



BRAND PERFORMANCE CHECK

K.O.I. International b.v.

PUBLICATION DATE: MAY 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company 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 product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location 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 product location 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 member company 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

K.O.I. International b.v.

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-01-2013
Product types:	Fashion
Production in countries where FWF is active:	India, Tunisia, Turkey
Production in other countries:	Croatia, Greece, Italy, Netherlands, Portugal, Spain
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
SCORING OVERVIEW	
% of own production under monitoring	59%
Benchmarking score	57
Category	Needs improvement

Summary:

K.O.I. has demonstrated insufficient progress in implementing FWF's monitoring requirements during its third year of membership. 41% of its FOB was not monitored. Although the benchmarking score is sufficient, K.O.I. has been placed in the 'Needs Improvement' category because the company failed to reach the monitoring threshold. K.O.I. works with an intermediary platform in Tunisia that distributes the company's jeans orders to stitching facilities. The member company was only informed retroactively of the production locations where their orders were placed. Therefore K.O.I. was unable to conduct proper due diligence and monitor its production locations.

Improvements have already started mid 2016, and K.O.I. has been able to increase transparency with its suppliers and have clearer communication with them. For 2017, K.O.I. has agreed with the platform to use a group of selected suppliers—that FWF will audit in 2017—and that the company will be informed prior to the distribution of production.

In the upcoming year, K.O.I. needs to increase efforts in auditing suppliers and enrolling them for a Workplace Education Programme. This would form the basis for cooperation with suppliers, with the goal of improving implementation of the CoLP and initiating communication about living wages.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for member companies 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 member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—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 member companies will receive a 'Good' rating.

Needs Improvement: Member companies 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. Member companies 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: Member companies 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. Member companies 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
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	47%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	2	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	11%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	2	4	0

Recommendation: FWF recommends the member to consolidate its suppliers base by limiting the number of suppliers in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	7%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	1	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: K.O.I. discusses the answers in the questionnaires during visits where needed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Insufficient	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	0	4	0

Comment: Normally when K.O.I. decides to start with a new supplier, they visit them first (preferably) and use the FWF safety check for a first impression on health and safety issues. They will inform management what FWF membership entails and request existing audit reports.

However, nine out of the thirteen production locations in Tunisia were not visited, nor were risks assessed beforehand. K.O.I. works with an intermediary platform in Tunisia that distributes their jeans orders to stitching facilities. The member company was only informed afterward at which production locations their orders were placed.

Going forward to 2017, K.O.I. has agreed with their intermediary platform upon three main production locations plus two back up that will be audited by FWF. The platform will update K.O.I. weekly to inform where their orders will be placed. Once K.O.I. was informed about the locations used for their production, the member company made sure that the Worker Information Sheets were posted.

When communicating with suppliers, K.O.I. experiences it is difficult to get suppliers to accept a FWF audit because other brands from the Varova holding work with BSCI.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	No	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.	0	2	0

Comment: At the moment it is difficult for K.O.I. to evaluate the production location compliance with the CoLP in a systematic way; as 41% of their FOB was not monitored. Normally, the head of sourcing of denim takes the final decisions whether or not to start with new suppliers. In weekly team meetings urgent issues that come up with suppliers are discussed.

Even though production stopped in 2016, 10% of the total FOB was placed at a Turkish supplier that was not audited. Considering the country specific risks conducting proper due diligence here would have been all the more important.

Requirement: A systematic approach is required to integrate social compliance into normal business processes, and support responsible sourcing decision-making. The approach needs to ensure that the member consistently evaluates the entire supplier base where it sources and includes information into decision-making procedures.

Recommendation: Members are encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: Usually, the planning is a shared process with frequent feedback and communication between K.O.I. and its suppliers. Production forecast is shared in the beginning stage after which fabric is reserved. For the factories in Italy and Tunisia, K.O.I. is able to track every stage of production including the moment the fabric arrives, to the washing and finishing. Delays are mostly anticipated and included already in the lead times. If there are more delays, K.O.I. does not apply a penalty to their suppliers for delayed delivery, even though K.O.I. might need to calculate a discount for their late delivery to clients. K.O.I. is aware of the production capacity of its suppliers, including which production lines are used for their order, and knows the time needed for the different production phases such as stitching, washing and finishing. During summer in Italy or Ramadan in Tunisia, the output is spread and lead times are extended. Never out of Stock items takes up to 20% of KOIs total FOB, which helps suppliers to also have production during low season.

