



BRAND PERFORMANCE CHECK

Blutsgeschwister GmbH

PUBLICATION DATE: SEPTEMBER 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

Blutsgeschwister GmbH

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

AFFILIATE INFORMATION	
Headquarters:	Stuttgart, Germany
Member since:	01-07-2013
Product types:	Fashion, Bags & Accessories
Production in countries where FWF is active:	China, India, Turkey
Production in other countries:	Germany
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	99%
Benchmarking score	75
Category	Leader

Summary:

Blutsgeschwister meets most of FWF's management system requirements to implement the Code of Labour Practices and goes beyond.

In 2015 Blutsgeschwister continued improving its planning and production process with a shared forecasting system with suppliers. Blutsgeschwister extended several lead times, limited the amount of colors per style, and changed the decision-making process on collections. These changes are meant to decrease production planning problems and related overtime. FWF recommends Blutsgeschwister in the future to evaluate the impact of these revisions on excessive overtime.

FWF encourages Blutsgeschwister to further develop a pricing policy where the affiliate knows the labour cost of garments, to assess the impact of its prices on living wages and include this in price discussions with suppliers. At the same time FWF advises Blutsgeschwister to further develop procedures on other risks characteristic to its supply chain, recognizing the start made to address risks around outsourcing production to subcontractors.

When it comes to following up corrective actions, this is now a team effort at Blutsgeschwister. All staff in contact with suppliers discusses how to follow up issues found during audits and then one person is responsible to follow up with the individual supplier taking one finding after the other. FWF recommends to include bottom priorities such as crucial occupational health and safety, living wages and overtime issues in the companies follow up of corrective actions as these issues usually need a higher degree of communication and consultation to be worked on and implemented.

All suppliers are promoted to take part in FWF's Workplace Education Programme. Blutsgeschwister managed within two years to have suppliers participate in WEP training who represent 58% of its production volume.

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	60%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0
1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	53%	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

Recommendation: FWF recommends Blutsgeschwister to keep building up 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: Blutsgeschwister has reduced the amount of suppliers to focus on building long term business relationships with less suppliers than before, who can deliver more styles, in stead of many smaller suppliers doing few styles.

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: In general, new suppliers are informed of the FWF Code of Labour Practice before sample orders are done, via the Supplier Manual of Blutsgeschwister and separately by email. After production requirements are clear and meet expectations, general aspects are checked like the respect of labour and environmental standards, lead times, price etc. In addition every supplier has to sign a letter in which they commit to cooperate when problems at the production site are found.

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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Recommendation: Conducting pre-audits or analyzing existing audit reports can be a way to assess the level of working conditions before deciding to start the business relationship.

Comment: Before the first order, suppliers are visited by production, quality assurance or sample staff, who also uses the OHS checklist.

In 2014 Blutsgeschwister issued a new internal routine on risk assessment and monitoring suppliers. Risk assessment is now more integrated in its internal system. The road-map lays down how to approach new suppliers and how to monitor existing suppliers (when is an audit needed, progress on Corrective Action Plans etc.). how to monitor and deal with country specific risks is included, like for example Sumangali Scheme in India, Migrant Workers in China and Syrian Refugee Workers in Turkey. For a potential new supplier in Italy, Blutsgeschwister will first visit and investigate the risks for Chinese migrant workers.

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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Comment: Since 2013 Blutsgeschwister works with a supplier rating system. This system includes ranking of quality, reliability in terms of deliveries, communication and price level, as well as the willingness to work on improving labour conditions in the factories, participation in workplace training, complaint and CAP follow-up. The weigh of the score on social compliance is 10% of the total. The willingness to work on the FWF Code of Labour is therefore as relevant as a good performance on the Code itself. Scores are discussed on a case by case basis with the supplier.

In 2015 Blutsgeschwister could show that relations with some suppliers stopped. Other suppliers working well on the implementation of social standards have been rewarded for their efforts as more orders have been placed at these sites.

