



# **Brand Performance Check**

## **Filippa K AB**

This report covers the evaluation period 01-01-2021 to 31-12-2021

## About the Brand Performance Check

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

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

*This year's report covers the response of our members and the impact on their supply chain due to the COVID-19 pandemic which started in 2020. The COVID-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.*

# Brand Performance Check Overview

## Filippa K AB

Evaluation Period: 01-01-2021 to 31-12-2021

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	China, Romania, Turkey, Viet Nam
Production in other countries:	Italy, Lithuania, Morocco, Portugal, Spain
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	88%
Benchmarking score	60
Category	Good

## Summary:

Filippa K has met most of Fair Wear's performance requirements and with a benchmarking score of 60 is placed in the 'Good' category. Although the monitoring threshold does not determine the category, Filippa K has monitored 88% of its suppliers.

## Corona Addendum:

The year 2021 was again a challenging year for Filippa K as the brand continued to feel the impact of the COVID-19 pandemic on its supply chain. In the meantime, the brand started a change in strategic direction in 2021, which integrates sustainability more across the company. Filippa K's CSR manager was still on parttime work in 2021.

The brand did not cancel orders in 2021 and ensured payment of all orders took place on time. Delays in production mainly were caused by problems with (raw material) delivery and were accepted by Filippa K. The brand also ordered fabrics further in advance to try to mitigate this problem.

Filippa K's staff was not able to travel throughout 2021, but did conduct audits at its key suppliers. The brand's CSR manager works closely with the purchasing team to follow up on audit findings and used alternative monitoring tools, such as videos and photos, to check progress of audit follow-up. A key human rights risk in Filippa K's supply chain was the non-payment of legal minimum wages in during the lockdown in Vietnam, where Filippa K works with three suppliers for a very small part of its FOB (less than 3% in total). Filippa K is still following up with its suppliers on this, also in collaboration with other Fair Wear members. Filippa K is required to ensure this follow-up is finalized as soon as possible within 2022.

Filippa K is encouraged to strengthen its human rights risk assessment and supplier evaluation system and to continue working on the topic of living wage. While some elements of Filippa K's due diligence processes could be done in a more systematic way, the brand has shown significant improvement in 2021 compared to 2020 and has followed up on most of the requirements included in the previous brand performance check.

## Performance Category Overview

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.	24%	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.	1	4	0

**Comment:** 24% of Filippa K's production volume comes from two suppliers in Romania and Portugal where the brand buys more than 10% of the production capacity. This is an improvement over the previous year, when 11% of the FOB was sourced from one factory where the brand represented at least 10% of the suppliers' capacity.

**Recommendation:** Fair Wear recommends Filippa K AB to consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions. 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
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	28%	Fair Wear 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 Fair Wear.	0	4	0

**Comment:** A total of 28% of the production volume is done at production locations where Filippa K buys less than two per cent of its total purchase volume. This number is a bit higher than the previous year. Filippa K is aware of this relatively long 'tail-end' for production and is currently in a transition phase to consolidate its supplier base, but also considers some tail end inevitable due to the diversity in products.

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.	57%	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:** 57% of Filippa K's production volume comes from production locations where the brand's business relationship has existed for at least five years. This is a slight decrease compared to the previous year (59%). This is due to the fact that Filippa K added several new suppliers to its supplier base in 2021.

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 are uploaded to the Fair Wear database, including those of the new production locations that were started up in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

**Comment:** Filippa K has a solid on-boarding strategy when starting up with new suppliers. In 2021, Filippa K started up business relationships with seven new suppliers. Filippa K works with a six month trial period, in which samples are developed to evaluate the quality and during which the company does its due diligence on social compliance. The following documents are sent and received back: Fair Wear questionnaire, company Code of Conduct, Worker Information Sheet, and external audit reports. Filippa K may decide not to continue working with a supplier after the trial period because of various reasons, including if a supplier is not sufficiently willing to work on social issues. The CSR manager and buying managers together decide whether to continue working with a supplier or not. Filippa K does not have a systematic risk assessment for all (potential) production locations, but mostly relies on information coming from the suppliers.

