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# BRAND PERFORMANCE CHECK OVERVIEW

Filippa K AB

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

MEMBER COMPANY INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-03-2008
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, India, Romania, Turkey, Viet Nam
Production in other countries:	Estonia, Italy, Lithuania, Morocco, Peru, 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	89%
Benchmarking score	59
Category	Good

## Summary:

Filippa K has shown progress and met most of FWF's performance requirements. Filippa K's monitoring threshold of 89% exceeds monitoring requirements (80%). With a benchmarking score of 59, Filippa K is awarded the 'Good' category.

This financial year Filippa K focused on returning the business to 'the essence of Filippa K'. In the production process, this practically means that the brand started sourcing at several new production locations and is planning to consolidate in the next years.

Filippa K introduced open costing for all their suppliers. The brand developed an open costing sheet, explained it to all its suppliers and also showed transparency about its own finances to them. The sheet is on the level of detail of CMPT cost and FWF recommends as the next step in the open costing sheet is to link the wages of the workers to the prices of the product. This will help Filippa K to systematically demonstrate the link between their buying price and wage levels and set target wages above the legal minimum wage with some key production locations. Filippa K is interested to know more about living wage and FWF encourages and facilitates the brand to take steps towards payment of living wage.

While Filippa K's production planning system enables reasonable working hours at the factory-level, excessive overtime remains a challenge in its supply chain. FWF expects Filippa K to proactively work on this.

Filippa K is actively participating in an online tool called QuizRR, which is calculated in indicator 3.3 related to training. For next year, FWF expects Filippa K to develop extra activities to raise awareness about the FWF helpline as a grievance mechanism in the factories where the QuizRR training is done.

In Filippa K's Code of Conduct a distinction is made between different labour rights which are placed either under the heading 'must have' or 'should have'. This distinction is not in line with the FWF Code of Labour Practices and should be changed.

## 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.	43%	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.	2	4	0

Comment: At 43% of its production locations, Filippa K buys at least 10% of the production capacity.

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.	34%	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.	0	4	0

Comment: With 34% of the production volume from production locations where Filippa K buys less than 2% of its total FOB, the brands has a relatively long 'tail end' for production. This is more than last year, with 28% of Filippa K's production locations, where it buys less than 2% of its total FOB.

The company currently is in a transition phase and is aware that the list has increased. It is trying new suppliers, as part of this transition phase. Filippa K expects that this will decrease in the near future.

**Recommendation:** FWF encourages Filippa K to continue the process of consolidating its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, Filippa K should continue to determine whether suppliers, where they buy less than 2% of their FOB, are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	55%	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:** 55% of Filippa K's production volume comes from production locations where the brand's business relationship has existed for at least five years. Filippa K values long term relationships based on close cooperation with its suppliers, due to the transition this is less than the 67% mentioned in last years brand performance check.

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:** Filippa K receives a signed copy of the questionnaire from each production location prior to starting production at a new supplier. All questionnaires were shown to FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

**Comment:** Filippa K works with the 'Filippa K sourcing flow chart', identifying actions for the four different steps before test orders are placed at a new supplier. The steps are: first evaluation (including analysis of existing audits and wage ladder), check up (with a FWF self evaluation), visit (collecting FWF checklist, health and safety check and photos) and start up (questionnaire and CoLP).

The buying department selecting the new suppliers, in collaboration with the designers, at the beginning of the design process. The sourcing process will not start before the questionnaire with CoLP is received by CSR.

In 2018 for at least one supplier the decision was made not to start production, because of difficulties with returning the questionnaire. Filippa K started production at 19 production locations in 2018. For a sample of these, Filippa K could demonstrate that these steps were taken. Filippa K collects information about production countries and country-related risks and has chosen to work with low-risk countries for the majority of the production volume.

**Recommendation:** Filippa K could cooperate with local stakeholders to further investigate the situation in a specific country and can meet with them during monitoring visits to gain a better understanding of the local context. FWF can offer information on local stakeholders. In order to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures on how labour standards influence monitoring and sourcing decisions.

