



BRAND PERFORMANCE CHECK

Swiss Post

PUBLICATION DATE: JULY 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of 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. They evaluate the parts of affiliate 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 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.

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 affiliate 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

Swiss Post

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Bern, Switzerland
Member since:	13-06-2012
Product types:	Workwear
Production in countries where FWF is active:	Bulgaria, China, Romania
Production in other countries:	Czech Republic, Germany, Hungary, Italy, Jordan, Poland, 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
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	100%
Benchmarking score	81
Category	Leader

Summary:

Swiss Post meets most of FWF's management system requirements and goes beyond several. It has monitored 100% of its total purchasing volume, therefore meeting the 90% threshold required during the third year of membership.

Swiss Post obtained the leader status two years ago and has further strengthened this position. Swiss Post has strong processes in place to conduct human rights due diligence and to implement the FWF Code of Labour Practices at its suppliers. Swiss Post goes beyond auditing by training workers and management of factories on labour standards to ensure that workers are aware of their rights and can obtain those rights. It has continued to train factories in Bulgaria and worked together with the ILO to implement labour standards at its factory in Jordan. In 2015, Swiss Post has been moving more of its production to low-risk countries to ensure that human rights violations do not take place in its supply chain.

Swiss Post could still improve its purchasing practices by doing root cause analysis on excessive overtime at its Chinese suppliers and to take effective measures to lower excessive overtime for all workers in the factories. Furthermore, FWF encourages Swiss Post to continue and step up its work on the more complex issues, like freedom of association and collective bargaining and living wages. Cooperation with other customers to increase leverage and impact is strongly recommended as well as setting up a production planning system that takes the overall capacity of suppliers into account.

FWF recommends Swiss Post to also enroll its suppliers in a WEP-training in Bulgaria, where FWF is starting to roll out such training.

Swiss Post has learnt a lot from the work it has done on the responsible sourcing of clothing and rightfully considers it a best practice. It now wishes to extend these lessons learnt across the entire procurement department of Swiss Post.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates 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 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	67%	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.	3	4	0

Recommendation: FWF recommends Swiss Post to further consolidate its supplier base where possible, and increase leverage at main suppliers to effectively request improvements of working conditions.

Comment: Swiss Post has continued to consolidate its supplier base by moving more production to low-risk countries and took adequate steps implementing findings from audit reports. Its big range of products (95 styles in 2341 sizes) requires different suppliers, and sometimes only small orders are needed for a certain product. Swiss Post uses several producers for the same product to ensure a stable supply of products. Swiss Post's choice of production countries is related to risk assessment (preferably a low risk country), proximity for travel (to enable regular visits) and availability of product. In 2015, Swiss Post increased its production capacity in Slovakia and Jordan.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	53%	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.	3	4	0
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Recommendation: FWF recommends Swiss Post to maintain stable business relationships with all its suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions. FWF encourages Swiss Post to assess root causes and continue dialogue instead of stopping production when improvements are not implemented by the supplier.

Comment: Swiss Post invests in long term relationships with its suppliers and actively works on labour issues that need improvements. In 2015, Swiss Post terminated the business relationship with one Italian intermediary and its Romanian supplier.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	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.	2	2	0
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Comment: Swiss Post started production with one new supplier in Germany. Swiss Post requires that all new suppliers sign and return the Code of Labour Practices before first orders are placed.

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: Swiss Post conducts thorough human rights due diligence when selecting new suppliers. It will integrate the 8 ILO standards in its tenders to ask the supplier to show in detail how the supplier performs on working hours, wages, grievance mechanisms, etc. All potential suppliers are either audited or visited and explicitly checked on compliance with regard to social standards at the beginning of cooperation before even sample orders are placed. For this, Swiss Post uses the FWF Health and Safety checklist, reads country reports of FWF and other stakeholders and assesses the wage level at the factory. Swiss Post also conducts worker interviews during their visit.

In case obvious non-compliances are found and 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 several countries with too high risks are excluded from sourcing possibilities. The decision was made depending on extensive country specific risk assessment. However, for products with specific requirements, exceptions are made.

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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Comment: Supplier compliance with Code of Labour Practices is evaluated twice a year with top management. CSR staff prepares a list of all suppliers. The list includes: audit results, wages at the production site, risk analysis with regard to non-compliance on social standards, recommendations 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. Good performance is rewarded with extra orders.

