



BRAND PERFORMANCE CHECK

LaDress B.V.

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

LaDress B.V.

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

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-01-2014
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, Indonesia, Romania
Production in other countries:	Italy, Poland, Portugal
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	93%
Benchmarking score	56
Category	Good

Summary:

LaDress has shown progress and has met most of FWF's performance requirements. The company has stable and long term relationships with its suppliers; particularly with their main supplier in Romania, where over 80% of LaDress' 2016 purchasing volume is produced and where the company has substantial leverage. This partnership supports effective implementation of the Code of Labour Practices.

With an audit conducted at the Romanian supplier in 2015 and together with the fulfilled monitoring requirements for low risk countries, LaDress has monitored in total 93% of their 2016 volume. With this LaDress meets the threshold that is required for members in their third year of membership. Besides the main production location in Romania, 2% of their production volume is produced in Bulgaria. In 2016, LaDress started production in Bali for a seasonal collection that has been introduced, which counts for around 1% of their production volume. The remaining 12% of their production volume comes from suppliers in low risk areas such as Portugal, Poland and Italy.

LaDress was able to show that the Worker Information Sheet was posted at their main production location in Romania and a signed questionnaire has been returned. The questionnaire of their Portuguese supplier missed the signature of factory management. For the remaining production locations a signed questionnaire was completed. The required homeworker questionnaire was not completed for the homeworker locations in Bali. Once all production locations are known the worker information sheet should be posted to provide workers access to FWF's helpline.

LaDress has shown progress on the implementation of the Corrective Action Plan after the audit at their Romanian supplier. It has remediated health and safety findings, and discussions with factory management are ongoing about the importance of a wage assesment.

LaDress visit its suppliers on a regular basis and communicates weekly with its suppliers and labor issues are taken on immediately and discussed verbally or by email. LaDress should improve their monitoring system by maintaining documentation from suppliers. Such a system will support LaDress in keeping track of the situation in the factory.

For next year, FWF advises LaDress to perform a wage assessment and a Workplace Eduction Programme training at their main supplier in Romania.

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.	87%	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: LaDress maintains a long term relationship with its main supplier which is based in Romania, which produces over 80% of the production capacity for LaDress. The partnership started from the moment the factory opened business in Romania and developed into a mutual partnership. LaDress wants to maintain the strong relationship with their key supplier in Romania and grow with them. This will provide a good base to work effectively towards improved working conditions.

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: LaDress has a small, consolidated supply chain and distributes the majority of its FOB to its key supplier. For the smaller/seasonal orders LaDress produces in Portugal, Poland, Bulgaria and Indonesia. With these small suppliers LaDress stays in touch and has the intention to build a long term relationship.

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.	85%	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: LaDress has a stable supplier base and values long term and trust worthy relationships. The company started production in the Netherlands and moved the majority of their production to Romania in 2011 where a Dutch family started a production location. CSR is a new concept for them, LaDress sees the relationship with their Romanian factory as a partnership and they are gradually implementing the Code of Labour Practices.

LaDress prioritizes a stable relationship over price, they believe that product quality improves as the relationship length increases with the atelier.

When LaDress starts a relationship with a supplier their aim is to build a long term relationship. The business relationship starts with some basic quality standards and through working together with the supplier they hope to improve quality through a trial and error process which requires time.

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	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.	0	2	0

Comment: Not all signed questionnaires were documented. Questionnaire was not found for their Italian supplier and the questionnaire of their Portugese supplier missed the signature of factory management.

Requirement: LaDress should improve their system for maintaining documentation from suppliers. La Dress needs to ensure that all suppliers 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: LaDress has deliberately chosen to produce in EU countries with considerably lower risks of human rights abuses and with better controllable monitoring opportunities.

LaDress visits new production locations before orders are placed. First production started for a seasonal collection in Bali in 2016. The production locations were introduced by an agent, and are all small (homeworker) workshops offering the requested craftsmanship.

The locations were visited by the owner who conducted an initial health and safety assessment and discussed the Code of Labour Practices. LaDress does not yet have a systematic approach towards assessing working conditions for new suppliers that is included in their sourcing strategy and decision making process.

Recommendation: It is suggested to further develop a systematic approach towards assessing possible human rights risks. A written sourcing strategy that describes the process for evaluating working conditions of new suppliers and how this feeds into the decision making process will support an integrated process and ensures risks can be mitigated.

Outcomes of visits and communication with new suppliers should be documented in order to make informed sourcing decisions that include working conditions and the willingness of suppliers to cooperate on improvements as an important criteria. FWF country and stakeholder information can be used for investigating potential human rights risks.

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: With their main supplier in Romania, LaDress maintains close communication and keeps track of the compliance with Code of Labour Practices on a regular basis. LaDress has not yet set up an evaluation system for all their suppliers.

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

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: A preferred delivery date is set in cooperation with factory management and production team. LaDress is flexible to move around orders based on priority whenever needed. LaDress can split orders and can postpone the delivery time in case a deadline is not met. Or the delivery time is mentioned online so that customers know when to expect the purchased item. 'Made to order' items ensure the item is being produced once the order comes in.