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:** Filippa K annually discusses the sustainability performance (social and environmental performance) based on several criteria. With the introduction of open costing in 2018, suppliers' willingness to be transparent was a key indicator: no orders were given to suppliers that are not willing to use the open costing sheet. Filippa K communicated this clearly to suppliers. When a supplier as a strong sustainability performance, more orders are given.

Filippa K is considering to search for new ways to develop a short standard form, method or scorecard to grade suppliers and compare them to each other. Filippa K indicated that it would be valuable if FWF could share best practices on how other FWF member brands evaluate their suppliers.

**Recommendation:** FWF sees several opportunities for Filippa K to further develop a grading/evaluation system of suppliers where compliance with labour standards is a criterion for future order placement, also using the positive experience with the supplier learning as a result of QuizRR. Filippa K could include more details on social compliance is graded and make results comparable for one supplier through time and compare the performance of one supplier to another.

FWF recommends Filippa K to share and discuss the outcome of the supplier evaluation with all its suppliers. Sharing the social performance of a specific supplier compared to the social performance of the rest of Filippa K's suppliers could nudge a supplier to improve their own social compliance.

Furthermore, FWF recommends Filippa K to consider how it can stimulate progress on social issues, for example by offering price increases, bonuses or financial support to resolve issues.

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:** There is a system in place with a cycle of production planning, which is repeated twice a year. Filippa K has two collections and two pre-collections. About 30-40% are core products and for these items, there is a carry-over. Filippa K discusses the planning and deadlines with the supplier and checks the long-term capacity, usually six months prior to delivery times.

For each style, Filippa K has insight into production capacity, knowing the CMPT (Cut Make Thread and Packing ), however not at the level of standard minutes per part of a style and total capacity of the production location. Filippa K indicates they trust their suppliers to make realistic planning based on regular working hours. With mainly the European suppliers, which is the bulk of the Filippa K production, it aims to further develop a partnership in 2019 with brand and suppliers sharing responsibility.

In addition to this, the buyers of Filippa K inform each other with the aim of evenly split orders across various suppliers or move orders to different suppliers if they know a supplier will not be able to manage a large quantity. Filippa K checks the production process on a weekly basis during production.

**Recommendation:** FWF recommends Filippa K to investigate labour minutes needed per style to allow for more precise planning and to get informed about the overall capacity of a supplier.

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:** Filippa K works with nominated fabric suppliers. In the previous financial year, it struggled with late deliveries for fabrics, which puts pressure on the production locations.

For one FWF audit conducted in a Chinese factory in 2017 (report received in 2018) and one which was done in 2018, excessive overtime was found. For the FWF audit at the production location in Romania, there was no overtime found. The CSR manager mentions prevention and remediation of overtime in the (South East) Asia, and especially China, as one of the main challenges for Filippa K.

Filippa K shared CAP findings and focused on the remediation of working consecutive days and giving the workers at least one day per week off, also in peak season. Filippa K discussed their leverage related to the total capacity of the facility and checked production planning. For the core items, Filippa K was able to jointly plan a better workflow and spread orders. For the production of the seasonal products, this was not possible for Filippa K. In this way Filippa K demonstrated that it should up on a requirement in the previous brand performance check.

**Recommendation:** Filippa K could develop a more systematic approach or methodology on how to address excessive overtime to factory management on a way that it creates openness to share root causes. FWF stimulates Filippa K to find a strategy (with preventative or remediation measures) to be able to respond in case of overtime at a production location where the seasonal items are produced. Filippa K could consider inviting its most important fabric suppliers to discuss forecasting and planning early on. In addition to this, FWF suggests to evaluate with suppliers if the better workflow and spreading of orders for core items pays off.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

**Comment:** Filippa K has introduced open costing for all suppliers. It developed a standard open costing template for suppliers to use. In this template, Filippa K mentions the Cut MadeTreath and Packing (CMPT) costs per style.

In November 2018 Filippa K organized a supplier event in which the open costing template was introduced. To emphasize that Filippa K sees this development in partnership with suppliers and to increase understanding about transparency, including open costing, Filippa K has shared information about their own finances at brand level with all suppliers. This resulted in a relatively smooth implementation of the open costing methodology. Filippa K decided to stop working with some suppliers that are not willing to be transparent.

