



## BRAND PERFORMANCE CHECK

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Schöffel Sportbekleidung GmbH

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

## BRAND PERFORMANCE CHECK OVERVIEW

Schöffel Sportbekleidung GmbH

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

AFFILIATE INFORMATION	
Headquarters:	Schwabmünchen, Germany
Member since:	08-02-2011
Product types:	Sportswear, Outdoor, Workwear
Production in countries where FWF is active:	Bulgaria, China, Tunisia, Turkey, Viet Nam
Production in other countries:	Germany, Indonesia, Italy, Latvia, Republic of Moldova, Poland, Serbia
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	93%
Benchmarking score	77
Category	Leader

## Summary:

Schöffel meets most of FWF's management system requirements and goes beyond several. At 93%, Schöffel's monitoring percentage meets the 90% monitoring threshold required for third-year members.

During 2014, Schöffel has considerably increased the effectiveness of its monitoring system and procedures. This includes for example advanced risk assessments and CAP evaluations, taking local stakeholder information into account and actively looking for ways to prevent violations of labour standards. Schöffel has also developed a policy for subcontracting; travelling staff conducts in-production checks to verify where production takes place.

While Schöffel's production planning supports reasonable working hours, excessive overtime was still found in all ten FWF audits conducted in 2014. A root cause analysis in 2013 showed that delayed material deliveries were a common cause for overtime. Schöffel therefore changed its system for purchasing material in 2014 to allow smoother production processes. FWF recommends Schöffel to assess the impact of this change regarding reducing overtime at suppliers.

Furthermore, five suppliers of Schöffel in China and Turkey participated in FWF's Workplace Education Programme to enhance awareness of worker rights and stimulate dialogue between workers and factory management.

FWF encourages Schöffel to further enroll suppliers in WEP trainings. Also, FWF requires Schöffel to take an active role in discussing living wages with its suppliers and recommends to further analyse root causes of excessive overtime in cooperation with suppliers.

## 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	55%	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 the Schöffel to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

**Comment:** During 2014, Schöffel has been consolidating and restructuring its supply chain. Several new suppliers initially received smaller orders, which will be increased in the coming years

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	67%	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.	3	4	0
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**Recommendation:** FWF recommends Schöffel to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

**Comment:** Schöffel aims to achieve longterm, stable relationships with its suppliers. During 2014, it restructured its supply chain, partly because one main supplier closed operations, and added several new suppliers. Furthermore, some of Schöffel's longterm partners started to disclose subcontractors which are used for Schöffel production. FWF counts the relationship with those suppliers since the year Schöffel learned about the supplier.

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: Schöffel sent out the CoLP to all new suppliers added in 2014. No orders can be placed before the signed CoLP has been returned and registered in a database shared by CSR and buying staff.

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: New suppliers are invited to the headquarter in Germany before production starts. Compliance with the FWF CoLP and willingness to work on improvements is discussed as a minimum requirement during this meeting. All suppliers must have been audited by another initiative regarding their social compliance or be willing to be audited in the first year. Schöffel collects those audit reports and usually plans a FWF audit for the second year of the supplier relationship. Before the first order is placed, Schöffel staff visits the factory, uses the FWF Basic Health and Safety Checklist, checks whether the CoLP has been posted and reports in detail to the CSR team. If the CSR team is satisfied with the level of compliance, orders may be placed.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	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
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Recommendation: FWF encourages Schöffel to reward progress in remediation and social compliance more systematically.

Comment: Schöffel has developed an elaborate system in 2014 to evaluate supplier performance regarding aspects such as quality, pricing and CSR. Lack of social compliance can lead to an overall bad rating. Schöffel made a deliberate choice not to rank suppliers according to number of audit findings or similiar criteria. However, suppliers that invest in social compliance, e.g. by creating additional capacities to avoid overtime, are rewarded with larger orders.

