



Brand Performance Check
FOND OF Group Holding GmbH
Publication date: January 2024

This report covers the evaluation period 01-08-2022 to 31-07-2023

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear'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.

Scoring overview

Total score: 124

Possible score: 186

Benchmarking Score: 67

Performance Benchmarking Category: Leader



Summary:

FOND OF Group Holding GmbH (FOND OF) has met most of Fair Wears' performance requirements. With a total benchmarking score of 67, the member is placed in the Leader category.

The past financial year was difficult for the company due to rising costs and decreasing orders. Despite the company's financial challenges, it took steps to further implement Human Rights Due Diligence in its processes and procedures. In the past financial year, FOND OF created a sourcing strategy addressing influencing labour conditions. It conducted a risk scoping that included all risk factors, country, sector, business model, sourcing model, and product level. FOND OF developed a strong and systematic evaluation system for assessing suppliers' human rights performance. The company combines different departments' internal evaluations of suppliers on different indicators with supplier feedback to evaluate the relationship with suppliers. The information collected and risks assessed resulted in a prioritisation and action plan for each production country.

Based on its risk assessment in the past financial year, FOND OF decided to leave its production location in Myanmar and Türkiye after careful consideration. In the exit process, the company was in close contact with the factory management and Fair Wear to ensure it had a limited impact on workers.

FOND OF has taken improvement actions related to health and safety issues, problems regarding wage and hour verification, where the brand received and checked wage and time records, and policies and procedures regarding legal wage requirements and workers' awareness of Freedom of Association. In some cases, the factory could demonstrate improved internal policies and procedures, but cases where it needed to be applied had not occurred. FOND OF keeps these issues open for as long as needed to ensure the issues will not recur. Fair Wear recommends FOND OF to ensure updated processes and procedures are properly embedded in the company. In addition, the company is expected to identify root causes of CAP issues, discuss these with its suppliers, and develop preventive actions to address these root causes.

FOND OF has developed a time-bound plan to enable the systemic increase of wages at all its suppliers. It starts in the financial year 2023/2024 with understanding the labour minute cost and determining where the money comes from to pay for higher wages. In 2030, FOND OF aims to have 100% of its labour costs support the payment of a living wage. For the past financial year, the focus was on developing the plan.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.

Company Profile FOND OF Group Holding GmbH

Member company information

Member since: 1 Jan 2016

Product types: [Garments, clothing, fashion apparel, Sports & activewear, Bags, Accessories, Home textiles, Outdoorwear, Footwear and Luggage & other travel accessories](#)

Percentage of CMT production versus support processes [92%](#)

Percentage of FOB purchased through own or joint venture production [0%](#)

Percentage of FOB purchased directly [88%](#)

Percentage of FOB purchased through agents or intermediaries [1%](#)

Percentage of turnover of external brands resold [0%](#)

Are vertically integrated suppliers part of the supply chain? [No](#)

FLA Member [No](#)

Member of other MSI's/Organisations [Grüner Knopf, Bluesign, GOTS, Leather Working Group](#)

Other Initiatives [Leather Working Group](#)

Number of complaints received last financial year [3](#)

Basic requirements

Definitive production location data has been submitted for the financial year under review? [Yes](#)

Work Plan and projected production location data have been submitted for the current financial year? [Yes](#)

Membership fee has been paid? [Yes](#)

Production countries, including number of production locations and total production volume.

Production Country	Number of production locations	Percentage of production volume
Viet Nam	15	75
China	6	23
Myanmar	1	1
Türkiye	2	0
Portugal	1	0

Layer 1 Foundational system's criteria

Possible Points: 8

Earned Points: 8

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.:
Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.:
Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: Yes

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment: FOND OF discloses 100% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Comment: FOND OF discloses 100% of production locations externally on Fair Wear's transparency portal.

1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

Possible Points: 78

Earned Points: 54

Indicators on Sourcing strategy

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions.	Advanced	Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices.	Strategy document; consolidation plans, examples of implementation.	6	6	0

Comment: In the past financial year, FOND OF created a sourcing strategy addressing influencing labour conditions. This sourcing strategy explicitly focuses on increasing influence through consolidation and active cooperation with other clients.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.2 Member company's sourcing strategy is focused on building long-term relationships.	Intermediate	Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions.	Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting.	4	6	0

Comment: FOND OF's sourcing strategy focuses on maintaining long-term relationships. 75% of the member's total FOB volume comes from suppliers with whom FOND OF has had a business relationship for at least five years. The member has developed a 'loyalty programme' with its four biggest suppliers, where it commits to contracts for up to three years. However, this agreement also includes a discount request from FOND OF to the supplier and as such, does not support the improvement of labour conditions.

