



## BRAND PERFORMANCE CHECK

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Bierbaum-Proenen GmbH & Co. KG

PUBLICATION DATE: SEPTEMBER 2018

this report covers the evaluation period 01-01-2017 to 31-12-2017

## ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

Bierbaum-Proenen GmbH & Co. KG

Evaluation Period: 01-01-2017 to 31-12-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Köln, Germany
Member since:	01-07-2010
Product types:	Workwear
Production in countries where FWF is active:	Bangladesh, Bulgaria, China, Republic of Macedonia, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Albania, Armenia, Germany, Pakistan, Poland
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	99%
Benchmarking score	82
Category	Leader

## Summary:

Bierbaum-Proenen (BP) has shown advanced results on FWF's performance indicators. With 99% of production under monitoring, BP fulfills FWF's monitoring threshold for members that have been members for more than three years. The company scored 82 on its benchmark score. Hence, FWF has awarded BP a leader rating.

BP has a strong sourcing system that is strongly integrated with its implementation of the FWF Code of Labour Practice. The pricing practice provides the brand valuable insights on the labour cost per product. Long-term relationships with many suppliers, combined with often high degrees of leverage at the production sites and regular visits to production sites, mean BP is in a good position to work on the implementation of social standards.

BP also has strong systems in place to reduce the risk of excessive overtime. Working towards living wages remains a challenge. As part of the FWF Living Wage Incubator, BP continued its pilot project in cooperation with one of its core factories to take steps towards payment of a living wage. FWF strongly encourages BP to continue these efforts.

More complaints usually mean greater awareness of labour standards on the work floor, which may be one of the reasons why BP received three complaints from workers at their factories in 2017. BP handled the complaints well on preventive steps to uncover root causes of problems and to prevent these problems from recurring.

## 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.	94%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** While BP has high leverage at its main suppliers, the leverage of production capacity at suppliers less important to BP is less than 10%. BP is aware of this risk and actively suggests to these suppliers to find other brands to produce there as well in order to reduce the risks for the production location in case BP stops working at the production site.

Like previous years, approximately 70% of BP's sourcing volume is made on CMT-basis (Macedonia, Armenia, Tunisia, Vietnam), the other 30% is bought ready-made (China, Pakistan, Turkey).

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	3%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

**Comment:** BP has a small and limited amount of suppliers of which the company buys less than 2% of its total FOB.

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.	67%	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: BP has long-lasting business relationships with most of its suppliers. One production site in Turkey moved to a new building and changed its name in 2015. However, the new production site is led by the same management and workers are partly still the same. BP remains having the same strong relationship. All orders are arranged via the old location which is now functioning as a head office.

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: In 2017, BP started sourcing at four new production sites: one in Albania, one in Bangladesh and two in China. All new production locations have signed and returned the questionnaire with the Code of Labour Practices (CoLP) before first bulk orders were placed.

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

**Comment:** Clear processes to check all suppliers against the Code of Labour Practices are in place. Both regarding new suppliers and existing suppliers. All potential new suppliers are visited by either the CEO, the head of purchasing or the head of production before trial orders are placed. Social standards are an important issue in these first meetings. The travel report made by them also includes suppliers' willingness to work on the FWF CoLP.

Before BP places the first orders at new suppliers the selected supplier must hand in supplier information. As part of its quality management system, there is a quality management process to follow up on this internally for both new and existing production locations. For new suppliers, BP requires them to provide an audit before a formal business relationship can start. This could be a FWF or other audit report such as BSCI, SEDEX, SA8000. This is to ensure that new suppliers are prepared for auditing and know about the processes. BP could show audit reports and CAPs for the newly added suppliers accordingly. This evaluation is integrated in the decision making of whether to start production at a new supplier and to have a benchmark of the working conditions from the beginning.

BP also conducts country risk assessments for its suppliers based on several benchmarks such as HDI. In management meetings, BP's management discusses in which country and with which suppliers it wants to start a cooperation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

**Comment:** BP evaluates suppliers' social compliance systematically. It is updating its system for supplier assessment, which makes it more accessible and understandable for all staff. Every two weeks a meeting takes place involving different departments in order to exchange topics and progress on suppliers. In case BP staff travels to suppliers, they get an update of the CSR department regarding the most important FWF issues. Travel reports will be read and evaluated afterwards.



BP thus uses different sources to control the working conditions of its suppliers: supplier information and evaluation, Health and Safety Checklists, CAPs and their travel reports after visiting a production site. This input helps to make decisions to increase orders at specific suppliers based on several aspects such as delivery time, reliability, quality, location, solving of complaints etc. If all other criteria are equal, social standards would be a selection criterion.