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:** Production time is calculated together with the supplier including extra time for e.g. development of the product, delivery time for fabric, production and transportation time. The suppliers need to sign and agree to delivery dates with the final order. In case production gets delayed, Schöffel considers flying in the goods instead of pushing the supplier to finalise the production in time. Schöffel analysed peak and low seasons of its suppliers and places orders for NOS (never out of stock) articles partly during low production season.

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:** FWF recommends Schöffel to analyse the impact the new fabric delivery date system has on the production planning of the suppliers and the occurrence of excessive overtime.

**Comment:** In 2014, all ten audits conducted by FWF as well as two out of four received complaints showed excessive overtime at suppliers producing for Schöffel.

Schöffel discussed the reasons for this with its suppliers and agreed on a remediation plan.

One supplier submitted an action plan and hired a consultant to support better production planning. Another supplier agreed to reduce overtime and guarantee one free day every seven days if Schöffel pays air freight. In one case, Schöffel cooperated with another large client (a non-FWF member) to jointly discuss the matter with factory management.

Furthermore, Schöffel conducted a root cause analysis and found that in several cases overtime occurred due to late fabric deliveries. As a consequence, Schöffel established a general agreement with its fabric suppliers setting fixed lead times. Buyers are asked to choose fabrics that can be produced within those lead times to allow a smooth production process.



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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Comment: Schöffel asked all suppliers to fill out costing sheets for all products in 2014 showing costs for material, labour and factory profit margin as well as working minutes per piece. As materials are nominated by Schöffel, they can verify whether the material costs claimed in the costing sheet are correct. Working minute estimates are checked by travelling staff when they visit production. Labour costs are checked with wage ladders of FWF audits. In one FWF audit, payment below minimum wage was found for seasonal workers.

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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Comment: One FWF audit in 2014 showed payment below legal minimum wage for seasonal workers. Schöffel immediately asked the factory to remediate, which was confirmed by factory management soon after. FWF has not yet verified this.

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: No evidence of late payment to the supplier was found in any of the ten FWF audits conducted in 2014.

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:** Schöffel 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 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:** Schöffel has made wage analysis for all its suppliers in 2014 based on the FWF wage ladders and their own costing sheets. The analysis showed that wages have increased in the last years, in some cases in Vietnam almost reaching Asia Floor Wage. Wage levels are discussed with factory management during annual strategy meetings with Schöffel senior and top management. However, Schöffel could not show that they have fundamentally revised their pricing policy to support living wages or systematically supported suppliers to increase wages.

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: 28

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	88%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	5%	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	93%	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: Schöffel has staff designated to follow up on problems identified in 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: FWF recommends Schöffel to hire local staff to assist in remediation and CAP follow-up.

**Comment:** FWF audited ten suppliers producing for Schöffel in 2014. Furthermore, Schöffel commissioned 2 more audits in Vietnam, which were conducted by service providers that had received FWF training. Implementation of CAPs is done via emails, phone calls, etc. and direct communication during factory visits. The CSR team is supported by travelling colleagues who are well instructed before leaving and bring pictures and reports as evidence for CAP follow up when coming back. Audit findings in 2014 included among others excessive overtime, incorrect payment of overtime and wages, minor health and safety violations, low CoLP awareness among workers, lack of communication between workers and factory management as well as suppliers employing juvenile workers without following local regulations to protect these workers. One re-audit of a supplier showed considerable improvements regarding payment of social security and remediation of discrimination. Schöffel systematically analyses all findings and compares them with local stakeholder information in order to find solutions on factory-level as well as adjusting Schöffel's purchasing practices. While not all findings have been remediated yet, Schöffel could show how they followed-up with suppliers. Several suppliers have been enrolled in WEPs to enhance social dialogue and Schöffel has been working on solutions to avoid excessive overtime (see indicator 1.7). Payment of a living wage and excessive overtime remain continuous challenges.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	92%	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:** Production sites are regularly visited by different Schöffel staff.

