BRAND PERFORMANCE CHECK

Filippa K AB

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

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

Filippa K AB

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

MEMBER COMPANY INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-03-2008
Product types:	Fashion
Production in countries where FWF is active:	China, India, Romania, Turkey, Viet Nam
Production in other countries:	Estonia, Italy, Lithuania, 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	96%
Benchmarking score	74
Category	Good

Summary:

In 2016, Filippa K has shown progress and met most of FWFs' performance requirements to support the implementation of the Code of Labour Practices. Almost 60% of Filippa K's purchasing volume comes from suppliers located in low-risk countries where they have fulfilled monitoring requirements. Including the monitoring done at their other suppliers, Filippa K has 96% of its production under monitoring, which meets the monitoring requirements for members in their 3rd+ year of membership. With a benchmarking score of 74, an increase over last year, Filippa K remains in the 'Good' category.

Filippa K has taken steps to systemize and standardize how their buyers work with suppliers to implement the Code of Labour Practices, including creating a supplier evaluation, having all buyers attend a FWF training and improving the start up package that buyers use to select suppliers. FWF recommends continuing to enhance this process by documenting a standard approach to audit and CAP follow up, including setting timelines.

Filippa K has a strong production planning system in place, working through conversation with suppliers to set deadlines and realistic quantities in orders. The buyers regularly work together to determine how and where to place production of new garments based on the production capacity of the factory, to try and ensure they are not putting excess pressure on their suppliers and try to mitigate the causes of excessive overtime. Even so, excessive overtime was found during four audits in 2016, and Filippa K is encouraged to continue working with these suppliers to analyse the root causes and eliminate these, to reduce excessive overtime.

At 25% of its suppliers Filippa K buys less than 2% of the total production volume of the factory, and FWF recommends continuing to consolidate its supplier base where possible. Shortening the tail will reduce the social compliance risks that Filippa K is exposed to and will allow Filippa K to improve working conditions in a more efficient and effective way.

Filippa K continues to work towards complete transparency in its supply chain by publishing supplier information next to each product on its website. Filippa K discloses the production location, number of workers, and whether or not they have visited the location, in order to give consumers a better idea of where their garments were made.

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.	38%	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: 38% of Filippa K's supplier volume in 2016 is bought from factories where the company has substantial leverage (at least 10% of the factory production capacity), including over 30% leverage at a number of its key suppliers in Portugal.

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.	25%	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: At 25% of Filippa K's production locations, it buys less than 2% of its total FOB.

Recommendation: FWF recommends Filippa K to consolidate its supply base by limiting the number of supplier in its 'tail end'. To achieve this, Filippa K should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Additionally, Filippa K could start analysing how many suppliers they have per product style, and see if all suppliers are in fact needed. Buyers should ensure they are consulting with one another to see if an existing supplier has capacity to produce a product, before making the decision to start with a new supplier. Shortening the tail will reduce the social compliance risks that Filippa K is exposed to and will allow Filippa K to improve working conditions in a more efficient and effective way. Additionally, limiting the number of different countries in which Filippa K is producing could help buyers and designers better understand the local country context and risks associated with production.
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.	62%	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: Filippa K values long term relationships based on close cooperation with its suppliers. 62% of their 2016 purchasing volume comes from factories they have worked with for more than 5 years.

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: Prior to starting production at a new supplier, Filippa K receives a signed copy of the questionnaire from each production location.

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 new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: Selecting new suppliers is done by the buying department, in collaboration with the designers, at the beginning of the design process. There is a start up package on the server that contains all documents that need to be used by buyers when working with new suppliers. Guidelines for supplier relations are set up, with templates being used by product developers and purchasing staff when visiting new suppliers.The guidelines include a FWF assessment, using the health and safety checks developed by FWF during a first visit, collecting existing audit reports and researching other clients. In 2016 FWF conducted a training for all buyers, including how to conduct due diligence at new suppliers. Following that training, all buyers have followed the same process and could demonstrate a systematic approach. A new supplier evaluation document was developed in 2016, which helps buyers evaluate both new and existing suppliers, including a specific point on social compliance.

Recommendation: Filippa K should include in its start up package how the outcome of a supplier check will/should affect sourcing decisions, and what weight it is given when selecting a new supplier. FWF recommends Filippa K to assess the risks associated with operating in specific production areas and include this information in their start up package for consideration of all buyers before deciding to start at a new location. FWF advises to use information from FWF country studies and wage ladders. The member can 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 to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures 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	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 previously noted, Filippa K introduced a standard supplier evaluation form in 2016, which includes a point on social compliance and transparency. If a supplier is consistently doing well based on this evaluation, Filippa K tries to increase orders at this supplier.

