



BRAND PERFORMANCE CHECK

ALBIRO AG

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

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

ALBIRO AG

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

MEMBER COMPANY INFORMATION	
Headquarters:	Sumiswald, Switzerland
Member since:	13-06-2012
Product types:	Outdoor, Workwear
Production in countries where FWF is active:	China, India, North Macedonia, Turkey, Viet Nam
Production in other countries:	Austria, Bosnia and Herzegovina, Czech Republic, Hungary, Morocco, Portugal, Slovakia, Switzerland
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	67
Category	Good

Summary:

Albiro has shown progress and met most of FWF's performance requirements. With a monitoring percentage of 99%, it meets the monitoring threshold required by members after three years of membership. Therefore, Albiro is awarded the 'Good' category, with a benchmarking score of 67 points.

After a transitional phase in 2017/2018 in Albiro's sustainability team responsible for the implementation of the FWF Code of Labour Practices, the team has shown advanced knowledge and understanding of the CoLP and has been able to show this in practice. Monitoring efforts and follow-up on audits and complaints have been better structured and the team was able to show that it has a firmer grip on what happens in their production locations.

Albiro has also progressed its sourcing strategy to limit its number of Group 2 suppliers, which represent most of the tail end in Albiro's supply chain. It has ceased relationships with six group 2 suppliers in 2018. Albiro has an agreement with its agents providing the brand with greater insight into factories being used for its orders.

In 2018, Albiro continued to engage and discuss living wages in their production locations. In 2018, no concrete actions were taken to implement higher wages in new production locations. FWF encourages Albiro to continue its work on living wages and social dialogue at its Group 1 suppliers, for example by setting target wages and start contributing to wage increases at their production locations.

FWF recommends that Albiro starts working more closely with Group 2 suppliers to prevent the occurrence of excessive overtime. Although their intermediaries are more aware of the FWF CoLP, issues around excessive overtime still exist in these production locations.

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.	81%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2018, the total number of suppliers amounted to 33 active suppliers. This is an increase compared to last year. However, this year Albiro included printers, embroidery and washing facilities in their supplier list. Compared to last year the brand actually reduced CMT locations by 15% totaling 22 suppliers. Albiro buys 75% of its FOB from its 4 main supplier, where it is the only customer.

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.	8%	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: In 2018, Albiro sourced 8% of its FOB from tail-end production locations. Albiro still has a number of suppliers where it has little leverage, limiting its ability to actively monitor and follow up. Albiro's strategy is to reduce its tail.

Recommendation: FWF recommends Albiro to continue pursuing an active strategy to limit the number of suppliers where it has small leverage.

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.	92%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Albiro values long-term relationships. With most of its suppliers, it has been actively working to improve labor conditions for more than five years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: Albiro requires suppliers to sign the FWF Code of Labour Practices before first orders are placed. In 2018, the brand onboarded two new supplier in China and Morocco. In the case of China, Albiro is using an intermediary to plan production. Albiro requires the intermediary to ensure that new suppliers sign the FWF Code of Labour Practices before production starts. For all its new suppliers in 2018, Albiro has received a signed questionnaire.

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: Albiro prefers to place orders at new suppliers that are a member of BSCI or supplier to a FWF member brand. The management system of Albiro prescribes a standard operating procedure when onboarding new production locations. Before starting to search for a new production location, the company has described the possible countries it can source from. This list is based on the BSCI risk analysis. A number of countries are excluded from sourcing; partially due to human rights concerns, but also because Albiro tries (though not always possible) to concentrate on a limited number of countries.

Once a new production location is identified, Albiro's production manager will make the 1st visit. The manager will make a first check of the health and safety issues in the production location. The brand also investigates if there are already existing audits carried out in the factory. Once the company agrees to continue the Development and Sustainability Coordination Team will visit the production location to discuss the FWF Code of Labour Practices (CoLP), its commitment to FWF audits, and specific high-risk issues for the country. Once the FWF CoLP questionnaire is signed and returned, Albiro's orders can be placed. The factory management will also be invited to visit Albiro's headquarters to discuss partnership development.

In most countries, Albiro visits the supplier before placing orders and discusses labor standards and high-risk country issues. The brand uses the FWF health and safety check when onsite, uses a checklist including labour standards during these discussions, and also actively collects and checks existing audit reports.