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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Recommendation: Blutsgeschwister is recommended to continue on its path of remodeling the planning and production process and system to support reasonable working hours. FWF recommends Blutsgeschwister to evaluate the impact of the revised process and system on excessive overtime at suppliers, especially with those who should have more production time now.

Comment: Blutsgeschwister continues improving its planning and production process. It is working on a shared forecasting system with suppliers, which intends to decrease production planning problems and related overtime. The company extended several lead times, limited the amount of colors per style, and changed the decision-making process on collections. The company also started the development of one internal overall data and planning system.

Achievements and changes at Blutsgeschwister implemented in 2015 and working on in 2016:

- 1) Styles, colors etc. are not changed after sample orders which gives the supplier a reliable and not-changing order.
- 2) Blutsgeschwister works with less suppliers, overall have less articles and reduced the amount of colors per collection with the same overall quantity. This makes the planning and production much more controllable.
- 3) The summer collection has now 4 more weeks of lead time. Orders are sent two weeks earlier and deliveries to retail are 2 weeks extended.
- 4) Forecast includes more time and is done every half year before the orders are placed, so suppliers can better plan production.
- 5) Blutsgeschwister started ordering less complex and similar styles as well as well-proven fabrics with the same suppliers. Herewith they started building up a routine which impacted positively on the increase of quality and ability to catch delivery dates.
- 6) Blutsgeschwister reduced its collection from 7 to 6 collections per year and plans to work with 4 product groups from 2016 onward. There will be fewer styles and less frequent changes in styles to have a positive influence on lead times and reducing excessive overtime.
- 7) Orders are planned with suppliers, based on the production time they need, in relation to the complicated nature, capacity of the factory and local holidays. like Diwali in India.
- 8) In case of production delays, Blutsgeschwister tries extending the delivery time or splits the delivery.

Overall, the head of product development comments that FWF membership has led to a different way of thinking from the start of the design process. Blutsgeschwister states that despite the still existing challenges, FWF membership has helped Blutsgeschwister to improve its planning and production process with a win-win situation for both Blutsgeschwister and suppliers and hopefully also for workers by limiting excessive overtime.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Advanced 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.	6	6	0
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Recommendation: FWF advises Blutsgeschwister to use the outcomes of the root cause analysis done at two Chinese suppliers in 2014 to identify strategies that minimizes excessive overtime at other suppliers and production countries. More root cause analysis needs to be done with other suppliers in other countries. Impact of the new production planning system needs to be evaluated in the coming years.

FWF recommends the member to further develop instruments and/or policies to deal with possible delays to avoid excessive overtime.

Those instruments could include what is partially already done or on the agenda for consideration: being flexible with delivery dates, prioritizing orders, offer support/flexibility for material delivery, ordering in low season etc.

It is encouraged to do further analysis on the root causes of excessive overtime also at supplier level and mitigate them.

Comment: In 2015, FWF conducted three audits: one in India and two in China. At all production sites excessive overtime was found to be a problem.

Since 2013, Blutsgeschwister started looking into the root cause of production delays that could lead to excessive overtime.:

The development of a shared production planning system with suppliers (see indicator 1.6) intends to decrease production planning problems and related overtime. Blutsgeschwister managed to extend production time with its suppliers. Impact of the new production planning system still needs evaluation with further audits in the coming years.

Among other topics, Blutsgeschwister has discussed overtime with the suppliers. In general all suppliers state that they do not face any problems managing deliveries within the agreed time-frame. Only one supplier has asked for an extension of two weeks for delivery (which was given) and admitted overtime to be an issue.

The company foresees two main challenges for the coming years:

- How to ensure that the longer time is not filled up with other production for other clients?
- How to have impact on productivity at the production sites?

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-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.	2	4	0
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Requirement: Blutsgeschwister needs to develop a pricing policy where they know the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

Recommendation: Blutsgeschwister is recommended to further advance its efforts done. Increased transparency in costing and productivity gives insight in the labour costs per product / working minute. Blutsgeschwister is recommended to include labour cost in the price discussions with suppliers. Knowing the labour cost per working minute / product forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. Blutsgeschwister is furthermore recommended to use FWF tools (wage calculation sheets etc.) in its planned projects in India and China (projects aim to provide suppliers with consultant support and investment to help improve labour standards and productivity).