Recommendation: A systematic approach is required to integrate social compliance into normal business processes, and supports good decision-making. The approach needs to ensure that the member consistently evaluates the entire supplier base and includes information into decision-making procedures.
Filippa K is encouraged to continue developing its evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. FWF would recommend expanding the evaluation to include more details on social compliance, and include specific direction to buyers on what this entails. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. As it is not always feasible to offer placing more volumes or never out of stock (NOS) items, Filippa K could look into other incentives that reward a supplier's commitment towards the CoLP. An example would be to offer buyer- paid training for skill building/capacity development. In order to to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures how labour standards influence monitoring and sourcing decisions.

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: To ensure delivery dates are feasible, production time plans and deadlines are set in cooperation with suppliers, usually starting six months prior to delivery times. Estimate deadlines are given in an early stage on which suppliers give feedback about the dates the fabric needs to be in and how much time is needed for production. Filippa K indicates they need to trust their suppliers to make a realistic planning based on regular working hours, but that they do not know the exact production capacity for all factories. Additionally, the buyers of Filippa K consult with one another to try to 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.

Recommendation: It is recommended to gain further insight into the production capacity of the factories. A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

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: Despite a robust production planning system, Filippa K still experiences delays and excessive overtime was found during three FWF audits in China and one in Vietnam. The company has several ways to deal with that: designers, buyers and logistical department work closely together to measure delays and estimate quantities. In addition they can block production to take an early order, spread different styles and work on their warehouse capacity. The company has the option of taking air freight or split orders in case delays occur. In these specific cases, Filippa K has initiated discussions with these suppliers on the overtime, but has not yet taken additional steps to address this.
In 2015 Filippa K started working with another FWF member on a root cause analysis at a shared supplier in China. The results of this has been that they have seen overtime decrease by 5%. In 2016 Filippa K continued to jointly work on this issue with the other FWF member.

Recommendation: Following the root cause analysis done at one of their suppliers in China, Filippa K could document the process and learnings from this supplier, to use as a starting point for work with other suppliers. Filippa K could us this as a starting point to discuss with factory management on the causes of excessive overtime and provide support to manage overtime. Additionally, Filippa K could hire local experts to analyse root causes of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.
FWF recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0

Comment: Filippa K is aware of country level minimum wages and has a cost break down of the fabric and Cut Make Trim (CMT) price. However it does not know the exact cost of labour or the share of the CMT price that is going to the salaries.

Recommendation: Filippa K can start by working on transparent prices with nominated suppliers where they buy a large share of the production volume, to get a better insight in the cost of labour and the share that goes to workers. Filippa K needs to develop a pricing policy where they know the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	2	2	-2

Comment: During an audit in 2014 of a supplier in China, it was found that some workers were receiving less than minimum wage. Filippa K followed up on this during 2015, and it was confirmed in a follow up audit in 2016 that this issue has been appropriately remediated. None of the other audits conducted in 2016 showed payment below minimum wage.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

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

Comment: In 2016, Filippa K concluded a wage analysis at their largest supplier in Portugal. The results of this wage analysis showed that workers were paid significantly more than minimum wage, and received their 13 and 14th month, as well as Christmas bonuses.
Filippa K has discussed wage levels and how to move towards living wage with some of its suppliers in Portugal and China, however Filippa K has not yet been able to make progress on increasing wages.

Recommendation: FWF encourages Filippa to discuss with suppliers about possibilities to work towards higher benchmarks. It is advised to start with suppliers where the member company has high leverage and long term business relationship. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process rollout on request.
Additionally, FWF recommends that Filippa K use the information discovered as part of the wage analysis as a basis for conversations with other suppliers in Portugal, or at other suppliers where they have higher leverage.

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

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 25

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	36%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	60%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	Implementation will be assessed next Brand Performance Check
Total of own production under monitoring	96%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: At Fillippa K, the buyers directly manage the relationships with their suppliers, therefore each buyer is responsible for the follow up of audits at their suppliers, in cooperation with the sustainability manager. Buyers are also often observing audits. At a training in August 2016, how to follow up on problems identified via monitoring was discussed, and all buyers were able to show the tracking and follow up that they had done.

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: All audit reports and CAPs from 2016 had been shared with suppliers and timelines for remediation established. So far no guideline has been developed for buyers to know which CAP findings need which kind of action or proof.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: Filippa K's monitoring system is to send the CAP to the supplier and document progress in the CAP. Filippa K could show communication with its suppliers about the CAP findings and also photos to support most of the improvements. At re-audits at two suppliers in 2016, improvements on significant issues such as having a democratically elected worker representation, payment of overtime premiums, and moving from piece rate payment to hourly payment have been seen. On issues such as living wages and excessive overtime, Filippa K has discussions with suppliers but has not been able to show significant progress.

