



BRAND PERFORMANCE CHECK

Vanilia C.V.

PUBLICATION DATE: JULY 2015

this report covers the evaluation period 01-01-2014 to 31-12-2014

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

Vanilia C.V.

Evaluation Period: 01-01-2014 to 31-12-2014

| AFFILIATE INFORMATION | |
|--|--------------------------------|
| Headquarters: | Wormerveer, Netherlands |
| Member since: | 01-05-2014 |
| Product types: | Fashion |
| Production in countries where FWF is active: | Bulgaria, China, India, Turkey |
| Production in other countries: | Italy, Netherlands |
| 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? | No |
| All suppliers have been notified of FWF membership? | Yes |
| SCORING OVERVIEW | |
| % of own production under monitoring | 92% |
| Benchmarking score | 63 |
| Category | Good |

Summary:

Vanilia is in process of implementing FWFs management system requirements. The company joined FWF in May 2014; this performance check assesses the last 8 months of 2014.

More than 90% of Vanilia's volume is produced in a production facility Turkey which is partly owned by the company – a supply chain structure that is unusual, especially for a fashion company. Vanilia thus has direct impact on working conditions at this facility. An audit, conducted in August 2014, showed that there was no excessive overtime, and wages were above minimum wage level.

Vanilia has used – and is using – its position to make concrete improvements after the audit, investing in improvements to health and safety standards. As a next step, the factory could enroll in FWF's Workplace Education Programme to increase awareness of labour rights and strengthen communication between workers and management.

For the remaining 10% of its suppliers, Vanilia is expected to set up systems to structurally investigate and monitor working conditions. Vanilia can gain more insight into the wage levels at the suppliers and discuss ways to move towards payment of a living wage.

A small share of Vanilia's sales comes from selling external brands in their own shops. Vanilia will inform external brands of FWF membership and investigate whether those brands have an acceptable monitoring system to improve working conditions.

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 | 92% | 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. | 4 | 4 | 0 |

Comment: Comment: Vanilia co-owns a production facility in Turkey that accounts for more than 90% of the company's 2014 production volume. The production facility produces nearly exclusively for Vanilia. The fact that the production facility, including its production workers, is part of the Vanilia company, has given Vanilia substantial leverage and a unique position to implement good labour standards.

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| 1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years | 92% | Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions. | Supplier information provided by affiliate. | 4 | 4 | 0 |
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Comment: Comment: Building long term relations is part of Vanilia's philosophy; the production facility in Turkey was established in 1995. The remaining part of Vanilia's 2014 production volume comes from a small and stable number of suppliers that produce specific garments with material or skills that are not feasible to produce in the own Turkish factory.

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| 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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Requirement: Vanilia needs to ensure that new and existing suppliers sign and return the questionnaire before first orders are placed.

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| 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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Recommendation: FWF recommends Vanilia to formally include a process for assessing working conditions at new suppliers and suppliers other than its own factory in Turkey. A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. FWF advises to use information from FWF country studies and wage ladders. The FWF health and safety guidelines could be used as a first step to assess the health and safety conditions when visiting a supplier. The above suggestions are particularly relevant for the small percentage of production that takes place in India, China and Bulgaria.

Comment: Advanced steps of knowing the circumstances of business partners are taken by setting up an own factory in Turkey more than 15 years ago. Vanilia is well aware of the risks and has a direct responsibility for the conditions at its own factory. The remaining factories where small percentages are sourced are informed of the Code of Labour Practices through the General Agreement document that is sent. Most of the factories are located in countries classified as low risk areas and are also visited by Vanilia. A system to assess risks regarding labour standards at those smaller suppliers is not yet implemented.

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| 1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner. | Yes | A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking. | Documentation of systemic approach: rating systems, checklists, databases, etc. | 1 | 2 | 0 |
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Recommendation: FWF suggests to also include a system for evaluating progress on labour standards at the remaining suppliers other than its own factory in Turkey. This will enable Vanilia to consistently evaluate the entire supplier base and include information into decision-making procedures.

Comment: Monitoring and evaluation of progress in own factory happens on a continuous basis and after the FWF audit as part of CAP follow up. It is integrated in Vanilia's own business practices given the direct relationship and investments that are made by the company to improve their own factory.

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| 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: As the main production facility in Turkey is part of the Vanilia company, the information flow is mutual to the head office. The factory works with a yearly forecast and structured planning in cooperation with Vanilia headquarters. The exact production capacity based on regular working hours is known, which enables the factory to plan their production capacity based on a stable forecast for all 12 collections well in advance. When quantities increase significantly, more personnel is hired. In case there are style changes required, factory indicates they need more time. Once production starts, there are no style changes. Vanilia has a Never Out of Stock collection that can be produced in low season of the factory.