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: Swiss Post has set up a new system of ordering and now has a warehouse where never out of stock items can be stored. This has ensured that Swiss Post can shift orders due to its stock capacity. The suppliers are informed about production for Swiss Post in August for the coming year. Production sites in Asia are requested two delivery dates. Production sites in Europe are offered three delivery dates (in February, May and December). In most cases, Swiss Post also nominates the materials. 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.

Swiss Post ensures that a two-week delay is calculated in the delivery time for European suppliers, so that it has a margin to shift the delivery date. Furthermore, it is open to discuss a change of delivery date with its suppliers.

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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Requirement: A root cause analysis of excessive overtime should be done at its Chinese suppliers to investigate which steps can be most effective to reduce overtime for the entire factory. FWF expects Swiss Post to discuss with suppliers how excessive overtime can be reduced for all workers, not only the ones for Swiss Post orders. In order to achieve this, Swiss Post should work with or influence other buyers sourcing at its suppliers.

Recommendation: FWF recommends Swiss Post to discuss with factory management on the causes of excessive overtime and provide support to manage overtime, for example by giving assistance in developing a good production planning system based on the production capacity of the factory for regular working hours. If necessary, Swiss Post could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

Comment: Audits in 2015 showed that excessive overtime took place at its suppliers in China. During the Brand Performance Check, Swiss Post showed that it had signed an agreement with one of its Chinese suppliers that this supplier would not use overtime when producing for Swiss Post and had discussed the issue with its other Chinese supplier. Swiss Post has specific lines reserved for its production at these factories and is aware of the working minutes per style and the capacity of these lines. Therefore, Swiss Post knows to what extent its current buying practices have an effect on the working hours at supplier level.

According to Swiss Post, root causes of excessive overtime are that the factory is squeezing in extra orders on the production line reserved for Swiss Post and workers asking for overtime to increase their wages. At the same time, Swiss Post only focused on the available production capacity for Swiss Post, but did not perform a root cause analysis of overtime taking place in the factory. Swiss Post did not yet cooperate with other buyers to reduce excessive overtime.

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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Recommendation: FWF recommends Swiss Post to increase transparency in costing and productivity for all suppliers to gain insight in the labour costs per product.

Comment: Swiss Post knows the wage levels at its suppliers. It has conducted thorough wage calculations at its production sites by using DNA costing sheets that besides the working minute per piece and the price per minute also gives insight into the wages paid by the supplier. It has compared this to the legal minimum wage levels in the countries. However, in some cases the supplier would not disclose the amount of working minutes it needs or Swiss Post has to rely on the intermediary to receive information.

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 2015, 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: No evidence of late payment by Swiss Post was found.

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.	Supply chain approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0
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Recommendation: FWF encourages Swiss Post to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models. FWF encourages the Swiss Post to discuss with suppliers about possibilities to work towards higher benchmarks. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process roll-out on request. In case FWF members are interested to develop a joint approach to improve wages at a shared supplier, 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 has conducted extensive wage analysis and has therefore a thorough understanding of wage levels at its suppliers. It actively tries to increase wages in cooperation with the supplier and aims at paying living wages. It does not yet compare living wage levels per product style. Swiss Post is willing to accept higher prices as long as the supplier agrees that wages will be increased too. Swiss Post is encountering difficulties to implement a living wage at suppliers where it does not have much leverage. In Bulgaria, it pays an extra amount on the CMT-price to ensure that the wage is 30% above the minimum wage level. It also assesses living wages in low-risk countries.

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: In 2015 Swiss Post sourced 3% of its total production from a FWF member.

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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Comment: Swiss Post does not own any production location.

PURCHASING PRACTICES

Possible Points: 41

Earned Points: 34

Additional comments on Purchasing Practices:

Most of the materials used in the production of Swiss Post articles are Blue Sign certified. Blue Sign sets and controls standards for an environmentally friendly and safe production.

Swiss Post is using what it has learned from the responsible procurement of clothing to improve social compliance of other purchasing departments. It is developing a road map to implement the best practice of the purchasing of clothing to other areas. Both the purchasing department as well as the CSR department are involved in developing and implementing this road map.

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	25%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	64%	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	100%	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 sourcing of clothing, compliance and the monitoring system. Another person is responsible for the purchasing of shoes from external brands.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	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.	4	8	-2
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Recommendation: FWF recommends Swiss Post not to terminate relationships with suppliers in case of non-compliance as long as they are willing to work on improvements. Instead, Swiss Post should find ways to support the supplier, also when agents or intermediaries are involved (see also recommendation at indicator 4.3) and where Swiss Posts' leverage is low. Furthermore, FWF recommends Swiss Post to continue work on freedom of association, excessive overtime and living wages. FWF wishes to assist Swiss Post in the implementation of living wages where Swiss Post does not have a lot of leverage (see also recommendation 1.11) and advises to also seek cooperation with other brands and stakeholders.