Filippa K has not yet linked the buying price and wage levels. During the brand performance check, several staff members indicated in different interviews that they do not know at this point how to proceed with living wages.

**Recommendation:** A next step would be to calculate, based on the CMPT costs, the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. The first priority would be to make sure this level of transparency can be achieved with their main suppliers.

Filippa K is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown. The living wage toolkit on the FWF member hub, the recordings of FWF webinars on living wages, the supplier seminars that will be organised in 2019, can be valuable resources to increase knowledge on living wage and how to take next steps.

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.	No problems reported/no audits	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.	N/A	0	-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 and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

**Comment:** This year Filippa K has not systematically discussed the wages of the workers at the production locations where they produce.

**Requirement:** Filippa K must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Filippa K is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

**Recommendation:** FWF encourages Filippa K to discuss with suppliers about root causes of lower wage levels and explore 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.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

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

**Comment:** Filippa K has not yet systematically agreed on target wages with suppliers.

Filippa K currently buys about 13% of its production volume from factories where the brand buys approximately 40% of the factories' production, which means that it could have relatively more influence to discuss wages.

**Requirement:** Filippa K should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

**Recommendation:** To support companies in analysing the wage gap, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

It is advised that the strategy for how to finance wage increases is agreed upon by top management. In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

FWF advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

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

Comment: Filippa K has not yet agreed on target wages with suppliers, hence their share of the target wage is not yet paid.

Requirement: Filippa K is expected to begin setting a target wage for its production locations.

## PURCHASING PRACTICES

Possible Points: 47

Earned Points: 22

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	28%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	61%	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	In the tail end of Filippa K's supplier base, FWF requires Filippa K to ensure it audits all production locations that are responsible for over 2% of Filippa K's production volume and production locations where Filippa K is responsible for over 10% of the location's production capacity.	
Total of own production under monitoring	89%	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: Filippa K has dedicated a CSR manager to follow up on problems identified by the monitoring system.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case 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: The FWF audit reports and Corrective Action Plans were shared with factory management. Timelines for improvement are established and the CAPs are regularly checked upon. Documents and pictures are collected as proof of follow up.

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:** Based on the results in the audit and the categorization of labour rights in Code of Conduct (CoC) Filippa K prioritizes issues and timelines in the CAP. The company has two categories requirements in the CoC, must have's and should have's. Labour rights in the 'must have' category are:

- No child labour
- No forced or bonded labour
- Transparency regarding working hours and wages

Most topics related to the CoLP can be found in the 'should have' category:

- No discrimination
- Freedom of association
- Living wages are paid
- Hours of work are not excessive
- Employment relationship is established
- Decent working conditions
- Employee education

Filippa K's sends the CAP to the supplier and documents progress of CAP-follow up in a system that is approachable for everyone within the company.

Filippa K showed communication with its suppliers about CAP findings and photos as proof of some of the steps that were taken. A finding at a re-audit at one of the Romanian suppliers was that wages were still above minimum wage, but that wages had decreased. Filippa K contacted FWF on how to proceed with this and implemented steps suggested by FWF.

In the weekly meeting of the buyers, audits and CAP-follow up is discussed, for example related to health and safety issues.

Overtime at the Chinese producers remains challenging for Filippa K. Filippa K experienced that improvement in CAP follow-up at the four production sites that followed the QuizRR modules. Filippa K had discussions with suppliers about open costing but it is struggling how to proceed and how to approach the topic of living wage.

**Requirement:** FWF requires Filippa K to change the name in the CoC of the second category 'should have'. 'Should have' compared to 'must have' can be interpreted (by a supplier) as if Filippa K is less focused on compliance with these labour standards less. For 'should have' a supplier could assume that Filippa K has less knowledge and familiarity with the topics, that Filippa K spends fewer resources to assure that suppliers comply with these topics, or that the risks that non-compliance is detected during a brand visit are lower.