During the second year of the pandemic, Filippa K tracked the COVID-19 situation at its suppliers by sending out questionnaires with questions regarding health and safety measures, payment of wages and the financial situation of suppliers. The brand also collected supporting documents from suppliers which stated they were not facing many problems, such as wage slips and videos. The brand furthermore followed the developments which had an impact on its supply chain in the news and the information provided by Fair Wear in an ad-hoc manner. It found especially the long period of lockdown in Vietnam created a big risk of workers not being able to pay for food and basic necessities. Filippa K's suppliers in Vietnam worked according to the 3-on-site scheme, meaning production continued and workers had to stay and sleep on the factory premises. The brand collected information about the wage payment in these factories (see under more 1.9).

Normally, regular visits would be an important part of the human rights due diligence process, but these were not possible in 2021. Filippa K did conduct several audits in late 2020 and in 2021, and also uses the outcome of these audits to assess human rights risks at its suppliers. Filippa K prioritized its 'high risk' suppliers in this process, i.e. its suppliers which are not in Portugal, Spain or Lithuania (about 50% of FOB).

**Recommendation:** A risk analysis as part of the decision-making process of selecting new production locations is an important step to mitigate risk and prevent potential problems. Fair Wear recommends Filippa K clearly define preventive actions for identified risks and connect them to sourcing decisions. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association and restricted civil society that are beyond the brand's individual sphere of influence. Fair Wear advises to use information from Fair Wear country studies and wage ladders and use the Fair Wear Health and Safety guidelines. Filippa K AB can use the CSR Risk Check (<https://www.mvorisicochecker.nl/en/risk-check>) to further assess the risks in (potential new) sourcing countries. For gender risk assessments, Filippa K AB can use the gender toolkit that has fact sheets per country, supplier checklists and a model policy on Sexual Harassment. Filippa K can cooperate with local stakeholders to further investigate the situation in a specific country.

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.	No	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	0	2	0

**Comment:** Filippa K used to have a supplier evaluation system in place which evaluated suppliers based on eleven criteria, including sustainability. However, the brand has not used this system in 2021 as it is in the process of transitioning to another system. The brand also feels it is crucial to be able to visit suppliers to properly evaluate them, which was not possible in 2021 due to the pandemic. The new evaluation system will be incorporated in the new PLM system, but this has not yet been organised.

In 2021, Filippa K stopped working with 17 suppliers. Most of these suppliers closed themselves and were not discontinued on the initiative of Filippa K. One important supplier in China which was exited, was informed 1,5 years beforehand. Generally, Filippa K takes about one year to exit a supplier, except when a supplier is still in its trial period. The brand does not have a responsible exit strategy on paper.

**Requirement:** A systematic approach is required to integrate social compliance into normal business processes, and supports good decision-making. The approach needs to ensure that Filippa K consistently evaluates the entire supplier base and includes information into decision-making procedures.

**Recommendation:** Fair Wear encourages Filippa K AB to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

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:** Filippa K has a strong planning system based on projections which are shared with the suppliers about six months before the delivery date. For each style, Filippa K has insight into production capacity, knowing the costs of CMTP (Cut Make Trim and Packing), but 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. An extra 3-4 weeks is always built-in to allow delays of fabric. For their Asian suppliers, Filippa K adds another four weeks for shipment.

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

Delays in 2021 due to the COVID-19 pandemic still occurred, mainly due to late fabric deliveries and problems with transport. Late deliveries were accepted by Filippa K without penalties.

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:** Several audits reported findings of excessive overtime in late 2020 and 2021. Filippa K followed up upon these findings by reaching out to the suppliers to discuss this topic. Such discussions include the buying managers. One supplier remediated the issue and Filippa K collected time records which were shared with Fair Wear's local representative to verify the issue had been resolved. Overtime decreased in this factory as a result of fewer orders due to a new COVID-19 wave. Filippa K has not undertaken anything to ensure the overtime does not occur again when more orders come in. In Turkey, the factory is increasing capacity to resolve the issue. Another member is in the lead of this CAP but Filippa K was informed that overtime has decreased.

Filippa K has not done a systematic root cause analysis to investigate to what extent its own purchasing practices impact the occurrence of excessive overtime at its suppliers. The brand identified issues such as material delays, mistakes, production and colouring problems as potential causes for excessive overtime. It has not further investigated what the brand's role is in this, but is maintaining dialogue about the topic with suppliers where it occurred.

**Recommendation:** Besides discussing it with the supplier and assessing root causes, Fair Wear strongly recommends Filippa K to actively take measures when excessive overtime is found. Taking measures to ensure that Filippa K knows and shows whether excessive overtime takes place at a supplier is key in resolving the issue. Measures such as regular checks by the local technician, documents checking and interviewing workers help assess whether excessive overtime takes place.

