



# BRAND PERFORMANCE CHECK

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FOND OF GmbH

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this report covers the evaluation period 01-08-2018 to 31-07-2019

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# BRAND PERFORMANCE CHECK OVERVIEW

FOND OF GmbH

Evaluation Period: 01-08-2018 to 31-07-2019

MEMBER COMPANY INFORMATION	
Headquarters:	Cologne, Germany
Member since:	01-11-2016
Product types:	Fashion, Sportswear, Bags & Accessories
Production in countries where FWF is active:	China, Myanmar, Viet Nam
Production in other countries:	Italy, Portugal
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	83
Category	Leader

## Summary:

FOND OF GmbH has shown advanced results on performance indicators. The brand has a systematic, organised and structured method of implementing Fair Wear's approach into its own organisation and towards the suppliers. This, along with a score of 83 points and 94% of production locations under monitoring, means that FOND OF has maintained its leader status. The monitoring threshold consists of Fair Wear audits, factories participating in the ILO Better Work programme and active follow-up on existing audit reports from other organisations.

Based on the results of this past performance check, the company focused on subcontractors during the past financial year. The company visited and audited production locations and provided extensive support on CAP follow-up.

FOND OF has seven different brands which mostly produce bags. Whenever possible, the company tries to ensure supply chain consolidation by using the same supplier for several brands. In the past financial year, the company focused on aligning the production cycles for each brand and developing an automated ordering process for better forecasting. The company believes that, by optimising its own planning, it enables actors further in the supply chain to better plan as well. Notwithstanding this focus on internal processes, Fair Wear recommends remaining focused on addressing excessive overtime at production locations.

During the past financial year, FOND OF conducted a wage analysis, benchmarking the prevailing wages in its factories against the living wage estimate provided by the Global Living Wage Coalition. This target was met in 3 out of 9 production locations, responsible for 43% of production volume. Besides this focus on increasing wages for all workers in its Vietnamese production locations, Fair Wear recommends that FOND OF gets more clarity on the explicit link between its FOB prices and wages.

## 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.	84%	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 has seven different brands, that mostly produce bags. Whenever possible the company tries to use the same supplier for several brands to ensure supply chain consolidation.

In the past financial year, 84% of FOND OF's production volume came 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.	7%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: In the past financial year, 7% of production volume comes from production locations where FOND OF GmbH buys less than 2%. This is a decrease compared to 13% last year.

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.	44%	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.	2	4	0

Comment: FOND OF highly values long term relationships. In the past years, this has meant that the company is looking into possibilities to expand existing relationships, which has meant switching to different production locations with the same main supplier.

In the past financial year, there was a business relationship for more than 5 years with suppliers responsible for 44% of the production volume. This includes the business relationship that existed longer than five years for brands that FOND OF incorporated less than 5 years ago.

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 has incorporated the FWF questionnaire into its own Code of Conduct, which needs to be signed before production takes place. in the past financial year FOND OF started producing in 9 production locations. For these locations, FOND OF showed 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:** Within FOND OF the decision to place orders is made jointly by purchasing, quality, and CR. All these departments have to agree before a (new) factory is selected for production. When a brand would like to start with a new product it has to fill out a form and share this with purchasing, quality, and CR. Then the group proposes a possible supplier, ideally one they already work with. In case they need to find a new production location they will check within their network to find suitable ones. As part of the due diligence process FOND OF 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 collects the existing audit reports and analyzed them before placing orders.

**Recommendation:** FWF recommends FOND OF to actively check on follow-up of issues mentioned in existing audit reports as a starting point of further discussion.

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 evaluated compliance of all production locations in a structured and consistent way. FOND OF 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 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 regular meetings between purchasing, quality and CR, which leads to reallocation of orders. In the past financial year the company has decided to reduce orders at one production location that was not scoring well and did not cooperate. The company has expanded orders at another production location, adding an extra brand to an existing production location because of its overall performance.



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 has seven brands with each different production cycles, depending on brand and collection frequency. In the past financial year, the company focused on aligning the production cycles for each brand and developing an automated ordering process to better forecast, as the company believes by optimising its own planning it enables actors further in the supply chain to better plan as well.

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 discusses the planning with the supplier and checks the long-term capacity. 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 pays the sample products, including a percentage for development cost in case applicable.

In the past financial year FOND OF focused on shifting production to low season. One of the main learnings from the past financial year was that each supplier needs its own approach. Some suppliers indicated they would rather have orders every other month than monthly or that low and peak season change for some suppliers each year, depending on orders from other clients.

