



Brand Performance Check

FOND OF GmbH

This report covers the evaluation period 01-08-2019 to 31-07-2020

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.

Brand Performance Check Overview

FOND OF GmbH

Evaluation Period: 01-08-2019 to 31-07-2020

Member company information	
Headquarters:	Cologne , Germany
Member since:	2016-11-01
Product types:	Garments, clothing, fashion apparel; Sports & active wear; Bags; Footwear; Luggage & other travel
Production in countries where Fair Wear is active:	China, Myanmar, Turkey, Vietnam
Production in other countries:	Hong Kong Special Administrative Region, Italy, Lithuania, 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	99%
Benchmarking score	84
Category	Leader

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

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 suppliers. This, along with a score of 84 points and 99% of production locations under monitoring, means that FOND OF has maintained its 'Leader' status again. 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 tail-end monitoring and efforts to implement living wages in a production location in the past financial year. However, these efforts were interrupted by the COVID-19 pandemic.

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 added several new product categories which meant finding a few new suppliers.

FOND OF has a strong and integrated production planning system. 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, especially in China.

This brand performance check assesses both the part of the financial year which fell outside of COVID-19 as well as the impacts of COVID-19 and the brands' responses to these. The financial year of FOND OF runs from August until July.

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.

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.	85%	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 mainly are producing bags. Whenever possible the company tries to use the same supplier for several brands to ensure supply chain consolidation.

In the past financial year, 85% of FOND OF's production volume came from production locations where the company buys at least 10% of the factory's capacity. This is an increase of one percentage point over the previous financial year.

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.	9%	Fair Wear 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 Fair Wear.	3	4	0

Comment: In the past financial year, 9% of the production volume came from production locations where FOND OF buys less than 2% of its total production capacity. These production locations belongs to the companies so-called "tail-end".

The small increase of 2 percentage points, compared to 7% in the previous financial year, comes from FOND OF expanding its product lines into apparel styles, caps and shoes. Even after expanding into these new product groups, FOND OF still managed to keep its tail-end relatively stable.

The focus of FOND OF is already to consolidate its supply chain and limit the tail-end as much as possible, however this, going forward, needs to be aligned and adjusted along with the expansion strategy into the new product groups and its overall growth.

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.	82%	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.	4	4	0

Comment: FOND OF values long term relationships with their suppliers. In the past years, this has meant the company has been looking into possibilities of expanding its existing supplier relationships and expanding to different production locations belonging to the same main supplier.

In the past financial year, there was a business relationship, longer than 5 years, with suppliers responsible for 82 % of the brands total production volume. This represents a significant and impressive increase of 38 percentage points and it is strong testimony to FOND OFs' commitment to building long-term relationships.

During the performance check FOND OF explained that its expansion strategy would mean bringing onboard new suppliers starting from zero and building up the relationship, but that is considered a natural part of business development.

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 Fair Wear questionnaire into its Code of Conduct, which needs to be signed and returned before bulk production can take place. In the past financial year, FOND OF started producing at 3 new production locations, 2 of these were located in Portugal and 1 was located in Myanmar.

For these new locations, FOND OF has the signed and returned questionnaires with the Code of Labour Practices uploaded in Fair Wear's data management system.

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 a first order is made jointly by the purchasing, quality, and CR department. All 4 departments need to agree before a factory can be selected for production.

When one of its 7 brands would like to start with a new product, it has to fill out a form and share this with purchasing, quality, and CR department. Then the group proposes a possible supplier, ideally one they are already working with.

In case they need to find a new production location they will check within their network to find suitable ones. FOND OF conducts human rights due diligence at all its new production locations: All locations are visited and the Fair Wear Health and Safety Checklist is filled as a part of any visit. FOND OF collects existing audit reports and analyses them before placing orders.

As mentioned in indicator 1.3 FOND OF added 3 new suppliers in the financial year assessed in this performance check. During the check Fair Wear looked at the due diligence steps taken by FOND OF when onboarding the 3 new suppliers, and it happened as follows:

Myanmar:

FOND OF chose a factory that was already supplying to another Fair Wear Member with whom they could verify the working conditions. It also checked the existing audit reports and previous trainings.

Portugal:

Although Portugal is considered a low risk country at Fair Wear, it still poses certain risks of labour right violations. FOND OF was recommended the two new suppliers by a colleague who had previously worked with both of them and in addition both locations are GOTS certified.

A GOTS certification is one of the goals FOND OF has when it comes to its garment producing factories.

