



BRAND PERFORMANCE CHECK

Schöffel Sportbekleidung GmbH

PUBLICATION DATE: JUNE 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

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

Schöffel Sportbekleidung GmbH

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Schwabmünchen, Germany
Member since:	08-02-2011
Product types:	Sportswear, Outdoor, Workwear
Production in countries where FWF is active:	Bulgaria, China, India, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Ethiopia, Germany, Indonesia, Italy, Latvia, Lithuania, Moldova, Republic of, 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	95%
Benchmarking score	79
Category	Leader

Summary:

Schöffel meets most of FWF's management system requirements and goes beyond several. At 95%, Schöffel's monitoring percentage meets the 90% monitoring threshold required for companies that have been a member for more than three years.

During 2015, Schöffel continued its efforts to ensure an effective monitoring system. This includes a robust system to follow up corrective actions, a policy for subcontracting and cooperation with other customers to remediate findings. Schöffel put in particular efforts to ensure monitoring of a newly opened production site in Ethiopia.

In addition, Schöffel further analysed root causes for excessive overtime and continuously improved its production planning to support reasonable working hours. At the same time, excessive overtime remains a challenge and is a common finding during audits.

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

For all complaint cases received in 2015, Schöffel addressed the complaints in accordance with FWF's complaints procedure and solutions were found.

Remediation and prevention of structural issues raised in some of the complaints remains challenging.

FWF recommends Schöffel to systematically use information gathered about wage levels at suppliers to work towards higher wage benchmarks.

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	78%	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.	4	4	0

Recommendation: FWF recommends Schöffel to ensure that in cases where the company terminates business relations, the supplier receives sufficient notice.

Comment: Schöffel has made considerable progress since last year in consolidating their supply chain. 78% of all production volume has been sourced from production sites where Schöffel buys at least 10% of production capacity; the year before it was 55%. During the process of consolidation, Schöffel had to terminate some business relations. This was based on a holistic assessment of the supplier's performance.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	59%	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
--	-----	--	---	---	---	---

Comment: Schöffel aims to achieve long term, stable relationships with its suppliers. Some of Schöffel's long term partners have opened new production sites under the same top management, which are used for Schöffel production. FWF calculates the duration of relationship with those production sites since the year the site was used for Schöffel production, regardless of the duration of the relationship with the main supplier. This leads to a slightly decreased percentage compared to last year.

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
--	-----	---	---------------------------	---	---	---

Comment: Schöffel sent out the CoLP to all new suppliers added in 2015. No orders can be placed before the signed CoLP has been returned and registered in a database shared by CSR and buying staff. In cases where intermediaries propose possible new production sites, the intermediary is aware that no production can start before the FWF CoLP has been signed.

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
---	-----	---	---	---	---	---

Comment: New suppliers are invited to the headquarters 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.

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
--	-----	--	---	---	---	---

Recommendation: FWF encourages Schöffel to include an incentive in their supplier rating system to reward suppliers for realised improvements in working conditions.

Comment: Schöffel has developed an elaborate system in 2014 to evaluate supplier performance regarding aspects such as quality, pricing and CSR. This tool has helped Schöffel to increase meaningful discussions among different departments concerning the performance of their suppliers. Suppliers are informed about their rating and are generally eager to improve. While (lack of) performance on social compliance alone will not have an impact on the relationship, it accounts for a significant part of the overall score.

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
---	--------------------------------------	---	---	---	---	---

Recommendation: FWF recommends Schöffel to plan their production based on the production capacity of the factory for regular working hours.

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. Schöffel analysed peak and low seasons of its suppliers and placed orders for NOS (never out of stock) articles partly during low production season. Schöffel works continuously on possibilities to decrease production pressure on the factory and shares forecasts and orders as soon as possible. Most productions sites are regularly visited by a Schöffel technician during production for quality control and to coordinate smooth production processes.

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
--	----------------------	--	---	---	---	---

Recommendation: FWF recommends Schöffel to offer trainings on production planning to suppliers in order to increase their capability to plan orders on time without excessive overtime.

Schöffel could explore possibilities to cooperate with other clients of their suppliers to align production planning to reduce excessive working hours.

Comment: The majority of audits conducted in 2015 included findings on excessive overtime. Schöffel conducted root cause analysis. In one case, they reduced their final orders significantly compared to the forecast, but were able to show that the supplier received sufficient notice. Nevertheless, the factory overbooked their capacity and was unable to increase their productivity as planned, which resulted in excessive overtime. In other cases, excessive overtime occurred due to delayed material. Schöffel has been trying to tackling this issue for several years, e.g. by facilitating closer exchange between material suppliers and CMT suppliers. In addition, Schöffel accepts air freight and splitting of order. In general, Schöffel is flexible with delivery dates and also allows suppliers to deliver and invoice goods earlier, if they have gaps in their production. One supplier was trained on production planning.

