



## BRAND PERFORMANCE CHECK

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Manroof GmbH

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

# BRAND PERFORMANCE CHECK OVERVIEW

Manroof GmbH

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

MEMBER COMPANY INFORMATION	
Headquarters:	Zürich, Switzerland
Member since:	26-11-2008
Product types:	Promotional
Production in countries where FWF is active:	China, India
Production in other countries:	Austria, Germany, Italy, Portugal, Slovenia, Switzerland
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	97%
Benchmarking score	69
Category	Good

## Summary:

Manroof has met FWF's performance requirements and has shown progress on the performance indicators. A monitoring percentage of 97 combined with a benchmarking score of 69, places Manroof in the 'Good' category.

Manroof has a small supplier base and works mostly with four main suppliers in China, with which they maintain long term business relationships. This allows Manroof to work effectively on improving working conditions.

FWF encourages Manroof to develop a more formal evaluation/grading system for their suppliers to evaluate and keep track of labour violations and risks. This evaluation should influence the decision on where to place more orders and it would help to prevent and mitigate risks.

Manroof has shown progress towards resolution of existing corrective action plans. Monitoring and remediation of corrective actions at the Chinese suppliers are supported by a local consultant.

Manroof has improved the collaboration with one of their Chinese key suppliers and has shown progress on mitigating overtime hours and wage issues. Due to close communication, suppliers are more open to inform Manroof earlier in the production process if extra time is needed for production, delivery dates can be shifted and overtime hours could be prevented. Working hours and wage records are shared with Manroof. FWF recommends Manroof to further analyse the root causes of excessive overtime. Another step forward has been made on the payment of statutory holidays.

For the upcoming year the challenge for Manroof is to obtain more insights in the labour cost of their products. This could support Manroof to assess the impact of its prices on living wages and include this in price discussions with suppliers.

## 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.	82%	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:** Manroof has a small supplier base. 82 % of its purchasing volume is produced at four key suppliers, where Manroof is responsible for more than 10% of the supplier's production capacity. In 2015, the percentage was 79%. At two Chinese suppliers Manroof represents 30% of the production capacity of the supplier.

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.	6%	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:** Manroof tries to focus on their key suppliers and places most orders at these locations. They have worked for many years with their key Chinese suppliers and want to keep the orders stable there. It is an ongoing challenge for Manroof to keep the sales up during the year and maintain constant orders.

**Recommendation:** FWF recommends Manroof to keep its supply base compact 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.

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.	94%	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: Manroof sourced 94% of its purchasing volume from suppliers with which they had a business relation of more than five years. The percentage went up, compared to last year (87%) and the year before (72%).

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.	No new production locations added in past financial year	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.	N/A	2	0

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.	No new production locations added in past financial year	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.	N/A	4	0

Comment: Generally before placing orders Manroof requests existing audit reports. Manroof prefers to work with suppliers that have some experience on social compliance. Audit reports are reviewed and shared with a Hong-Kong based CSR consultant, working parttime for Manroof, who follows up on correction action plans.

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:** Manroof's suppliers are evaluated in an Excel file where high risks are marked for each supplier. FWF audits, factory visits and observations of their local consultant are used to assess suppliers' compliance with the Code of Labour Practices. The supplier evaluation is not part of a formal process to influence order placements.

The relationship with their key suppliers is good, they are willing to cooperate on social compliance. Only one supplier is less open to audits and to work on corrective actions. The production volume at this supplier went down in 2016.

Manroof started production at two Turkish suppliers in 2015, and ended the relationship in the same year in particular due to high labour risks.

**Recommendation:** FWF encourages Manroof to develop a formal 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.	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:** Excessive overtime was reported at Manroof's suppliers in China. Manroof tries to place orders on time and has shown to be flexible when suppliers indicated that extra time is needed to complete a certain order.



As Manroof is active in the promotional market some items (e.g. t-shirts or caps meant for an event or festival) need to be delivered on time and it is not possible to delay deliveries much, which can sometimes result in overtime at Manroof suppliers.