However, in Tunisia, production is placed via the intermediary platform, that decides where the orders for K.O.I. are placed and knows the capacity of the production locations. The first half of 2016, K.O.I. did not have influence on where production is assigned. Since the second half of 2016, K.O.I. is informed about the production locations the intermediary plans to use, and there is a discussion about this. The capacity of the production locations is not known directly by K.O.I., but instead the the platform is trusted to make an informed decision taking into account available capacity.

Recommendation: K.O.I. could be better informed about the available production capacity of the suppliers that work with the intermediary platform in Tunisia to ensure reasonable working hours are supported.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	N/A	6	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company'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

Comment: K.O.I. pricing policy is cost-price up. For their two denim washing factories in Tunisia, K.O.I. knows the cost break down per production process: stitching, washing etc and the gross margin for the supplier, but does not know the exact costs of labour. K.O.I. is aware of all minimum wage levels. The company does not negotiate on prices but want their suppliers to come with realistic prices that cover production costs. This could even mean that K.O.I. decides to take less margin on a product.

K.O.I. has not been able to follow up on the earlier recommendation to ask for a cost break down of its apparel suppliers, as the member company does not have enough quantity or longstanding relationships to be able to ask. The relationships with apparel producers is not yet consistent.

Recommendation: FWF recommends K.O.I. to ask their apparel suppliers for a cost break down. A next step would be to calculate the labour minutes per style to be able to calculate the exact costs of labour. First priority would be to get more consistency with apparel suppliers to make sure this level of transparency can be achieved.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No data available	If a supplier fails to pay minimum wage, FWF member companies 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.	N/A	2	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations 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 production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	No efforts shown.	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	0	8	0

Comment: In 2016 K.O.I. decided to stop apparel production in India, and therefore did not follow up on the earlier recommendation to study wage levels in India. Because there are no CAPs active for this financial year, K.O.I. has not discussed the wage situation with their suppliers with help of the information that would be provided in audit reports.

Requirement: The member company is expected to take an active role in discussing living wages with its suppliers. Where K.O.I. will arrange FWF audits in 2017, the FWF wage ladder that is included in the audit reports can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder demonstrates the gaps between workers' wages at a factory and living wages demanded by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

Recommendation: FWF encourages the member company to discuss with suppliers about possibilities to work towards higher wage benchmarks. It is advised to start with suppliers where the member company has a relatively high leverage and long term business relationship. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process roll out on request.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	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 member company's score.	Supplier information provided by member company.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 36

Earned Points: 11

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	40%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	19%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	N/A	No audits required in tail-end
Total of own production under monitoring	59%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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: The CSR manager works part time on monitoring the implementation of the Code of Labour Practices and has other responsibilities besides CSR.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	No Corrective Action Plans were active during the previous year	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.	N/A	2	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	No Caps Active	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	N/A	8	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	75%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: K.O.I. visits three quarters of their production locations, and the visiting staff is informed by the CSR manager on CoLP issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

Comment: K.O.I. always checks with their suppliers for existing external audit reports. The member company collected two audit reports for suppliers in Tunisia. However one audit report dated from 2004 and does not provide sufficiently recent information. The document for the second supplier was a certification from SA8000 and not an audit report. Therefore these two cannot count towards the monitoring threshold. For the other suppliers where K.O.I. had production, no external reports could be provided by the suppliers.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. They can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented. The report should not be older than 3 years to ensure it is still relevant.