Comment: According to all audited suppliers in 2015 the price they receive from Blutsgeschwister is not enough to pay for living wages. Blutsgeschwister has started to collect more detailed information on the price composition (Living Wage Data Sheet), to have a clear overview of how the final price is built. Blutsgeschwister found it depends a lot on the transparency of suppliers and willingness to share financial data. Blutsgeschwister knows well what can influence prices when it comes to fabric or design details of a product. Blutsgeschwister runs an externally funded project in India and China which aims to provide suppliers with consultant support and investment to help improve labour standards and productivity. At a Chinese supplier, with the help of an external consultant, Blutsgeschwister made an effort to assist the supplier not only with a productivity training but also a calculation method for both the supplier and Blutsgeschwister to get more insight into costing and wages.

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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Recommendation: FWF recommends asking a consultant to conduct document checks and interviews at the applicable production sites to ensure legal minimum wages are paid since the supplier promised doing so. FWF recommends Blutsgeschwister to prioritize its work also with regard to legal bottom line wage issues such as proper overtime, leave and benefit payments.

Comment: In two of the three audits done in 2015 it was found that not all workers were paid legal minimum wages. In one of the two it concerned the external security staff hired through an agency. In the same supplier payment of wages was delayed. In all three audited factories the payment of leave, overtime and benefits was not according to legal requirements.

Blutsgeschwister has addressed wages below minimum with its supplier immediately:

One of the two suppliers has sent documents to proof that payments are now above legal minimum wage. The supplier has asked Blutsgeschwister to raise minimum order quantities and to reduce the amount of styles at the same time. Blutsgeschwister has agreed to follow up with as many styles at this supplier as possible. To ensure ongoing follow up of this request, Blutsgeschwister has included this request in the Corrective Action Plan which is under permanent review.

At the other production site the audit team found documents to be falsified. Blutsgeschwister emphasized the importance of real documents and has discussed the issue while visiting the supplier at the production site.

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: All three suppliers audited by FWF in 2015 were paid in time by Blutsgeschwister.

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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Requirement: Blutsgeschwister has to take adequate steps to move towards living wages as estimated by local stakeholders. Blutsgeschwister 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. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at all its suppliers.

Recommendation: FWF encourages Blutsgeschwister to discuss with suppliers about possibilities to work towards higher benchmarks. FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends members commit to a long term process that leads to sustainable implementation of living wages.

Comment: Out of the three audited factories in 2015 two indicated that the price they receive is not enough to pay living wage.

In 2014 the buying department started to collect more detailed information in the price composition, to have a clear overview how the final price is built. This has not yet led to a different pricing policy of Blutsgeschwister. Blutsgeschwister commented that the Euro crisis negatively affected the space to adjust pricing policy for suppliers in India and China.

Blutsgeschwister has developed a living wage sheet with data of main suppliers and defined next steps. This is the basis for making it possible to move further and adjust policies and pricing itself.

The re-design of the collections (see 1.6) will take out the complexity of the designs. It is foreseen this will make it easier to get information on wages per style, e.g. how much work time is needed for each style and cost, incl. 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)	99%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	1%	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	99%	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: Blutsgeschwister has one main contact person for FWF issues in general.

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 to include bottom priorities such as crucial occupational health and safety, living wages and overtime issues in the companies follow up of corrective actions as these issues usually need a higher degree of communication and consultation.

It is further recommended to make the follow-up of corrective actions customized and to improve.

Comment: Following up on corrective action plans at each production sites is team responsibility. During FWF team meetings, the content of all corrective actions is discussed and a strategy to follow up is set-up. One of the teams is chosen to follow up on the findings with the supplier.

Follow up of corrective actions is done step by step and per priority. An email is written to the supplier highlighting the most urgent issues for implementation. Bottom priorities such as crucial occupational health and safety, living wages and overtime issues are not included straight away yet.

