



BRAND PERFORMANCE CHECK

FOND OF GmbH

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this report covers the evaluation period 01-08-2017 to 31-07-2018

ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

BRAND PERFORMANCE CHECK OVERVIEW

FOND OF GmbH

Evaluation Period: 01-08-2017 to 31-07-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Cologne, Germany
Member since:	01-11-2016
Product types:	Bags & Accessories
Production in countries where FWF is active:	China, India, Myanmar, Viet Nam
Production in other countries:	
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	94%
Benchmarking score	87
Category	Leader

Summary:

FOND OF GmbH has shown advanced results on performance indicators and has made exceptional progress. With a systematic, organised and structured method of implementing FWF's approach into its own organisation and towards the suppliers, FOND OF GmbH has now reached leader status with 87 points and 94% of the production locations under monitoring.

FOND OF GmbH was able to identify subcontractors, create openness about their existence and performance and build a good relationship with these subcontractors.

FOND OF GmbH developed a monitoring system to measure progress of suppliers in their social performance. The monitoring system contains grades and diagrams, which enables FOND OF GmbH to compare the results of a specific supplier through time and to compare suppliers to each other. FWF considers this as a best practice that could be shared with other FWF member brands.

Though a strong planning system is in place, the challenge to tackle overtime remains. FOND OF GmbH has already taken many preparative steps towards living wages by calculating the price increases required to cover their share of the living wage. FWF encourages FOND OF GmbH to take the next step by committing to pay these price increases at selected suppliers and involve worker representatives in this process.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	92%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: FOND OF GmbH has a consolidated supply chain with 92% of its production volume coming from production locations where the company buys at least 10% of the factory's production capacity.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	13%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	2	4	0

Comment: 13% of production volume comes from production locations where FOND OF GmbH buys less than 2%. This is an increase with 3% compared to the 10% of last financial year.

Recommendation: FWF recommends FOND OF GmbH to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	13%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	1	4	0

Comment: For 13% of the suppliers, there is business relationship for more than 5 years. This includes the business relationship that existed longer than five years for brands that FOND OF GmbH bought less than 5 years ago.

During the last performance check this indicator included the production volume of new suppliers for new brands, where FOND OF GmbH could prove that it started with the aim for a long-term commitment with this supplier. However, due to consistency with other performance checks of other brands this year, FWF now measures the actual existence of five-year relationship and not the intention for long term commitment. This causes a decrease in percentage for FOND OF GmbH.

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

Comment: FOND OF GmbH showed a sample of signed and returned questionnaires with the CoLP.

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

Comment: FOND OF GmbH is aware of country specific human rights risks and informs itself through FWF country studies and other sources. The CR department tries to push the buyers to production in countries with lower human rights risks as Portugal or the Baltic countries.

As part of the due diligence process FOND OF GmbH conducts human rights due diligence at all their new production locations: all locations are visited and the FWF Health and Safety Checklist is used and filled in during the visit. FOND OF GmbH collects the existing audit reports and analyzed them before placing orders. FOND OF GmbH has organized the decision to place orders in what they call the "magical triangle" of purchasing, quality and CR. All these departments have to agree before a (new) factory is selected for production.

For a supplier in Viet Nam who has produced for FOND OF GmbH since the beginning, the subcontractors are now included in the FOND OF GmbH supplier base and are visited.

For FOND OF GmbH leather production is a high risk area. FOND OF GmbH recently stopped with the production of bags for the brands Offermann and klatta, the brands with leather bags in the collection. FOND OF GmbH stopped with the supplier in India that produced the leather bags after receiving only late deliveries and an attempt of this supplier to bribe FWF to affect outcomes of an audit. For the brand Salzen FOND OF GmbH is using a small amount of leather from Germany and the Netherlands which is brought to the production location.

FOND OF GmbH has production locations in Myanmar. For this country the enhanced monitoring regime of FWF is in place and FOND OF GmbH assures to follow up on all steps.

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

Comment: FOND OF GmbH evaluated compliance of all production locations in a structured and consistent way. FOND OF GmbH has developed a methodology on which it grades the performance of their production locations. This methodology has both content and process-related CSR elements. The grading is done several times a year and results in a spider diagram which enables FOND OF GmbH to see how the social compliance of the production locations developed in time.

This grading is used to discuss the performance of a production location in the magical triangle (explained under 1.4), which leads to reallocation of the orders.

