



BRAND PERFORMANCE CHECK

Blutsgeschwister GmbH

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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

Blutsgeschwister GmbH

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

MEMBER COMPANY INFORMATION	
Headquarters:	Berlin, Germany
Member since:	01-07-2013
Product types:	Fashion, Bags & Accessories
Production in countries where FWF is active:	China, India
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
SCORING OVERVIEW	
% of own production under monitoring	94%
Benchmarking score	81
Category	Leader

Summary:

Blutsgeschwister has shown advanced results on performance indicators and has made exceptional progress. The company monitored 94% of its supply chain through FWF audits or by buying from low-risk countries, meeting the threshold for third-year members. While Blutsgeschwister did not fulfil all monitoring requirements for tail-end production locations, its overall performance amounts to a benchmarking score of 81 points, resulting in leadership status. Blutsgeschwister's sourcing strategy, which is to work with a consolidated supply chain and long-term partners, allows the company to make progress in improving working conditions. Since the brand became a member, Blutsgeschwister has implemented significant and systemic changes to its design process and production planning, with the goal of supporting reasonable working hours. One FWF audit confirmed relevant improvements regarding excessive overtime hours at the supplier level. However, challenges remain when it comes to increasing transparency in order to develop a pricing policy for which the member knows the labour cost of garments, and assessing the impact of its prices on living wages and including this in price discussions with suppliers. This is particularly crucial considering that one audit in 2016 confirmed that some workers were being paid less than legal minimum wage. Blutsgeschwister improved significantly on subcontractor monitoring during its last financial year. All subcontractors, including printing and embroidery, are now included in the database, and Blutsgeschwister has visited most sites. The next obstacle is to find out the FOB value produced at subcontracted locations. 67% of Blutsgeschwister's production was produced at suppliers that participated in FWF's Workplace Education Programme, which informs workers and management about labour rights and grievance mechanisms.

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.	91%	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.	4	4	0

Comment: Blutsgeschwister works with seven key suppliers and a number of subcontractors in India and China. Leverage at all key suppliers and some subcontractors exceeds 10% allowing Blutsgeschwister to work effectively to improve working conditions. At three key suppliers Blutsgeschwister even has leverage between 40-80%.

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.	2%	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.	3	4	0

Comment: Blutsgeschwister has a small, consolidated supply chain and distributes the majority of its FOB to key suppliers. A number of subcontractors, mainly for printing and embroidery, produces less than 2% of Blutsgeschwister's FOB.

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.	79%	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.	4	4	0

Comment: Blutsgeschwister is focusing on long-term business relationships and rarely adds new suppliers. 79% of its production is purchased from production locations where a business relationship has existed for at least five years. One relationship with a long-term supplier ended in 2016 due to severe quality issues. Blutsgeschwister had consulted the supplier extensively before to support improvements.

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: New suppliers are informed about the FWF Code of Labour Practice before sample orders are done, via the Supplier Manual of Blutsgeschwister and separately by email. In addition every supplier has to sign a letter in which they commit to cooperate when problems at the production site are found. Blutsgeschwister added one new CMT supplier during its last financial year and could show the signed CoLP. In addition, a limited number of printing and embroidery sites were added. These subcontractors are selected by the CMT supplier and do not sign the FWF CoLP.

Requirement: Blutsgeschwister needs to ensure that new suppliers including CMT, printing and embroidery subcontractors sign and return the questionnaire before first orders are placed.

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.	Intermediate	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.	2	4	0

Comment: Before the first order, suppliers are visited by production, quality assurance or sample staff, who also use 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 procedure outlines how to approach new suppliers and how to monitor existing suppliers. It also provides guidance on assessing country specific risks like the Sumangali Scheme in India, migrant workers in China and Syrian refugee workers in Turkey.

For subcontractors, Blutsgeschwister relies on the main supplier to select these sites. Blutsgeschwister has however visited the majority of subcontracting sites and discussed the relevance of social compliance for all production locations with main suppliers.

One new supplier was added in 2016; a FWF audit was commissioned shortly after production started to assess social compliance.

