



## BRAND PERFORMANCE CHECK

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Swiss Post

PUBLICATION DATE: SEPTEMBER 2014

this report covers the evaluation period 01-01-2013 to 31-12-2013

## ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

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

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory 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.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via [www.fairwear.org](http://www.fairwear.org). The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

## BRAND PERFORMANCE CHECK OVERVIEW

Swiss Post

Evaluation Period: 01-01-2013 to 31-12-2013

AFFILIATE INFORMATION	
Headquarters:	Bern, Switzerland
Member since:	13-06-2012
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, China, Italy, Poland, Portugal, Romania, Turkey
Production in other countries:	Czech Republic, Hungary, Jordan, Slovakia, Switzerland
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	73
Category	Leader

## Summary:

Swiss Post meets most of FWF's management system requirements and goes beyond several. It has monitored 96% of its total purchasing volume, well above the 60% required during the second year of membership. Swiss Post actively also monitors suppliers in low-risk countries.

Swiss Post does pre-audits at potential new suppliers. Swiss Post has started doing root cause analysis of issues found during audits. Based on audit findings, it has undertaken wage analysis at a low-wage supplier and has worked together with this supplier on increasing wages. Wages were increased by around 6% during the past year. The increase was implemented by increasing orders at the factory, reducing costs by discount on fabric price (due to increased order quantity), changing the garment production requirements, and making better use of factory capacity.

FWF recommends Swiss Post to work systematically on root cause analysis of overtime and of wages lower than living wage. FWF also recommends that Swiss Post develop labour cost per minute data to enable a more advanced approach towards living wages. It is advised to cooperate with other customers to increase leverage and impact. Swiss Post could encourage its suppliers to participate in Workplace Education Programme trainings, helping to raise awareness about the FWF worker helpline. FWF also recommends development of a formal rating system to evaluate supplier compliance with the FWF Code of Labour Practices.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

**Good:** It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates 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. Affiliates 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:** Affiliates 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. Affiliates 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
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	47%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	2	4	0

**Recommendation:** FWF recommends the affiliate to further consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

**Comment:** Choice of production country is related to risk assessment (preferably low or middle risk country), proximity for travel (to enable regular visits) and availability of product. Swiss Post started to consolidate its supplier base on core suppliers which are producing in either low-risk countries (42% is sourced in Slovakia only) or take adequate steps implementing findings from audit reports. For each product Swiss Post concentrates on 1 supplier. When possible, it always has a 2nd supplier per product range. Swiss Post has a big range of products (77 styles in 1600 sizes), for which it needs different suppliers, and sometimes only small orders are needed for a certain product. Sourcing in Bulgaria and Jordan is expected to grow, based on quality and positive cooperation with suppliers on social performance.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	47%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	2	4	0
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**Recommendation:** FWF recommends the affiliate to maintain stable business relationships with all their suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

**Comment:** Swiss Post sources most of the products from intermediaries. The federal authority is in business relationship with some of its intermediaries and production sites already since more than 50 years. Swiss Post terminated business relationship with production sites which were not willing to cooperate and start implementing findings from audit reports or did not want to sign the FWF CoLP.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	No	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	0	2	0
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**Recommendation:** FWF recommends Swiss Post to ask (new) suppliers for pictures to proof posting of the CoLP on the wall.

**Comment:** All suppliers received information on FWF membership already when sampling at a new production sites starts. When the decision is taken to produce at the new supplier, the CoLP has to be signed, and Swiss Post now also decided before sampling a pre-audit needs to be done. Without this, production can not be started. Aside the CMT process and product cost calculation (product 'DNA sheet'), Swiss Post also requests the supplier to be transparent with regard to further steps down the supply chain.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Comment:** All suppliers receive information on FWF membership when sampling at the new production sites and need to be pre-audited before the first sample order. All new suppliers are either audited, (mostly also) visited and explicitly checked on compliance with regard to social standards at the beginning of cooperation. In case obvious non-compliances are found and the factory management is not willing to sign the CoLP and work towards remediation, production does not start at this new production site for Swiss Post. Swiss Post has taken the decision that some countries are excluded from sourcing possibilities for the federal authority. The decision was made depending on extensive country specific risk assessment. Some products, like rain coats (sourced from China), have such specialized quality standards that a choice for a supplier in a high risk production country cannot be excluded.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	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
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**Recommendation:** FWF recommends Swiss Post to establish a formal rating system to evaluate supplier compliance with Code of Labour Practices.