In general this system leads to a more frequent discussion with the suppliers who regularly give feedback. Further it gives the opportunity for a whole team at Blutsgeschwister to learn while trying to find solutions. An evaluation of implementation status is done within the team.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	96%	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
2.4 Existing audit reports from other sources are collected.	Yes	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	1	3	0

Requirement: Resolving and remediating non-compliance is one of the most important criteria FWF Member company's can do towards improving working conditions. FWF expects Blutsgeschwister to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

Comment: One supplier counting for less than 1% of Blutsgeschwister's turnover has been audited by BSCI. The report has been collected but not yet assessed nor corrective actions implemented.

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.	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

Requirement: Blutsgeschwister is required to continue identifying high risks specific to the characteristics of its supply chain, for example the risk of Sumangali schemes in Tirupur, India and migrant workers in China and further develop routines to address these.

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Member companies can agree on additional commitments that are required to mitigate risks. Blutsgeschwister is recommended to provide additional measures for support and integrate that in the monitoring system. For instance: lack of knowledge of factory managers in India on anti-harassment committees, means organizing management and worker seminars.

Overall and integrated risk for the textile industry is gender discrimination and violence against women. With production in India it is crucial to have a look into this issue in the supply chain. Blutsgeschwister should be aware of these risks and find ways to integrate this in their monitoring efforts.

Comment: During the design process Blutsgeschwister makes sure sandblasting is not needed.

End of 2014 Blutsgeschwister started a structured approach on the use of subcontracting, being a specific risk overall and in certain countries specifically. The company defined a routine on subcontracting which is now systematic part of the contract with suppliers. When selecting new suppliers and evaluating existing suppliers, Blutsgeschwister now addresses risks around subcontracting.

Blutsgeschwister has reworked the frame delivery contracts which contain country specific information now.

Blutsgeschwister has followed FWF's guidance policy in Turkey and at one Turkish supplier in particular cooperated with other FWF members to remediate findings related to Syrian refugees. Blutsgeschwister undertook due diligence at all its Turkish suppliers. Following the FWF guidance policy and current high risk in Turkey it discussed with all its Turkish suppliers all production locations of the supplier in Turkey, including the subcontractors, needed close monitoring.

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	No CAPs active or no shared suppliers.	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1
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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: There is only one production site in Germany making less than 1% of the company's turnover. The production site has been visited and all documentation needed was filed.

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: 27

Earned Points: 18

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	0	

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
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

Comment: Since 2014 Blutsgeschwister's traveling staff checks if the code is posted on the wall and keep track of this in the Blutsgeschwister Supplier Rating System.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	26%	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: Blutsgeschwister 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, Blutsgeschwister can use the worker information cards available for download on FWF's website and ensure these are distributed amongst workers.

Comment: In 2015 all three audits found that workers are not aware of the FWF worker helpline. At two different production sites a Workplace Education Training took place to increase the awareness of worker rights among them.

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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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: 5

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: Staff is updated and trained once a year about FWF requirements on a so called "Social Compliance in the Supply Chain" day. Staff at shops have been trained in 2015. External sales men have been updated about FWF. New staff is informed when joining the company.

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: CSR staff of Blutsgeschwister has been actively participating in training activities FWF offers. This trained staff provided in-house training to staff in direct contact with suppliers, who are also updated on a monthly basis about the FWF progress. In visits to suppliers general safety is checked and impressions on working conditions gathered. This is addressed in the training given and info kept in supplier rating system.

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 of Blutsgeschwister share the responsibility in monitoring the FWF's Code of Labour Practice. After being trained by Blutsgeschwister, one agent additionally joined the Workplace Education Program of a suppliers' management. Another agent played an active role on informing and convincing an Indian supplier on the purpose of worker management dialogue and to take away the suppliers' concerns to organize a Workplace Education Program.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	58%	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
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Recommendation: Blutsgeschwister is recommended to keep efforts to have suppliers join the Workplace Education Programme.