Manroof tries to get most clients orders by the end of the year, to place orders on time at their suppliers. This creates more time for the production process. The production process of most products takes 6 months. Manroof discusses delivery times with their customers/suppliers before orders are confirmed. Manroof will not apply penalties for their suppliers if deliveries are running late. Transportation of products by airfreight is used in exceptional cases.

Manroof mostly deals with small orders for which quick delivery is needed. For these, Manroof is looking for a sourcing alternative such as moving production to Europe.

**Recommendation:** A good 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.	Intermediate 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.	3	6	0

**Comment:** Manroof is asking its suppliers in China for Excel sheets with the working times. A local consultant hired by Manroof is following up and monitoring working times. Manroof is trying to keep the conversation going about overtime hours, to get their suppliers opening up and get them communicate directly when extra time is needed for Manroof's orders. In some cases suppliers have explained why they need extra time and Manroof agreed on later delivery. For the factories where Manroof have smaller orders, it is more difficult to have the conversation going and prevent overtime hours.

According to Manroof there is a difference between local workers and migrants, migrant workers tend to be more willing to work overtime hours than local workers.

**Recommendation:** FWF recommends Manroof to continue discussing with factory management the causes of excessive overtime and provide support to manage overtime hours. Manroof could start analysing/evaluating the Excel sheets with the working hours, to study the root causes of overtime hours. For instance the relationship between more local workers and overtime hours could be analysed.

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:** For specific products Manroof works with appointed suppliers, already for years. The prices Manroof's pays to their suppliers are relative stable. Manroof discusses wage levels with its suppliers based on the wage ladders and Manroof is willing to support the factory to work towards payment of living wages, and to pay their share.

The labour costs are in general 1/3 of the product price Manroof pays to their suppliers. For their bags the fabric is the most expensive part.

**Recommendation:** Manroof should get more insight in the labour costs per product. The real costs of products can commonly be calculated by the costs per minutes X the minutes needed per piece. They can start with the suppliers with which they have a longterm relationship. This forms the basis for ensuring enough is paid to cover at least minimum wage for workers and for making steps towards living wages.

Furthermore, FWF recommends Manroof to develop a pricing policy for all its suppliers where it estimates the costs of fabrics, direct labour costs, indirect labour costs and overhead to ensure that its minimum price guarantees are based at least on the legal minimum wage.

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 supplier in China a FWF audit indicated payment below legal minimum wages for temporary workers. Manroof remediated this finding last financial year with the assistance of a local consultant by Manroof.

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:** Manroof started to work on living wages in China based on the corrective action plan and the wage ladder. They are looking into possibilities to bridge the gap between the current wages paid and the living wages. Their local consultant support's Manroof in this process. Manroof focusses in China on the statutory holidays, and wants to make sure that these are paid. One of their Chinese suppliers pays now the statutory holidays.

During the Brand Performance Check Manroof showed email correspondence about living wages with their Chinese suppliers. According to Manroof living wages is still a new topic for most suppliers in China. Suppliers are slowly opening up and sharing wage levels and working hours records. In an annual meeting with their key suppliers in China living wages are discussed.

Manroof mentions that they need bigger orders to have also more influence on working conditions.

**Recommendation:** To gain more insight into the relationship between own prices and the wage levels at their suppliers, FWF encourages Manroof 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.

At its main Chinese suppliers, Manroof could learn more about the direct & indirect labour costs and overhead. FWF encourages Manroof to work on living wages closely together with other FWF members at their Indian supplier.

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: 38

Earned Points: 24

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	84%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	13%	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 Brand Performance Check
Total of own production under monitoring	97%	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 CEO is the main person responsible for FWF membership. CAP follow up is supported by the office manager.

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: Manroof works closely together with a local consultant for the CAP follow up. Emails of CAP follow up have been showed. The local consultant knows the language and Chinese laws which makes the communication and remediation process more efficient. The CAP communication is saved on the server per factory.