To reduce due diligence risks associated with the agent in China moving orders across different factories, Albiro has signed an agreement which provides the brand greater insight into factories being used for its orders. The agent is required to discuss and inform Albiro in case of using new factories, before placing the orders.

Recommendation: FWF recommends Albiro to ensure that knowledge about country-specific risks is properly documented and integrated into its organizational and decision-making processes. It could also extend its questionnaire with more specific questions, like on wages or country-specific information.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: Albiro rates its suppliers in an annual management review according to criteria such as price, quality. The brand has integrated the review in their logistics management system and was planning to add a chapter on social and environmental sustainability. However, this was not yet achieved in 2018. In a separate assessment, suppliers are rated based on their compliance with the eight labor standards based on audit results. These assessments are only discussed with the suppliers when they are not performing well enough.

As Albiro usually uses each supplier for a specific product it is difficult to reward compliant suppliers with more orders.

Albiro has consolidated its supply chain in the last year, phasing out at several production locations. The brand was aware of the FWF guidelines for a sustainable exit strategy but did not use the guideline as their agent assured that their relatively low production volumes would be replaced by other customers from the agent.

Recommendation: FWF recommends Albiro to extend the evaluation of social sustainability with more indicators that are related to the performance of factories on social standards. It could discuss an evaluation methodology with its suppliers that includes social performance targets.

FWF encourages Albiro to systematically evaluate all of its suppliers and discuss such evaluations with its suppliers and collect their feedback.

Albiro is encouraged to make more explicit how social compliance in the supplier rating system in which quality, relationship, price, and planning are assessed is weighted and how compliance with CoLP leads to production decisions.

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

Comment: Albiro sources its products from four different groups of suppliers. (see additional comments on purchasing practices). In case of delays, Albiro considers changing the sequence of the order, flexible delivery dates, splitting orders or using air freight. In general, July to December is peak time in terms of orders. Albiro aims to have as many orders finalized before July in order to spread orders as good as possible. Last minute changes in design are not possible due to the brand's logistics management system. Orders can only be finalized once the design is approved.

For group 1 suppliers, Albiro plans production in close cooperation with the factories. Albiro has a good understanding of the capacity of its suppliers. Albiro's technicians visit the suppliers regularly to check production planning and quality. In case of possible overtime, Albiro has the option to provide more time to its group 1 suppliers or place part of the order with another group 1 supplier depending on the product style.

For group 2 suppliers, Albiro works through agents who do the production planning and check production. Delivery dates are discussed. The agents can shift production to other factories in case that a factory is already running on full capacity. In such cases, they need to keep the brand informed.

Group 4 suppliers are subcontractors in many cases part of the tail-end. The brand has little control over the planning systems of these production locations as FOB and leverage is low in most instances.

Recommendation: FWF recommends Albiro to further review the impact/benefit of changes made in the last year, integrate its planning process with group 2 and 4 suppliers. It could share forecasts and also learn more about the production capacity of the factories that are used by its agents.

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: Production delays at group 1 supplier do not happen very often and if a delay does occur, Albiro is able to mitigate excessive overtime by allowing delays or putting part of the order with another group 1 factory. FWF audits were conducted at two group 1 suppliers with whom the brand closely cooperates to plan production. The audit at one supplier (in 2016) indicated excessive overtime and at another supplier (in 2017) confirmed no excessive overtime. These issues have been remediated accordingly.

Albiro only has limited leverage over group 2 and 4 suppliers to mitigate issues as its planning system does not have the same level of detail for these suppliers. At group 2 suppliers in China and Turkey, audit reports confirmed that excessive overtime took place.

Requirement: Albiro should investigate to what extent its current buying practices have an effect on the working hours at suppliers with overtime issues. It should work with its agents to improve production planning. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

Recommendation: FWF recommends Albiro to increase its leverage over its suppliers and actively cooperate with other customers at the factories to increase leverage when trying to mitigate excessive overtime hours.

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: For its group 1 suppliers, Albiro is working with standard minutes per style. It negotiates the cost per minute with the factory. It knows the country wage levels and wage levels in the factory. It has not related the price per minute to the costs of direct labour, indirect labour and overhead. At one Macedonian factory where Albiro started doing a living wage-project, it has done a labour minute costing calculation and has learned how prices and wages relate to each other. Albiro is planning to continue labour costing calculations in another factory in 2019.