The assessment of the member should conclude that the report is not of sufficient quality and as such should not be counted towards the threshold if the following applies:

- o No factory data is listed: name, address, contact person, nr. of workers. The audit must cover all relevant production locations (vertically integrated etc.)
- o The full audit report is not provided and there is no CAP.
- o The audit is not conducted by a local auditor
- o The audit is not conducted by an external – A factory self-assessment or person hired by the factory does not count.
- o The audit does not include worker interviews
- o There is no documents and no visual inspection
- o Not all labour standards are covered.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2

Comment: K.O.I does not use sandblasting for denim, but works closely with suppliers on other treatments such as ozone and laser.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

Comment: K.O.I has fulfilled all monitoring requirements for low risk countries and discussed the Italy guidance with their Italian suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	None	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	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	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 14

Earned Points: 13

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place 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 production location visits, etc.	2	2	0

Comment: K.O.I asked all the new suppliers in Tunisia that were revealed by the intermediary platform to post the Worker Information Sheet and have requested pictures as evidence.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	No audits conducted or production in countries without FWF helplines or WEP	The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	N/A	4	0

Comment: No audits were conducted in 2016.

Recommendation: The member company could stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. If needed FWF could offer support by sending information of the trainings and sharing powerpoint slides. In addition to sending the worker information sheet, member companies can use the worker information cards available for download on FWF's website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location 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. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company 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	0

COMPLAINTS HANDLING

Possible Points: 3

Earned Points: 3

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	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 made aware of FWF membership requirements through weekly internal meetings, and staff that visits suppliers has separate meetings with the CSR manager. New employees are informed and material is shared via the internal server.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	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	-1

Comment: K.O.I. participated in the new members seminar and in the webinars that were offered.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
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 member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

Comment: K.O.I. works with three agents in India, Turkey, and Greece, all of them are informed about FWF's CoLP.

They do regular visits, take pictures of the Worker Information Sheet and remediation of health and safety findings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	0	6	0

Comment: 81 % of the total FOB is placed in countries where the Workplace Education Programme is offered. K.O.I. plans to have WEPs take place at several of their suppliers in 2017.

Requirement: Manufacturers and their workers should be systematically informed about FWF and the implementation of the Code of Labour Practices. All factory management and workers should be informed and aware about the relevant labour standards and grievance mechanisms.

Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in FWF's priority countries. The member company should motivate its main supplier(s) to join official FWF WEP trainings where possible. If needed to convince suppliers to enroll, FWF can send more information about the trainings or share powerpoint slides.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location 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, member companies 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

Comment: K.O.I. has all production in either low risk countries, or in countries where the WEP is offered.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

5. INFORMATION MANAGEMENT

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

Comment: K.O.I. made increased efforts to identify all production locations, especially in Tunisia where orders are made via an intermediary platform. For 2017, K.O.I asks the platform to inform them beforehand which style will be placed at what production location.

Requirement: K.O.I. should be aware of all production locations that are used for their production, before orders are placed and require this information from production agents and intermediaries. The member should periodically check with its agents / intermediaries whether all known production locations are still up to date and use the information coming from the questionnaire to update supplier data, including subcontractors. K.O.I. could ask their production agents to check on possible subcontracting by visiting the production location in the time that orders are made.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	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: Within K.O.I. all staff involved with suppliers are in the same team and regularly share information. When a staff member visits a supplier, the CSR manager will discuss the relevant documents such as the Health and Safety checklist and explain how they can be used during the visits.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: K.O.I. publishes the Brand Performance Check and the names of the intermediaries on the website.

Recommendation: FWF recommends the member company to publish audit reports and all supplier information. Good reporting by members helps to ensure the transparency of the member and FWF's work.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

TRANSPARENCY

Possible Points: 6

Earned Points: 5

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	100%	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: K.O.I. has taken sufficient action for four out of five requirements. One requirements about timely sharing of CAPs with the suppliers is non applicable as for this year there have been no audits.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

The member and stakeholder meetings provide an helpful platform to discuss problems member companies are confronted with, and K.O.I. would be interested in having this on a more frequent basis. K.O.I. appreciates the support that FWF offers to help them improve.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	11	36
Monitoring and Remediation	13	14
Complaints Handling	3	3
Training and Capacity Building	5	11
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	47	83

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

57

PERFORMANCE BENCHMARKING CATEGORY

Needs improvement

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

04-04-2017

Conducted by:

Niki Janssen

Interviews with:

Bart Jan Opten- Head of Sourcing Denim

Margreeth Donkert- CSR manager

Elizabeth Verheijen - Managing Director