**Comment:** Supplier compliance with Code of Labour Practices is evaluated twice a year with the top management. The two CSR responsible prepare a list naming all suppliers. The list includes: audit results, wages at the production site, risk analysis with regard to non-compliance on social standards, recommendation on how to proceed with the supplier, cost in case the risk is considered high and production needs to be reallocated to another production site. The performance is rewarded with extra orders. Hence sourcing in Bulgaria and Jordan is expected to grow, based on quality and positive cooperation with suppliers on social performance.

To support production sites of importance to the federal authority, Swiss Post has actively contacted other FWF affiliates to promote them to source at production sites which have a good status when it comes to implementation of the FWF CoLP.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Comment:** The suppliers are informed about production for Swiss Post in August for the coming year. Swiss Post informs the production sites on what materials to source and where to source them from (in most cases). Production sites in Asia are requested one delivery date (in March/April), production sites in Europe are offered three delivery dates (in February/March, May and August/September). Suppliers are requested to order the materials and Swiss Post ensures to cover the cost for the materials. At a later stage, the supplier is informed on how many pieces to produce in what size. Swiss Post seldom has style changes. Usually production for one article goes on for several seasons of production.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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**Recommendation:** Swiss Post is recommended to do root cause analyses and follow-up of CAPs at all production sites with overtime findings. Swiss Post is recommended to develop a joint approach to reduce overtime at shared suppliers, to increase the impact for all workers during all production.

**Comment:** Swiss Post uses existing audit reports to analyze hours of work at production site level. If overtime is found (which was the case in two factories in China but not in two factories in Bulgaria), Swiss Post agrees on a strategy with the supplier to reduce the hours of work.

In case a supplier cannot meet the agreed delivery date, delays for delivery are accepted. Swiss Post always plans in 15 days of possible delay for each supplier from the beginning.

In several production sites, Swiss Post has a low leverage which is challenging to work effectively on reasonable working hours. A recommendation to overcome this issue was brought up in the last Brand Performance Check and was started to be implemented. Swiss Post started to cooperate with other customers of the production sites on reasonable working hours in case the leverage at the production site is too low.

1.8 Affiliate'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
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Comment: With each product, Swiss Post knows the share of e.g. production cost, transport, customs, labour etc. Swiss Post also conducted a wage analysis taking FWF wage ladders and benchmarks towards higher wages into account.

Four audit reports in 2013 (2x China, 2x Bulgaria) showed that wages were not at living wage level. However Swiss Post started supporting a supplier with more styles for production and could show that at this supplier wages increased approx. 6% from 2012 to 2013. Swiss Post is developing a DNA Sheet per product with a calculation of cost of: fabrics, material, km's, wages per minute.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	If a supplier fails to pay minimum wage, FWF affiliates 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
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Comment: In 2013 no payments below legal minimum wages were found during FWF audits.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories 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 factory and affiliate financial documents.	0	0	-1
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Comment: None of the audit reports indicated late payments to suppliers by Swiss Post.

1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0
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**Recommendation:** Swiss Post is recommended to continue systematically revise its pricing and policies to support movement towards living wages. Swiss Post could research in 2014 at suppliers the labour cost per minute, to see whether the prices of Swiss Post already are giving the suppliers the possibility to pay living wage or how Swiss Post pricing policy could be adapted for the order of Swiss Post. Furthermore, Swiss Post could develop a joint approach to improve wages at shared suppliers, to increase the impact on overall wages. FWF is in the position to give advice on measures that need to be taken by the affiliates to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

**Comment:** Swiss Post assessed wage benchmarks and payment to workers at all production sites. Due to this analysis, Swiss Post became to know the supplier which is paying the lowest wages in comparison to living wage estimates. In 2013 Swiss Post did a pilot project at this supplier to work on higher wages. It has moved casual orders from China to Bulgaria, so that the supplier could increase its capacity utilisation and improve the wages around 6%, due to increased purchasing quantity. Another example of Swiss Post taking action is the change of workmanship needed for t-shirts to spare on production costs to save for wages.

1.12 Affiliate sources from an FWF factory member.	Yes	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	1	1	0
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**Comment:** A factory in China is affiliated to FWF.

1.13 Percentage of production volume from factories owned by the affiliate.	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 affiliate's score.	Supplier information provided by affiliate.	N/A	2	0
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## PURCHASING PRACTICES

Possible Points: 41

Earned Points: 28

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### Additional comments on Purchasing Practices:

Most of the materials used in the production of Swiss Post articles are Blue Sign certified.

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	35%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	55%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	96%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% 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: Swiss Post has two persons responsible for compliance and monitoring system. Both are at the same time responsible for sourcing.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	8	8	-2
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Recommendation: FWF recommends to start analyzing root-causes of findings for more production sites.

Comment: Audit reports have been followed up closely with the supplier immediately. Suppliers have to respond to Swiss Post on remediation processes either via phone, email or during regular visits at the production sites.