For BP it is most important that a supplier shows willingness to work on the FWF Code of Labour Practice towards good working conditions. BP also looks upon the long-term supplier relation it has with most of its suppliers as a reward in itself. A supplier can be rewarded for good social performance, not only by increasing orders, but also by developing a supplier such as paid training for skill building/capacity development..

**Recommendation:** FWF advises BP to install a formal exit strategy in order to improve its systematic approach to the FWF Code of Labour Practice.

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:** For every supplier, BP arranges fixed lead times depending on the location of the supplier and if they do CMT or FOB production. For its biggest suppliers, BP's production planning is based on labour minute calculation. For other suppliers the production demand is based on an agreed weekly number of pieces which is monitored on a weekly basis. If a supplier does not meet the agreed output, the weekly agreed pieces can be reduced.

Factories tell BP how many lines and minutes/pieces are available for BP orders. Generally, the fixed lead times include a time reserve of one week to be flexible in case of unexpected problems. BP also includes holiday plans of its production sites when sending the forecasting plan. BP additionally re-confirms with its suppliers the status of production every two weeks. This is to ensure the booked capacity is in fact used for production of BP goods and delays are encountered at an early stage.

BP has a very broad and extensive range of 'never-out-of-stock' products (NOS). For all production locations, BP has regular quantities of repeating articles per month. The goal is to provide suppliers with same styles. When there is sudden extra demand in certain styles, suppliers are called to check for additional capacity (and different delivery dates are agreed upon). In case production capacity is an issue, NOS production is replaced by urgent additional styles, and existing stock is used for standard goods while the additional style is produced.

The company keeps a large stock supply and aims for an equal production planning throughout the year which is regularly checked with its suppliers in order to produce without excessive overtime. Furthermore, BP has material in stock at its biggest suppliers. This stock gives the company and its suppliers more flexibility in case of urgent orders, reducing pressure on delivery times and therefore risk of overtime. Moreover, several of BP's suppliers can produce the same styles.

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:** FWF conducted three audits at production sites of BP in 2017. Issues related to overtime were found during two audits in Turkey and China. These mainly related to unclarities in the records which did not allow the audit team to establish a clear picture on the situation. BP's head of Purchasing was on-site during the audits and could discuss the causes and risks of the finding directly with the audit team and management of the production sites.

BP re-confirms with its suppliers the current status of production every two weeks. With this the company hopes to understand the issue of overtime at the production sites. In general, occasional overtime happens at some suppliers, but BP does not face serious issues of excessive OT. In case a supplier has a delay in production, which would lead to excessive overtime, the company can shift production to another supplier or allows for late or split shipment or use of air freight.

**Recommendation:** BP could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, BP could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

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

**Comment:** Price negotiations for CMT are done based on standard minutes developed in house at BP's own production unit. Cost of material and accessories are known as well as CMT price, BP has a good impression of costs for management and workers as it can compare price and working minutes with other comparable suppliers including their own factory. Local wage levels are taken into account through this system when calculating an acceptable price. Further BP considers inflation in price agreements with the suppliers each year. This is considered to be on a "style-level policy".

For suppliers which are paid FOB (30% of all), BP asks for the CMT price so it has an idea of how much workmanship needs to go in each product and bases its price on this and then calculate by price per minute. BP relates the price among others to the size of the production volume and related productivity and working minutes needed. The pricing policy is considered to be on a "style-level policy".

BP has started an analysis comparing minimum wages and local living wages before and after social audits in the past years. Doing this, the company can measure wage increases in the long-run. BP also compares minimum wages against their calculated minute wages and whether paying the minute wages would lead to a higher wage than the minimum wage.

On a case-by-case decision, BP also can agree to price increases of its suppliers. In some cases, BP has contract agreements of regularly price increases with its suppliers. In addition, BP has a calculation of almost each article about the amount of production minutes per piece. This calculation is checked also via sewing sample tests in its own production location in Cologne.

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: Once a year BP asks for wages of their production sites. With the analysis and the audit reports BP checks the minimum wages. Via the audit analysis on wages, BP can keep an overview about the status of wages at the audited suppliers. At all audited production sites in 2017, FWF found payment of at least the 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

Comment: Based on the audit results in 2017, no late payments to suppliers were found.

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:** Using the FWF wage ladder information, BP cross-checks every year the development of the wages within the production sites, comparing the actual wages paid to living wage estimates and local minimum wages. Wages are part of discussions during supplier visits.