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 the compliance of all its production locations in a structured and consistent manner. FOND OF has developed a methodology on which it grades the overall performance of its suppliers. The methodology has both content and process-related CSR elements. The grading is done once per quarter and results in a spider diagram, which enables FOND OF to track how the social compliance at each production locations develops over time. The grading is used to discuss the performance of a production location during the regular meetings between purchasing, quality and CR, which leads to buying decisions in terms of reallocation of orders.

The CR weight in the supplier evaluation is 20%, but the CR department can also veto any decision. As an example of this, the brand did not start a business relationship with a supplier in Turkey due to the fact the supplier, during sampling, refused to post the Worker Information Sheet, displaying the 8 Fair Wear Code of Labour Practices and the number for the worker complaints helpline, in the factory.

A supplier relationship in Myanmar was ended due to lack of cooperation in arranging a Fair Wear audit. In terms of responsible exit strategy, FOND OF explained that, in the end, it worked out well for all parties since several US brands were ready to fill the production capacity at the factory and therefore workers were not negatively impacted.

The supplier evaluation system was not updated as such during COVID-19, but FOND OF kept a close dialogue with all its suppliers and were sending bi-monthly questionnaires in addition to this. The questionnaires required suppliers to give a general overview of the current situation and include the possible challenges and difficulties faced due to COVID-19. Via the communication described above, FOND OF was ensured that all suppliers were able to continue to pay their workers. FOND OF has not canceled or postponed their orders as a result of COVID-19.

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: Each of FOND OFs' brands has a different production cycle, depending on collection frequency. In the past financial year, the company focused on aligning the production cycle for each brand and to develop an automated ordering process in order to make better forecasts. The company believes that by optimizing its own planning it enables actors further down the supply chain to plan their work better 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 to plan production. FOND OF discusses the planning with the supplier and checks the long-term capacity. The process of design and product development for all seven brands is done in collaboration with the suppliers who eventually will be producing the product. FOND OF pays for the sample products, including a percentage to cover development costs in cases where this is relevant.

The regular approach continued during the time of COVID-19.

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: In 6 out of 6 audits there were findings in regards to working hours and overtime. FOND OF is investigating these findings and is trying to mitigate the root causes. It is still having difficulties with this, particularly in China, where suppliers consistently plan with 60 hours of monthly overtime as a norm.

In one instance in China, excessive overtime was claimed by the supplier to stem from FOND OFs' purchasing practices. This being a factory where the brands has a substantial leverage of around 30%. FOND OF had already tried to accommodate this supplier by placing orders one month earlier than before. One additional month was added later, meaning that FOND OF currently is placing its orders two month earlier at this supplier. Still the supplier kept claiming that the orders are placed too late to avoid overtime.

As a counter example to the above, for the suppliers in Vietnam orders placed with the same extensive time-frame are always considered to be well in time for a good planning of working hours. FOND OF will discuss this topic further with the Chinese supplier in addition to the results in the most recent supplier evaluation to see what can be done further.

Recommendation: FOND OF could discuss with factory management on the causes of excessive overtime and provide support to manage this overtime better. If necessary, FOND OF could hire local experts to analyse the root cause of the excessive overtime in cooperation with the supplier and possibly help the factory make a better planing. Fair Wear could recommend qualified persons upon request.

Fair Wear recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate the issue of the excessive overtime hours.

To identify root causes of excessive overtime at the Chinese supplier, FOND OF could evaluate its production process with all internal departments, the suppliers and worker representatives. Once root causes of overtime are known, the brand can use the Fair Wear guidance on addressing excessive overtime and check what solutions, processes and tools are linked to a particular root cause.

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: Price for fabric, accessories and it has a clear indication of labour cost component. In the process of pricing, retail price is decided before the design and FOB price of a backpack is determined. A cross-check with the local minimum wage is done. In the discussion with production locations on the link between buying prices and wages FOND OF found that production locations find it difficult to pin down minutes and get the exact labour minute cost and will therefore rather provide a lump-sum to cover labour costs. In the price negotiations, the impacts on labour costs is carefully monitored.

There was from the side of the brands, no adjustments in buying prices to cover any added costs imposed by the supplier in his effort to implement COVID-19 precautionary measures. The surveys done with the production facilities did not indicate problems paying workers nor did the suppliers indicated that the added cost due to increased safety measures and the lower capacity as a result, should be the cause for a price change, although this question was not directly asked by the brand. The long term relationship FOND OF has with many of its suppliers, does speak to the likeliness that factories would feel safe in addressing these issues if they had been the cause severe problems and problems to pay workers.