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.	Basic	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.	4	8	-2

**Comment:** In this reporting period, four factories located in China were audited. A local consultant hired by Manroof followed up on corrective actions with the suppliers concerned. Manroof tries to address corrective actions with its suppliers before placing orders in order to have more influence on the remediation process. Suppliers provided proof of remediation work, including documents and photos. Manroof also provided financial support to one of its suppliers to implement the corrective action plan. Last year, a Chinese supplier started sharing working hours and wage records with Manroof so that overtime hours and the wages paid can be better monitored.

Manroof placed one order at a supplier in India, where also other FWF members source. Another FWF member took the lead in the remediation process and communicated with factory management.

Manroof mentions that their leverage makes improvement on CAPs sometimes difficult.

**Recommendation:** FWF encourages Manroof to analyse the wage records of their Chinese suppliers and integrate the labour costs in their pricing policy.

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.	78%	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:** The main suppliers in China are visited by the CEO every year. The suppliers in low risk countries are visited once they start the business relationship.

**Recommendation:** Annual visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	1	3	0

**Comment:** Manroof prefers to conduct their own audits, by FWF teams. Occasionally Manroof collectes third party audit reports before placing orders at new suppliers.

**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

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: Manroof is open to cooperate with other FWF member companies and has reached out to other FWF members on several occasions to this end. In addition, Manroof started to cooperate with other FWF members at a supplier in India.

Recommendation: FWF recommends Manroof to work with other FWF members to implement the corrective actions at their shared supplier in India.

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: Manroof has visited their suppliers in low risk countries. CoLP's are posted in the factories and questionnaires are collected by Manroof.

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.	Yes, and member has collected necessary information	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.	2	2	0

Comment: Questionnaire for external brands is sent to external brands and collected by Manroof.

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).	4%	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.	1	3	0

Comment: When using external brands, Manroof prefers to source from companies that are member of Fair Wear Foundation.

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

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## MONITORING AND REMEDIATION

Possible Points: 28

Earned Points: 19

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	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		
Number of worker complaints resolved since last check	1	

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: Manroof checks during visits whether the Worker Information Sheet is posted at an accessible location in the factory and records this. Also when their local consultant or agent visits the factory, they check if the Worker Information Sheet is posted. Photos of a posted Worker Information Sheet are asked from the suppliers and photos were showed during the Brand Performance Check.

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.	60%	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: Manroof has arranged WEP trainings at two suppliers within the reporting period, these trainings count towards this indicator. However the trainings were not very succesful as little importance was attached to it by the suppliers. Management did not show up and a few workers attended the training.

Manroof experiences that workers in China seem not to care much about their working conditions or do not feel comfortable to speak about their issues. For the smaller suppliers the Workplace Education Programme might not be succesfull to get workers to speak out their issues, because of family relations that are strongly rooted in the factory.

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	Yes	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.	3	6	-2

Comment: Complaints are followed up by Manroof. Manroof received their first complaint in 2016, this complaint was taken on by another FWF member as Manroof has a lower leverage there.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	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.	2	2	0

**Comment:** Manroof shared the complaint with other FWF members and another FWF member took the lead in the complaint remediation.

**Recommendation:** Manroof should find out what their role can be to support the FWF members in the remediation process of a second complaint that came in at the same supplier this year.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 11



## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff 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: In 2016, the CEO of Manroof actively participated in FWF's Annual Conference and stakeholders meeting in Switzerland. Following these events, he disseminated relevant information among Manroof staff.

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: The CEO of Manroof makes all the decisions regarding sourcing. Together with a colleague, he also follows up on CSR issues at the suppliers. Furthermore, a CSR consultant in China hired by Manroof visits the suppliers to follow-up and checks status of remediation.

Manroof has a small team and staff in direct contact with suppliers is aware of FWF membership. New staff is informed about FWF membership.