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:** 4 out of 5 audits showed excessive overtime. FOND OF has focused on optimising its own planning process in order to better address the topic of overtime. In addition, it has discussed the topic with different suppliers and learned that different production locations mentioned different causes. In the past financial year, the company had several orders flown into Europe to reduce the production pressure and prevent overtime from happening. Although the company is in discussion with different suppliers, it was not able to show clear improvements in overtime over the past financial year.

**Recommendation:** FOND OF could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, FOND OF could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request. FWF recommends cooperating with other customers at the factory to increase leverage when trying to mitigate excessive overtime hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

**Comment:** For each bag, FOND OF knows in detail the pricing for fabric, accessories and labour costs. 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. In the discussion with production locations about the link between buying prices and wages FOND OF found out that production locations find it difficult to pin down minutes and minute prices and rather provide a lump-sum amount for labour costs. In the price negotiations, the change in labour costs is monitored.

**Recommendation:** FWF recommends FOND OF to continue the discussions to get access to more accurate information regarding the labour cost component of the FOB price, highlighting the fact the company would like to check it against and contribute to possible living wage estimates.

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

**Comment:** During audits in the previous financial year in China auditors could not check whether minimum wage was paid due to falsification of records. This is still under investigation. A verification audit is planned in this financial year.

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 and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

**Comment:** Wage levels are part of FOND OF's supplier evaluation and regularly discussed with its production locations. In the past financial year, the company did an analysis of the wages and benchmarked them against the living wage estimate as put forward by the Global Living Wage Coalition (Anker benchmark) in Vietnam. The company activities now focus on internal processes and not on root causes of wages below living wage in specific production locations.

**Recommendation:** FWF encourages FOND OF to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	4	0

**Comment:** During the past financial year FOND OF did a wage analysis, benchmarking the prevailing wages in its factories in Vietnam against the living wage estimate as provided by the Global Living Wage Coalition. Based on the analysis the company set its target wage at 80% of this estimate and calculated the costs necessary to reach this target at all Vietnamese factories. The company is planning to finance this out of its own budget. As implementation will happen in the coming financial year, the company does not get full points for this indicator.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	43%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	2	3	0

**Comment:** FOND OF has analysed the wages at their main production location. As a target wage it set 80% of the Anker benchmark for all workers (indifferent from the company's leverage) to be met by August 2021. In the past financial year, this target was met in 3 out of 9 production locations, responsible for 43% of production volume.

**Recommendation:** FOND OF is encouraged to roll out their approach to other suppliers.

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## PURCHASING PRACTICES

Possible Points: 47

**Earned Points: 34**

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	93%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	1%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	In the tail end of FOND OF's supplier base, FWF requires FOND OF to ensure it audits all production locations that produce more than 2% of the member's volume and where the member has more than 10% leverage.	
Total of own production under monitoring	94%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

Comment: FOND OF has a CR department responsible to follow up on problems identified by the monitoring system.

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 shared the audit reports of Fair Wear Foundation 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 values quick and accurate follow-up. FOND OF noticed that the subcontractors valued the personal visits of FOND OF 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 is active in sharing the CAPs of each audit as a base to follow up on corrective actions. Timelines 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 requires and could show evidence of CAP follow up and collects this systematically. An example is a change in the attitude of a strategic supplier towards disclosing sub-contractors. When a supplier is unwilling to follow up, FOND OF is persistent in approaching this supplier and support the supplier when needed.

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

FOND OF 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 has published the results on the website, including a data visualisation that gives instant insight into the 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.	96%	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: In the past financial year, FOND OF visited production locations responsible for 96% of the production volume.

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 collects existing audit reports from other sources as part of their due diligence process and uses this report to follow-up on remediation.

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	Policies are not relevant to the company's supply chain			N/A	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.

For its production in Vietnam and China excessive overtime is a risk factor. This is a topic that is high on FOND OF's priority list, addressed through its internal planning system, as described under indicator 1.6.

In Vietnam Freedom of Association is a high-risk topic as well, which the company addresses through cooperation with ILO Better Work.

**Recommendation:** FWF recommends FOND OF to remain mindful of the risks related to specific countries, specifically for Myanmar and Bangladesh, when starting production.

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 actively cooperates with other FWF member companies whenever possible.