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: Schöffel collected three existing audit reports in 2014, assessed their quality using FWF audit quality assessment tool and followed up on findings with the production sites.

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
2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced 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.	6	6	0

**Comment:** Schöffel has analysed common risks for their sourcing countries and products using information provided by FWF (country studies, stakeholder information) as well as other NGOs.

Risks are discussed with suppliers, e.g. the issue of illegal Syrian workers in Turkey. The Italian supplier is visited regularly; the factory does not employ Chinese migrants. For Indonesia, where FWF is not active, they researched information by other credible NGOs. In 2014, Schöffel did not produce in India, Bangladesh or Myanmar, where FWF has specific risk policies.

Schöffel also identified possible health risks of down filling, trained their suppliers accordingly and linked suppliers using safe techniques with other suppliers, that wanted to improve.

Schöffel started to enroll suppliers in Turkey and China in WEP trainings and intends to enroll its Vietnamese suppliers in 2015 to enhance social dialogue.

One longterm Vietnamese partner of Schöffel intends to set up a production facility in Ethiopia in 2015 or 2016, a country where FWF is not active. Schöffel already started to conduct an extensive human rights due diligence process collecting information, meeting with government officials and searching for training partners to support the supplier in setting up a safe and compliant production site.

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: Schöffel actively shares audits and CAPs with other customers no matter whether they are FWF member or not. Typically one of the brands takes initiative in coordinating the CAP follow up process and keeps the others informed.

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: 5 % of Schöffel's production volume is produced in low risk countries. All suppliers have been visited by Schöffel, the FWF questionnaire has been signed and the CoLP has been posted.

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
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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.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
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## MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 25

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	4	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	4	

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: Schöffel has a designated person to follow up complaints. The procedure to follow up complaints exists in written. Schoeffel has a policy and strategy to follow in case of complaints.

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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Recommendation: FWf recommends Schöffel to ensure that the Code of Labour Practices, including contact information of the local complaints handler of FWF, is posted in factories in a location that is easily accessible to all workers.

Comment: Every supplier has to fill in a form where the code was posted, who has been informed on the code and pictures need to be included showing that the code is hung up at a place visible and readable for the workers. Travelling staff checks this during visits. Some FWF audits in 2014 showed that in some cases an old version of the CoLP had been posted or the CoLP was posted in a location that not all workers passed by regularly.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	40%	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.	2	4	-2
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**Recommendation:** 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:** Eight out of ten FWF audits in 2014 showed that most workers were not aware of the CoLP. However, five suppliers of Schöffel in China and Turkey participated in FWF's Workplace Education Programme to enhance awareness of worker rights and stimulate dialogue between workers and factory management.

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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**Comment:** Schöffel received four complaints in 2014, three of them concerning the same factory. In one case, a worker complained about excessive overtime and incorrect payment of overtime. Schöffel, together with other FWF affiliates, followed the correct complaints procedure, remediated the complaint and arranged an audit as well as a WEP training for January 2015 as preventive steps. The other three cases at the same factories regarded the deduction of bonus payment, lack of social security payment, delayed payments and incorrect payment of overtime. The complaints were partly solved, but a general lack of communication between workers and factory management was observed. Schöffel and other affiliates sourcing at the supplier met with factory management at OUTDOOR fair 2014 to discuss remediation. Among other things, it was agreed to conduct a WEP training. However, Schöffel terminated production at the supplier in 2014 due to overall dissatisfaction with their performance. Schöffel had started working with the supplier in 2014 and ordered only small quantities.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	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.	2	2	-2
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**Recommendation:** FWF recommends Schöffel to take the lead in remediating shared complaints, if possible.

**Comment:** Schöffel actively cooperated with other FWF affiliates to address and remediate complaints at shared suppliers.

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## COMPLAINTS HANDLING

Possible Points: 15

**Earned Points: 10**

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## 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 employees are informed about FWF via the Schöffel intranet. New employees are given a FWF introduction. Sales staff is regularly trained by CSR 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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Recommendation: A training session on labour standards can be held for purchasing staff. FWF can support or facilitate in providing trainings. In addition, it is recommended to actively take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference and webinars.