Recommendation: FOND OF is advised to embed long-term contracts in its sourcing strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy.	Advanced	Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners.	HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations.	6	6	-2

Comment: FOND OF conducts risk scoping and includes all risk factors, country, sector, business model, sourcing model and product level. For country risks, the member used information provided by Fair Wear and other sources and combined that with factory-specific information from audits and complaints to arrive at a net risk level for all risk levels identified by the OECD. FOND OF also looked at sourcing model and business model risk, at company level. For product-level risks, the company looked specifically at different materials used.

FOND OF has yet to include input from workers, suppliers and stakeholders. Although FOND OF conducted its risk scoping in the past financial year, it already started to adjust its sourcing decisions by reducing its FOB in China and leaving Myanmar.

Recommendation: Fair Wear strongly recommends FOND OF to privilege countries where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order.	Advanced	Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward.	Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies.	4	4	0

Comment: It is the standard process for FOND OF to inform new suppliers about Fair Wear membership by having an in-person meeting and sharing relevant materials. In the past financial year, FOND OF started the onboarding process for a production location in India, where this process was followed. Production at this location will begin in the current financial year. Additionally, the brand started a dialogue with suppliers about human rights and how the supplier and FOND OF can cooperate on this topic.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order.	2nd+ year member and no new production locations selected.	Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders.	Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers.	N/A	6	0

Comment: FOND OF collects human rights information of potential new suppliers by collecting self-assessments, existing audit reports, organising Fair Wear audits or other ways to collect worker and stakeholder input. The member is currently in the process of onboarding a production location following this procedure. In the past financial year, no new production locations were added.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business.	No production locations in the first year of business.	This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level.	Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP.	N/A	6	0

Comment: FOND OF has shared information about Fair Wear's Code of Labour Practices (CoLP and the complaints helpline with all production locations in the first year of doing business. The Worker Information Sheet has been posted. The member has enrolled its suppliers in a Workplace Education Programme (WEP) Basic. The member is currently in the process of onboarding a production location following this procedure. In the past financial year, no new production locations were added.

Indicators on Identifying continuous human rights risks

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.7 Member company has a system to continuously monitor human rights risks in its supply chain.	Advanced	Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation.	Use of risk policies, country studies, audit reports, other sources used, how often information is updated.	6	6	0

Comment: FOND OF has a systematic approach to identifying human rights risks in its supply chain and has assessed the risks for each production location. It has determined the appropriate monitoring tool and frequency per country, resulting in regular Fair Wear audits in Vietnam and China and Türkiye. It also conducted audits in Myanmar and frequent visits to Portugal. In addition, the brand regularly visits production locations. In Asia, it has hired a local representative, as this person speaks Mandarin they are able to gather input from workers in China as well.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA).	Intermediate	Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention.	Use of supplier questionnaire to inform decision-making, collected country information, and analyses.	4	6	0

Comment: FOND OF has mapped the risks to FoA in all its sourcing countries and can explain the main risks per country, specifically related to the restrictions to freedom of association in China and Vietnam and including the risks to women workers. FOND OF uses this information to understand what the risks at its suppliers are and inform itself how to engage with its suppliers on this topic. FOND OF has not yet translated the risk assessment into a factory-specific approach.

Recommendation: The member is recommended to improve supplier-level monitoring is in place to assess and understand the risk at suppliers - for example, through the Supplier Questionnaire (tool 2 in Fair Wear’s FoA Guide), modular assessment on Social Dialogue, in-depth discussions with suppliers, or a full audit.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications.	Intermediate	Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment.	Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets.	4	6	0

Comment: The member could show that it understands the basic gender risks for its sourcing countries related to the underrepresentation of women in social dialogue, overtime, wages and safe and healthy working conditions. Additionally, FOND OF Group actively collects gender data per factory. Data that it collects are gender breakdowns of factory workers per role and also for union membership/worker representative. This information is collected through a survey from six Vietnamese factories. The member has yet to analyse the collected gender-disaggregated data at the factory and country levels.