With its group 2 suppliers, Albiro negotiates prices with its suppliers and compares those among suppliers. It has a pricing policy in place that states that Albiro would like to ensure that the manufacturer ensures the legal minimum wage.

Requirement: Albiro needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

Recommendation: FWF recommends Albiro to do labor minute costing calculations at all of its group 1 suppliers.

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

Comment: In 2018, there was one complaint regarding the non-payment of the legal minimum wage (LMW). Workers did not receive payment of the LMW for a specific period of time. Although the complaint is still in remediation (part of the remediation is setting up a trade union or worker committee), the brand has actively responded to the non-payment of the LMW and sought for a solution between the complainant and the factory management. FWF will verify this which will be checked in the next performance check.

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: In 2018, no late payments were registered.

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: Albiro is aware of the LMW and LW benchmarks per country. The topic of wages is regularly discussed with their group 1 suppliers, but not with their suppliers in other groups. With one supplier the brand made a full assessment of the current wage levels and also increased wages. At other suppliers in group 1, Albiro has analyzed wage levels, but have not progressed in taking further actions. At its group 2 and 4 suppliers, it only has little insight into the wage structures of the factories due to incorrect or missing wage records.

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

Recommendation: FWF encourages Albiro to share its lessons learned at one of its suppliers to its other Group 1 suppliers and start working on approaches to raise wages at other suppliers. It could also learn more from other FWF members on how to market living wages to its customers.

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	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.	2	4	0

Comment: In the past years, Albiro participated in a FWF living wage project in Macedonia. Labour minute cost calculations were done for one factory, together with calculations to raise all wages above a certain target wage. In 2016, Albiro and the supplier managed to raise the wages to a specific target wage, but in 2017, the revised minimum wage in Macedonia almost matched the defined target wage. It has not increased the target wage since then.

In addition, Albiro did a customer survey, asking their customers if they would like to pay for living wages in factories even if it means that the price of the product will increase. The outcome was positive and the brand is now looking into integrating a living wage upcharge to their customers for the Group 1 suppliers.

Requirement: Albiro buys exclusively at multiple production locations (i.e. 100% leverage in these factories). The member company has full influence over the wages and should be able to cost for a living wage.

Recommendation: FWF recommends Albiro to review the living wage project in Macedonia to account for minimum wage increases and to ensure a process-based and sustainable continuation of the project.

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

Comment: Although Albiro has implemented and paid its target wage for one of its suppliers, the target wage is by now aligned with the legal minimum wage. As the target wage has not been reassessed, the production location's FOB is not taken along for this indicator.

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

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 29

Additional comments on Purchasing Practices:

The Albiro group consists of five brands. These are:

Albiro ag that produces workwear clothing, both project-based and Never Out of Stock-items

Wikland: workwear and Never Out of Stock-items for craftsmen.

Solida: specific workwear clothing focused on the health care sector

Marsum: workwear clothing for tradesmen and farmers

Frencys: ski wear

The Albiro group sources at three groups of suppliers:

- Group 1: Supplier only does CMT. Albiro delivers the material. Suppliers are from Macedonia, Morocco, Hungary, Slovakia, and Bosnia.
- Group 2: Purchasing of models according to ALBIRO designs. The supplier gets the delivery date and sources the raw material. Suppliers are from China, Vietnam, India, Czech Republic, Portugal or Turkey.
- Group 3: Purchasing of non-ALBIRO labeled ready-made garments.
- Group 4: Subcontractors of group 1 and 2 suppliers

At FWF, group 1, 2 and 4 are defined as "own production", group 3 as "external production".

Albiro started a strategy to reduce the number of suppliers within the next three years and to work with a few core suppliers only in the future.

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	54%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	8%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	99%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

Comment: The Development & Sustainability co-ordination team is responsible for all CSR related matters, including follow up on problems identified by the monitoring system. The production planning team is consulted for issues at Group 1 suppliers.

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: Albiro shares audit reports with the factories and sets up a timeline for improvements in a timely manner. In 2018, the team created a better overview for CAP follow up and used the last year to meet all factories to discuss needs of ALBIRO regarding audits and CAP follow-up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	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: Last year Albiro was able to demonstrate engagement and follow-up on CAPs for its Group 1 suppliers but could not show any active engagement with group 2 suppliers regarding CAP follow-up and remediation. This year the brand was able to show that it is frequently following up on CAPs for BSCI and FWF audits.