At its own factory in Tunisia, good for 17% of total FOB placed by BP, the company pays almost according to the estimated living wage benchmarks recommended by local stakeholders of FWF. The factory is located outside of Tunis, at an area where living standards are little lower than in the city. In addition, it provides full coverage of social insurance, correct payments of working hours and overtime (if needed) and extra benefits (compared to other factories around), such as 100% social insurance, providing free doctor consults at the factory, longer term contracts with employment protection.

In addition, ground work was laid for a first living wage pilot project in 2016. As a base, BP has developed a questionnaire to understand at a pilot factory the needs of the workers to earn a living. In 2017, BP continued its efforts but feels the need for more cooperation amongst member brands to set standards for achieving living wages.

**Recommendation:** FWF recommends BP to commit to a long-term process that leads to sustainable implementation of living wages. The company is encouraged to continue their efforts made so far and discuss the issues at hand with other member brands, for example in the FWF Living Wage Incubator or the Member Meeting during the FWF Annual Conference.

FWF encourages BP to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

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).	17%	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.	1	2	0

Comment: One production site in Tunisia is owned by BP. Furthermore, a small amount of production and samples are produced in Cologne, Germany at the headquarter.

## PURCHASING PRACTICES

Possible Points: 46

**Earned Points: 36**

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	98%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	1%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	99%	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: BP has a team of three persons who are responsible for the monitoring system. The members of the team belong to the CSR and buying department.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: The corrective action plans resulting from conducted audits are systematically agreed upon, followed up and reported on by designated persons including traveling staff of BP.

When sending the audit report and corrective action plan, BP always highlights to factory management that everything should be discussed and followed up together with the worker representation. Experience in involving worker representation showed to BP that in some factories involvement of worker representation works well and in others it does not. If not, BP is aware that this does not only count for the follow-up of findings but is of a general matter and an issue related to social dialogue which needs extra work upon.

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:** The company keeps track of the progress of the corrective action plans through a spread sheet system. Each non-compliance is given a priority rating and a person responsible for following up. For each point in the CAP that is done, a hyperlink is included in the spread sheet so that the documents, email, photos, etc. confirming the improvements can be accessed. CAP follow-up is confirmed by sending photos and documents. Double checks are done when visiting the facilities. BP briefs all BP staff visiting supplier before the factory visit to make sure that they are up to date on improvements that are needed.

In response to last year’s recommendation, BP organised a training on social dialogue at their own production location in Tunisia to remediate the complaints at the supplier. In addition, the manager of its Tunisian production location visited an Armenian supplier to exchange knowledge and experiences about social dialogue.

**Recommendation:** To facilitate remediation, BP could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory trainings.
- Share knowledge/material with and amongst its suppliers

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.	100%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

**Comment:** One supplier was not visited in 2017. However, this was a supplier that BP stopped working with in 2016, but the final payment took place early 2017.

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: BP checks all suppliers for other social audit reports on an annual basis. The reports are collected, the FWF Audit Quality Assessment Tool done and CAPs integrated into the existing routine to follow up improvement possibilities at the production sites. Reports from other organisations are actively used to follow up uncovered points and to cross-check implementation status from what is reported by the supplier via email, phone and visits at the production site.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	4	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	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	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Advanced			6	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** BP sourced from two production locations in Bangladesh in 2017. BP is not member of the Bangladesh Accord, but its production locations are members of the Accord and have been audited. BP indicated that it has no plans to become member of the Accord as its FOB sourced from these production locations do not weigh up against the costs of membership. Other important aspects of the Enhanced Monitoring for Bangladesh (such as risk analysis, anti-harassment policies, and fire and health and safety monitoring) have been taken care of by the company.

Regarding the guidance of Syrian refugees in Turkey, BP's supplier was visited several times last year. The 2016 and 2017 audits did not show Syrian refugees in the facilities. Furthermore, the supplier is monitored very intensively. The supplier was audited in 2016 and 2017.

BP made the supplier aware about the problems regarding the Syrian refugees. In order not to lose financial support from the government, the supplier is not allowed to employ any Syrian refugees as part of the arrangement made with the government. Employees must have the Turkish nationality (and thus it is not allowed to employ Syrian refugees).

An FWF audit indicated that a Turkish production location works with home-based workers. The supplier allowed workers to do home-based work in order to have less commuting time. As it is difficult to establish whether the homeworkers are involved in fabric/dying production or related to CMT production, it took some time to find out about the actual situation and is currently working on guidance to the supplier according to FWF guidelines.