The delivery time window is discussed for 3 weeks with their supplier in Romania and LaDress items are produced in a constant flow, all year round. This makes it easier for the factory to schedule and manage the number of workers. Together with the main supplier in Romania, LaDress knows the production capacity and the time it takes to make the dresses.

LaDress has taken back the pattern making process, which is done in The Netherlands and not longer part of the production process of suppliers. The idea is to reduce changes/delays in the actual production flow by providing suppliers a total package for production. Orders are combined based on colours and based on even amounts to improve the production planning process. There is not a stable production number set for the suppliers in Indonesia yet.

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

Comment: The audit conducted by the FWF team in Romania did not conclude excessive working 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: LaDress is aware of the minimum wage levels in Romania. Prices are set by the supplier and allows for payment of at least the legal minimum wages.

The company can make an estimate of the FOB price divided by the number of workers, but does not know the exact labour costs in relation to their own pricing policy.

Recommendation: LaDress is recommended to assess their prices in relation to the share that is paid to workers. 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.	No data available	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	N/A	2	-2

Comment: The audit in Romania could not verify wage levels as the factory was not transparent with the wage records.

Recommendation: FWF encourages LaDress to continue the dialogue with their Romanian supplier to support transparency of wage records. This is required to verify the payment of minimum wage and forms the basis for defining further steps for LaDress. FWF suggests LaDress to conduct a wage assessment at their Romanian supplier.

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.	Basic approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Comment: LaDress started the dialogue about living wages with their factory in Romania. The next step would be a wage assesment to gain more insight in the labor costs in the factory. LaDress has not discussed this topic with their new factory in Bali.

Requirement: LaDress is expected to take an active role in discussing living wages with its supplier in Romania and their other production locations outside of low risk areas. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder is included in FWF's audit reports; the wage benchmarks are also included in FWF's country study. It demonstrates the gaps between workers' wages at a factory and living wages defined by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 36

Earned Points: 22

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	85%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	8%	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.	Yes	
Total of own production under monitoring	93%	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: There is a designated CSR staff person at LaDress.

Recommendation: CSR manager should get enough time and resources to follow up on problems identified by the monitoring system.

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

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: The findings from the FWF audit conducted at the Romanian supplier in 2015 are discussed with factory management as well as during several visits. LaDress is in constant communication with factory management about open CAP findings.

During the Brand Performance Check LaDress could show that corrective actions have been implemented. Several efforts to remediate findings took place, particularly in the area of health & safety. Moreover, regular staff meetings between employees and management took place, and a discrimination policy has been set up. Other issues such as the quality of the Collective Bargaining Agreement and the internal grievance system including awareness of the FWF hotline remain pending.

Recommendation: To facilitate remediation, LaDress could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise/join supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing improvements.

FWF advises to use the expertise of FWF and the local audit team for guidance on effective grievance systems, electing worker representatives and implementing wage policies. LaDress can improve its system for documenting evidence and verifying measures taken by the factory. Emails/phone calls should be documented.

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.	89%	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: LaDress visits the majority of its suppliers at least once a year.

Recommendation: FWF recommends LaDress to visit all production locations regularly, especially the smaller homemaker locations in Bali.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

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.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	0-49%	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.	0	2	0

Comment: LaDress was not able to demonstrate that the CoLP was posted in the factory in Italy and the questionnaire of their factory in Portugal missed the signature of factory management.

Requirement: Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Be visited annually by Member company representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

LaDress should collect evidence of a posted CoLP and a returned questionnaire with signature for the production in Portugal and Italy.

Recommendation: FWF recommends LaDress to look into the labor risks for Italy and Portugal, these are described in the risk assessment(s). Labor issues to be aware of in Italy are mainly:

- Informal employment, mostly at risk in (Chinese) subcontractor workshops located in Prato area and southern regions.
- Irregular employment, excessive use of temporary, flexible and seasonal contracts. Legal requirements related to the duration and the limits of temporary/seasonal contracts are often not respected.
- Migrant workers, migrant workers are easily exploited due to their irregular or temporary presence in the country. The need of a visa/permit pushes migrant workers to accept any type of working conditions, including illegal or irregular employment.

Labor issues to be aware of in Portugal are mainly:

- Wages, most workers receive the minimum wage regardless of experience or responsibilities, and wages are rarely increased.
- Health and safety conditions, the economic crisis has pushed employers to save on investments.
- Informal employment, mostly at risk in subcontractor workshops.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

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

MONITORING AND REMEDIATION

Possible Points: 18

Earned Points: 12

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.	No	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.	0	2	0

Comment: LaDress has shown that the Worker Information Sheet is posted at their main supplier in Romania, which has been an improvement compared to last year. LaDress has not yet been able to demonstrate evidence the Worker Information Sheet is posted at all their factories.

Requirement: LaDress must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. The information sheet is the first step towards awareness raising about the existence and functioning of FWFs worker hotline. Aside from visits, pictures can be taken and documented to demonstrate the Worker Information Sheet is posted.