Recommendation: Fair Wear recommends the member to collect country-level gender risks and gender data per factory for each Code of Labour Practices.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.10 Member company considers a production location's human rights performance in its purchasing decisions.	Intermediate	Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making.	Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy.	2	4	0

Comment: In the past financial year, FOND OF further developed a strong and systematic evaluation system for assessing suppliers' human rights performance. The company combines different departments' internal evaluations of suppliers on different indicators with supplier feedback to evaluate the relationship with suppliers. The overall assessment will be presented at the company's supplier days.

In the past financial year, FOND OF used its previous supplier evaluation to influence sourcing decisions for production locations in Türkiye. The production location did not align with FOND OF on Freedom of Association and quality, safety and communication were below its standard. Therefore the company decided to exit the factory.

Recommendation: Fair Wear recommends the member to ensure that the evaluation of human rights performance of its suppliers is systematically considered in purchasing decisions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting.	Advanced	Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks.	Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators.	4	4	0

Comment: FOND OF uses the outcomes of its human rights monitoring to respond to unauthorised subcontracting. There is no evidence of missing first-tier locations in the database. The member takes measures to prevent unauthorised subcontracting or unknown locations, such as monitoring visits, capacity checks and clear procedures to onboard subcontractors.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.12 Member company extends its due diligence approach to homeworkers.	Advanced	Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions.	Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers.	4	4	0

Comment: Two audits identified that the factory allowed workers to produce products at home but had no labour requirements for this work. In response, FOND OF has drafted a homeworker policy and started a discussion with the production location about the potential risks for these workers.

Indicators on Responsible purchasing practices

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms.	Insufficient	Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain.	Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals.	0	4	0

Comment: FOND OF uses contracts with its suppliers, which is a combination of the general terms and conditions and a purchase order. The general terms outline the payment terms, which stipulate that 50% of the invoice is paid after the estimated time of departure of the orders and delivery of the invoice, and the rest is paid 90 days later.

Although the contract includes the Code of Labour Practices, it does not support the implementation of human rights due diligence. In addition, with some of its main suppliers, FOND OF has implemented a 'loyalty program', which includes a discount that is applied to FOND OF's total order volume.

Requirement: FOND OF should evaluate its contracts to ensure that it does not place an unequal burden on its suppliers or include terms that limit the possibility of implementing the Code of Conduct.

Recommendation: FOND OF is advised to review its contracts with suppliers against the principles mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in their decision-making processes.	Intermediate	Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company.	Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information.	4	6	0

Comment: There is an active interchange of information between CSR and other departments to enable coherent and responsible business practices. The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with Key Performance Indicators (KPIs) supporting good sourcing and pricing strategies.

Recommendation: FOND OF could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.15 Member company's purchasing practices support reasonable working hours.	Intermediate	Members' purchasing practices can significantly impact the levels of excessive overtime at factories.	Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes.	4	6	0

Comment: Each of FOND OFs' brands has a different production cycle, depending on collection frequency. There is a system in place with a 12-month cycle of production planning. There are three to six delivery deadlines for each order. At the start of an order cycle, the supplier receives a forecast with specific quantities for each delivery deadline. FOND OF discusses the planning with the supplier and checks the long-term capacity. The design and product development process for all seven brands is done in collaboration with the suppliers who will eventually produce the products. FOND OF pays for the sample products, including a percentage, to cover development costs.

In the past financial year, the company surveyed to find out factories' capacity throughout the year and FOND OF's percentage of capacity covered. Based on the outcomes of this survey, the company rearranged some of its orders to allow production during the low season. In addition, the company developed several Never out of Stock (NOS) items that do not have a strict delivery date and can be produced at low production times. The company will evaluate the production planning with suppliers in the upcoming Supplier Days. It does not yet take responsibility for unused (forecasted) capacity.

Recommendation: The member is encouraged to further evaluate with the supplier the production process after each season and, where needed, adapt its future planning. Fair Wear recommends FOND OF to take responsibility for the unused capacity that the supplier reserved based on forecasting.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations.	Insufficient	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, cost sheets including labour minutes.	0	6	0

Comment: When price negotiations start, purchasers will check with the CR department whether wages have gone up since the last order and with designers to understand the potential additional time that is required for production to ensure both are reflected in the price. However, since production locations only share labour costs as a bulk item as part of the Bill of Materials, FOND OF cannot explicitly link its prices to wages. Although it is part of its living wage strategy to understand the link between prices and wages, FOND OF currently does not know the number of sewing minutes needed for a style nor does FOND OF know the labour minute value at its suppliers.