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's suppliers share an open costing calculation which includes material, accessories and making costs. The making costs are separate in the costing sheet, but Filippa K does not have insight into the number of minutes needed for a specific style or the exact minute cost. When the design is more complex, and thus needs more time, this does influence the price. Filippa K has made an assessment of the wage levels at its suppliers in 2021, to ensure all suppliers are at least paying legal minimum wage. One factory in Turkey was visited by Fair Wear's local expert to introduce the factory to the labour minute costing app Fair Price. Filippa K's CSR manager also did a training with the company's buyers to introduce them to the Fair Price app. These steps are a basis to work further on the living wage gap and further improving the brand's understanding of the connection between wages and prices.

**Recommendation:** Fair Wear recommends Filippa K AB to expand their knowledge of cost break downs of all product groups. A next step would be to calculate 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, for example by using the FairPrice app. The FairPrice app also enables suppliers to include any COVID-19 related costs. Filippa K AB could consider offering training by a local representative on FairPrice to its suppliers. Such training is available in all Fair Wear countries.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** In Filippa K's previous performance check, non-compliance concerning legal minimum wages was found at one supplier. Filippa K followed up on this in 2021, and ensured this was remediated by verifying the documents received from the supplier with the local Fair Wear representative. One audit done in 2021 showed that workers were paid in cash. Filippa K followed up on this and could confirm all wages in this factory are now paid through bank transfer.

In the context of COVID-19, Filippa K requested information about the wage situation through a questionnaire sent to all suppliers. In Morocco, the brand received the information that 80% of regular wages was paid to the workers, but the brand could not confirm if this amount met the legal minimum wage. This seems probable, because wages are generally above the legal minimum in this factory, but has yet to be verified.

Filippa K identified the lockdown in Vietnam posed a big risk for workers' wages. Filippa K sources 1% of its FOB from three suppliers in Vietnam. One of the suppliers did not have any production for Filippa K during the lockdown in summer 2021. The other two suppliers worked with the 3-on-site scheme, i.e. following government policies continued working while workers could not leave the factory premises. Filippa K requested information about the payment of wages and checked the information in an external audit which was conducted, but the information could not clearly confirm that legal minimum wages were met for all workers. Filippa K is still working on getting the information more clearly from the supplier, to assess what the missing wages are and work with the suppliers to compensate workers for any missed legal wages.

**Requirement:** In the context of COVID-19, the member is expected to do its own analysis of the risks related to non-payment of minimum wage in its sourcing countries, and connect the risk (for example, long-term factory closure in a country) to its own suppliers. When suppliers indicate no problem in paying legal minimum wages while it is a high-risk area, the member is expected to request evidence of wages paid.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

**Comment:** Filippa K has varying payment terms with its suppliers, between 30 and 60 days, and works with letter of credit with some suppliers. During the pandemic, Filippa K was funded by the Equity fond that owns the company and in this way it was ensured that suppliers received their payments in full and on time. Filippa K was able to sufficiently demonstrate this during the performance check.

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

**Comment:** Filippa K has selected three suppliers with whom it wants to work on the topic of living wages. One supplier in Turkey, one in Romania and one in China. Filippa K has started discussing the topic of living wage with two of these suppliers. The brand finds that some factories are reluctant to raise wages because they believe it will negatively affect their competitive position compared to other factories. The brand is still working on ways to deal with this argument and plans to start the project first with the Turkish factory, where it collaborates with another Fair Wear member. This factory also received an introductory visit on Fair Price in 2021.

**Recommendation:** Fair Wear encourages Filippa K AB to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

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	6	0

**Comment:** Filippa K has made a basic start by thinking about a strategy to increase wages. As Filippa K is going through strategic changes, the brand is planning to include living wage in the strategy for the coming years.

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

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%	Fair Wear 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	6	0

**Comment:** Filippa K is currently not paying its share of target wages at any of its production locations.

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

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 21**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	40%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	48%	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.)
Member meets monitoring requirements for tail-end production locations.	No (implementation will be assessed next performance check)	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	All factories must be visited by Filippa K AB staff at least once every 3 years.	
Total monitoring threshold:	88%	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 Fair Wear 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 Filippa K, the CSR manager is following 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear 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: Fair Wear 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 Fair Wear audit reports and Corrective Action Plans (CAPSs) were shared with factory management. Timelines for improvement are established in a meeting with the factory and brand, including the buying manager. The CSR manager coordinates the follow-up process in close contact with the buyers to monitor timelines and verify implementation.