Recommendation: Fair Wear recommends FOND OF to expand its knowledge of cost break downs for all its product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

FOND OF is recommended to, during COVID-19 times, to stay alert and keep itself updated on how the added cost factories need to furnish as a result of extra health and safety measures and the in-turn lower efficiency and productivity are linking to its buying prices. FOND OF is recommended, to the extend this is possible, to help their suppliers to cover these extra costs as a shared responsibility.

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, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: At a subcontractor, of FOND OFs' main supplier in Vietnam, there was an audit finding on the 24th of July 2020 which showed 11 workers received a wage lower than the legal minimum wage.

FOND OF followed this up with the factory. The supplier had informed before the audit that the follow-up was taking much longer because of COVID-19 and the order situation was becoming uncertain. FOND OF addressed the topic with the supplier and send him the Corrective Action Plan (CAP). FOND OF shared that minimum wages must be observed and asked the supplier how it could support them.

Because this issue was discovered at the very end of FOND OFs' financial year, the actual remediation will be a part of next years brand performance check.

As previously mentioned, FOND OF has requested its suppliers to fill out regular questionnaires on the impact of COVID-19. Based on this information FOND OF could conclude none of its suppliers experienced difficulties with paying the workers.

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

Comment: According to FOND OF there were no late payments, nor order cancelations or postponements.

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 are regularly discussed with 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 methodology) in Vietnam. The companies activities, now focuses on internal processes and not on root causes of wages below living wage in specific production locations.

Recommendation: Fair Wear 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 capacity (high leverage) and where there exists a 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	6	0

Comment: FOND OF had a plan to start financing a wage increase at one of its suppliers where there is a high leverage of 70%.

A budget was reserved for this and the plan was to start with that one supplier and gather experience from there. At one moment however the supplier refused to share additional details about how the price was calculated, which meant FOND OF could not continue. As a further development COVID-19 hit and there were no further discussions with the supplier after that. Had it not been for COVID-19, FOND OF thinks it could have convinced the supplier to continue. The project is now put on stand-by to see how the situation develops.

One of the direct COVID-19 impacts was that the budget for FOND OFs' living wage efforts was cut.

Recommendation: FOND OF is recommended to closely monitor the situation and as soon as the situation allows for it to again pick up the project.

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.	45%	Fair Wear 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.	4	6	0

Comment: FOND OF presented a table showing that it is paying above its share of target wages for 45% of its production volume.

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

Purchasing Practices

Possible Points: 52

Earned Points: 38

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	14%	
% of production volume where Fair Wear audits took place.	46%	
% of production volume where an audit took place.	98%	
% 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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	99%	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 Fair Wear 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 for follow up on problems identified by the monitoring system.

During COVID-19, the capacity of the CR department was reduced by 30% due to furlough working hours for the two fulltime CR-staff members. Despite this decrease in capacity FOND OF was able to uphold (and even extend) its monitoring activities to further monitor the COVID-19 impacts on the supply chain.

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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear 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: Fair Wear 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 Fair Wear audit reports with factory management and where possible also with the worker representation. It discusses Corrective Actions Plans during visits and via emails and Skype. It ensures that suppliers are aware that FOND OF values quick and accurate follow-up.

FOND OF noticed that especially the subcontractors valued the personal visits by FOND OF to its locations since these subcontractors do not often receive visits by brands. This proved helpful in the CAP follow up as it increased willingness based on a better relationship at subcontractor level.

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	Fair Wear 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 sharing the CAPs from each audit with its suppliers. Timelines are established and through its internal system, the CR staff is reminded when deadlines for remediation are surpassed. CAPs are discussed with the factory management during visits as well as with HR and worker representatives via regular Skype calls and emails. FOND OF could show evidence of active CAP follow-up during the performance check. When a supplier is unwilling to follow up, FOND OF is persistent in approaching the supplier and it will also support the supplier when needed.

When a supplier has difficulties in following up on an identified action, FOND OF listens to the supplier in order to understand the difficulty faced and together with the supplier it tries to come up with a solution.

FOND OF cross-checks whether a result matches typical problems within a country and is constantly keeping its eyes open to learn from best practices done by other Fair Wear member brands. As an extra incentive for suppliers to improve social compliance, FOND OF has published the result of the audits on its website, including a data visual which gives instant insight into the performance of each supplier.

During COVID-19 there were no issues uncovered in FOND OFs risk assesment so it continued its usual follow up on CAPs interupted only by the country lock-downs.

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.	85%	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: The planned visits to FOND OFs' Italian suppliers were cancelled as a result of COVID-19.