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

**Comment:** FOND OF started production in Portugal and Italy in the past financial year. For 4 out of 5 production locations (93%) the company meets monitoring requirements for low-risk countries.

**Recommendation:** 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:

- Ensure up to date information on the labour conditions in the location either by a regular visit and/or a report by a third party;
- 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.

FWF members are advised to conduct a mapping of its supply chain in Italy that includes: an investigation of subcontractors, the ownership structure of production locations, the number of workers and the type of employment relationship (irregular and migrant employment) to identify and mitigate potential labour rights violations. Members are encouraged to visit its production locations in Italy to discuss the risks associated with irregular and migrant employment relationships.

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

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: 27

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	1	

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

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

Comment: FOND OF showed pictures of posted Worker Information Sheets at different production locations.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	67%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: FOND OF organised WEP basic training at three different production locations, responsible for 67% of production volume.

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: FOND OF received a complaint about dismissal due to unauthorised absence. This was solved quickly due to close cooperation between the factory and FOND OF and because it was a clear cut case. This complaint was at one of the authorised subcontractors for FOND OF. It turned out that for subcontractors not all rules and regulations and compliance with the Code of Labour Practices is clear. FOND OF therefore focuses on clarifying this in order to prevent similar complaints.



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

## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 13

## 4. TRAINING AND CAPACITY BUILDING

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

Comment: Staff is informed in several ways: CR gives new colleagues training. In team meetings, CR provides workshops about FWF related topics like subcontracting to raise awareness and alertness. CR gives training in the FOND OF Academy on common problems in the textile supply chain and the FWF approach 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 purchasing, quality, and CR. CR has biweekly meetings with the brands, a bi-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 locations, all relevant staff including the CEO is informed right away.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	0

Comment: FOND OF tries to limit the number of agents they work with. In the past financial year, there was one. The reason for working with agents is if the brands would like to add products to the collection that FOND OF does not know very well (such as umbrellas). The agent the company worked with was informed about the CoLP but did not actively support implementation and follow-up. For future cooperation with agents, this is a decisive factor whether to work with them or not.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	48%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: 48% of production volume comes from production locations that are part of ILO Better Work and will receive regular guidance and follow-up to address transformative processes related to human rights.

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

Comment: Better Work is following up on the training, and as per FWF guidelines, Better Work is in the lead with FOND OF staying updated.

## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 8

## 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:** FOND OF receives information upfront on 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. FOND OF stressed with its main suppliers that subcontracting is only allowed in special circumstances and that they need to be transparent about this beforehand. In the past financial year, FOND OF invested time and energy in visiting all subcontractors and auditing them and providing support with CAP follow-up. Going forward, FOND OF will check that the subcontractor is willing and able to implement the Code of Labour Practices.

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.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 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 has anecdotal stories about for example how an audit is done. Of the brand websites pingpong 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	Supplier list is 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 of FOND OF's main production locations are published on the FOND OF website and in the social report.

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

## 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.	100%	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: After last performance check FOND OF was required to analyse root causes of excessive overtime. In the past financial year the company did the analysis and invested in their own planning process.

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

FOND OF recommends Fair Wear Foundation to address the following:

- Have more differentiation between regular FWF members and FWF leaders, specifically in the logo use.
- Have a special logo for brands that pay (their share of) a living wage.
- Provide or set-up a basic factory training for subcontractors on (human rights) compliance.
- The new audit report template makes it easy to read but the CAP has too many columns, the ILO Better Work online system is a best practice in this respect.
- It is nice that best practices are shared during member stakeholder meetings, it would be great if that can be done more often also on very practical topics.
- We would like to have audit results rated, to better analyse results.
- WEP training sessions are not very interactive and could be improved.
- As an extra service, it would be great to have someone locally who can help with CAP follow-up (specifically related to document inspection)
- It takes very long for audit reports to be shared.
- In the audit report it would be great if we would have OT data over one year, to identify peak and low season.
- For us the indicator related to a business relationship for 5 years does not make sense.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	34	47
Monitoring and Remediation	27	30
Complaints Handling	13	15
Training and Capacity Building	8	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	101	122

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

83

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

16-09-2019

Conducted by:

Anne van Lakerveld

Interviews with:

Dirk Schülgen (CEO)

Alexandra Buchkremer (Purchasing)

Oliver Schlieben (Purchasing)

Fabian Ptok (Production Chain Management)

Sarah Willeke (Finance)

Julian Conrads (CR)

Hannes Weber (CR)