



BRAND PERFORMANCE CHECK

LK International AG (Kjus)

PUBLICATION DATE: JUNE 2015

this report covers the evaluation period 01-01-2014 to 31-12-2014

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of 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. They evaluate the parts of affiliate 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 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.

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 affiliate 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

LK International AG (Kjus)

Evaluation Period: 01-01-2014 to 31-12-2014

AFFILIATE INFORMATION	
Headquarters:	Hünenberg, Switzerland
Member since:	18-04-2012
Product types:	Outdoor, Sportswear
Production in countries where FWF is active:	China, Viet Nam
Production in other countries:	Belarus, Indonesia, Lithuania, Portugal, Slovakia, Thailand
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
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	95%
Benchmarking score	76
Category	Leader

Summary:

Kjus meets most of FWF's management system requirements and goes beyond several. At 95%, Kjus' monitoring percentage meets the 90% monitoring threshold required for third-year members.

Kjus has a robust production planning system in place with forecast and development of styles in close cooperation with the supplier to support reasonable working hours. In terms of leverage with suppliers, long-term relationships compensate for relatively small volumes at most of the brand's suppliers.

Follow up on audit reports and corrective action plans has been done thoroughly. Kjus is open towards other brands to work on remediation steps at shared suppliers and at times took the lead in resolving issues at shared suppliers. Local sourcing staff is included in the follow up of corrective actions.

Four Chinese suppliers have participated in FWF's Workplace Education Programme trainings to increase knowledge at the production sites on labour standards and grievance mechanisms.

For the future it is recommended that Kjus conducts root cause analysis for excessive overtime and wages below living wage.

PERFORMANCE CATEGORY OVERVIEW

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

Good: It is FWF's belief that 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	1%	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.	1	4	0

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

Comment: Due to its production range and quality requirements, Kjus uses many suppliers, several of them with large-scale production capacities. Therefore, the amount of production volume commissioned by Kjus at each supplier is comparatively small.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	75%	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: Kjus strives to have stable business relationships with their suppliers, to achieve strong, reliable partnerships. The majority of suppliers has worked with Kjus for more than five years.

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: Kjus has added a new supplier in China and Vietnam in 2014. All new suppliers were required to sign a "supplier contract" including the Code of Labour Practices (CoLP) before first orders were placed.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	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.	4	4	0
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Comment: Kjus is aware of common risk factors and takes those into consideration when selecting a new supplier. New production sites were visited before production started. This moment was used to also check what certificates or social reports already existed at the factory. Existing audit reports are collected and quality assessed. There have been several cases, where Kjus did not pursue a potential new supplier relationship, as they felt their level of social compliance and willingness to improve was not sufficient. In the case of the newly added Vietnamese supplier, a FWF audit was conducted before placing the first order.

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: It is recommended to reward good compliance with the Code of Labour Practices.

Comment: Kjus employs a vendor rating system taking into account various factors such as quality, reliability and compliance with the CoLP as well as improvements after audits. Suppliers, who achieve overall good results are generally favoured, when placing orders. The best ranked supplier is named "Kjus supplier of the year" at a yearly supplier meeting in Switzerland. If shortcomings are observed, it is discussed with the supplier to help them improve.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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Comment: Two years before products are sold, Kjus starts developing the product together with the supplier who will get the final order. Kjus has a robust system in place with forecast and development of styles in close cooperation with the supplier. Final orders and time tables for production are communicated to the factory six months (guaranteed in the supplier contract) to a year before the start of production. This is to give the opportunity for production in low season as well. Furthermore, Kjus in many cases orders fabrics and materials directly to support a smooth production process.

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

Comment: Even though Kjus has strong production planning systems in place to support reasonable working hours, excessive overtime was still found at the majority of audits conducted by FWF in 2014. Overtime is continuously discussed with factory management. However, root causes could not in all cases be fully mitigated due to Kjus' low leverage at the suppliers. Kjus orders twice a year to give the opportunity to produce in low season as well. However this is not always done by suppliers. Furthermore, Kjus is flexible with delivery dates, prioritizes orders and pays air freight costs, if the delay is caused by Kjus.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0
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Recommendation: Kjus is encouraged to further analyse the share of labour costs separate from the overhead costs to determine the real share of wages for workers at a style level. Furthermore, Kjus needs to find a system to verify whether their labour costs estimates are correct.

