



BRAND PERFORMANCE CHECK

DW-Shop GmbH

this report covers the evaluation period 01-07-2013 to 30-06-2014

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

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

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

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK OVERVIEW

DW-Shop GmbH

Evaluation Period: 01-07-2013 to 30-06-2014

AFFILIATE INFORMATION	
Headquarters:	Königswinter, Germany
Member since:	01-02-2012
Product types:	Fashion, Bags & Accessories
Production in countries where FWF is active:	China, India, Turkey
Production in other countries:	Bolivia, Indonesia, Peru, United Kingdom
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	53%
Benchmarking score	53
Category	GOOD

Summary:

DW-Shop (DWS) is in the process of implementing FWF's management system requirements. It has monitored 53% of its purchasing volume, which is below the requirement of 60% at the second brand performance check. However, DWS has still been awarded a 'Good' rating, in light of the fact that a large percentage of their production (comes from homeworker suppliers, for which FWF is still developing a monitoring and remediation policy. During the coming year, FWF expects DWS to participate in testing an approach to monitoring and remediation for homeworkers.

Historically, DWS has had long-term relationships with many suppliers, or has purchased a large percentage of a supplier's production, leading to significant influence with the factory. However, DWS is changing its supplier base to meet changing market demands. A new shared production planning system in 2014 is expected to decrease production planning and delivery problems, and related overtime. DWS accepts late shipments, split deliveries and pays air freight if needed for re-orders, which can help to reduce the risk of excessive overtime.

Next steps should focus on improved due diligence for new suppliers and root cause analysis on overtime and on wages below living wage. Special attention should be given to piloting advanced work with those factories from which DWS buys a large percentage of the production volume. Local and purchasing staff check posting of the FWF Code of Labour Practices, however audits suggest not enough workers are aware of their rights. DWS is recommended to promote Workplace Education Programme trainings with their suppliers.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

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

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

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

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

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	60%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Recommendation: FWF recommends DW-Shop to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

Comment: In India DW-Shop had 4 suppliers where it had 100% leverage, of which one is closed in the meantime, one supplier where DWS had 50% leverage and one 75%.

DWS is however in the process of adapting its supplier base to higher quality standards and increasing need for flexibility in styles. The suppliers in India where DWS has 100% leverage, in general produce 1 type of garment and are less flexible to change. This presents these long-term suppliers of DWS with a challenge to innovate or find other clients.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	81%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	4	4	0
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Comment: DWS has long-term relationships with most of its suppliers, the majority over 8 years. However, during this financial year the supplier base of DWS is already changing. Current suppliers do not all comply with higher quality standards of DWS and its need for flexibility in styles, nor are they able to change their business according to these needs. At some long-term suppliers DWS stopped ordering, because of quality or need for other styles.

At the same time, DWS faces challenges to find new qualifying suppliers it can build a long term relation with. For bigger factories supplying also well known brands it is a challenge to get smaller DWS orders accepted. Homeworkers become increasingly more important for DWS.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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Comment: Buyers discuss social compliance issues during the introduction. Before production starts, the CoLP is sent and signed by suppliers. During the Performance Check it was confirmed that two new suppliers indeed signed the CoLP.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	No	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	0	4	0
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Requirement: A formal process should exist to evaluate the risks of labour violations in the production areas the affiliate is operating. This evaluation should influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary. This is especially important for DWS at the moment, since DWS is renewing part of its supplier base.

Recommendation: A risk analysis as part of the decision-making process of selecting new suppliers is an important step to mitigate risk and prevent potential problems. FWF recommends DWS:

- 1) to assess the risks associated with operating in specific production areas. FWF advises to use information from FWF country studies and wage ladders.
- 2) At factory level conduct pre-audits or analysing existing audit reports can be a way to assess the level of working conditions before deciding to start the business relationship.

Comment: For DWS main criteria for choosing a new supplier is range of products and its quality. During first visits it is checked that factory corresponds to safety standards. DWS talks to new suppliers about social standards/compliance. If the product quality and the location check out well, DWS requests product samples and price negotiations are done. In India, Sumangali was discussed with new suppliers.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0
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Recommendation: -DWS is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realized improvements in working conditions.

-DW-Shop discusses supplier performance with purchasing and CEO approx. every half year. Suppliers performance with regard to social standards is part of those meetings. It is recommended to use the evaluation results to reward suppliers for improving their performance with regard to social standards.