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| 1.7 Degree to which affiliate mitigates root causes of excessive overtime. | No production problems documented. | 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. | N/A | 6 | 0 |
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Recommendation: Vanilia can improve by gaining more insight into the working hours at suppliers other than in its own Turkish factory and to investigate to what extent its current buying practices impacts working hours in those facilities.

Comment: No evidence of excessive overtime was found during the audit at the Turkish factory in 2014. Vanilia uses its position as co-owner of the factory to anticipate and absorb delays; it can split deliveries and can accept late shipments. For the remaining suppliers, the level of working hours and risk of excessive overtime are unclear.

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| 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: Vanilia is recommended to investigate wages levels in production countries other than Turkey in relation to their own pricing policy.

Comment: The cost of labour at the own factory in Turkey are own costs, including the salaries of production workers. All steps in the cost break down of cut-make-trim and fabric are known.

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| 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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| 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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| 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. | Basic approach | Sustained progress towards living wages requires adjustments to affiliates' policies. | Documentation of policy assessments and/or concrete progress towards living wages. | 2 | 8 | 0 |
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Recommendation: FWF encourages Vanilia to discuss with suppliers about possibilities to work towards a collective bargaining agreement or applicable living wage estimates for the relevant region.

Comment: The audit at the factory in Turkey showed payment above minimum wage levels. There was no collective bargaining agreement in the factory. The wage levels at other suppliers are unclear.

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| 1.12 Affiliate sources from an FWF factory member. | No | 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. | N/A | 1 | 0 |
| 1.13 Percentage of production volume from factories owned by the affiliate. | 92% | 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. | 2 | 2 | 0 |

Comment: Vanilia built a partnership with the factory in Turkey and owns 50% of the company.

PURCHASING PRACTICES

Possible Points: 36

Earned Points: 27

2. MONITORING AND REMEDIATION

| BASIC MEASUREMENTS | RESULT | COMMENTS |
|---|--------|--|
| % of own production under standard monitoring (excluding low-risk countries) | 92% | |
| % of own production in low risk production countries where FWF's Low Risk policy has been implemented | 0% | 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 | 92% | 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: Both the CEO as well as the e-commerce manager are responsible for implementing FWF membership requirements. In addition, production staff particularly in contact with the own factory in Turkey are involved in monitoring and improving working conditions.

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| 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: The remaining findings are in process of being remediated. A next audit will verify the realised improvements. FWF suggests a training as part of the Workplace Education Programme to achieve progress on communication and worker/management dialogue.

Comment: Vanilia has worked on a number of corrective actions following the audit in Turkey in 2014. Given that it is their own factory, improvements are made in cooperation and with support of Vanilia headquarters. Several improvements were realised among others in the grievance system by adding a complaint box and by workers receiving a copy of contracts. A financial sum was contributed for investments to improve health and safety conditions and immediately implemented in the months after the audit.

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| 2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year | 99% | 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: The production facility in Turkey is visited at least every 2 months. Other suppliers are visited, with the exception of factories where a very small order was placed (less than 1% of the company's 2014 purchasing volume).

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| 2.4 Existing audit reports from other sources are collected. | No existing reports/all audits by FWF or FWF affiliate | 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. | N/A | 3 | 0 |
|--|--|---|--|-----|---|---|

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

Comment: In 2014 there was no need yet to collect existing audit reports given the 90% volume produced in the own production facility in Turkey.

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| 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 |
| 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 |

Recommendation: Vanilia's monitoring system should identify and address high risk issues that are specific to the production countries other than Turkey, particularly for the small percentages sourced from higher risk areas as India and China. FWF has published a risk assessment study for Italy which Vanilia could check if the recommendations are relevant for their suppliers, specifically in the Prato area.

Comment: As sandblasting is illegal in Turkey and the own production facility in Turkey is frequently visited, sandblasting is not a risk. Moreover, Vanilia conducts the washings of denim with one supplier in Istanbul and monitors that sandblasting is not integrated in their business operations. Also because of the own production facility in Turkey, Vanilia ensures no Syrian refugees are employed. Awareness of labour rights and freedom of association remains a challenge in Turkey.

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| 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 | No CAPs active or no shared suppliers. | 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. | N/A | 2 | -1 |
| 2.8 Monitoring requirements are fulfilled for production in low-risk countries | No | 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. | 0 | 2 | 0 |

Requirement: Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Be visited annually by affiliate representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

Comment: Vanilia visited most factories located in Italy. However, it has not checked whether the Worker Information Sheet was posted at the production location or discussed the Code of Labour Practices.

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| 2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume) | 0% | 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. | 0 | 3 | 0 |
|--|----|--|-----------------------------|---|---|---|

Requirement: Vanilia should ensure the questionnaire is sent and information is collected from external brands resold by the affiliate.

Comment: A small share of Vanilia turnover comes from external brand sold in own shops, mostly shoes. Vanilia is open and willing to inform external brands of FWF membership and investigate whether those brands have an acceptable monitoring system to improve working conditions.