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

FWF encourages Blutsgeschwister to continue and strengthen due diligence and monitoring of subcontracted production locations and avoid frequent changes.

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.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: Blutsgeschwister's supplier rating 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, complaints and CAP follow-up. In 2016 Blutsgeschwister did not apply this rating system as they were designing a new integrated supplier overview which will be implemented in 2017.

Blutsgeschwister's small supplier base makes it difficult to reward social compliance with more orders.

Recommendation: Blutsgeschwister is 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 be to create an incentive for rewarding suppliers for realised improvements in working conditions. 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.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: Since the start of membership, Blutsgeschwister has implemented significant, systematic changes to improve its planning and production process in order to support reasonable working hours. This has been continued throughout the last financial year. Designers as well as production managers are continuously looking for ways to improve processes further. The CEO and head designer commented that FWF membership has led to a different way of thinking from the start of the design process.

A FWF audit conducted in 2016 confirmed that the supplier was able to reduce excessive overtime hours considerably (even though challenges remain) because Blutsgeschwister extended lead times.

Blutsgeschwister has a leverage of 80% at this supplier.

Steps taken by Blutsgeschwister include:

- 1) Development of an internal overall data and planning system and shared forecasting system with suppliers. Forecasts are communicated twice a year and well in advance of actual order placement. Orders are at times placed during low season.
- 2) Extended lead times.
- 3) The internal process to approve samples has been improved. Styles, colors etc. are not changed after sample orders which gives the supplier a reliable order. For similar designs, sampling processes with the supplier have been reduced.
- 4) Blutsgeschwister works with less suppliers, overall has less articles, less collections and reduced the amount of colors per collection with the same overall quantity. This makes the planning and production much more controllable.
- 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.
- 7) Orders are planned with suppliers, based on the production time they need in relation to complexity of the garment, capacity of the factory and local holidays like Diwali in India.
- 8) Fabrics are ordered as early as possible. Blutsgeschwister is aware of different lead times for different fabrics and considers this when planning production.

Recommendation: FWF encourages Blutsgeschwister 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.

The production planning system needs to be established based on the production capacity of the factory for regular working hours.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	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.	6	6	0

Comment: In 2016, FWF conducted two audits at Chinese suppliers of Blutsgeschwister. Both audits included excessive overtime findings. One supplier however, where Blutsgeschwister has a high leverage, had reduced overtime hours considerably since the previous audit. At the other site, a newly added supplier where Blutsgeschwister had a leverage of less than 5%, overtime hours for some workers sometimes exceeded 80 hours.

Blutsgeschwister addresses overtime hours with all suppliers during all visits. Blutsgeschwister then analyzes root causes and how they as a brand can contribute to prevent and mitigate overtime. Then they agree on solutions specific to the situation of each supplier. Their goal is to make the production process as smooth as possible (see also indicator 1.6). Positive examples of other suppliers are also actively shared.

A month before an order date or if there are indications for a possible delay, Blutsgeschwister asks whether everything is going according to plan. If a supplier indicates problems, they are looking into ways to extend delivery times, split deliveries or shift orders to other production cycles.

Recommendation: FWF recommends Blutsgeschwister to continue discussing with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, Blutsgeschwister could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

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: According to all audited suppliers in 2016 the price they receive from Blutsgeschwister is not enough to pay for living wages.

While Blutsgeschwister has started to collect more detailed information on price composition and is mostly aware of material costs, it currently lacks insights how labour costs link to their FOB price. In 2016, Blutsgeschwister restructured its internal processes. Pricing is now part of the product development team. This set-up will improve their ability to gain further insights. Blutsgeschwister also identified two key suppliers where they plan to move towards open costing in 2017.

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: Increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	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.	1	2	-2

Comment: At one of the two audited suppliers in 2016, FWF found payment below legal minimum wage for some workers in the helper category. Blutsgeschwister followed up with the supplier and received confirmation that all workers are now paid at least legal minimum wage. FWF will audit the supplier in 2017 to verify.

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.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Comment: Blutsgeschwister discusses wage levels with all suppliers based on wage ladder data of FWF audits. They have also started to analyze how this information can be considered during pricing decision, but currently still lack detailed insights.