Comment: All suppliers are promoted to take part in FWF's Workplace Education Programme. Blutsgeschwister managed within two years to have suppliers participate in WEP training who represent 58% of its production volume. In 2014 three main suppliers in China participated. In 2015 two main suppliers in India were also trained.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	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.	N/A	4	0
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TRAINING AND CAPACITY BUILDING

Possible Points: 11

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	Intermediate	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.	3	6	-2

Recommendation: Blutsgeschwister is advised to develop a systematic approach to complete the supplier list and have checks done by traveling staff.

Part of the approach can be:

- 1) Business relationships with agents include transparency of production locations.
- 2) Agreements with factories on the use of subcontractors state clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.
- 3) Regular visits at the subcontractors.

Comment: Because of its product specifications, printing and embroidery, Blutsgeschwister has a number of suppliers working with subcontractors, and also to do cut-make-trim (CMT). Also the audits conducted in 2015 showed the use of subcontractors, several of them neither included in the monitoring system nor visited. After subcontractors became known, Blutsgeschwister put all subcontractors in its supplier list.

The use of subcontractors is part of the frame delivery contracts which are signed between the supplier and Blutsgeschwister and form the base of cooperation. Once a year Blutsgeschwister asks what subcontractors suppliers work with. Those are included in the contract. By including subcontractors into the contracts, Blutsgeschwister has raised more awareness on the risks of using subcontractors with the suppliers.

Blutsgeschwister documented now that most suppliers shared the FWF Code of Labour Practice with their subcontractors and hung up the codes on the wall. Those who did not are followed up on.

Blutsgeschwister redefined an 'A-tier supplier' to cover all CMT suppliers, even if they are subcontractors.

Blutsgeschwister plans to visit all A-tier suppliers also if they are subcontractors and Blutsgeschwister normally is not in direct communication with them.

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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Recommendation: Especially now that Blutsgeschwister increases the role of traveling staff in the follow-up of findings at the production site, FWF advises Blutsgeschwister to make relevant staff aware of the available tools FWF offers (such as the Health and Safety checklist, monitoring CAP documents, access to FWF's online information system). Purchasing staff is recommended to share reports from factory visits that include a status update of implementing the CoLP/CAP. Blutsgeschwister is recommended to promote traveling staff to share their experience and learning on FWF CoLP implementation and their dialogue with suppliers.

Comment: Every month a report is made for internal use including information about FWF. On general issues all staff is briefed per email. On specific issues, specialized staff is informed directly. All staff has access to the files about FWF and can check the status whenever interested.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2
6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	1	0

Recommendation: FWF recommends Blutsgeschwister to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

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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TRANSPARENCY

Possible Points: 4

Earned Points: 3

7. EVALUATION

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

Comment: The CEO is constantly involved on FWF issues. Work and decisions are made in cooperation with the designated staff. The integration of FWF policies into the structure, procedures and systems of the company receives considerable attention.

7.2 Changes from previous Brand Performance Check implemented by affiliate	25%	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
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Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check.

Comment: Blutsgeschwister received four requirements in their last Brand Performance Check.

1. A pricing policy where labour costs are clearly mentioned to be able to pay legal minimum wages still needs working on.
 2. Blutsgeschwister still needs to be more active to figure root causes of payments below living wages and to work with suppliers on implementation of living wages.
 3. High risk issues specific to Blutsgeschwister's supply chain have partly been identified.
 4. FWF membership should be communicated according to the FWF communications policy.
- The first three points remain open. The communication is now according to the FWF communication policy.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

Blutsgeschwister recommends FWF to provide documents such as checklists in writable files for the affiliate to be able to work in the documents on the computer.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	40
Monitoring and Remediation	18	27
Complaints Handling	5	7
Training and Capacity Building	11	11
Information Management	4	7
Transparency	3	4
Evaluation	4	6
Totals:	76	102

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

75

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-05-2016

Conducted by:

Ruth Vermeulen, Stefanie Karl

Interviews with:

Katharina Fest (director production & contact person FWF)

Sandra Feisst (director of product development, responsible for sourcing)

Karin Ziegler (CEO)

Stephan Kuenz (CEO)

Sara Lemmens (Head of Marketing)

Marion Meyer-Arendt (Head of Retail)

Nihat Dal (Director Wholesale)

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.