**Recommendation:** FWF recommends Filippa K to develop a flow chart for CAP follow up, comparable to the flow-chart for due diligence, to facilitate a consistent approach in CAP follow up amongst the buyers.

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

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.	53%	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.	3	4	0

Comment: Buyers and CSR staff visit production sites regularly. 53% of the production volume from production locations have been visited by Filippa K in the previous financial year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

Comment: Existing audit reports are collected as a step in the Due Diligence process to investigate new factories. When Filippa K works with a production location, it prefers to monitor through FWF audits. No external audits are included in the monitoring calculations.

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.	4	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** For the denim production, Filippa K has a written policy against abrasive blasting, which is signed by its relevant suppliers. During visits Filippa K observes that sandblasting is not used in its production locations.

Filippa K shares two Turkish factories with another FWF member brand. It shared the guidance on Syrian refugees with the agents and the brand asked/ required the agents to share the guidance on Syrian refugees with these factories. Filippa K visited both factories to follow up on this. For these factories, the other FWF member brand is in the lead for CAP follow up and Filippa K is well-informed about progress (see indicator 2.8).

Filippa K identifies other high areas in their due diligence process. For China, India, and Romania several country-specific high risks, such as freedom of association, overtime or amount of days that workers are working, are monitored. However, Filippa K could not present a systematic approach on addressing these and taking proactive action to prevent these country specific risks. In addition to this, Filippa K health and safety risks related to leather production has a high priority in monitoring and CAP follow up.

**Recommendation:** Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Member companies can agree on additional commitments that are required to mitigate risks. Filippa K can provide additional measures for support and integrate that in the monitoring system.

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:** Filippa K actively cooperates with two other members in resolving corrective actions.

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. 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.	2	3	0

Comment: Filippa K has 25 suppliers in low-risk countries and 24 are visited in the past 3 years. Filippa K did not develop any additional activities to monitor suppliers in low-risk countries

Recommendation: FWF recommends Filippa K to start using the Portugal and Italy Risk Assessments. For Portugal, it could be valuable to combine the next steps on living wage with the results of the project about wages that Filippa K did with some other FWF members.

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: 19



### 3. COMPLAINTS HANDLING

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

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

Comment: Filippa K has two CSR managers: one of them is focused on social compliance and the other one on the environmental part. In case of complaints during travelling or leave, Filippa K organized back-up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the 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: Filippa K could prove that the worker information sheet was posted at a random sample of 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.	41%	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.	4	6	0

**Comment:** One Vietnamese production location has participated in FWF's Workplace Education Programme basic module in 2017, accounting for 1% of Filippa K's production volume in high-risk countries.

Four Chinese factories, collectively accounting for 40% of the production in high-risk countries, have followed the QuizRR module Rights and Responsibilities and blended learning. Filippa K is planning to continue training through QuizRR.

**Recommendation:** To count for this indicator it is important that the QuizRR Rights and Responsibility module is followed by at least 10% of the workers in the factory. In addition to this, FWF expects Filippa K to develop extra activities to raise awareness about the FWF helpline as a grievance mechanism.

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	No complaints received	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.	N/A	6	-2

**Comment:** There were no complaints this financial year.

Recommendation: FWF advises Filippa K to contact the other FWF member that is sourcing at that facility for CAP follow-up of verification audit conducted in 2018 and the planned verification audit in 2019 (indicator 3.5).

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: 9

Earned Points: 7

## 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:** Once a month, there is a business meeting for the whole company. Filippa K addresses sustainability, and achievements in sustainability, in this meeting. During the sustainability updates, FWF membership is mentioned on a more general level.

The CSR manager has agreed with the staff handling consumer questions, that the FWF related questions will be forwarded to her. FWF made a deliberate choice for transparency and providing consumers a well-informed, specific answer is a way to implement transparency in the business processes.

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 buying group, which is responsible for the follow up of the Corrective Action Plans, has a weekly meeting, in which there is room to discuss the FWF related topics together.

Once every two months, there is a meeting between CSR manager and the buying team, in which FWF items, such as difficult issues in CAP follow up, are systematically discussed.