A key supplier of Blutsgeschwister attended FWF's living wage seminar in India in 2016 and is open to move towards open costing and increased wage levels. Discussions with this and other key suppliers are on-going.

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

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: 44

Earned Points: 33

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	93%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	1%	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.	No	Implementation will be assessed next BPC
Total of own production under monitoring	94%	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 head of production is the main person responsible for FWF membership. CAP follow-up is implemented by sampling department and production department together.

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.	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

Comment: If Blutsgeschwister receives an audit report, it is reviewed swiftly and then passed on to the supplier. Wherever possible Blutsgeschwister tries to schedule audits in a way that someone from the company can visit the supplier shortly after to discuss findings and agree on timelines. If this is not possible, timelines are agreed via email or when the supplier is visiting their headquarters.

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.	Intermediate	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.	6	8	-2

Comment: Following up on corrective action plans at each production sites is considered a team responsibility. During monthly internal FWF team meetings, the content of all corrective actions is discussed. Each production manager is responsible for one CAP; the CSR staff keeps an overview of all CAPs. Suppliers are visited at least once a year and also visit Blutsgeschwister. During each visit social compliance and corrective actions are discussed. In addition Blutsgeschwister regularly requests status updates and evidence of improvements. For more difficult issues top management is involved.

During the Performance Check Blutsgeschwister could show that corrective actions had been implemented at several suppliers such as improved ergonomic programmes or contract copies being provided to all workers. At the same time, especially at one supplier where Blutsgeschwister has limited leverage, challenges remain e.g. regarding correct payment of overtime hours.

Recommendation: Blutsgeschwister could consider building local capacity to follow up with suppliers regularly and verify improvements.

FWF also recommends Blutsgeschwister to define a strategy for suppliers where Blutsgeschwister has limited leverage to ensure relevant improvements are being implemented.

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.	87%	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: Blutsgeschwister visits the majority of its suppliers at least once a year, including smaller subcontracting sites.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0

Comment: Blutsgeschwister has collected a BSCI audit report of a Chinese supplier and assessed its quality. When inquiring about the CAP status, the supplier did not reply.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits 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.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	None of the specific risk policies apply	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.	N/A	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	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: Blutsgeschwister does not produce in Myanmar and Bangladesh and does not use sand-blasting for its products. The company has a thorough understanding of risks in its supply chain, such as e.g. gender-based violence in India. It has started to investigate risks related to migrant workers at their North Indian supplier.

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.	Active cooperation	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.	2	2	-1

Comment: Blutsgeschwister has worked actively on remediation of findings at a key Chinese supplier together with another FWF member brand. While the other member led the remediation process, both members regularly exchanged on the status and updated each other before and after visits to the supplier.

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: Blutsgeschwister works with one production location in Germany that accounts for less than 1% of its FOB. The supplier has been visited, the FWF questionnaire has been signed and the Worker Information Sheet was posted.

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

Comment: Blutsgeschwister had a licence contract with a German company. This cooperation ended in 2016. No production was conducted in 2016 anymore, only products from previous seasons were sold. Blutsgeschwister never the less inquired about production locations and learnt that product had been made in Germany, Italy and South Korea.

MONITORING AND REMEDIATION

Possible Points: 23

Earned Points: 19

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: Blutsgeschwister regularly checks during visits whether the Worker Information Sheet is posted at an accessible location in the factory and records this. One audit showed that the Worker Information Sheet was not posted at subcontractor level. Blutsgeschwister tried to arrange a visit at the site, but did not manage so far. It is unclear whether the sheet has been posted since.

Recommendation: FWF recommends Blutsgeschwister to also include subcontracting sites in their systematic monitoring of this point.

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.	50%	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.	3	4	0

Comment: At both audited sites in 2016 the majority of workers was not aware of the FWF CoLP and the hotline. In one of the two factories, a WEP had been conducted before. After the audit factory management repeated the training internally to reach more workers.

Two suppliers participated in a WEP in 2016 which is also counted towards this indicator.