Recommendation: FWF recommends that Filippa K create a guideline for buyers on how to address CAP findings, including outlining which findings are urgent and require immediate action (how to establish appropriate timelines). A documented guideline will help ensure consistency amongst buyers and help in training new buyers who join Filippa K.

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.	73%	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, often along with the design team, visit most of their suppliers at least once a year.

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: For three of their suppliers, Filippa K requested external audit reports and assessed the quality using the QAT tool. Additionally, Filippa K has received the CAPs for the suppliers and has asked for follow ups on them. Improvement of some of the issues identified in the CAPs could be shown, and evidence was shown of Filippa K's attempts to support in remediation, although remediation with one of the suppliers has proved difficult.

Recommendation: Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	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.	6	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

Comment: Filippa K produces denim products, and has a written policy against sandblasting that all of their relevant suppliers must sign and adhere to. They have not had or seen any evidence of sandblasting occuring at their suppliers, or reports from workers on illnesses. They are aware of this risk and continuously evaluate during visits.

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers and FWF's country studies can be used by buyers as a good resource for knowing these risks. Filippa K 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 has shared remediation efforts with other FWF members at a few of its suppliers. At one supplier where excessive overtime was found, Filippa K worked with another FWF member to try and improve these processes, which did result in reduction of overtime.

Recommendation: Cooperation among FWF members is required. In addition, it is advised to identify other clients and their commitment to improving working conditions. Involving more costumers of the factory increases leverage, the chances of successful outcomes and long term improvements. FWF encourages Filippa K to work together with other FWF members specifically on issues such as living wages and overtime, to increase leverage and possibility of 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.	Member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

Comment: Filippa K has fulfilled monitoring requirements for almost all low-risk suppliers, with some small exceptions being suppliers they are stopping production at. Additionally, at its main Portugese supplier, Filippa K together with two other FWF members and another NGO, conducted a wage analysis in 2016.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	None	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

Comment: Although Filippa K has monitored above 90% of their supplier base, they have not fulfilled all tail-end monitoring requirements (for suppliers which account for more than 2% of their total of FOB, or for whom they account for over 10% of the factory's production capacity, therefore no bonus points can be given.

Recommendation: FWF encourages members to go beyond the minimum required monitoring threshold and rewards members who audit production locations in the tail end as well to mitigate potential social compliance risks.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	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.	2	2	0

Comment: Filippa K worked with two external brands in 2016, and for both it has received back the signed questionnaire and asked for external audit reports (which were not available).

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).	37%	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.	2	3	0

Comment: Filippa K took extraordinary efforts to do due diligence with one of its external suppliers, so although they are not a member of FWF, Filippa K is awarded points based on their follow up and efforts with this brand.

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: 34

Earned Points: 29

Additional comments on Monitoring and Remediation:

Requirement: 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.

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: Each buyer is responsible for addressing worker complaints that occur at their suppliers, in conjunction with the Sustainability Manager.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: Filippa K's buyers check that the Worker Information Sheet is posted when they visit suppliers, and photos per supplier are saved on the server. When they have not visited, Filippa K requests the supplier to send photos of the posted Worker Information Sheet.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	69%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	3	4	0

Comment: Filippa K has held a Workplace Education Programme at five of its suppliers, and has ensured that the Worker Information Sheet is posted at all of its suppliers. Even so, audits have shown that at approximately 30% of Filippa K's suppliers, workers are not aware of the FWF worker helpline and Code of Labour Practices.

Recommendation: Filippa K can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker helpline. In addition to sending the worker information sheet, Member companies can use the worker information cards available for download on FWF's website and encourage suppliers to hold internal trainings or sessions for workers on the Code of Labour Practices.

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

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: 7

Earned Points: 6

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: FWF membership is part of the overall Sustainability Strategy at Filippa K, which all staff are made aware of via presentations or trainings.

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: In 2016 FWF gave a training on how to monitor the Code of Labour Practices implementation for all buyers at Filippa K, who are the ones in direct contact with suppliers. Additionally, at least one member of each product team at Filippa K has attended FWF's member seminar.

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 continuously informs agents about requirements and guidances for specific production countries, and request them to support the monitoring efforts by providing follow up on Corrective Action Plans. Filippa K has long-standing relationships with many of its agents, who understand that sustainability efforts are core to Filippa K's work. Agents did not join the training by FWF in August of 2016.