Requirement: FOND OF needs to demonstrate an understanding of the link between buying prices and wage levels to ensure its pricing allows for the payment of the legal minimum wage.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
2.17 All sourcing intermediaries play an active role in upholding Fair Wear's Code of Labour Practices and ensure transparency about where production takes place.	Intermediate	Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP.	Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc.	2	4	0

Comment: FOND OF has two intermediaries and informed its sourcing intermediaries of Fair Wear requirements and could show they informed production locations.

Recommendation: It is recommended that the member check if the intermediary's purchasing practices are fair and if the intermediary has adequate systems to ensure payments are made on time.

Layer 3 Prevention, mitigation and remediation

Possible Points: 90

Earned Points: 56

Indicators on the quality and coherence of a members' prevention and remediation system

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile.	Basic	Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes.	Overview of supplier base with accompanying risk profile and follow-up programmes.	2	6	0

Comment: FOND OF has created risk profiles for its different production countries based on the different risk levels. Based on the risk profile, the company has prioritised and drafted follow-up programmes for production locations in each county. At the moment, this has not been made production-location specific.

Recommendation: Fair Wear recommends FOND OF to ensure all factories have a follow-up plan that matches their risk profile.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.2 Member company's improvement and prevention programmes include a gender lens.	Insufficient	The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender.	Proof of incorporation of the gender lens in follow up programmes, including stakeholder input.	0	6	0

Comment: Although FOND OF has started to collect information on gender, this has not yet been translated into factory-specific action plans.

Requirement: FOND OF must start including a gender lens in the implementation of improvement or prevention actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue.	Basic	Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas.	Available prevention and improvement programmes, including stakeholder input.	2	6	0

Comment: FOND OF included some steps to encourage FoA and effective social dialogue in its improvement or prevention actions. These steps include enrolling production locations in Fair Wear's communication training in each production location in Vietnam. Following two audits, FOND OF actively engaged worker representatives in the follow-up.

Recommendation: Fair Wear recommends FOND OF to be more comprehensive and include more steps to promote FoA and effective social dialogue in its improvement and prevention actions.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.4 Member company actively supports operational-level internal grievance mechanism.	Intermediate	Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers.	Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue.	4	6	0

Comment: In the past financial year, FOND OF started monitoring internal grievance mechanisms at its production locations by collecting information about the existing mechanisms. In addition, collecting this information has been integrated into its onboarding process. FOND OF supports internal grievance mechanisms by enrolling production locations in Vietnam in Fair Wear's communication training. The company did not yet assess the effectiveness of existing mechanisms.

Recommendation: Fair Wear recommends FOND OF to start assessing the effectiveness of internal grievance mechanisms.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.5 Member company collaborates with other Fair Wear members or customers of the production location.	Advanced	Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers.	Communication between different companies.	6	6	0

Comment: FOND OF cooperates with other Fair Wear members and other customers at its shared suppliers, responding to Corrective Action Plans (CAPs) and complaints. Next to that, the member also cooperates in taking more preventive measures, such as organising training and joint living wage work.

Indicators on implementation: improvement and prevention

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.6 Degree of progress towards implementation of improvement programme per relevant factory.	77%	Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem.	Progress reports on improvement programmes.	6	6	-2

Comment: During the performance check, the member could demonstrate with a sample that more than two-thirds of the CAP issues requiring improvement actions have been followed up. Examples of improvement actions that were taken include health and safety issues, problems regarding wage and hour verification, where the brand received and checked wage and time records, and policies and procedures regarding legal wage requirements and workers' awareness of Freedom of Association. In some cases, the factory could demonstrate improved internal policies and procedures, but cases where it needed to be applied had not occurred. FOND OF keeps these issues open for as long as needed to ensure the issues will not recur.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.7 Degree of progress towards implementation of prevention programme.	Basic progress	Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe.	Update on prevention programmes.	2	6	-2

Comment: In the past financial year, FOND OF has identified some root causes of issues related to the brand's purchasing practices. The company realised its impact on production locations because one production location experienced financial difficulties due to incorrect forecasting by the company. In addition, due to miscommunication internally, some production was shifted to a location in Myanmar, although it had been previously agreed not to source there anymore. FOND OF took these incidents to critically evaluate its purchasing practices and procedures, identify root causes and take preventive measures. In addition, based on CAP findings related to homeworkers, it updated its policies and procedures to monitor homeworkers' risk and ensure their rights are respected. FOND OF did not analyse root causes for all CAP findings to be able to take preventive actions to avoid such findings happening at other production facilities too.