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

FWF recommends BP to join the Bangladesh Accord. Furthermore, we advise the company to retrieve the inspection reports and (updated) corrective action plans from the Accord website. And discuss CAP implementation with its suppliers, if needed support remediation, for example financially, by guaranteeing orders, or through a longer term commitment.

FWF advises BP to follow up on the identified home-based workers and implement the guidance provided by FWF (see high risk policies in the member portal).

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: BP actively cooperates with FWF members and brands not affiliated to FWF in four of its production locations.

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: Production in low-risk country is in Germany at the headquarter of BP and at a German and Polish supplier. Monitoring requirements are fulfilled at all three sites. BP's CSR staff visited all production sites in low-risk countries in 2017. The Code of Labour Practice has been signed and the Worker Information Sheets are posted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	90%+	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	3	3	0

Comment: BP conducted audits at production sites which fall under the tail-end of its total production.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
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

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## MONITORING AND REMEDIATION

Possible Points: 32

Earned Points: 28

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	4	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	2	
Number of worker complaints resolved since last check	1	

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

Comment: BP has a team of three persons who are designated to address workers complaints.

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

Comment: Staff from BP checks that the information sheet for workers is posted in the factories when they visit the production location and via emails and pictures to proof. During visits a special developed BP checklist is used, filled in by technicians, based on FWF Occupational Health and Safety checklist added with additional issues, such as posting of FWF CoLP in the production location, availability/ access to primary healthcare etc. Pictures are collected of the posting of the worker information sheet.



During the visits, 3 points are checked:

1. Posting readable?
2. Does the posting look like it has been hanging for a while already?
3. What is the location of posting?

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.	91%	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.	4	4	0

Comment: In all production sites audited, the CoLP has been posted. Based on the FWF audits, workers were often aware of the FWF worker helpline. Moreover, over the past three financial years, 4 Workplace Education Programme Trainings took place at production sites.

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: FWF received four complaints at factories producing for BP in 2017. Two complaints from a factory in Tunisia and the other two complaints from a production site in Turkey.

The first Tunisian complaint was about the factory not paying income taxes in accordance with the tax law. After discussions between factory management, worker representation, the tax department of the Ministry of Finance and the accountant, it was concluded that taxes were not correctly calculated and paid between April and July 2016. A training session with the accountant and the workers was organized. The accountant explained the new tax regulations to workers and management. Factory management agreed to ensure that taxes were correctly paid and will monitor the situation.

The second complaint in Tunisia related to the Tunisian government announcement to raise the wages for garment workers. According to the worker, management declared that the wages would not be increased accordingly. During production, 50 pieces were stolen which led to an investigation. According to the worker, management had threatened workers to deduct 30 Tunisian Dinars from their salaries if they would refuse to be searched. The worker discussed both issues with management on behalf of the workers. According to the complainant, it was a fierce discussion leading to a one-day suspension for that worker. FWF's investigation concluded that according to Tunisian law, wage increases need to be approved by the Tunisian government after they have been negotiated between the social partners. After publication in the state journal, the wage increase comes into effect. Factory management was therefore right that the wage increase could not be paid until the approval was effective. Before FWF's investigation of the complaint, a court case was started by the complainant to clarify the amount of compensation as both parties did not come to an agreement. This complaint is open while FWF waits for the outcome of the court case.

The first Turkish complaint regarded a complaint from a former worker, who claimed that management insulted him/her and dismissed him/her without compensation, as well as that social security payments are outstanding. Due to the sensitivity of this complaint, worker interviews were conducted. The interviews confirmed that the production manager maltreated workers in case of poor performance. The investigation revealed further inconsistencies related to documentation. Since the complainant could no longer be reached, BP has included the outstanding remediation points into their monitoring system. The complaint is closed.

The second Turkish complaint related to discrimination against some workers. In 2017, most of the workers got a wage increase except for a few workers. He/she also mentioned that days are missing in the social security registration. Remediation of the complaint is happening and will be monitored by BP as well as FWF.

**Recommendation:** Receiving complaints from workers indicated that BP has a system to promote FWF's helpline and workers are aware of their rights. This, in itself, is an achievement. In order to continuously improve working conditions, BP is recommended to work more on preventive steps to uncover root causes of problems and to prevent them from recurring.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	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.	2	2	0

**Comment:** BP cooperated with other FWF member brands for a complaint that started in 2016 which continued in 2017. In the past, BP has cooperated with non-FWF member brands in addressing both worker complaints well.