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
--	--------------------	--	--	---	---	---

Recommendation: FWF recommends Schöffel to identify a way that allows them to increase their knowledge on labour costs per product without overhead labour costs.

Comment: Schöffel uses costing sheets for all products showing costs for material, labour and factory profit margin as well as working minute per piece. In 2015, Schöffel managed to further increase transparency on labour costs per minutes. However, these figures usually still include overhead labour costs, which means it is not yet possible to calculate the salary of an individual production worker. To ensure that workers receive at least minimum wages, labour costs are cross-checked with wage ladders of FWF audits.

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
---	-----------------------------------	--	---	---	---	----

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
---	----	--	--	---	---	----

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
---	------------------------	---	--	---	---	---

Recommendation: FWF encourages Schöffel to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

Comment: Schöffel continuously analyses wage levels of their suppliers based on the FWF wage ladders and their own costing sheets. Their analysis shows that wages have increased in the last years. All wages are above legal minimum wages, often above industry average and in some cases in Vietnam partly reaching Asia Floor Wage. Wage levels are discussed with factory management during annual strategy meetings with Schöffel senior and top management. When one of their Vietnamese long-term partners opened a new production site in Ethiopia, Schöffel emphasized that wages should be above regional average, which was confirmed in an audit.

While the analysis of wage levels is considered during price negotiations, Schöffel does not systematically use it to work towards higher wage benchmarks. Also, Schöffel could not show that they have fundamentally revised their pricing policy to support living 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: 31

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	90%	
% 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	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: Schöffel has staff designated to follow up on problems identified in the monitoring system. During 2015, Schöffel explored options to hire local staff to support quality control and social compliance and has since hired an employee in Vietnam in March 2016.

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
---	--------------	---	---	---	---	----

Recommendation: FWF recommends Schöffel to ensure that all CAP findings are remediated and resolved in a timely manner. For more complex or structural issues, where immediate remediation is not possible, Schöffel could agree on an action plan with the supplier that includes step-by-step improvements with clear timelines.

Comment: Schöffel has a robust system in place to follow up corrective action plans. Schöffel asks their suppliers to send pictures or documents to confirm improvements; quality control staff checks improvements on site, where possible. More complex and structural findings are discussed when suppliers are in Europe or during factory visits. Next to CSR staff, top management is often involved in discussions. Schöffel also actively asks to involve worker representatives where possible.

FWF's Workplace Education Programme is used systematically after audits to increase awareness about labour standards and FWF's complaint hotline and enhance dialogue between factory management and workers.

For audits that were conducted in 2015, Schöffel could show that a number of findings were under remediation or had been resolved. However, in some cases no significant improvements could be demonstrated.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	54%	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
---	-----	---	---	---	---	---

Recommendation: Annual visits should be made to 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.

Comment: Schöffel generally visits its supplier frequently. As production started at several new production sites and one new production country (Ethiopia), Schöffel focused on visiting those production locations and did not visit some larger long-term suppliers. This lead to a decreased percentage compared to the previous financial year which was 92%.

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
--	--	---	--	---	---	---

Comment: Schöffel collects existing audit reports or commissions audits where FWF does not have audit teams, assesses the audit quality and supports remediation. These audits account for 17% of Schöffel's monitoring threshold.

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
--	-----	---	--	---	---	----

Recommendation: FWF recommends Schöffel to ensure that timelines are included and monitored during remediation.

Comment: Audit reports are shared with the factory once they are available.

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
--	-------------------	---	--	---	---	---

Recommendation: FWF recommends Schöffel to ensure that structural and hidden risks are also addressed by its risk management system.

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.

The potential risk of exploitation of Syrian refugees was discussed with Turkish suppliers and a new production site in Turkey was visited before production started.

For Indonesia, where FWF is not active, they researched information by other credible NGOs.

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.

One long-term Vietnamese partner of Schöffel set up a production facility in Ethiopia in 2015, a country where FWF is not active. Schöffel conducted human rights due diligence before the decision to place orders at the new site was made. In 2015, Schöffel visited the site frequently, engaged with stakeholders like NGOs and government officials, commissioned an audit and searched 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
---	--------------------	---	--	---	---	----

Comment: Whenever possible, Schöffel actively shares audits and CAPs with FWF members and other customers. 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
--	-----	---	---	---	---	---

Comment: 6% 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. The exceptions were production sites in Poland (accounting for 1% of Schöffel's total FOB), which were not visited and are therefore not counted towards the monitoring threshold.

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.	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
---	---------------------------	---	---	-----	---	---

MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 24

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	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	2	

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. Schöffel 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
---	-----	---	--	---	---	---

Recommendation: FWF recommends Schöffel to ensure that all suppliers post the current version of the FWF CoLP.