Recommendation: FWF recommends extra training for agents that work in high risk countries, and instruct them on common Code of Labour Practices violations in these countries, and how to check for possible subcontracting.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	34%	Lack of knowledge and skills on best practices related to labour standards is acommon issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0

Comment: Filippa K has successfully encouraged five of its suppliers to participate in the Workplace Education Programme, although no trainings were conducted in 2016. During 2016, Filippa K focused on enrolling their suppliers in China in an online learning tool called QuizRR, which aims to raise awareness among workers and management staff on labour rights, using interactive videos and questionnaires. So far the tool has been used in seven factories by more then 1500 people, and will continue to be piloted through 2017.

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

Comment: Less then one percent of the total FOB of Filippa K is placed at two suppliers in Peru who have not received additional training on labour standards. However because this supplier accounts for less than 1% of their total FOB, this indicator is N/A.
A large percentage of Filippa K's production is done in low-risk countries such as Portugal, where the Workplace Education Programme is not offered.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 9

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: Filippa K makes strong efforts to identify production locations, through visits by buyers, by asking for updated production location data prior to placing all orders and by checking this data at least twice in the production cycle. Because Filippa K publishes the supplier information, including production locations, on their website, they check this information regularly. Additionally, Filippa K's financial system is able to show payments to factory locations, including estimated shares for some subcontractors.
Filippa K currently does not include all subcontractor information in the database, and does not know estimated shares for some of these subcontractors. FWF considers any supplier that takes part in the Cut, Make, Trim process of a garment as a supplier or subcontractor, including those responsible for the finishing processes.

Recommendation: After the end of each financial year, Filippa K must confirm their list of suppliers and provide relevant financial data. A complete suppliers list means ALL suppliers, including subcontractors, are included.

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: Filippa K holds regular meetings with all production staff. Production staff is divided per product group and are all responsible for implementing the Code of Labour Practices. The one who is placing orders is also the one following up on corrective action plans. After a visit the buyer shares their experience on social compliance with the buyers team in a meetings and with notes and pictures. All buyers sit near each other in an open office, and often discuss ad-hoc issues that have arisen, and/or which supplier is most suited for new production.
Additionally the server contains a start up kit with FWF tools and information, that is accessible for all staff.

Recommendation: In order to to align sourcing decisions with CSR goals and objectives, it should be made clear in procedures how labour standards influence monitoring and sourcing decisions.

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: FWF membership is communicated in correct wording on the company website. Filippa K has a separate sustainability website, Filippa K Circle, where it clearly explains the company's social responsibility and how it works on upholding human rights in the supply chain, as well as posting interesting articles related to its work.

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

Comment: Filippa K has published the earlier Brand Performance Check on their website. The company is transparent about suppliers and subcontractors that are used. This information is shared online since 2016, by publishing supplier information of each style in the online shop, including the factory name, location, number of employees, 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 published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: The social report is integrated in the overall sustainability report of Filippa K, which is published on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 6

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: FWF membership is evaluated within a group of product developers, the sustainability manager and supply chain manager; particularly when writing the workplan and evaluating the performance check report. Feedback from agents regarding the progress of suppliers is integrated.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	100%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: In the last Performance Check, Filippa K received three requirements, all of which were sufficiently followed up on:
- Critical findings like minimum wage problems require a more in depth follow up. The suppliers need to show evidence that the finding is remediated and the member should use a stricter timeline for these type of findings to be resolved, and proved to be resolved.
- Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold.
- All complaints received from factory workers have to be addressed in a timely manner.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Filippa K has the following recommendations for FWF:
- FWF could offer regular (bi-annual) in-country re-training to brands on the FWF requirements, to ensure all buyers and CSR managers are informed and trained adequately
- FWF's Quality Assessment Tool for external audits is quite complicated. FWF could provide more guidance for brands on how to fill this out and/or have FWF's country teams support in completing this
- FWF could better communicate to brands (and subsequently help brands communicate to others) the differences in methodology/approach between FWF and other MSIs

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	25	44
Monitoring and Remediation	29	34
Complaints Handling	6	7
Training and Capacity Building	9	11
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	85	115

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)
74

PERFORMANCE BENCHMARKING CATEGORY
Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

21-08-2017

Conducted by:

Tina Rogers

Interviews with:

Doreen Chiang (Sourcing Manager)
Elin Larsson (Sustainability Manager)
Anna-Karin Bons (Product Developer)
Anders Eriksson (Buyer)
Emelie Erixson (Buyer)
Emma Arnström (Buyer)