Comment: Four FWF audits were conducted in 2015 for Swiss Post. In Bulgaria, Swiss Post has reached an advanced level in following up the CAPs at its factories. It worked with its suppliers on installing worker committees, unpaid leaves, living wages and health and safety.

In China, more issues remain. Swiss Post did follow up on issues of excessive overtime and living wages. Since Swiss Post did not yet do root cause analysis on overtime and living wages at its Chinese suppliers, it did not reach an advanced level yet.

Swiss Post should be complemented for the fact that in cooperation with its Chinese supplier a workers committee was installed at the supplier.

In Jordan, improvements were made on health and safety and the setting up of a worker committee. Swiss Post works together with the ILO and the Al Hassan Workers Center to improve skills of migrant workers in several fields.

Besides follow up of CAPs in high-risk countries, Swiss Post also followed up issues from its own audits in low-risk countries.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	86%	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.	4	4	0
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Comment: Swiss Post has visited most of its suppliers in 2015.

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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Comment: Swiss Post collected an audit report of the International Labour Organisation at one Jordanian supplier, used the FWF audit quality assessment tool and followed up on corrective actions.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. 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
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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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Comment: Swiss Post developed a risk matrix classifying countries as low, medium or high risk and listing actions necessary to prevent risks. Certain countries are banned from sourcing due to high risks and common violations of labour standards in those countries, although exceptions are made. Swiss Post is moving production more and more towards low-risk countries.

It is aware of the risk of Chinese migrants at Italian suppliers and it has taken steps to assess whether exploitation took place at its Italian suppliers, which was not the case.

Swiss Post is aware of common risks in China, like lack of freedom of association and excessive overtime, but could not show how those issues are systematically addressed by its monitoring system or how it assesses root causes.

Generally, Swiss Post takes information issued by FWF as well as other stakeholders into consideration, when making sourcing decisions.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0
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

Comment: At one supplier, Swiss Post did speak with another FWF member about follow up of the CAP but did not cooperate together to do follow up.

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 not only has strong purchasing practices and a monitoring system in place for suppliers in high-risk countries, but also for suppliers in low-risk countries. Besides fulfilling the FWF requirements for low-risk countries, it also performs audits itself, which include interviews with management and workers (on-site), document's inspection and a health and safety check. After the Swiss Post audit, a summary of findings and risks is discussed with top management and pictures are shown. Swiss Post informs management and workers extensively on the FWF Code of Labour Practices. At one of its Slovakian suppliers, it found several health and safety issues. These were discussed with management and 4 out of 5 issues were resolved immediately.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	91%	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.	3	3	0
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Comment: Swiss Posts has received signed questionnaires from almost all external brands resold by the member and followed-up on last years' recommendation to ensure that the external brands disclose their production countries. Swiss Post now also knows all production countries from the external brands.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	9%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	0	3	0
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Comment: Swiss Post bought products from 2 FWF affiliates in 2015.

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 24

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: Swiss Post has designated staff to address worker complaints.

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.	75%	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.	4	4	-2
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Comment: Swiss Post has put a lot of effort in increasing the awareness of management and workers of the FWF Code of Labour Practices, the worker helpline and local labour law. At most of its suppliers, workers have been trained and are aware of FWF. Swiss Post also gives presentations on FWF at suppliers in low-risk countries.

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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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: 7

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

Comment: Swiss Post faces the challenge of a huge federal authority with many employees. Nevertheless, there are various communication efforts made to inform staff about FWF membership. Information about FWF is featured on the intranet. Distribution workers and directors who do not have access to the intranet or do not use it frequently are trained by CSR staff separately. CSR staff also trains Swiss Post workers in Swiss distribution centers.

FWF membership and fair purchasing is furthermore mentioned in the welcome for new employees, in master presentations on sustainability and it is a topic in the annual sustainability Board meeting.

The implementation of FWF is considered a best practice within Swiss Post and is now disseminated to other purchasing departments.

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: Staff of Swiss Post visited several seminars of FWF and the ILO and participated in a FWF webinar and the annual conference.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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Recommendation: FWF recommends Swiss Post to systematically train its intermediaries on the FWF CoLP.