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	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.	1	2	0

Comment: For some suppliers, in Poland and China, Manroof works with intermediaries. Agents are informed about FWF and they monitor if the Code of Labour Practices is posted at Manroof's suppliers.

Manroof works for the sourcing of their bags with an agent, they take compliance with the Code of Labour Practices serious.

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)	84%	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: In this reporting period, Manroof arranged WEP trainings at two Chinese suppliers. Also a WEP training was organised at a supplier in India.

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: 10

## 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:** It is difficult for Manroof to verify whether subcontractors are used, other than through FWF audits and through (occasional) visits of Manroof's CSR consultant.

Manroof asks the list of subcontractors used for their products of their key suppliers and requests to post the CoLP and fill in the questionnaire at these locations. The subcontractors have been added to the supplier list, although, Manroof does not have the FOB figures at subcontractor level. Manroof has not visited their subcontractors, there is not always cooperation between the main suppliers and the subcontractors. Manroof's leverage is really low on the subcontractor level.

**Requirement:** Manroof should find out the FOB figures on the subcontractor level and include the figures in the supplier list in FWF's database.

**Recommendation:** FWF recommends the member to periodically check with its agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

Manroof could try to plan their usual visits during the production time of their products, so they can see if production actually takes place at the known location.

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: The CEO of Manroof directly communicates with factories on CSR issues. He also leads the production department. Corrective actions are summarized and shared with all staff, e.g. in emails and meetings. Audit reports are shared with the responsible product managers and stored on a shared drive accessible for all staff.

## 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: Manroof communicates about FWF through the company website, social report, emails and the company catalogue, all via a We Care sign. The membership is described in correct wording.

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: Manroof published the Brand Performance Check report by FWF 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: FWF membership is integrated in decisions taken at management level. The CEO is the main person responsible for FWF membership.

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.	40%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: In the Brand Performance Check over the 2015 financial year, the below requirements were included. On most points progress was made.

1. Manroof needs to ensure that new suppliers sign and return the questionnaire before first orders are placed.

- Manroof requires that the questionnaire is signed and returned for new suppliers. Although it could not be fully verified as there were no new suppliers added in 2016.

2. A formal process should exist to evaluate the risks of labour violations in the production areas Manroof is operating. This evaluation should influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary.

- Manroof could show an Excel file where the labour risks are listed per supplier. FWF audits, factory visits and observations of their local consultant are used to assess suppliers' compliance with the Code of Labour Practices.

3. Manroof's monitoring system should identify and address high risk issues that are specific to the affiliates' sourcing practices. FWF provides policies and country-specific requirements to affiliates. Priorities in remediation efforts are guided by these policies.

- Manroof stopped sourcing at the Turkish suppliers that were added in the financial year 2015, in particular due to high labour risks. Manroof is well aware of the high risk issues in China. Manroof could get in contact with other FWF members to get informed about the labor risks at their Indian supplier.

4. After the end of each financial year, Manroof must confirm their list of suppliers and provide relevant financial data. A complete suppliers list means ALL suppliers are included.

- Manroof should improve the monitoring of their subcontractors.

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## EVALUATION

Possible Points: 6

Earned Points: 4

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## RECOMMENDATIONS TO FWF

1. Manroof recommends FWF to evaluate FWF's WEP programme in China.
2. Manroof wishes to have more exchange with other FWF members for cross learning focused on specific issues in countries, for instance on China. More guidance on remediation.
3. The Brand Performance Check could be simplified for first year + members, to diminish paper work.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	24	38
Monitoring and Remediation	19	28
Complaints Handling	11	15
Training and Capacity Building	10	11
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	77	111

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

69

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

14-06-2017

Conducted by:

Rosan van Wolveren

Interviews with:

- Jacques von Mandach (CEO)
- Zuzana Valient (Back office Specialist)
- Muriel Kern (Product Manager)
- Pasqualina Piccoli (Product Manager)
- Marlena Valentin (Product Manager)
- Toni Shtanaj (Logistics)