Based on this methodology FOND OF GmbH has stopped the production at one of their Myanmar suppliers: after an intense remediation trajectory with regard to the working conditions in the factory, FOND OF GmbH started to work towards a responsible exit strategy and decided together with the supplier to switch the production to another location.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: FOND OF GmbH has seven brands with each different production cycles, depending on brand and collection frequency. There is an internal process to develop the same production cycle for all brands, for now a general coordinator crosschecks and monitors the feasibility of the planning to avoid overtime.

There is a system in place with a 12-month cycle of production planning, which is repeated twice a year. There are three to six delivery deadlines for an order. At the start of an order cycle the supplier receives a forecast with specific quantities for each delivery deadline, to give the supplier time ahead to book the production lines. FOND OF GmbH discusses the planning with the supplier and checks the long-term capacity. For each style FOND OF GmbH knows the standard minutes per part of a style and uses this knowledge as input for the planning. The process of design and product development of all seven brands are done in cooperation with the supplier who produces the backpack then later as well. FOND OF GmbH pays the sample products, including a percentage for development cost in case applicable.

To increase the lead time for production, FOND OF GmbH has changed the deadline for the largest order, which gives a month more time for production. The production planning is monitored throughout the year and small changes are made. For FOND OF GmbH providing stability to their suppliers is important. For one brand FOND OF GmbH had at some point in time too much on stock. To make sure that the supplier could continue working as agreed upon, this producer temporarily started producing for one of the other brands.

Recommendation: FWF encourages FOND OF GmbH to make an overview of overtime at their suppliers and relate this to their own production planning. Based on this analysis FOND OF GmbH can decide which actions to take for remediation for the different production locations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: The systematic and organized way of production planning is strong, however overtime is found in most audits. During five FWF audits in China and Vietnam at both main suppliers and subcontractors overtime was found. For one supplier in Vietnam the overtime was not excessive. For the suppliers in China the overtime was observed but due to falsification of records at both factories and coaching of workers to give a standard answer, the exact situation was difficult to assess. Last year, FWF audits in Myanmar and Vietnam revealed overtime and a requirement was given in the brand performance check to investigate to what extent the current buying practices have an effect on working hours at the supplier level. For the Vietnamese supplier FOND OF GmbH checked this and discovered that their order was too small to cause overtime.

For the different suppliers FOND OF GmbH has shared findings, checked possibilities to move production to low season, checked how their orders related to overtime at the supplier and checked lead times. Overtime however remains challenging for FOND OF GmbH.

Requirement: FOND OF GmbH should investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce excessive overtime.

Recommendation: FWF advises FOND OF GmbH to also look into other factors that can cause overtime like accuracy of technical specifications, blocking fabric, responsiveness to confirm samples, in addition to an analysis on production time. In addition to this FOND OF GmbH could do a survey among suppliers how possible hick-ups in production lines can be avoided.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-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.	2	4	0

Comment: FOND OF GmbH is aware of regulations about minimum wages in the country, using FWF's Wage Ladder and country studies as reference. For each bag, FOND OF GmbH knows in detail the pricing for fabric, accessories and minute labour costs. There is a calculation for minimum wage and actual wage and for one supplier an extensive calculation per product for living wage. In the process of pricing, retail price is decided before the design and FOB price of a backpack are determined. Cross check with minimum wages is done. FOND OF GmbH aims to gain insight in the total labour costs for all their suppliers and subcontractors, however this is not yet fully disclosed.

Recommendation: FWF recommends FOND OF GmbH to continue to gain insight into labour costs of suppliers and subcontractors as a next step towards style-level policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

Comment: In two of the five FWF audits legal minimum wages were not paid. In two audits this could not be determined. FOND OF GmbH had a proactive approach. At the supplier where the seasonal workers were not paid minimum wage, there was an immediate raise after the intervention of FOND OF GmbH and seasonal workers are now paid above minimum wage. This supplier gives regular updates about the wages of the seasonal workers. At the other Vietnamese supplier, were the basic salary of 80% of the workers was below the legal minimum wage, FOND OF GmbH actively approached and stressed the importance as well. This supplier responded that CAP follow up was too much work and has terminated the relationship with FOND OF GmbH.