Recommendation: FWF encourages Albiro to continue working on more complex issues at its group 1 suppliers, e.g. on social dialogue, gender and living wages.

FWF recommends that Albiro actively include its intermediaries in following up on issues, especially to ensure that more severe findings, like missing production records, are addressed. Albiro can hire local consultants or request a FWF audit or monitoring visit to verify 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.	87%	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: Albiro aims to visit all suppliers at least once a year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, 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: As a BSCI-member, Albiro has access to both FWF audit reports and BSCI audit reports. In case of a shared factory, the BSCI-system requires that the member with the most leverage checks whether the factory has set up a CAP and needs to follow up. It has collected audit reports from most of its factories. Albiro also has a CAP for the points of improvements which are then discussed and implemented in cooperation with the factory.

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

FWF recommends that Albiro works with other brands to ensure that a CAP is actively followed up, also for suppliers in the tail end.

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.	3	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	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	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment:

Albiro has a country policy in place which does not allow sourcing from Myanmar and Bangladesh. The brand also doesn't use abrasive blasting for its products.

Regarding addressing risks in Turkey, Albiro has discussed the employment of Syrian refugees and subcontracting with its Turkish suppliers. Although the brand has mentioned that they don't mind Syrian workers being employed at the factory as long as it is done in a correct manner, the management has indicated that it does not want to employ Syrian refugees.

Albiro is well aware of the risk in its production countries. In Portugal, Albiro has addressed the issue of subcontractors with factory management. In India, the brand wants to implement a training program on sexual harassment and female line supervisors. Unfortunately, they missed last year's training by FWF (although they expressed their interest in an earlier stage to FWF). The factory has already established an anti-harassment group and appointed a contact person for this topic. The group meets on a monthly basis with the factory management.

In Morocco, the company is very aware of gender equality. The factory is rewarded by the Moroccan government on this topic by opportunities for education to its workers.

With its Macedonian partners, it is working towards the fulfillment of freedom of association. At the most important factory, a process was started in 2018 after a complaint to install worker representation in the factory. Currently, a survey is being carried out to see whether workers want a Trade Union or a worker committee.

Albiro is cooperating with its Chinese agent to limit excessive overtime at its Chinese factories by improving production planning.

Recommendation: FWF recommends Albiro to more systematically analyze human rights risks per country and integrate that into its organizational and decision-making processes. Per country, it could assess and mitigate risks, set priorities and develop possible solutions.

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: Albiro actively cooperates with other FWF members to resolve corrective actions. In 2018, the brand shared one factory with other FWF member brands.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

Comment: Albiro fulfilled monitoring requirements for almost all production in low-risk countries, meaning that the FWF CoLP was signed by the supplier and posted at the factory and the supplier was visited by Albiro.

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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	2	0

Comment: In 2017, Albiro bought products from about 20 external brands. From almost all the external brands, it has received the questionnaire.

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).	7%	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.	1	3	0

Comment: Albiro bought products from 1 FWF member brand.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 26

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 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: The Development & Sustainability co-ordination team is responsible for all CSR related matters, including follow up on problems identified by the monitoring system. The production planning team is consulted for issues at Group 1 suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Albiro's suppliers scan and share the photos of the worker information sheets posted at the factory. At most of its suppliers, Albiro checks whether the Worker Information Sheet is posted through frequent visits and updates the documentation.

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.	50%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: Albiro's suppliers participated in 3 WEP basic modules in the last three years.

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 + Preventive steps taken	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.	6	6	-2

Comment: The 2018 complaint in a Macedonian factory is still in remediation. After the complaint came in the initial complaint was solved by assuring minimum wage for all workers and settling with the workers. The workers received additional income for the months in which their income was lower than the minimum wage.

As a follow-up on the complaint, the factory and Albiro are investigating the opportunity to have worker representation in the factory. Currently, the factory is doing a survey to find out if the workers want a worker committee or trade union. By installing the worker representation the factory allows workers to have easier opportunities to discuss issues with factory management. This will be verified in the next performance check.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

Comment: The complaints in 2018 were in a factory which was not shared with other customers.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 13

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: The company's intranet contains FWF information which is also included in internal communication like newsletters. Going forward new employees will get briefed and trained by the development and sustainability coordination team, responsible for FWF 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 FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The development and sustainability team is responsible to explain FWF requirements to Albiro's staff, including all staff in direct contact with suppliers.