Comment: DWS is evaluating supplier compliance to a certain level and has intentions to reward them for performance improvement. This is however not done in a systematic manner.

Buyers at DWS are informed of good behavior of suppliers by the CSR staff and can increase buying if possible and vice versa buyers inform CSR staff on co-operation with suppliers. The CSR staff person however does not know if this actually will happen. There is no formal system yet for rating suppliers, also not for quality issues etc. In the future DWS plans to make this now informal rating of all its suppliers more insightful.

If the supplier shows efforts to cooperate and improve the business relationship, it is DWS policy to maintain and preferably even strengthen the business relation. Although supplier may not be rewarded by higher order volume (this has to be possible on DWS side as well), DWS may take an effort not to order less than before. Orders are according to capacity of supplier.

DWS does keep an excell file per supplier with photo of worker info sheet.

This register is open for all DWS traveling staff from Germany. The buyers' experience from visits at suppliers' offices and factories are made a note of in these documents.

As a positive example, in one case a supplier in India performs well on social standards, but not on quality. In this case, DWS is committed to make an endeavor to continue their relationship, because of the good suppliers' social performance. With another supplier in India, who refused to post the FWF CoLP on the wall, DWS finished the business relationship.

1.6 The affiliate's production planning systems support reasonable working hours.	General or ad-hoc system.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	2	4	0
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Recommendation: FWF applauds DWS for establishing in 2014 a new system for sharing and updating forecasts with suppliers to facilitate their planning, keep delivery times, and help reduce overtime at the same time.

FWF advises to consider the following factors in the new system:

- assurance of early delivery of materials and trimmings to suppliers
- ensuring samples are approved in time and that late changes are discussed with the supplier.
- base the production planning on the production capacity of the factory for regular working hours.

FWF further recommends DWS to evaluate the new production planning system's impact on overtime.

Comment: DWS considers production time, asks suppliers for realistic delivery date. With the start of the production planning, suppliers are informed about production plans of DW-Shop at the specific production site. Usually 2 months later, the supplier receives the final order which allows the supplier to order materials already. The actual amount of production time differs depending on the style of the product or the experience DW-Shop has with the supplier. During production planning, capacities of the suppliers are also taken into account in the decision making of what production site to produce what style.

At the start of 2014 a new system was installed with a systematic way of planning, reducing transportation costs with less part-shipments and fuller container loads (FCL). This new planning system will be considered for the 2014 Brand Performance Check.

The system was developed after discussing realistic time frames with several suppliers. For those suppliers with high OT audit findings, the new system is expected to make a difference, because the supplier also works more systematic. A wider timeframe is planned for in between delivery date and shipment, so it is still possible to ship in time even if suppliers don't make original delivery dates because of unforeseen problems. This wider timeframe is not shared with suppliers because of the risk that suppliers when knowing this wider timeframe will use this time to plan extra orders and still be late and/or do OT. The future will have to tell the impact of the new system on OT.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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Requirement: The affiliate should investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

Recommendation: FWF recommends DWS to discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, DWS could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

Comment: DWS accepts late shipments, split deliveries and pays air freight if needed for re-orders. Internal reasons for delay are identified. However, two out of four audit reports indicate that the factory is not transparent with regard to record of working and overtime hours. At one factory there was no indication of overtime work. At another factory overtime was not an issue for most of the workers except pregnant women.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	No policy in place	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	0	4	0
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Requirement: DWS needs to develop a pricing policy where DWS knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

Recommendation: As an advanced step, increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. DWS is recommended start integrating labour cost in price discussions with all suppliers and get to know country wages. IDWS is advised to select one (high leverage) supplier to do more.

Comment: If the product quality and the location check out well, DWS requests product samples and price negotiations are done. DWS asks the production site to make a price, without checking for details in calculation. DWS includes experience with the supplier, previous prices and market development. Labour costs are not systematically collected and discussed.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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Requirement: If a supplier fails to pay minimum wages, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law and require a time bound action plan to ensure adequate payment.

Comment: DWS responded actively, first response by email and local staff followed up with supplier. The supplier concerned now refuses orders from DWS.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
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Comment: None of the four FWF audits which have been conducted in the period assessed by this Brand Performance Check showed evidence of late payments to suppliers by DWS.