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	Fair Wear 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:** Filippa K has one master file in which the brand usually keeps track of the monitoring status at its suppliers. When a buyer or other colleague visits a factory, they are requested to fill in an H&S template which includes questions like whether the WIS is posted in the factory. This information feeds into the master file, as well as the last audit date. The file does not include information about the status of CAP follow-up. Besides this master file, the CAPs are tracked and stored in a systematic way on the brand's server. The CAPs are regularly checked. Documents and pictures are collected as proof of follow up.

Several audits were conducted at Filippa K's suppliers in 2021. Filippa K could demonstrate follow up of random issues, such as fire safety doors being blocked and other H&S findings. Filippa K is mainly asking the factory to resolve problems within a certain timeframe, and in some cases discusses what the brand's role can be, but not in all cases in a systematic manner. In one Romania factory, where many serious findings came up, the brand has planned a visit to the factory and extra support from the local Fair Wear representative. Filippa K sees the need for a WEP training at this factory and is planning to also discuss this. Filippa K did not integrate COVID-19 information in the CAPs, but kept an overview of the supplier questionnaires separately. Filippa K used the questionnaires to understand the situation at the suppliers and followed up on any risks identified in the questionnaires. The brand collected proof such as videos and photos of implemented Health & Safety measures. Filippa K does not yet involve worker representation in CAP follow up.

**Recommendation:** Fair Wear encourages Filippa K AB to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices. It is advised to include worker representation in the remediation process. Either to engage workers in identifying and implementing improvements or to verify realised improvements.

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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

**Comment:** As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2021 for all Fair Wear members. Filippa K's staff was not allowed to travel at all in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

**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 Fair Wear audits. Filippa K did not create a CAP in 2021, but did continue working on a CAP which the brand created in 2020 for an external audit lacking a CAP.

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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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:** Filippa K is generally well aware of the risks in its production countries. It follows the country guidance developed by Fair Wear and has developed its own a country risk policy for Portugal where the majority of its suppliers are located. Filippa K has policies in place for abrasive blasting and migrant workers in Turkey. The buying team also checks whether migrant workers are present in the factory. Filippa K is well aware of all its suppliers and subcontractors in Turkey, which have been audited.

#### CHINA

Filippa K considers excessive overtime, the lack of freedom of association and forced labour big risks in China. It works with its suppliers on remediating the occurrence of excessive overtime (see 1.7). An external research showed two of Filippa K's suppliers have a high risk of forced labour. The brand took this research very seriously and is in the process of exiting one of the suppliers, but for the other one the brand first needs to find a replacement. Phasing out suppliers takes some time because it needs to be done responsibly.

#### COVID-19

In the second year of COVID-19, Filippa K used information from supplier questionnaires to ensure it was informed about the situation at its suppliers. The biggest risk the brand identified was the payment of workers, specifically during the lockdown in Vietnam. The brand did not have a lot of production during the lockdown in Vietnam, but did follow up on what happened and how safety of workers was protected. The brand also requested information about the wage situation, but did not yet take action to remediate missed wages beyond investigating the situation (see 1.9). Filippa K tried to split orders to ensure factories could continue working although other brands had cancelled orders. In China and at the European suppliers, production was not badly affected by the pandemic in 2021. Filippa K received video and photo materials showing safety measures were in place.

**Recommendation:** The member is encouraged to verify the information that came up through the additional monitoring tools with audits. Fair Wear recommends Filippa K to continue remediation of the COVID-19 related issues.

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 currently actively cooperates with one other Fair Wear member in resolving corrective actions. Filippa K also works with other brands on the 3-on-site issue in Vietnam and on the topic of living wages.

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.	98%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

**Member undertakes additional activities to monitor suppliers.:** No (o)

**Comment:** Filippa K monitored 98% of its low-risk production volume in 2021. External audit reports were collected for two of Filippa K's low-risk production locations.

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	Fair Wear 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 Fair Wear 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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear 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	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear 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	Fair Wear 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

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## Monitoring and Remediation

**Possible Points: 26**

**Earned Points: 19**

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### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	1	
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 Fair Wear 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's CSR manager is designated to address worker complaints.