At some production sites, Swiss Post started to analyze root-causes of problems found during audits.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	19%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	1	4	0
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**Recommendation:** Annual visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.

2.4 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
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**Recommendation:** FWF recommends Swiss Post to make use of the FWF audit quality assessment tool.

**Comment:** Audit reports of other organizations are collected, also on suppliers in low risk countries which is not required by FWF, and corrective actions implemented on a 3 months basis. Swiss Post has a good understanding of the quality of audit reports and what content audit reports should contain to be of use to be followed up. However, Swiss Post does not use the FWF quality assessment tool to assess the quality of audit reports of other initiatives than FWF, hence may not assess them consistently.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: Audit reports and corrective action plan findings are shared with the factories and improvement timelines established in a timely manner.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
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Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Affiliates can agree on additional commitments that are required to mitigate risks. The affiliate can provide additional measures as support and integrate that in the monitoring system. For instance: lack of knowledge of factory managers in Bangladesh on the principles of fire safety, means organizing a management seminar. Swiss Post could for example focus on country specific issues with larger suppliers in China, Romania, Bulgaria.

Comment: Swiss Post decided to exclude certain countries of their sourcing list due to high risks and common violations of labour standards in those countries. High risk issues specific to the affiliate's supply chain are not yet identified and addressed by the monitoring system. Swiss Post does not source in Bangladesh and Myanmar, nor produce denim and stopped sourcing in India.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Information sharing	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes 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.	1	2	-1
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Recommendation: Cooperation among costumers increases leverage, the chances of successful outcomes and long term improvements. A first step can be identifying other clients and their commitment to improving working conditions.

Comment: Swiss Post has started information sharing with a production site where other FWF affiliates are sourcing as well.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: Swiss Post does not differentiate between low- and high-risk when it comes to visits, notification of suppliers of FWF membership, posting of worker information sheets and completing the questionnaires. Swiss Post sources some amount of styles at Eastern European countries in which FWF is not active. Swiss Post staff speaking Eastern European languages conducts audits at those production sites using the FWF auditor manual.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	47%	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	3	0
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Requirement: Swiss Post should make sure to receive a completed and returned questionnaire from all external brands resold by the affiliate.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	1%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
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Comment: Swiss Post uses only few external suppliers. One of the external suppliers is affiliated to FWF. Swiss Post started investigating in 2013 how to increase the number of external suppliers affiliated with FWF.

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## MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 23

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### Additional comments on Monitoring and Remediation:

Swiss Post conducts so called "Swiss Post Audits" in FWF defined low-risk countries. Staff of Swiss Post with long experience at production sites and also an in-depth knowledge about working conditions at the production sites uses FWF auditor documents to get to know the situation at the production sites better. If the person does not speak the local language, a translator is used. Swiss Post Audits include interviews with management and workers (on-site), document's inspection and health and safety check. During Swiss Post Audits, workers are also informed about FWF and the CoLP. After the Swiss Post Audit, a summary of findings and risks is discussed with top management and pictures are shown.

### 3. COMPLAINTS HANDLING

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

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

Comment: Both CSR staff at Swiss Post are responsible for handling complaints. They have shared the production sites among each other and responsibility for a complaint depends on the responsibility for the supplier.

3.2 System exists 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 factory visits, etc.	2	2	0
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Comment: Every supplier has to confirm in writing that the CoLP is posted and has to send pictures of the posted CoLP. Whether the CoLP is posted is checked during factory visits. Staff of Swiss Post traveling to the production sites use a short presentation to management and workers of why posting the Code of Labour Practice is of importance.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	60%	The FWF complaints procedure is a crucial element of verification. If factory-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. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
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**Recommendation:** The affiliate can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, Swiss Post can use the worker information cards available for download on FWF's website.

**Comment:** Four production site have been audited in the past financial year. At only one of the production sites the workers were aware of the FWF worker helpline. Nevertheless this indicator is calculated with 60% as the production site where the workers are aware produces high amounts to Swiss Post whereas the leverage at the other three production sites is very small.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	N/A	6	-2
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**Recommendation:** Although Swiss Post did not receive a complaint yet, FWF recommends to set up an internal procedure on how to effectively solve a complaint in case a complaint is filed.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate 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	-2
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## COMPLAINTS HANDLING

Possible Points: 7

Earned Points: 6

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff is made aware of FWF membership requirements	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

Requirement:

Comment: Staff of Swiss Post is informed via intranet, press releases and a company's magazine. Swiss Post faces the challenge of a huge federal authority with many employees. Nevertheless, there was an article on FWF membership in internal journal in 2013. On intranet the comments were very positive and more responsive than usual. FWF membership and fair purchasing is mentioned in the welcome for new employees, in master presentations on sustainability and it is a topic in the annual sustainability Board meeting in September.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	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	0
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Comment: At Swiss Post only two purchasers are in contact with the suppliers. Both are also responsible for FWF requirements.