1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Basic approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0
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Requirement: DWS has to take adequate steps to move towards living wages as estimated by local stakeholders. DWS is held more accountable for implementing adequate steps at the suppliers where DWS buys exclusively.

DWS is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder is included in FWF's audit reports. It demonstrates the gaps between workers' wages at a factory and living wages demanded by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

Recommendation: FWF encourages DWS to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder and discuss these with suppliers about possibilities to work towards higher benchmarks.

Comment: None of the audit reports showed that what is estimated as a living wage is paid to the workers. At two production sites leaves, benefits and overtime premium have not been paid. CAPs are followed up in general, including wage issues.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	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 affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

Comment: Although none of the production sites is owned by DWS, the FWF affiliate sources partly at production sites which are special in ownership, e.g. cooperatives in India. At 4 suppliers in India, together delivering 23% of its FOB, DWS has 100% leverage.

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 18

Additional comments on Purchasing Practices:

Aside the FWF membership DWS is a member of the Business Social Compliance Initiative (BSCI).

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	46%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	2%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	53%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

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

Comment: Despite staff changes at DWS head quarter, there has always been a designated person to follow up on problems identified by the monitoring system. DWS has been in close contact consulting FWF on a regular basis.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2
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Requirement: Resolving and remediating non-compliances is one of the most important criteria FWF affiliates can do towards improving working conditions. FWF expects DWS to examine and support remediation of any problem that they encounter.

Recommendation: To facilitate remediation, DWS could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing improvements

Comment: At DW-Shop different staff is involved in following-up CAP's. The audits in the past financial year were followed up by CSR staff person in direct email contact with the factory, by local staff in India and China visiting the supplier afterwards and checking and discussing. The buyers who travel to the audited supplier get instruction from the CSR staff person what to check with suppliers (follow-up CAP, check if pictures of audit reports are still OK (e.g. is the picture of the Code still hanging there?).

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	61%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	3	4	0
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Recommendation: Annual visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits. In case of a supplier visit, the company representative can check whether the worker info sheet is posted.

Comment: Traveling staff / buyers receive instructions from CSR staff person before leaving. They discuss labour issues on-site, use the OHS checklist and follow-up on CAPs in general. Local staff in China and India do more specific follow-up on-site.

All staff involved in monitoring activities were briefed about social compliance.

2.4 Existing audit reports from other sources are collected.	Yes	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.	1	3	0
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Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

Comment: One out of three assessed existing BSCI reports is checked with audit quality assessment tool, additional questions asked and CAP followed up with factory.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: DWS shares CAP with the factory and uses its local staff to also follow-up, and re-check if improvements did take place as reported.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Insufficient Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	0	6	0
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Requirement: Affiliates' monitoring system should identify and address high risk issues that are specific to the affiliates' sourcing practices. FWF provides policies and country-specific requirements to affiliates. Priorities in remediation efforts are guided by these policies.

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Affiliates can agree on additional commitments that are required to mitigate risks. DWS can provide additional measures for support and integrate that in the monitoring system. For instance: integrated risk for the textile industry is gender discrimination and violence against women especially in India and Bangladesh. FWF offers training programs which help raise awareness for gender based violence and establish internal complaints committees to for workers to enable workers to address problems.

Comment: DWS did not promote their suppliers to participate in the Workplace Education Program with trainings against workflow harrassment, which runs in India.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	No CAPs active or no shared suppliers.	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1
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Comment: No CAP's active at shared suppliers.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: DWS produces at only one production site in a low-risk country with very little volume. This production site is treated as all others and receives same information with regard to FWF membership.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 14

3. COMPLAINTS HANDLING

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: DWS does not have a written procedure. It always arranges back-up during absence of CSR designated staff.

3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0
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Comment: Local staff as well as traveling staff from the head office check the posting of the FWF CoLP and take pictures as evidence. Local staff partly already sends pictures. ff has to take pictures at the production sites and check whether the complaints handler number is correctly posted.

Two out of four audit reports of FWF show that the Worker Information Sheet has not been posted at the factory premises and workers have not been informed accordingly.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	50%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
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Recommendation: 1) As part of the routine to ensure the worker information sheet is posted, DWS could request suppliers to send pictures of the posted document. In case of a supplier visit, the company representative can check whether is the document is posted.

2) The affiliate can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, affiliates can use the worker information cards available for download on FWF's website.