Recommendation: Fair Wear recommends FOND OF to identify root causes of CAP issues together with its suppliers and to translate its root cause analysis into concrete preventive actions as part of the risk profiles.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.8 Member company validates risk profile and maintains regular dialogue with factories where no improvement or prevention programme is needed.	Intermediate	When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses.	Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo.	4	6	0

Comment: FOND OF has one supplier where improvement or prevention steps are not needed. These cover 0.11% of the member's total FOB. FOND OF regularly reviews changes to the risk situation, by visiting the production location. During these visits the company does not explicitly speak to worker representatives about the human rights risks.

Recommendation: FOND OF is recommended to ensure worker representation/local unions (when appropriate) are included in discussions with factory management on possible human rights risks.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.9 Degree to which member company mitigates root causes of excessive overtime.	Advanced	Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays.	This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc.	6	6	0

Comment: Based on survey data and continuous communication with production locations, FOND OF closely monitors working hours at production locations. The company has adjusted its own production planning and received confirmation from its production locations that due to changes in orders across the board, excessive overtime is not an issue. Two audits conducted in the past financial year supported this, indicating findings related to excessive overtime were resolved. These two production locations account for 18% of FOND OF's FOB.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid.	Intermediate	Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved.	2	4	-2

Comment: In the previous year, all four audits included findings regarding non-payment of legal minimum wage or legally required wage elements. One audit, in Türkiye, showed inconsistencies in records, and as such, wages could not be verified. FOND OF has addressed this with the production location but has also decided to stop production at this location. Two audits in Vietnam had findings related to non-payment of overtime premiums and severance pay. FOND OF was able to show policies and procedures had been adjusted. Related to severance pay, as no worker had left the factory, the improved procedures had not been executed yet. Lastly, one audit in Vietnam indicated wages were not properly paid during lockdown. The factory indicated they did not have the financial means to pay this gap retroactively. FOND OF, together with other customers at the factory, decided it was difficult to resolve this finding because the lockdown was too long ago, and the workers had changed since then.

Recommendation: Fair Wear strongly recommends FOND OF to ensure problems of payments below legal minimum wages are not just prevented going forward but also remediated retroactively.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations.	Basic	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.	Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc.	2	6	0

Comment: FOND OF has a basic overview of the wage levels at its suppliers. FOND OF has developed a time-bound plan to enable the systemic increase of wages at all its suppliers, which starts in financial year 2023/2024 with understanding the labour minute cost and determining where money comes from the pay for higher wages. By 2030, FOND OF aims that 100% of its labour costs support payment of a living wage.

Recommendation: Fair Wear encourages FOND OF to uphold its living wage strategy and show year-to-year improvement.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.12 Member company determines and finances wage increases.	Basic	Member companies should have strategies in place to contribute to and finance wage increases in their production locations.	Analysis of wage gap, strategy on paper, demonstrated roll out process.	2	6	0

Comment: Part of FOND OF's strategy towards its contribution to living wages is to determine where money can come from. The company expects to have more clarity on this part of the strategy in its financial year 2023/2024.

Recommendation: Fair Wear recommends FOND OF to enrol in the Living Wage programme on Fair Wear's learning platform.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.13 Percentage of production volume where the member company pays its share of the living wage estimate.	32%	Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker.	Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc.	2	6	0

Comment: FOND OF benchmarks wages at production locations against the estimates provided by the Global Living Wage Coalition (GLWC). As the GLWC only provides estimates for regions one and four in Vietnam, the company calculates the estimates for regions two and three based on the relative difference between the estimates and the legal minimum wage for these regions. Audits show a living wage estimate is paid at two suppliers responsible for 32% of FOND OF's FOB.

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

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure.	Advanced	Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain.	Overview of supporting activities, overview of grievances received and addressed, etc.	4	4	-2

Comment: FOND OF received three complaints in the past financial year, about wages, health and safety, working hours and contracts at its suppliers in Myanmar, Vietnam and China. FOND OF responded to these complaints in line with Fair Wear's Complaint Procedure and was able to resolve the complaints. FOND OF has used the complaints to take preventive steps, such as training, and adjusted the risk profiles for specific production locations.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.15 Degree to which member company implements training appropriate to the improvement or prevention programme.	Advanced	Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed.	Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc.	6	6	0

Comment: Training is part of the standard approach for FOND OF. All production locations are enrolled in the WEP basic. Based on the risk assessment, FOND OF initiated Fair Wear's Communication and Factory Dialogue training in three Vietnamese production locations. Even though this was not explicitly recommended based on audit results.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.16 Degree to which member company follows up after a training programme.	Member company did not implement any training	Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact	Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts.	N/A	6	0

Comment: FOND OF has not received training reports yet and awaits those to decide on appropriate follow-up (NA).