For the two audits in which it was not possible to determine payment according to legal minimum wage, FOND OF GmbH actively approached these suppliers, holding them accountable to pay according to minimum legal wage. Especially with one of the Chinese suppliers, this lack of transparency remains challenging for FOND OF GmbH.

Recommendation: FWF recommends FOND OF GmbH to actively approach the Chinese suppliers where payment according to minimum wage could not be determined to prove this with wage slips and other documents. FWF is willing to support FOND OF GmbH with translation and interpretation as part of CAP follow up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0

Comment: This year FOND OF GmbH made progress with regard implementation of living wage. It has prepared everything to pay more to contribute to living wage. For one Vietnamese supplier, FOND OF GmbH used the Anker methodology on living wage for calculations and distinguished how a high, medium and low rise of FOB price would impact the wages of the workers. FOND OF GmbH calculated the price per second for each single step of the production process of a bag pack and benchmarked with the Anker methodology. Per step in the production wage increases were compared to the benchmark. In addition to this, FOND OF GmbH calculated the extra cost for the company if it would pay prices every year that would lead to a living wage for the workers. The calculations were shared and discussed on CEO level, however in the current year an increase was not possible. Next step would be to identify a project possibly related to the brand pinqponq. FOND OF GmbH is currently in discussion with other FWF members with leader status, about a project how efficiency gains can lead to better payment of the workers.

Recommendation: FWF encourages FOND OF GmbH to start a living wage project based on the preparation steps and analysis done so far.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 31

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	13%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly, N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	N/A	1st or 2nd year member and tail-end monitoring requirements do not apply.
Total of own production under monitoring	94%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

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

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

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

Comment: FOND OF GmbH shared the audit reports of Fair Wear Foundation and Sumations GmbH with factory management and where possible with worker representatives. It discusses Corrective Actions Plans via personal visits, email and Skype calls and assures that suppliers are aware that FOND OF GmbH values quick and accurate follow up. FOND OF GmbH noticed that the subcontractors valued the personal visits of FOND OF GmbH to their locations, since they do not often receive visits of brands. This proved helpful in the CAP follow up as it increased willingness based on a better relationship with the subcontractor.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: FOND OF GmbH is active in sharing the CAPs of each audit as a base to follow up on corrective actions. Time lines are established and through their computer system CR staff is reminded when deadlines for remediation expire. CAPs are discussed during factory visits with the factory management, HR and worker representatives, by regular Skype calls and emails. FOND OF GmbH requires and could show evidence of CAP follow up and collects this systematically. An example is the change in attitude of a main supplier towards disclosing sub-contractors. When a supplier is unwilling to follow up, FOND OF GmbH is persistent to approaching this supplier and support the supplier when needed.

When a supplier has difficulties to follow up on an identified action, FOND OF GmbH listens to the supplier to understand why this is difficult and together they try to find a solution as partners.

FOND OF GmbH is cross-checked whether the results match typical problems of the country and is constantly keeping the eyes open to learn from best practices from other member brands or FWF. As an extra incentive for suppliers to improve on social compliance FOND OF GmbH has published the results on the website, including a data visual that gives instant insight into performance of this supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	94%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: 94% of the production locations have been visited, which is a decrease compared to the 99% of last year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: FOND OF GmbH works with Sumations GmbH and where possible shares the audits with other FWF member brands. Those reports meet FWF requirements as FOND OF GmbH demonstrated follow up and quality assessment.

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

Comment: FOND OF GmbH fulfills all FWF requirements of FWF's Myanmar policy, including publication of the wage ladder of the factory in Myanmar.

In the main production country of FOND OF GmbH Vietnam, freedom of association is a focus point. For one supplier that did not organize a dialogue meeting as required by law, FOND OF GmbH did actively follow up in the CAP and agreed with this supplier to have meetings. In addition to this, Better Work trainings were organized with attention to Freedom of Association.

FOND OF GmbH mentioned silk screen printing as high risk. FOND OF GmbH started a new sample on water-based silk and have discussions with their designers.

Recommendation: FWF recommends FOND OF GmbH with regard to the supplier that did not organize the meetings as required by law, FOND OF GmbH to collect evidence that meetings actually took place and assess that these meetings have a meaningful content, related to a root cause analysis why they did not take place.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: FOND OF GmbH has actively cooperated with several other members.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	2	0

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

Comment: FOND OF GmbH conducts full audits at 94% of the production volume.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

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

MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 28

3. COMPLAINTS HANDLING

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

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: A specific employee is designated to address worker complaints and during leave FOND OF GmbH organises replacement.