85% of production locations were visited by FOND OF in the previous financial year.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: FOND OF collects existing audit reports from other sources as part of its due diligence process and uses these reports to follow up on remediation efforts.

Recommendation: d

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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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 fulfills all Fair Wears requirements of the enhanced monitoring programme for Myanmar, including publication of the wage ladder for its factories in the country.

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

In Vietnam risks related to Freedom of Association (FOA) are priority topics as well, which is being addressed through cooperation with ILO Better Work.

There was no change in the risk assessment due to COVID-19 as FOND OF was able to accommodate the increased occupational health and safety risks and job-lose risk into its alternative monitoring efforts. FOND OF used frequent questionnaires that the suppliers needed to fill out. There was no evidence found or indications pointing towards that unusual lay-offs of workers had taken place, and as previously mentioned, also no problems to pay workers wages was reported at any time. FOND OF did however not ask evidence from their suppliers in terms of pay-slips which could have verified that payment of workers took place and that the amounts were correct.

Recommendation: Fair Wear recommends FOND OF to ask evidence from their suppliers in terms of pay-slips which could verify that payment of workers took place and that the amounts were correct.

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 Fair Wear members 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.	77%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Member undertakes additional activities to monitor suppliers.: Yes (1)

Comment: FOND OF has 77% of its low risk production volume under monitoring, having visited 6 out of 8 suppliers in low-risk countries during the recent financial year. Due to COVID-19, FOND OF, as previously mentioned, had to cancel visits to its suppliers in Italy.

One audit was conducted at FOND OFs' supplier in Lithuania and this qualifies as undertaking additional activities in supplier monitoring and the scoring of one extra point in this indicator.

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).	Yes	Fair Wear 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 Fair Wear and recent Audit Reports.	2	2	0

Comment: FOND OF conducted a full audit at a tail-end supplier in China.

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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear 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	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear 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	Fair Wear 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: 30

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	3	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.	1	
Number of worker complaints resolved since last check.	3	

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 Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The CR Team at FOND OF is addressing worker complaints.

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 Fair Wear 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 has uploaded pictures of posted Worker Information Sheets at different production locations in the Fair Wear data management system.

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.	68%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: During the period of the last 3 years FOND OF enrolled 4 suppliers in the basic module of Fair Wears' Work Place Education Programme (WEP Basic). 3 Suppliers in Vietnam and 1 in China, jointly responsible for 68% of its total 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	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.	3	6	-2

Comment: FOND OF handled all complaints received in accordance with Fair Wears' complaint procedures.

The complaints involving FOND OF were id's: 807, 859 and 939 all of which can be studied in detail on the Fair Wear website. Below a brief summary of each complaint and its outcome:

Complaint 807 concerned unlawful dismissal at one of FOND OF's suppliers in Vietnam. It refers back to the two Code of Labour Practices; Living wage and Legally binding employment relationship. This complaint was filled by a group of workers. The complaint was remediated via an intervention of the brand and a remediation meeting was held together with Fair Wear and compensation was paid out to the two complainants in question.

Complaint 859 had several issues in it and was filled by a worker in another of FOND OF's factories in Vietnam. It was related to lack of personal protection equipment (PPE), verbal abuse, forced overtime, discrimination and falsified time-records. According to this complaint, workers themselves needed to buy facial masks and masks only were distributed to workers during audits. There was verbal abuse happening when overtime was demanded from the workers and it was difficult to apply for leave and even forced annual leave at a certain period. It was also claimed that workers needed to punch their time card out earlier than the work actually stopped.

After intervention by the brand and investigation by the local team of Fair Wear it was concluded that the claims, in fact, did not seem to be grounded apart from issues related to PPE. This issue was remediated by the member and the factory together.

Complaint 939 was about safe and healthy working conditions and Legally binding employment relationship and the subject was that a factory in Myanmar imposed a very strict policy that would result in 14 days unpaid leave in the case that a worker for absent for 1 day without reason. After intervention of the brand, the factory decided to abolish the new rule and the complaint was resolved.

Recommendation: It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

Complaints Handling

Possible Points: 17

Earned Points: 12

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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: All new employees at FOND OF have to go through an internal introduction course that includes a training session given by the CR department about Fair Wear. In addition there is an online channel on sustainability.

The result of the brand performance check is shared with every member of staff.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: There are weekly meetings between the purchasing, quality, and CR department. CR has biweekly meetings with the internal brands, a bi-monthly meeting with the whole FOND OF team, in which sustainability topics are also addressed when necessary.