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.17 The member company's human rights risk monitoring system includes a responsible exit strategy.	Advanced	Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy.	Exit strategy policy, examples of supplier communications.	4	4	0

Comment: FOND OF's human rights risk monitoring includes a responsible exit strategy, which is shared with all production locations. In the past financial year, the member stopped with two suppliers, one in Myanmar and one in Türkiye. Both decisions were based on the apparent risks in the country, and FOND OF's realisation the company was not able to uphold human rights in the production locations. FOND OF followed its responsible exit strategy in both cases.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope.	Basic	Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2.	Overview of Human Right risk monitoring, remediation and prevention activities and processes.	2	6	0

Comment: FOND OF expands its monitoring of human rights risks beyond the Fair Wear scope, by including material suppliers. It does not yet expand its remediation and prevention activities beyond the Fair Wear scope.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 18

Earned Points: 14

Indicators related to communication

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts.	Advanced	Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community.	Member website, sales brochures, and other communication materials.	4	4	0

Comment: FOND OF communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. Through active social media engagement and dedicated stands at fairs, FOND OF actively spreads the Fair Wear message.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable).	No reselling of external brands	Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information.	External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct.	N/A	4	0

Comment: FOND OF does not sell external brands.

Indicators related to brand and supply chain transparency

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.3 Social report is submitted to Fair Wear and is published on the member company's website.	Advanced	The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan.	Social report.	4	4	0

Comment: FOND OF has submitted its social report, which Fair Wear approved, and has also published the report on its website.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.4 Member company engages in advanced reporting activities.	Intermediate	Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report.	Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge.	2	4	0

Comment: FOND OF published its social report, which includes some factory-level data and remediation results, on its website. FOND OF has yet to disclose its time-bound improvement plans.

Recommendation: Fair Wear recommends FOND OF to publish time-bound plans for its suppliers.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.5 Member company has a system to track implementation and validate results.	Intermediate	Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made.	Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback.	4	6	0

Comment: In the past financial year, FOND OF has developed a system to track progress and enable the company to check if implemented measures have been effective in preventing and remediating human rights violations. This system will involve top management and include supplier feedback. Other stakeholder feedback is not yet included. This system will be implemented in the current financial year.

Recommendation: The member is advised to include feedback from workers and suppliers in its evaluation system.

Performance indicators	Result	Relevance of indicator	Documentation	Score	Max	Min
4.6 Level of action/progress made on requirements from previous Brand Performance Check.	No requirements were included in the previous Brand Performance Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

Comment: In the previous performance check, no requirements were included.

5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: **Not applicable**

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: **Yes**

Comments: FOND OF supports Fair Wear's lobbying activities for the Corporate Sustainability Due Diligence Directive (CSDDD). It has reached out to several politicians to talk about its HRDD approach. The company signed the joint brand letter to German ministers on the CSDDD.

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: **Not applicable**

Recommendations to Fair Wear

FOND OF has the following recommendations for Fair Wear:

- A lot of policies have been developed in the past year, allowing less time for action and an overload on suppliers' side.
- We would like to be able to do risk scoping and risk assessment and CAP management on the same platform
- We would like more guidance on prevention measures.
- We would like Fair Wear to offer validation regularly.

Brand Performance Check details

Date of Brand Performance Check: **28-11-2023**

Conducted by: **Anne van Lakerveld**

Interviews with: Katharina Liefner (CR FOND OF GmbH)

Philipp Schumacher (CR FOND OF GmbH)

Lea Altenfeld (CR baesiq GmbH)

Mathias Lievenbrück (Management FOND OF GmbH)

Till Laszlop (Management baesiq GmbH)

Oliver Schlieben (Team lead procurement FOND OF GmbH)

Thorsten Görse (Purchasing FOND OF GmbH)

Simone Kurtenbach (Purchasing baesiq GmbH)

Sarah Willeke (Accounting)

Julia Henning (Teamlead Social Media & Content Marketing)