## COMPLAINTS HANDLING

Possible Points: 15

**Earned Points: 12**

## 4. TRAINING AND CAPACITY BUILDING

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

**Comment:** All BP staff is made aware of FWF membership requirements. Several times a year, BP provides a FWF training for travelling staff, all new BP employees (requirement for job training) and interested colleagues. In addition, BP informs its staff about FWF topics such as their new sustainability report, the Brand Performance Check report and its result.

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:** Staff is trained in general. Staff traveling to production sites is briefed in detail before visiting the production site. Usually the CSR team briefs the traveling staff about supplier specific problems and asks for proof such as documents, notes, pictures and even video shots.

BP has developed a checklist to check social standards for traveling staff like technicians. Traveling staff is informed and regularly trained how to handle the checklist. The traveling staff hands the filled in documents and pictures to the CSR team. The CSR team evaluates the situation at the production site.

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:** With three suppliers BP works with an agent and all agents and their factories signed the FWF CoLP requirements. In addition to informing the agent, the production sites are visited regularly by staff of BP.

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)	52%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

**Comment:** In addition to three factories trained in 2015, another production site was trained under the Workplace Education Programme in 2016. No WEP trainings took place in 2017, but one factory training was executed due to a conflict of interest for FWF. This training is calculated in the percentage.

**Recommendation:** The Workplace Education Programme expanded and will become available in more production countries. BP is recommended to motivate its main supplier(s) to join WEP training, especially in countries where it will be newly offered.

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

**Comment:** The company has been working in Pakistan to improve management skills together with another brand. However, BP could not provide documentation on the purpose and outcomes of the training to have it counted as a worker education training.

**Recommendation:** All factory workers and management should be informed about FWF, labour standards and grievance mechanisms. In order to further communication between employers and workers in the workplace FWF recommends BP to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participation should be balanced and representative.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

## 5. INFORMATION MANAGEMENT

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

**Comment:** BP has a designated person who keeps the supplier register updated. The staff of Purchasing/Sustainability, Production, Planning and travelling staff is made aware who the suppliers are and their locations. BP uses its supplier register and FWF Database to identify suppliers and update supplier information. Production locations are frequently visited during production to check on quality and whether production actually takes place in the agreed production location. After an FWF audit, BP has identified homebased workers in Turkey and is working towards a solution.

**Recommendation:** FWF recommends to collect complete data on the homebased workers in Turkey as referred to in indicator 2.7.

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:** BP has developed a system where information regarding code compliance is integrated in the overall assessment of the supplier. At this point, staff is informed about compliance and outstanding issues prior to factory visits. Staff can also access documents regarding social compliance of the individual suppliers on the server. Responsible staff from departments related to suppliers and products meet monthly. FWF and social compliance in general is part of the agenda.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

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

Comment: BP's website and catalogues are the most important communication channels for BP to communicate about FWF membership. Furthermore, the company has informed the public, customers and end users through press releases, flyers and social media channels. Communication regarding FWF is important to BP, and the company experiences a growing interest from customers. For interested customers, BP has a special information sheet explaining key aspects of FWF, also to make sure third-party sellers stick to the communication guidelines.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	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.	1	2	0

Comment: The Brand Performance Check Report is published on the BP's website.

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: BP publishes its sustainability report (includes its social report) online in German and English, which is available for download on its German, English, Dutch and French websites. The Social Report is mentioned as news item on BP website and posted on BP's Facebook page.

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 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: The Manager for Sustainability is responsible for evaluation of the effectiveness of the workplan and available resources. An evaluation meeting on FWF membership takes place every year with top management.

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.	No requirements were included in previous Check	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.	N/A	4	-2

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

- Audit reports: shorter version, clearer information, missing: summary/conclusion (like BSCI)
- Responsive times
- Social Report within 3 months after end of year: too short lead time – BP has started to write a larger Sustainability report, which takes more time.
- Workplan: focus is too much on topics of BPC – very time consuming
- Brand Performance Check: BP has joined for a long time. It takes a lot of time to prepare for all BPC topics. BP suggests focusing more on and spend less time on topics well-known and under control by BP.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	36	46
Monitoring and Remediation	28	32
Complaints Handling	12	15
Training and Capacity Building	11	15
Information Management	7	7
Transparency	5	6
Evaluation	2	2
Totals:	101	123

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

82

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

28-06-2018

Conducted by:

Jesse Bloemendaal

Interviews with:

Harald Goost - CEO

Fabian Kusch - Head of Purchasing

Ute Mueller - Head of Production

Daniel Wiewelhove - Head of Planning Department

Annet Baldus - Quality Management/Sustainability

Nina Landsberg - Sustainability

Hannah Nagel - External Communication

Johannes Ulack - External Communication