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: 7

Earned Points: 6

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: All store managers and sales staff is trained twice a year on FWF in general and current updates. All new staff receives an introduction to FWF. The Brand Performance Check result is communicated to all employees. All interviewed staff showed a high level of understanding regarding FWF's approach and implications of membership.

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: CSR staff of Blutsgeschwister has been actively participating in training opportunities and stakeholder meetings of FWF. The CEO also attended FWF's 2016 annual conference. Other staff in direct contact with suppliers are updated regularly.

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: For some suppliers, Blutsgeschwister works with agents who sometimes also conduct quality assurance for the company. Agents are actively involved in monitoring and remediation efforts. After being trained by Blutsgeschwister, one agent additionally joined the Workplace Education Program of a suppliers' management.

Recommendation: FWF recommends Blutsgeschwister to continue actively training their agents on monitoring and remediation to enable them to support the implementation of the CoLP.

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)	67%	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.	6	6	0

Comment: Two suppliers of Blutsgeschwister participated in WEP in 2016; overall five suppliers have received training in the last three years.

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

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 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: Blutsgeschwister has improved considerably in identifying and monitoring all production locations. All CMT, printing and embroidery subcontractors are now included. Blutsgeschwister has also visited most sites. Challenges remain to know the FOB placed at these subcontractors.

Blutsgeschwister also encourages suppliers to keep a stable subcontractor base. 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. Twice a year Blutsgeschwister asks what subcontractors suppliers work with.

Requirement: Production staff and CSR manager must ensure all active production locations are included in the database for the financial year under review. Correct FOB percentages should be given per supplier including subcontracted sites to show the relevance of each supplier in relation to the member's total purchasing volume.

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: All staff in direct contact with suppliers, including the CEO/head designer, meets every month to update each other on relevant developments related to FWF and social compliance at their suppliers. Production managers use the FWF health & safety checklist when visiting production locations and share observations with the rest of the team.

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

Comment: Blutsgeschwister communicates about FWF on its website, magazine and stores. All communication is compliant with FWF's communication policy. As a leader Blutsgeschwister is also allowed to communicate FWF membership on product. This will be implemented in 2017.

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: Blutsgeschwister published the FWF Brand Performance Check on its website.

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

Comment: Top management is constantly involved on FWF issues. Decisions are made in cooperation with designated staff. The integration of FWF policies into the structure, procedures and systems of the company receives considerable attention. Performance Check results and priorities for the coming year are discussed together with top management.

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.	50%	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: Blutsgeschwister received four requirements during its last Brand Performance Check: Two were related to living wages (develop a pricing policy where they know the labour cost of garments and taking adequate steps to move towards living wages as estimated by local stakeholders). While Blutsgeschwister has taken first steps to increase transparency regarding pricing at their suppliers (see indicator 1.8 and 1.11), relevant improvements remain for this financial year. The third requirement concerned the follow-up of existing CAPs of other initiatives. Blutsgeschwister made efforts to assess the quality of existing audit reports, but was not able to follow up on CAPs yet due to limited cooperation by suppliers. The fourth requirement was related to Blutsgeschwister's ability to identify high risks in their supply chain. Blutsgeschwister could demonstrate a good understanding of common risks. It has worked actively on preventing gender-based violence by encouraging the set-up of anti-harassment committees at Indian suppliers. Blutsgeschwister is not sourcing from Turkey, Myanmar or Bangladesh.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Blutsgeschwister expects more continuity of FWF after frequent changes of main contact persons. The company would also welcome an open supplier database for FWF members, especially for subcontractors.

Blutsgeschwister would like templates and other information and guidance material available by FWF to be clearly marked in order to recognize the latest version more easily.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	33	44
Monitoring and Remediation	19	23
Complaints Handling	6	7
Training and Capacity Building	11	11
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	84	104

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

81

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

08-05-2017

Conducted by:

Lisa Suess

Interviews with:

Katharina Fest (Director Production & Contact Person FWF)

Karin Ziegler (CEO)

Stephan Kuenz (CEO)

Sara Lemmens (Director Marketing & eCommerce)

Marion Meyer-Arendt (Head of Retail)

Johanna Wagner (Director Sampling)