Comment: Two audit reports indicated that the workers have not been informed about the Code of Labour Practice and hence are not aware of the FWF worker helpline. The other audits showed that workers have been informed and are aware of the helpline.

3.4 All complaints received from factory 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. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary.	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	-2
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COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 9

4. TRAINING AND CAPACITY BUILDING

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

Comment: Managing Director Purchasing held a presentation for all staff after her field trips, and showed pictures. Written reports on her field trips are sent to all staff.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: DWS purchasers have been trained in January 2014 by FWF on FWF membership requirements and how to monitor and remediate social standards at production sites. All staff members involved in the execution of monitoring activities were briefed by the CSR person about general issues of social compliance and the detailed requirements for successfully fulfilling FWF membership. Awareness raising is done with staff dealing with suppliers, to teach them constructive communication with suppliers and see them as partners.

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 affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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Comment: DWS does not source via agents (only in Turkey). DWS employs local staff in India and China which are on the payroll of the company. Local staff in India has been informed about FWF membership requirements during a training in New Delhi beginning of 2014 and support implementation and coordination in the production countries.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	0	6	0
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Requirement: Manufacturers and their workers should be systematically informed about FWF and the implementation of the Code of Labour Practices. All factory management and workers should be informed and aware about the relevant labour standards and grievance mechanisms.

Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in the 4 priority countries. DWS should motivate its main supplier(s) to join WEP trainings.

Comment: DWS plans to start promoting WEP to its suppliers in India.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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Recommendation: Whenever the FWF affiliate contacts a new supplier, this new supplier must be informed on the implications of FWF membership. All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends affiliates to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participation should be balanced and representative.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 5

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations and update supplier information.	Intermediate	Any improvements to supply chains require affiliates to first know all of their suppliers and production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

Recommendation: Affiliates are advised to develop a systematic approach to complete the supplier list. Part of the approach can be:

- 1) automatically include information from audit reports and complaints
- 2) Business relationships with agents include transparency of production locations.
- 3) Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.

Comment: Purchasing staff talks about subcontractors with new suppliers - they check and discuss during visits.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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Comment: All employees have access on the company's server to look up the status of social standards at each production site. Staff in direct contact are regularly informed about the status of compliance.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

Comment: DWS is communicating responsibly and according to FWF communications policy on FWF membership.

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0
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Recommendation: FWF recommends the affiliate to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

Comment: DWS website will be revised, it's in the process. FWF membership info will be easier to find. Include the BPC report on the website can be an option. Not decided yet.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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TRANSPARENCY

Possible Points: 4

Earned Points: 3

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Requirement: FWF membership is evaluated with the CEO at the end of the financial year and before the start of writing the social report.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	67%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	6	8	-4
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Recommendation: More efforts are needed by DWS on root cause analysis on wages lower than living wage. It is advised to include the issue in price discussions, find out the labour cost, and pilot with important suppliers with high leverage.

Comment: Last year requirements were on:

- 1.10 Reasonable working hours (a new production planning system is in development)
- 1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages (still needs attention)
- 3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline (local staff and purchasing staff are instructed to check and report back, still 2/4 audits show no Code on the Wall and workers do not know their rights, yet WEP participation so far is not promoted with suppliers)

EVALUATION

Possible Points: 10

Earned Points: 8

RECOMMENDATIONS TO FWF

1. Include homeworkers in FWF system, otherwise threshold cannot be met, and it is an important growing part of DWS supplier base, where DWS feels they can make a difference and improve workers' conditions
2. For FWF to become active in Indonesia
3. Develop tools to measure progress/ benchmark at factory level
4. Add column in CAP with numbers per issue / finding, for clear communication with suppliers

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	18	40
Monitoring and Remediation	14	27
Complaints Handling	9	13
Training and Capacity Building	5	15
Information Management	4	7
Transparency	3	4
Evaluation	8	10
Totals:	61	116

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

53

PERFORMANCE BENCHMARKING CATEGORY

GOOD

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

04-09-2014

Conducted by:

Ruth Vermeulen

Interviews with:

Mrs. Daniela Bunea (Managing Director Purchasing)

Mr. Eugen Hofmann (Customer Service Assistant)

Mr. Jörg Fauck (Marketing & Communication Assistant)

Mrs Regine Henschel (CSR Representative)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data. Future Brand Performance Checks will include improved usability and transparency for audit data.