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| 2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume) | 2% | 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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Requirement: Vanilia has to ensure progress towards an external supplier base that is covered by either FWF or have another acceptable system in place for monitoring its supply chain.

Comment: Vanilia sell products from a brand who is a member of Fair Labour Association.

MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 15

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 |
| 3.2 System exists to check that the Worker Information Sheet is posted in factories | No | 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. | 0 | 2 | 0 |

Requirement: Vanilia has to ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. Affiliate should check by means of a visit whether the Worker Information Sheet is posted in the factories.

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| 3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline. | No audits done or no FWF helpline available | 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. | N/A | 4 | -2 |
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Requirement: Vanilia should inform the factory managers and workers about the existence of the hotline. The affiliate should have a routine to ensure the worker information sheet with complaints handlers contact details is posted in a place freely accessible to workers.

Comment: The audit conducted at the factory in Turkey showed workers were not aware of the 8 labour standards and the FWF complaints handling system. However, the audit took place in August 2014 and Vanilia has worked on increasing awareness among workers.

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| 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: 3

Earned Points: 1

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: All staff at Vanilia is aware of FWF membership as this has been communicated through the Intranet and an internal newsletter.

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| 4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers. | No | 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. | 0 | 2 | 0 |
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Recommendation: FWF can provide training session on labour standards for purchasing staff and other colleagues within the company. In addition, it is recommended for the new person responsible to work on implementing FWF requirements to actively take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference and webinars.

Comment: The person responsible for FWF membership has attended the FWF seminar and annual conference.

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| 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: Vanilia works with an agent who is informed about the FWF Code of Labour Practices.

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| 4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume) | No production in WEP areas | 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. | N/A | 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. Vanilia should motivate its own supplier in Turkey to join the WEP training.

Comment: Given that Vanilia in its first year of membership focused on first conducting an audit at its factory in Turkey and working on the improvements, a Non Applicable score is given here. The other production locations are either in low risk areas or account for less than 2% of the company's volume.

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| 4.5 Factory participation in trainings (where WEP is not offered; by production volume) | All production is in WEP areas. | 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. | N/A | 4 | 0 |
|---|---------------------------------|--|---|-----|---|---|

Comment: The majority of production takes place in Turkey. The remaining production volumes is sourced from low risk countries or represents less than 2% of the company's production volume.

TRAINING AND CAPACITY BUILDING

Possible Points: 5

Earned Points: 2

5. INFORMATION MANAGEMENT

| PERFORMANCE INDICATORS | RESULT | RELEVANCE OF INDICATOR | DOCUMENTATION | SCORE | MAX | MIN |
|--|--------------|---|--|-------|-----|-----|
| 5.1 Level of effort to identify all production locations | Intermediate | Any improvements to supply chains require 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. | 3 | 6 | -2 |

Requirement: Washing suppliers that are used after the assembling of clothing should be included in the supplier list. In addition, the exact production locations of the suppliers in China and India, including possible subcontractors should be identified.

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|--|-----|--|---|---|---|----|
| 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 |
|--|-----|--|---|---|---|----|

Comment: Production managers, particularly the mediator between the own Turkish factory and Vanilia are informed about FWF membership and the CAP through regular meetings and updates.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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: Vanilia informs consumers about FWF through the company's website and newsletter. The webpage www.vanilia.com/atelier more specifically tells the story (and pictures) of the own production facility in Turkey.

| | | | | | | |
|--|-----|---|---|---|---|---|
| 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 |
|--|-----|---|---|---|---|---|

Recommendation: FWF suggests to describe the results and follow up of the audit FWF conducted at the Turkish factory adding to the part on the website referring to the own factory in Turkey.

Comment: Vanilia has published the performance check report online. De Vanilia website shows information, pictures and videos of the own factory in Turkey.

| | | | | | | |
|---|----------------------------------|---|---|---|---|----|
| 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 |
|---|----------------------------------|---|---|---|---|----|

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 |
| 7.2 Changes from previous Brand Performance Check implemented by affiliate | No requirements were included in previous Check | In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach. | Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check. | N/A | 4 | -2 |

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

Vanilia advised FWF to redesign the website in order to make the brand pages more clear without linking it to the 'grade' of the labour standards that are shown.

SCORING OVERVIEW

| CATEGORY | EARNED | POSSIBLE |
|--------------------------------|--------|----------|
| Purchasing Practices | 27 | 36 |
| Monitoring and Remediation | 15 | 30 |
| Complaints Handling | 1 | 3 |
| Training and Capacity Building | 2 | 5 |
| Information Management | 4 | 7 |
| Transparency | 4 | 4 |
| Evaluation | 2 | 2 |
| Totals: | 55 | 87 |

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

63

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-07-2015

Conducted by:

Annabel Meurs

Interviews with:

Michel Hulzebosch (CEO)

Brigitte Mulders (Production manager)

Frederike van Dissel (e-commerce manager)

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.