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.	0%	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.	1	4	0

Comment: In the audit conducted in Romania in 2015, workers were not aware of the Code of Labour Practices and the FWF worker helpline.

Recommendation: LaDress can increase effective worker representation and awareness of labour rights, through the Workplace Education Programme. They could start with a WEP training at their main supplier in Romania.

Worker cards, accessible via the Member login, can be printed and handed out to workers. Especially the workers at the homeworkers locations in Bali should be made aware of the local worker helpline.

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: 2

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: LaDress has organised a internal training session to inform staff members about FWF membership and purchasing practices. FWF topics are discussed in a weekly meeting and shared with staff on Thursday afternoons.

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 CSR manager and the Head of Production were well aware of FWF requirements.

Recommendation: LaDress is recommended to actively take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference and webinars.

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: Agents have been informed about FWF membership. The agent in Bali had an active role in assessing working conditions and collecting the necessary information related to the homeworker locations. The agents in Portugal and Bulgaria have been informed about FWF membership.

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

Comment: The main production location of LaDress located in Romania has not participated in a Workplace Education Programme training. FWF offers the Workplace Education Programme in Romania since 2014.

Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme.

FWF recommends LaDress to organise a Workplace Education Programme training at their main production location.

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: 4

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: LaDress has indentified subcontractor locations in low risk countries during the last financial year. The factory in Romania is visited often and provides them a realistic overview of the workforce and production capacity.

The production in Bali is shared over several small homeworker locations and this makes the supply chain more complex to monitor.

Requirement: All production locations should be identified and visited by LaDress, especially the homeworker locations have a priority as workers are less protected by formal systems like labor contracts and minimum wages.

LaDress should send out the homeworker questionnaire to their production location(s) in Bali.

Recommendation: LaDress is recommended advised to further complete the supplier list, including all subcontractors for all product types that are produced in addition to dresses, for instance beach wear, jackets and accessories such as belts. Part of the approach can be:

- 1) automatically include information from audit reports and complaints
- 2) Business relationships with agents include transparency of production locations.
- 3) Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.

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: FWF membership and requirements are often discussed in team meetings and information related working conditions is shared between the CSR manager, Owner, Head of Production and Financial Director.

LaDress has not a system to document and share the status of corrective actions and working conditions between staff who interact with suppliers.

Requirement: 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.

Recommendation: FWF advises the CSR manager to create a system to keep track of the labour conditions at the production locations. The CSR manager should make relevant staff aware of the system. This ensures that the factories receive the same message from LaDress, whether it comes from the CSR manager, the purchasing team or owner.

FWF recommends to create after each visit a factory visit report, such a report could include a status update of implementing the CoLP.

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: Text about FWF on LaDress website has been improved since last year. The FWF logo can only be used with explanatory text stating: LaDress is member of Fair Wear Foundation and with a link to FWF website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	2	0

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 submitted to FWF	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.	1	2	-1

TRANSPARENCY

Possible Points: 6

Earned Points: 3

7. EVALUATION

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

Comment: All decisions related to FWF membership are made in cooperation with the Owner and Development team.

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.	30%	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: Following requirements were formulated last year:

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

- Improvement has been made on signing and documenting the questionnaires. Not all questionnaires have been signed/documentated.

2. LaDress is expected to take an active role in discussing living wages with its supplier in Romania and possible new production locations outside of low risk areas. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder is included in FWF's audit reports; the wage benchmarks are also included in FWF's country study. It demonstrates the gaps between workers' wages at a factory and living wages defined by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

- Discussions with factory management about the importance of a wage assessment have been started.

3. Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Be visited annually by Member company representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

- Although not all monitoring requirements of low risk countries are met, LaDress has made progress in collecting the questionnaires and posting the Worker Information sheet at the production locations in low risk areas. The questionnaire needs to be filled/documented for their suppliers in Portugal/Italy.

4. LaDress must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. The information sheet is the first step towards awareness raising about the existence and functioning of FWFs worker hotline. Aside from visits, pictures can be taken or sent to demonstrate the Worker Information Sheet is posted.

- The Worker Information Sheet is posted at their Romanian supplier. LaDress could not prove that the Worker Information Sheet is posted at all their production locations.

5. 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.

- There is not yet a monitoring system to share supplier information (such as factory visit reports/pictures/CAP status) with staff who interact with suppliers.

6. FWF approach requires transparency on member's work towards social standards. The social report needs to be submitted to FWF and published on the member's website.

- Social report has been submitted.

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

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

It is difficult to find information on FWF's website. LaDress is happy with the country studies published on FWF's website.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	22	36
Monitoring and Remediation	12	18
Complaints Handling	2	7
Training and Capacity Building	4	11
Information Management	4	7
Transparency	3	6
Evaluation	4	6
Totals:	51	91

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

56

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-08-2017

Conducted by:

Rosan van Wolveren and Sandra Gonza

Interviews with:

Nynke van Eggen - CSR manager

Nancy Ros - Head of Production