Comment: Kjus already conducted detailed costing analyses in 2013. In 2014, they set up their own sample CMT department, which allowed them to estimate the necessary working minutes per piece. As a result, Kjus was able to further improve their analysis of costs per style for their main products. Those analysis includes costs for fabric, trims, labels etc. as well as close estimates of labour costs. Local benchmarks and results of the living wage ladder are taken into account.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2
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Comment: None of the FWF audits conducted in 2014 showed failure to pay legal minimum wages.

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 FWF audits conducted in 2014 showed evidence of late payments to suppliers by Kjus.

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.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0
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Recommendation: FWF encourages the affiliate to discuss with suppliers about possibilities to work towards higher benchmarks. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process rollout on request.

FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends affiliates commit to a long term process that leads to sustainable implementation of living wages.

In case FWF members are interested to develop a joint approach to improve wages at a shared supplier, FWF is in the position to give advice on measures that need to be taken by the affiliates to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

Comment: Kjus is eager to explore possible solutions to raise wages and has participated in various projects and studies on the topic of living wages in the past. Learnings from those studies as well as costing calculations conducted by Kjus are used to continuously discuss the issue with factory management. However, due to their low leverage, Kjus was unable to achieve significant progress on the matter.

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

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 29

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	83%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	12%	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	95%	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: Staff at the Swiss headquarter and in China are responsible to follow up on problems identified by the monitoring system.

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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Recommendation: To facilitate remediation, the affiliate 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.
- Provide financial support to the supplier for implementing improvements.

Comment: CSR staff usually joins audits to discuss findings with the factory management right away. Afterwards, CAPs are followed up continuously. Local sourcing staff checks remediation, if it can be verified easily. More complex issues such as overtime or living wages are discussed regularly with factory management by Kjus' high-level sourcing staff based in China.

In 2014, FWF conducted four audits at Kjus' suppliers (three in China, one in Vietnam). Several OHS findings were remediated immediately. In one case in China, it was found that workers shortened their hourly lunch break without being reimbursed for this overtime. After discussions, factory management stopped the power supply of the factory during lunch break to allow workers a full hour of rest.

Kjus also worked on corrective actions following an audit in Indonesia, conducted by an external service provider.

Issues that remain challenging in terms of remediation are excessive overtime as well as the correct payment of overtime and leave time. A root cause analysis is missing to prevent common CAPs in future at the production site where the issues were found as well as others in similar conditions.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	93%	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.	4	4	0
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Comment: Kjus staff visits its production sites regularly.

2.4 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
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Comment: Existing audit reports are collected and the audit quality assessment conducted. In case the audit quality assessment proves an acceptable quality of report, Kjus includes the findings of the report in its general system to follow up on audit report findings. Such production sites are visited for follow up and the brand which conducted the audit at the production site initially is involved in the follow up process.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: Kjus shares audit reports and the corrective action plan after receipt from FWF. Improvement timelines are agreed upon with factory management.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate 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.	3	6	0
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Recommendation: FWF recommends Kjus to mitigate risks by structurally addressing them in the monitoring system and (where applicable) by adjusting their sourcing practices. Kjus should analyse root causes of common risks in their supply chain in cooperation with the supplier. Furthermore, Kjus should continue to motivate its suppliers in China in Vietnam to join WEP trainings to stimulate social dialogue and effective worker representation.

Comment: Kjrus generally has a good understanding of high risk issues regarding their supply chain and actively seeks out information to better understand certain situations and risks. For China and Vietnam, they identified excessive overtime and the lack of social dialogue as biggest challenges. To address those risks, their production planning is designed to support reasonable working hours (see indicators 1.6 and 1.7). Meanwhile, overtime was still found in all audits conducted in 2014. Also, suppliers are encouraged to participate in FWF's Workplace Education Programme, which enhances understanding of the importance of a good mechanism for communication between employers and workers. As FWF is not active in Indonesia, Kjrus read information provided by the ILO Better Work programme and consulted local sources. Kjrus is raising awareness among other FWF brands regarding occupational health risks associated with duck down filling and have instructed their suppliers to follow low-risk procedures.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	N/A	3	0

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	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.	2	2	-1
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Comment: Kjus actively cooperates with other customers and partly takes the lead in resolving corrective actions 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: Monitoring requirements are fulfilled for production in low-risk countries. Information about FWF is shared and the Code of Labour Practice is posted. Proof pictures are collected. Suppliers are visited regularly.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	100%	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.	3	3	0
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Recommendation: Kjus is recommended to follow up with the brand to disclose the production country of the shoes and ensure an appropriate monitoring is in place.