In case of detection of a severe human rights violation in one of the production locations, all relevant staff, including the CEO, are 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 + actively support COLP	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, Fair Wear audit findings.	2	2	0

Comment: FOND OFs' agents are informed about the Fair Wear Code of Labour Practices.

FOND OF is currently working with two agents. One agent is actively involved in following up on the CAP derived from a BSCI audit.

The other agent is also engaged in following up on a BSCI CAP and further requested a FW audit at one of the production locations.

Agents are as well informed about the strong preference of FOND OF to work with GOTS certified factories.

Recommendation: It is recommended to use agents to actively raise awareness about the Code of Labour Practices and support these in the factories they are working with. Agents can conduct informative basic trainings on the labour practices and hand out worker information cards workers in the sewing line.

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.	45%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: 45% of production volume comes from production locations that are part of ILO Better Work and will receive regular guidance and follow-up to address processes related to human rights.

Please note: From 2020 and onwards Fair Wear has renewed its guidance regarding trainings which would score full points in this indicators and the specific trainings the factories have been enrolled in would not all count towards this indicator. Further since May 2020 new regulations regarding letting some shorter trainings of 1-2 days duration, still count for half of their FOB value was introduced. Since these new rules were implemented still within the financial year of FOND OF being accessed here they are not being applied in this performance check. However in next years BPC they will apply. Only repeat training sessions running over several days can be considered transformative going forward.

Recommendation: Fair Wear recommends FOND OF to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. FOND OF should here kindly refer to the list of approved external trainings from Betterworks and ILO Score.

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 Fair Wear guidelines, Better Work is taking the lead with FOND OF staying updated on training the activities.

Training and Capacity Building

Possible Points: 11

Earned Points: 9

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: 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. This practise continues during COVID-19.

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.

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 its main production locations and subcontractors.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: The CR department checks all publications of the marketing department regarding Fair Wear. They brief them and repeat from time to time the message to be humble and honest. In addition to this, FOND OF shares anecdotal stories about for example how an audit is done.

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 Fair Wear'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 FOND OFs' own website and in the social report. In addition FOND OF also published a supplier List with all its TIER 2 suppliers on its website.

All production locations are disclosed to other Fair Wear Members as well as on the Fair Wear website for full transparency.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: FOND OF submitted its Social Report to Fair Wear for publication as well as published it on its own company website.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The CR department meets with one of the CEOs every month. Fair Wear membership is discussed during this meeting. Examples of specific topics discussed with the CEO would be the Brand Performance Check result and how to increase wages in the factories.

During COVID-19, management has given a special task to the CR team to monitor the developments of COVID-19 in FOND OFs' sourcing countries.

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, 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 company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: Last years performance check had one requirement which was for FOND OF was to meet the requirements for tail-end monitoring. FOND OF has met this requirement in the recent financial year.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

FOND OF made the following recommendations and comments to Fair Wear:

- Brands appreciate to know about changes in advance and feels Fair Wear is sometimes informing at the very last minute. It would be helpful to have overview of coming important topics.
- Living wage data needs to be updated more often. FOND OF had to use outdated date and adjust for inflation rate in order to get a current estimate. FOND OF would like to receive an update on LW data every year.
- Overtime: FOND OF stated that a three months interval is not enough to get a good overview on how overtime is occurring throughout the year. With very seasonal products its always hard to tell. No overtime between June and September forexample, does not matter because FOND OF is not producing in that period. FOND OF would like to see if there is more overtime when a factory is processing its orders.
- Trainings: FOND OF is not a big fan of the WEP basic. According to factory feedback, it is not really helpful. FOND OF wants to have tools that improve the life of workers and it does not want to just chase points. The CEO says it has to keep the Leader status. It is not easy, 3 years later we have to do a training again, is the feedback from factory management.
- Calculate with how many suppliers % of FOB over 5 years. Against a brand like us, always reaching out to other products.
- FOND OF found the new data management system, Fair Force very helpful.
- It indicated to be confused with the information it received via the Member Hub and the Newsletter and found it hard to determine what is worth reading and what not urgently relevant.
- After last performance check FOND OF became aware that for indicator 2.7 they would need to know the very specific country risks.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	38	52
Monitoring and Remediation	30	30
Complaints Handling	12	17
Training and Capacity Building	9	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	108	129

Benchmarking Score (earned points divided by possible points)

84

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

12-11-2020

Conducted by:

Peter Jahns

Interviews with:

Hannes Weber

Phillipp Schumacher

Julian Conrads