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

Comment: FOND OF GmbH systematically collected pictures taken by FOND OF GmbH staff visiting the production locations. CR briefs the traveling staff in detail before seeing the production site.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	80%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	4	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: In the previous performance check report a complaint at a production location in Myanmar was mentioned. This financial year two more complaints at the same production location were filed about freedom of association and wages. They were addressed by FOND OF GmbH according to the FWF Complaint procedure. FOND OF GmbH discussed with the management how to take preventative steps and organized a WEP training for this production location. Despite the efforts, FOND OF GmbH and the supplier agreed to source out and transfer the production to another location.

During a CR Staff visit in a production location in Vietnam FOND OF GmbH discovered a case of child labour. FOND OF GmbH with another FWF member brand, an American company and FWF remediated: the child goes back to school while still receiving salary. In addition to this, FOND OF GmbH started working on a proper age verification system for that production location.

Recommendation: Where applicable, worker representation should be involved in agreeing on the CAP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Comment: There was active cooperation with one other member brand in a child labour case in Vietnam.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 15

4. TRAINING AND CAPACITY BUILDING

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

Comment: Staff is informed in several ways: CR gives new colleagues a training. In team meetings, CR provides workshops about FWF related topics like subcontracting to raise awareness and alertness. CR gives a training in the FOND OF Academy for the colleagues in Asia and there is an online internal channel on sustainability.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: There are weekly meetings with the “magical triangle” of purchasing, quality and CR. CR has biweekly meetings with the brands, a monthly meeting with the whole FOND OF team in which sustainability topics are addressed as well. In case of detection of a severe human rights violation in one of the production location, all relevant staff including the CEO is informed right away.

Recommendation: FWF encourages purchasing staff to observe factory audits by FWF audit teams to learn about the audit process and to be able to better follow up on corrective action plans.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	74%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: Suppliers with a combined production volume of 74% joined a WEP.

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

TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 9

5. INFORMATION MANAGEMENT

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

Comment: When FOND OF GmbH joined FWF, a main supplier was not open about subcontractors. FOND OF GmbH has invested to identify the subcontractors, visit them, assess their social performance and emphasising that subcontractors must be known.

A year later, the atmosphere about subcontracting is changed completely and a working system has been developed: FOND OF GmbH receives information upfront what is produced where and what the work schedules are. As a quality check, production locations are visited, and work schedules are assessed on a weekly basis.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: CR informs purchasing, quality and logistics every two weeks about audit reports, CAP follow up, complaints handling at their main production locations and subcontractors.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

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

Comment: The CR department checks all the publications of the marketing department of FWF. They brief them and repeat from time to time to be humble and be honest. In addition to this, FOND OF GmbH has anecdotal stories about for example how an audit is done. Of the brand websites pinqonq highlight the FWF membership more than the other brands.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Production locations are disclosed to the public	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: The production locations and audits results are published on the FOND OF website.

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

Comment: The social report is published on the FOND OF website.

TRANSPARENCY

Possible Points: 6

Earned Points: 6

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: CR meets with one of the CEOs every month. FWF membership is part of this discussion. Examples of specific topics discussed with the CEO are the Brand Performance Check results and increase of wages in the factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	75%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: FOND OF GmbH improved on requirement for indicator 1.3. For indicator 1.7 there was also improvement, however there is still a challenge.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

1. FOND OF GmbH would prefer more guidance and more best practices on overtime in China.
2. In the audits it would be preferable if the overtime calculations were not just about a few months but about the whole year.
3. The FWF database could be easier and more user-friendly.
4. For the FWF / Better Work cooperation it would be good to have more consultancy on site regarding the follow up. It is difficult to prove progress.
5. The Workplace Education Programmes should be more specified and more educative. It can be more interactive, for instance by including role plays.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	44
Monitoring and Remediation	28	30
Complaints Handling	15	15
Training and Capacity Building	9	9
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	102	117

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

87

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

29-11-2018

Conducted by:

Mariette van Amstel, Brigitta Danka

Interviews with:

Hannes Weber - CSR manager

Julian Conrads - CSR manager

Lutz Belles, Head of Procurement

Alexandra Buchkremer, Purchasing

Dirk Schülgen, CEO

Sarah Willeke, Accounting