Comment: A small amount of shoes of another brand is sold at the store at Kjus' headquarter. Kjus has received a signed FWF questionnaire from the brand. However, the brand did not disclose the production country of the shoes.

2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	92%	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	3	3	0
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Comment: Kjus sells backpacks produced by another FWF affiliate. The sales volume is documented as requested by FWF.

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 28

3. COMPLAINTS HANDLING

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

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

Comment: Staff at the headquarter and in the production country China take shared responsibility to solve worker complaints immediately.

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: Posting of the worker info sheet has to be proven by the factory management by sending a picture of the posted information. Local Kjus staff checks the posting during every factory visit.

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: Kjus 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, Kjus can use the worker information cards available for download on FWF's website.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	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.	N/A	6	-2
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Comment: Kjus did not receive any complaints in 2014, but followed up on remediation agreed for complaints received in 2013.

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: 7

Earned Points: 6

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: All new employees are informed about FWF membership by the CSR staff (this includes the FWF video). If there is urgent FWF news, all staff is informed with an email. CSR staff updates employees about the FWF membership regularly in coffee & learn sessions.

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: Kjus invited their local Chinese quality control staff to participate in a FWF training in Switzerland in 2013. In 2014, one quality control staff member joined a WEP training and audit to better understand the procedures. Staff in direct contact with suppliers are briefed every week on news about social standards per supplier. If product development staff from Switzerland is visiting production sites, they are briefed on a case to case basis by CSR staff.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Affiliate does not use agents	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.	N/A	2	-2
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4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	15%	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.	2	6	0
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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 as well as Tunisia, Romania and Vietnam. The affiliate should motivate its main supplier(s) to join WEP trainings.

Comment: Four Chinese suppliers participated in the Workplace Education Programme in 2014. Kjus is planning to enroll further suppliers in China and Vietnam in 2015.

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: It is recommended to start finding ways on how to ensure that workers are informed and trained on labour rights in production countries where WEP is not offered.

TRAINING AND CAPACITY BUILDING

Possible Points: 13

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	Advanced	Any improvements to supply chains require affiliates to first know all of their 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.	6	6	-2

Comment: Kjus has a clear understanding of where production takes place. The level of effort to identify all production locations and the update of supplier information can be considered advanced. Kjus has a policy to avoid subcontracting for CMT processes. On-site quality inspections during production ensure a certain level of control of this policy. Subcontractors for printing processes are known to Kjus.

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 staff with contact to suppliers have access to and regularly share information on social standards at the production sites. CSR staff works closely together with Kjus staff in direct contact with suppliers. Local staff is briefed in detail before going to the production site and works together with CSR staff on the implementation of findings.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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: Communication about FWF membership adheres to the FWF communication policy. The website of Kjus includes the FWF video.

6.2 Affiliate engages in advanced reporting activities	Yes	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.	1	1	0
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Comment: The FWF Brand Performance Check is published on the website of Kjus.

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 affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: The social report has been submitted in time and published in the website of Kjus.

TRANSPARENCY

Possible Points: 4

Earned Points: 4

7. EVALUATION

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

Comment: Top management is involved in FWF communication and requirements. Kjus' board discusses FWF membership two to three times a year. Audit reports, Brand Performance Check etc. are discussed during such meetings.

7.2 Changes from previous Brand Performance Check implemented by affiliate	70%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2
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Comment: Kjus sells shoes of another brand in their store. Kjus was required at the last performance check to enter information about this external producer in the FWF database and file a completed and signed questionnaire of the external supplier. Kjus has received a signed FWF questionnaire from the brand. However, the supplier did not disclose the production country of the shoes as required by FWF.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Kjus appreciates the newly launched Living Wage Portal and asks FWF to actively share more best practices regarding issues such as remediating excessive overtime, achieving the payment of a living wage etc.

Kjus would appreciate it, if audit reports considered the situation of the factory in the last year (whereas now, mainly the last three months are considered).

Kjus would like it if FWF published a policy and guidance to affiliates regarding health risks associated with duck down filling.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	29	40
Monitoring and Remediation	28	35
Complaints Handling	6	7
Training and Capacity Building	5	13
Information Management	7	7
Transparency	4	4
Evaluation	6	6
Totals:	85	112

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

76

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

26-05-2015

Conducted by:

Lisa Suess

Interviews with:

Tanja Catenazzi, Production Coordinator & CSR

Sven Serena, Executive Vice President Production & Quality, Partner

Nico Serena, Executive Vice President Product & Marketing, Partner

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.