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	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.	1	2	0

Comment: The development and sustainability team is responsible to explain FWF requirements to Albiro's sourcing contractors and agents. They actively help support the FWF CoLP by collecting FWF CoLP questionnaires and by sending proof of the WIS. They furthermore update Albiro which production locations will be used for their production.

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

Comment: No training programs were implemented in the last three years that support transformative processes related to human rights. Albiro wanted to join the advanced WEP module on anti-harassment in 2018 but missed the opportunity due to miscommunication with FWF. The brand is planning a new WEP advanced module for this factory in 2019.

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

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

Comment: No training programs that count under indicator 4.4 took place in the period 2016-2019.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 4

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: At its group 1 suppliers, Albiro is aware of subcontracting. Due to its integrated planning of production and on-site visits of technicians, Albiro knows which subcontractors are used during production.

With its group 2 suppliers, Albiro encounters more difficulties to identify all subcontractors. Agents, especially for its Chinese suppliers, agreed to disclose information on subcontracting but it is harder for Albiro to verify this information. Nevertheless, Albiro discusses subcontracting with all its suppliers. Furthermore, it regularly checks the quality and learns of subcontracting through BSCI and FWF audit reports.

Albiro also tries to involve its agents in the prevention of illegal subcontracting, for example through on-site visits. In Turkey, the brand has discussed subcontracting with the supplier. A FWF audit confirmed that subcontracting was done by the supplier but for another FWF member.

Recommendation: FWF recommends Albiro continue to periodically check with its agents whether all known production locations are still up to date and use the information from questionnaire to update supplier data, including subcontractors. Furthermore, FWF recommends Albiro require all agents to be informed about the production location before the order starts.

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: Albiro has a weekly meeting of the development and sustainability team in which it discusses the main issues in factories. The concerns and issues are then shared with management and heads of teams within Albiro.

Staff of Albiro has access to the supplier database which includes all relevant information about working conditions at suppliers.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

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

Comment: FWF membership is communicated on the website of Albiro, leaflets, and tenders. This communication adheres to the FWF communication policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or 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: Albiro publishes the FWF performance check report and social report on the Albiro website but does not disclose the production locations.

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

Comment: Albiro has submitted its social report to FWF and posted it online.

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 Fair Wear Foundation membership is evaluated annually. On Monday there's a weekly meeting to update on FWF related subjects and two times per month updates are shared in the management team meeting. In addition, the topic is discussed in board meetings which are held six times a year. In these meetings, FWF is also discussed as a strategical theme with input from the product and sustainability team. FWF leader status is the main goal.

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.	40%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: The brand had 5 requirements from last year on the following indicators:

1.7 Degree to which member company mitigates root causes of excessive overtime.

1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.

2.3 Albiro must share audit reports, set-up timelines for remediation and track the progress on CAPs at Group 2 suppliers as well.

2.4 Albiro must share audit reports, set-up timelines for remediation and track the progress on CAPs at Group 2 suppliers as well.

2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.

The requirements for 1.7, 1.8 and 2.9 have not been addressed completely and still need the brands' attention. The requirements on the investigation of root causes of excessive overtime and monitoring requirements for low-risk countries are repeated requirements from previous performance checks and remains to be sufficiently followed up.

The requirements for 2.3 and 2.4 have been addressed.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

Albriro recommends FWF to:

- have more communications benefits for the good category.
- have more detailed information (e.g. audits, training and better overview in the database) in order to give member brands more ability to be self-steering.
- provide faster follow-up on requests by member brands.
- include Morocco and Bosnia as FWF countries.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	29	47
Monitoring and Remediation	26	35
Complaints Handling	13	15
Training and Capacity Building	4	11
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	85	127

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

67

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

27-06-2019

Conducted by:

Jesse Bloemendaal

Interviews with:

Roland Loosli - CEO

Linda Thommesen - Development and Sustainability Coordination

Philippe Corbaz - Development and Sustainability Coordination

Corinne Loosli - Purchasing/Sourcing

Benedikt Schweighart - Production Planning

Lukas Loosli - Development Manager

Philip Mürner - Head of Finance