Comment: CSR staff participated in the FWF affiliate seminar and the FWF annual conference. Briefings take place on a regular basis with staff in direct contact with suppliers, especially before visits. Audit reports are shared immediately with all staff who are in contact with the supplier to decide on a common strategy for communication towards the supplier. One buyer observed in a WEP training in 2014.

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: Agents have been briefed about FWF and also sign the Code of Labour Practice. Agents are met regularly in-house and during fairs and play a crucial role in CAP follow-up.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	47%	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.	4	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 Romania, Tunisia and Vietnam. The affiliate should motivate its main supplier(s) to join WEP trainings.

Comment: Five suppliers of Schöffel in China and Turkey participated in FWF's Workplace Education Programme to enhance awareness of worker rights and stimulate dialogue between workers and factory management. Schöffel plans to enrol more suppliers, especially in Vietnam, in WEP trainings.

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 also be informed on the implications of FWF membership. Next to that 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 arrange trainings on their own in areas where the Workplace Education Programme is not yet offered. 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 participations should be balanced and representative.

**Comment:** Schöffel has looked into training opportunities for its Vietnamese suppliers (e.g. Better Work Programme), but decided to wait until FWF offered WEP trainings in Vietnam.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 9

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## 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:** Schöffel has set up a subcontractor policy in 2014 and actively addressed the issue with suppliers. Several subcontractors have been visited in 2014 and added to the FWF database. Travelling staff is briefed and regular checks during in-line production whether suppliers adhere to agreements regarding subcontracting.

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:** CSR and buying staff have weekly meetings, where they share information. CSR staff keeps a list of all current corrective actions still active and briefs buyers and other staff visiting the suppliers before their travels. CSR staff and travelling technician share an office and regularly share information.



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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 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: Aside from information on the website and the catalogue, FWF information is also included in displays in the show rooms, in catalogues and in the product information guideline for sales staff.

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: Schoeffel publishes the FWF brand performance check on its website.

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 website displays the most recent social report which has also been submitted to FWF in time.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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## 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: Schöffel meets annually with all department managers and head of the company. FWF is an integrated part of the annual meeting. Monthly jour-fix meetings take place with head of departments to talk about FWF membership and social compliance.

Top management is briefed regarding social compliance issues before strategy meetings with suppliers.

7.2 Changes from previous Brand Performance Check implemented by affiliate	80%	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: The previous Brand Performance Check included seven requirements; five of them were remediated completely (see indicators 1.3, 1.5, 1.9, 2.5, 5.1) since Schöffel generally invested considerable resources and efforts in setting up more effective monitoring systems and procedures in 2014. The other two requirements concerning the payment of living wages have been partly implemented (see indicators 1.8, 1.11).

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

Schöffel asks FWF to provide clear guidance regarding the monitoring of subcontractors and its impact on the monitoring threshold and indicators.

Schöffel would like to systematically book local staff to support in remediation and would appreciate guidance on opportunities and costs.

Communication efforts to promote FWF as a brand would be appreciated as well as faster invoicing procedures.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	28	40
Monitoring and Remediation	25	29
Complaints Handling	10	15
Training and Capacity Building	9	15
Information Management	7	7
Transparency	4	4
Evaluation	6	6
Totals:	89	116

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

77

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

24-06-2015

Conducted by:

Lisa Suess

Interviews with:

Marco Tenace: Head of Quality and CSR

Katrin Klug: Team Quality, CSR

Peter Schöffel: CEO

Georg Kaiser: Division Manager Production/Logistics

Gabi Gorkos: Head of Purchasing Department

Regina Hirtzy-Pfeifer, Production Consultant

Wolfgang Helmberger: Director Marketing

Ilka von Goerne: Public Relations

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.