Comment: As part of their sourcing strategy, Swiss Post works with five intermediaries who are responsible for 11 factories, mostly in low-risk countries. Swiss Post closely involves these intermediaries in implementing the FWF Code of Labour Practices. Intermediaries are involved in discussion on labour standards, CAP follow up and training.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	78%	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.	6	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 almost all countries where FWF is currently present.

Comment: In 2013 and 2014, Swiss Post has trained several suppliers through the FWF Workplace Education Programme. In 2015, it did not train any suppliers, since most suppliers had been either trained, are not in a country where FWF offers training or only have a small production volume.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	21%	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 encourages Swiss Post to continue training management and workers, also in low-risk countries. Swiss Post could take steps to show other FWF-members how it trains workers and management on labour standards.

Comment: FWF does not offer WEP training in Jordan and is still in the process of implementation in Bulgaria. At its Jordan supplier - accounting for 11% of overall production - Swiss Post has worked closely with the ILO Better Work programme to ensure workers are aware of their rights and dialogue between workers and factory management is enhanced. Swiss Post used FWF material to train one of its suppliers in Bulgaria on the Code of Labour Practices. In low-risk countries, Swiss Post goes the extra mile by training staff on the FWF Code of Labour Practices.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 13

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require affiliates to first know all of their 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

Recommendation: FWF recommends Swiss Post to systematically check, whether their suppliers, especially in China, employ unauthorized subcontracting.

Comment: Swiss Post is generally aware of all production locations including subcontractors. The production sites are regularly visited and lines are checked. In Italy, staff of Swiss Post found that production did not take place at the factory but at a subcontractor.

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: Staff of Swiss Post has access to all information on FWF, including audits, trainings and CAPs. The two purchasers are actively sharing information with CSR staff to further integrate CSR at the entire purchasing department.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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

Comment: Swiss Post communicates about FWF on its website and is allowed to use on-garment communication. It is in line with the FWF communication policy. Swiss Post was mentioned several times in the Swiss media, also highlighting the role of FWF.

6.2 Affiliate engages in advanced reporting activities	Yes	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.	1	1	0
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Recommendation: FWF recommends Swiss Post to engage in more advanced reporting activities, like publishing its supplier list and audit reports.

Comment: Swiss Post has published the Brand Performance Check on its website.

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 affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: Swiss Post submitted its social report 2015 and published it on its website.

TRANSPARENCY

Possible Points: 4

Earned Points: 4

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: Swiss Post evaluates FWF membership annually. The Brand Performance Check report is discussed with top management. Supplier compliance is also discussed with top management.

7.2 Changes from previous Brand Performance Check implemented by affiliate	49%	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.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2
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Recommendation: FWF recommends Swiss Post to actively follow up on assessing root causes of excessive overtime at its Chinese suppliers as soon as possible.

Comment: Swiss Post had one requirement from the previous Brand Performance Check; to assess root causes of excessive overtime at its two Chinese suppliers. Swiss Post took efforts to prevent excessive overtime related to its own production by ensuring that overtime was not used for its own production. According to Swiss Post, root causes of excessive overtime are that the factory is squeezing in extra orders on the production line reserved for Swiss Post and workers asking for overtime to increase their wages. At the same time, it did not do a root cause analysis of excessive overtime for all workers. Therefore, only half of the requirement was followed up.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

Swiss Post recommends FWF to continue training its auditors, especially in soft skills to promote labour standards.

Furthermore, Swiss Post recommends to change the audit reports. Swiss Post prefers to have an extensive first audit report to be followed up with shorter progress reports.

Finally, Swiss Post would appreciate it if FWF would make the information management system more user friendly.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	34	41
Monitoring and Remediation	24	35
Complaints Handling	7	7
Training and Capacity Building	13	15
Information Management	7	7
Transparency	4	4
Evaluation	4	6
Totals:	93	115

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

81

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

06-06-2016

Conducted by:

Wilco van Bokhorst

Interviews with:

Secil Helg, Project buyer clothing

Marina Agostinis, Project buyer clothing

Michael Heim - Head of CSR department

Antonia Stalder - Project manager

Dominique Bruce - Communication officer

Gabriel Schmid - trainee

Philippe Häberli - Head of services corporate procurement

Beat Amacker - Head of strategical procurement

Marion Jülke - Team Leader publications, promotion articles, garments and also purchaser of shoes

Patric Zurfluh - Financial Controllor

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.