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 affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	-2
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**Comment:** In some cases of existing suppliers, last year the intermediary signed and the signature of the production site was missing. This year Swiss Post made sure all production sites have signed FWF's Code of Labor Practices. The FWF responsible staff person was in personal contact with the suppliers of the intermediaries.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	25%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0
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**Recommendation:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in the 4 priority countries. The affiliate should motivate its main supplier(s) to join WEP trainings.

**Comment:** The FWF Workplace Education Programme has taken place at one production site in China.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	16%	In areas where the Workplace Education Programme is not yet offered, affiliates 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.	2	4	0
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**Recommendation:** FWF recommends Swiss Post to expand factory trainings in high risk countries, where FWF does not currently offer them for free, like Romania (where FWF can offer WEP against cost) and Bulgaria (where Swiss Post plans to double its production). - In general: All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends Swiss Post 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.

**Comment:** At one production site trainings were given by ILO Better Work. Several training sessions to the management and workers (especially the worker committee) were conducted, making a total of 3.5 training days. This site represents 16,6 % of all production volume sourced from high risk countries where WEP is not offered currently for free by FWF.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 10

## 5. INFORMATION MANAGEMENT

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

Comment: Swiss Post has in-depth knowledge about its production sites.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	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
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Comment: Two purchasers are in contact with the suppliers with regard to everything (also financials etc). Both purchasers are responsible for social standards and implementation of FWF.

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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 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

**Recommendation:** FWF advises Swiss Post to communicate about FWF membership in a more accessible way on its new website.

**Comment:** All information needed is there, but the current website of Swiss Post does not easily allow customers to find out about social compliance.

The communication department has not been very active on communicating FWF membership. Swiss Post communicates externally on group level. In that context it must be noted that garments purchasing for postmen are only one product group of Swiss Post sourcing (currently 70 staff persons work in the purchasing department of which only 2 for garments - currently clothing purchasing is less than 1% of Swiss Posts' total purchasing) and not the core business of Swiss Post.

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0
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**Recommendation:** Swiss Post purchasing department is advised to work with the communication department on promoting its good practices and stories of social clothing purchasing. FWF furthermore recommends Swiss Post to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of Swiss Post and FWF's work.

**Comment:** In March the new Swiss Post website will be published. Swiss Post plans to publish the Performance Check / status on its website. If Swiss Post will become a Leader, the communication department intends to actively communicate its Leadership. The communication department does show interest to communicate more on good garments' purchasing practices, if purchasing provides good cases of social compliance in Swiss Post garment sourcing and interesting stories (like example of wage improvement in Bulgaria, travel of CEO to supplier etc.).

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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**Recommendation:** FWF recommends Swiss Post to publish the social report (which is named clothing purchasing report) on its new website (which will be launched in the coming financial year) and make it easy to find (also with the search term social report).

**Comment:** Swiss Post's social report is called clothing purchasing report and was submitted and published on the affiliate's website under the section on standards and sustainable procurement. It is however not easy to find if the search term social report is used. The clothing purchasing report is posted somewhere else than other (sustainability) Swiss Post reports like GRI. The communication department plans to look into the possibility of including the clothing purchasing report in Swiss Post overall GRI report, provided all needed issues are covered.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 3

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## 7. EVALUATION

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

Comment: FWF membership is evaluated twice a year with top management discussing steps with FWF and details about compliance at each supplier.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	100%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	8	8	-4
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Comment: All requirements from last year's Brand Performance Check have been either implemented or started to be worked upon.

## EVALUATION

Possible Points: 10

Earned Points: 10

## RECOMMENDATIONS TO FWF

-To seek more uniformity between country audit reports

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	28	41
Monitoring and Remediation	23	35
Complaints Handling	6	7
Training and Capacity Building	10	15
Information Management	7	7
Transparency	3	4
Evaluation	10	10
Totals:	87	119

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

73

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

01-07-2014

Conducted by:

Ruth Vermeulen, Stefanie Santila Karl

Interviews with:

Axel Butterweck, Head of Procurement

Secil Helg, Project buyer clothing

Rebekka Leibundgut, Project buyer clothing

Marion Jülke, Team leader publications, promotional articles, clothing

Michael Heim, Communication, Project manager sustainability

Manuel Ackermann, Communication, Dossier manager of social responsibility

Moritz Krieger, Communication, Trainee

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data. Future Brand Performance Checks will include improved usability and transparency for audit data.