Comment: Every supplier has to fill in a form about where the code was posted, who has been informed on the code and pictures need to be included showing that the code is posted at a place visible and readable for the workers. Quality control staff checks this during visits. Some FWF audits in 2015 showed that in a few cases an old version of the CoLP had been posted.

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
--	-----	--	--	---	---	----

Comment: In 9 out of 12 FWF audits conducted in 2015, the majority of interviewed workers was not aware of the FWF complaint hotline. In one factory, the majority of interviewed workers was aware of the hotline; for two other sites, no data was available. 8 production locations of Schöffel participated in a Workplace Education Programme in 2015, which is also counted toward this indicator.

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
--	-----	---	---	---	---	----

Recommendation: FWF recommends Schöffel to ensure that suppliers implement long-term and structural remediation measures to prevent further complaints.

Comment: In 2015, FWF received one complaint concerning Chinese suppliers and one complaint concerning a Vietnamese supplier of Schöffel. Two more complaints were received shortly after audits at Turkish suppliers and integrated in the corrective action plan of the audit reports. In all cases, Schöffel addressed the complaints in accordance with FWF's complaints procedure and solutions were found. Remediation and prevention of structural issues, such as overtime, raised in some of the complaints remains challenging. Schöffel together with other FWF members ensured that the Vietnamese supplier participated in a WEP training. Some of the long-term remediation steps proposed in the complaints reports, such as establishing a policy for remuneration or dismissal of workers, were not yet implemented.

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
--	--------------------	--	--	---	---	----

Comment: Schöffel actively cooperated with other FWF members at shared factories.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 11

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 receive 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
--	-----	--	---	---	---	---

Comment: Quality control staff has participated in FWF's affiliate training and CSR staff attended FWF annual conference and other FWF events and workshops.

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 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
--	-----------------------------	---	---	---	---	----

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. One agent observed a FWF audit in 2015. While Schöffel works with agents to place orders, they usually also have a direct connection to the factory and often follow-up directly with factories, especially regarding more complex and sensitive findings.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	64%	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.	6	6	0
---	-----	--	--	---	---	---

Comment: Schöffel actively encouraged suppliers to participate in FWF's Workplace Education Programme and could therefore increase the percentage of participating factories significantly.

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
---	----	--	---	---	---	---

Comment: Schöffel has actively started to explore training opportunities for its supplier in Ethiopia as FWF is not offering WEP trainings in the country.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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. Since then, several subcontractors have been visited and added to the FWF database. Travelling staff is briefed and regularly checks during in-line production whether suppliers adhere to agreements regarding subcontracting.

Agents and suppliers are aware that they must inform Schöffel beforehand and receive their confirmation if they wish to use different production locations for Schöffel orders.

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
--	-----	--	---	---	---	----

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.

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: Aside from information on the website and the catalogue, FWF information is also included in displays in the show rooms, in catalogues, workbooks and in the product information guideline for sales staff. As a FWF leader brand, Schöffel uses the FWF logo for on-garment communication. In addition, Schöffel published an article about their FWF membership in a CSR journal and organised the annual FWF German stakeholder meeting (which was held in February 2016).

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
--	-----	---	---	---	---	---

Comment: Schöffel publishes the FWF brand performance check on its website. Names of production locations are shared in the social report together with audit summaries.

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
---	----------------------------------	---	---	---	---	----

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

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: Schöffel meets annually with all department managers and head of the company. FWF is an integrated part of the annual meeting. Monthly 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. One of Schöffel's strategic CSR goals is to maintain FWF leader status.

7.2 Changes from previous Brand Performance Check implemented by affiliate	40%	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.	2	4	-2
--	-----	---	--	---	---	----

Comment: The previous Performance Check included a requirement to take a more active role in discussing wage levels with suppliers and work towards higher wage benchmarks (indicator 1.11). While Schöffel continuously analyses wage levels of their suppliers, they do not yet systematically use this information to work towards higher wage benchmarks. The requirement is therefore considered as partly implemented.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

Schöffel would appreciate more support by FWF in remediation and follow-up of audits. This could include

- facilitating easier access to existing audit reports

- facilitating shorter monitoring visits of FWF audit teams as audit follow-up

- overview of local legislation and best practices of other FWF members and factories in the same region

In addition, Schöffel would like FWF to put a stronger emphasis on external communication.

Schöffel noted that training reports and invoices by FWF are often delayed considerably.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	40
Monitoring and Remediation	24	29
Complaints Handling	11	15
Training and Capacity Building	11	15
Information Management	7	7
Transparency	4	4
Evaluation	4	6
Totals:	92	116

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

79

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

25-04-2016

Conducted by:

Lisa Suess

Interviews with:

Peter Schöffel: CEO

Georg Kaiser: Division Manager Production/Logistics

Marco Tenace: Head of Quality and CSR

Katrin Klug: Team Quality, CSR

Gabi Gorkos: Head of Purchasing Department

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.