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: Filippa K generally works directly with production locations. When Filippa K is using an agent, the agents are continuously updated about FWF requirements. With most agents, Filippa K has long-standing work relations. These agents play a key role in the monitoring of production locations and the translation of CAP follow up in the local language.

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

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

## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	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:** Overall Filippa K has a solid understanding of where their products are made. Per style the production location is mentioned on the Filippa K website. The buying contract requires suppliers to be transparent about production locations, including subcontractors before orders are placed. Filippa K visits production locations, is proactively asking for updated production location data before orders are placed and checks this data during the production cycle. Filippa K's financial system is able to track payments to factory locations, including estimated shares for some subcontractors.

During one FWF audit at a supplier in India, 50 subcontractors were discovered that were not updated in the database. Filippa K now monitors this supplier closely and is even reconsidering India as a suitable production country for Filippa K.

**Requirement:** After the end of each financial year, Filippa K must confirm their list of production locations and provide relevant financial data. A complete list means ALL production locations are included of all production processes the member uses in the stages after fabric 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: The social compliance manager is also a buyer and works closely together with other buyers. the production staff is divided per product group. Buyers are responsible for following up on the Corrective Action Plans (CAPs). Information about working conditions at production sites is accessible to all.

## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4



## 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:** Filippa K's public communication about FWF membership is concise and complies with FWF's Communication Policy. FWF membership is explained in the sustainability report 2018.

In the text of the report, Filippa K explains that it requires these labour conditions and works towards implementation together with the suppliers. Under level 1 Filippa K states that violations require urgent actions, while for level 2 suppliers are given more time to improve.

**Requirement:** FWF requires Filippa K to remove this explicit categorization in labour standards in the sustainability report (see indicator 2.4) as it might give suppliers the message that Filippa K vales the category 'should have's' less than the 'must haves'.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of 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: Filippa K discloses suppliers, including subcontractors on the website. For each style, the following information is shared in the webshop: the factory name, location, number of employees, the first year of collaboration, and whether it has been visited by the Filippa K team

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: Filippa K's Swedish website links to its latest sustainability report and FWF Brand Performance Check report. For the ENglish website the link was broken during brand performance check day.

Recommendation: FWF recommends Filippa K to update the English website and assure that links to sustainability report and Brand Performance Check are working.

## 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:** FWF membership is evaluated with the buying director, who was present at the performance check, the sustainability manager and buyers. For top management, FWF membership is a hygiene factor, which is included in the annual budget.

**Recommendation:** FWF advises Filippa K to organise a meeting with management and sourcing staff to discuss the outcomes of this performance check and use those to formulate future plans.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	33%	In each Brand Performance Check report, 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:** Filippa K did not actively target to improve on all six requirements FWF gave. For two of the six requirements, several steps were taken to improve. Two requirements are repeated in this brand performance check report (tail end and requirement in 5.1).

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## EVALUATION

Possible Points: 6

Earned Points: 4

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## RECOMMENDATIONS TO FWF

1. It is important for Filippa K to receive more information about a living wage approach for the brand.
2. Filippa K and FWF should schedule a meeting to discuss the content of this brand performance check report and to identify actions for follow-up.
3. FWF should improve the communication to brands, information is sometimes received late.
4. The communication of the changes in the brand performance check guides not clear and too wordy. It should be more clearly in simple sentences and with use of data visuals. In addition to this, with a translation for brands to act. Make it easy for the member by being straightforward, tool, simple and direct, for instance for LW.
5. Be clear about the possibilities of QuizRR about cooperation and about what is needed to count in Brand Performance Check.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	22	47
Monitoring and Remediation	19	27
Complaints Handling	7	9
Training and Capacity Building	5	11
Information Management	4	7
Transparency	6	6
Evaluation	4	6
Totals:	67	113

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

59

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

15-05-2019

Conducted by:

Mariette van Amstel

Interviews with:

Cristina Muljadi, CSR Manager and Buyers Soft Sports

Anna Lönnerstedt, Buying Director

Doreen Chiang, Sourcing Manager

Martina Jall, Buying Manager

Lotta Emmanuelson, finance