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 Fair Wear 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:** A random sample of factories confirmed that the Worker Information Sheets were posted in the factories. For two new factories, the photos had not yet been uploaded in the Fair Wear database.

**Recommendation:** Filippa should ensure all photos of posted Worker Information Sheets being posted in the factories are uploaded in the Fair Wear database.

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.	All production in low-risk countries/training not possible	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	N/A	6	0

**Comment:** Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check. Filippa K did conduct one WEP Basic training at a supplier responsible for a little over 5% of its total FOB.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

**Comment:** One complaint was filed at Filippa K's suppliers in 2021. This complaint was related to late payment of wages which was not in line with the CBA which is in place. Filippa K checked whether this was true based on wage slips from the factory and discussed with the factory that this should not happen again in a digital meeting including also the buying colleagues. Fair Wear's local team verified documentation which the brand collected to check if the issue was resolved. Despite this proper follow-up from the brand, two more complaints, one of which similar to this one, were filed in early 2022. Filippa K is now planning a WEP Basic training at this factory to improve worker-management dialogue.

**Recommendation:** It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

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 Fair Wear 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

**Comment:** No other brands are present in the factory where the complaints were found.

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 6**

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## 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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

**Comment:** Information about the Fair Wear membership is available on the website and Filippa K's server. New colleagues are informed about the membership through training. Before the pandemic, the brand had monthly breakfast meetings with all staff in Europe, where sustainability issues were also discussed. This turned into an online meeting which is less broad.

**Recommendation:** It is advised to develop a standard procedure for all new employees to get familiar with Fair Wear membership.

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

**Comment:** CSR and buying work closely together and have a standing monthly meeting. The buying staff is involved in audits and CAP follow-up as well.

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, Fair Wear audit findings.	2	2	0

**Comment:** Filippa K is working with an agent in Turkey who is directly involved in CAP follow-up. The agent in Vietnam is aware of the CoLP but is not involved in CAP follow-up, the brand has direct contact with the related factories on social issues.

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.	All production in low-risk countries/training not possible	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	N/A	6	0

**Comment:** Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check.

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

**Comment:** As training did not take place, follow-up also did not take place.

## Training and Capacity Building

**Possible Points: 5**

**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:** Filippa K has a solid understanding of where its products are made. The buying contract requires suppliers to be transparent about production locations, including subcontractors, before orders are placed.

Filippa K visits production locations and is proactively asking for updated production location data before orders are placed. The data is checked again during the production cycle. However, during the pandemic, Filippa K was not travelling and this process could not be followed completely. Filippa K's financial system is able to track payments to factory locations, including estimated shares for most of the subcontractors.

**Recommendation:** Fair Wear recommends Filippa K to periodically visit suppliers as much as possible during production again, to check whether all known production locations are still up to date.

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:** All relevant staff actively share information with each other about working conditions at production locations. The buying team and the CSR team engage in regular meetings to discuss CAP remediation and other pending issues.

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## Information Management

**Possible Points: 7**

**Earned Points: 4**

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## 6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

**Comment:** Filippa K's public communication about Fair Wear membership is concise and complies with Fair Wear's Communication Policy.

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 Fair Wear'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 76-99 % of its suppliers, including subcontractors on the Fair Wear website and internally towards other members.

On its own website, Filippa K discloses the following for each style: 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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

**Comment:** A complete and accurate social report was submitted to Fair Wear and published on the member's 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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** Fair Wear membership is evaluated with the management team. The new CEO who joined the company in 2021 is eager to make the brand progress on sustainability.

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.	73%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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:** Filippa K has made progress on eight out of eleven requirements in the previous year. The requirements which were not or insufficiently worked on are:

- 1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.
- 1.13 Member company determines and finances wage increases.
- 1.14 Percentage of production volume where the member company pays its share of the target wage.

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## Evaluation

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

Filippa K appreciates Fair Wear's information, even though it can be a bit much and time-consuming, the brand much appreciates also the local teams in their support when issues at factories arise. It would be good if consumers understood more about the meaning of Fair Wear and how it differs from, for example, BSCI.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	21	52
Monitoring and Remediation	19	26
Complaints Handling	6	9
Training and Capacity Building	5	5
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	67	111

### Benchmarking Score (earned points divided by possible points)

60

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

08-06-2022

Conducted by:

Paula de Beer