



## BRAND PERFORMANCE CHECK

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K.O.I. International b.v.

PUBLICATION DATE: APRIL 2018

this report covers the evaluation period 01-01-2017 to 31-12-2017

## 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

K.O.I. International b.v.

Evaluation Period: 01-01-2017 to 31-12-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-01-2013
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, India, Former Yugoslav Republic of Macedonia (FYROM), Tunisia, Turkey
Production in other countries:	Croatia, Greece, Italy, Netherlands, Portugal, Spain
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	68
Category	Good

## Summary:

Kings of Indigo (K.O.I) has shown progress and met most of FWFs' performance requirements. After a needs improvement rating in the last performance check, the member company ensured the monitoring threshold was met by auditing its most important suppliers. In combination with meeting the monitoring requirements for low risk suppliers and adequately working with 3 external audit reports, the company reached a monitoring threshold of 96% of their 2017 production volume.

K.O.I. made increased efforts to identify all production locations, especially in Tunisia where orders are placed via an intermediary platform. For 2017, K.O.I has requested the platform to inform them beforehand which style will be placed at what production location. FWF recommends K.O.I to continue the process of gaining more insight into FOB volumes that are placed at the laundry and stitching facilities which are organised through intermediary platforms or agents. This will enable K.O.I to implement more effective due diligence approaches in a pro-active way. To further improve its due diligence practices, K.O.I is advised to better document the outcomes of visits/conversations/screenings related to working conditions. This way, the documentation can serve as input in the internal decision making process and links the level of working conditions to sourcing decisions.

FWF recommends K.O.I. to expand their knowledge of cost break downs, including calculating the costs of labour and linking this to their own buying prices. The member company is expected to take an active role in discussing living wages with its suppliers.

K.O.I is encouraged to continue its efforts of raising awareness of labour rights at its production locations through organising Workplace Education Programme training sessions. In case more complicated issues come up as a result of audits or complaints, K.O.I can make use of FWF's local teams to support remediation.

## 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.	65%	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.	3	4	0

**Comment:** K.O.I has made considerable progress in consolidating its supply chain. This process has led to several changes of suppliers the past year. Since 2017 it resulted in a more stable supplier base with longer term relationships (its impact will become visible in the next years). The selected partners offer a broader product assortment which enables K.O.I to grow in close cooperation with its current partners and to distribute additional orders among its existing suppliers. 65% of K.O.I's 2017 production volume came from suppliers where the brand buys at least 10% of the suppliers' production capacity (compared to 47% in last performance check). K.O.I's sourcing strategy is, next to quality and sustainability criteria, focusing on production locations that are close to home and can be visited often.

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.	19%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	2	4	0

**Comment:** K.O.I has a strong partnership with two intermediary platforms that each work with a set number of stitching and laundry facilities. Given the small order quantities, volumes at those locations are estimated to be below 2%. As the financial relationship is on platform level, it is difficult to estimate the exact percentages. In 2017 K.O.I agreed with their platforms to be informed upfront and has worked hard to get more grip on which facilities are used before production starts.

**Recommendation:** FWF recommends K.O.I to continue the process of gaining more insight into FOB volumes that are placed at the laundry and stitching facilities which are organised through intermediary platforms or agents. This will allow K.O.I to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	18%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	1	4	0

**Comment:** The percentage of production volume that comes from locations where a business relationship has existed for at least five years has grown compared to the previous performance check but is still to be expanded in the coming years. K.O.I expects this to grow in the coming years because of their stable supplier base formed in 2017.

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

**Comment:** Questionnaires were reviewed on file. K.O.I discusses the questionnaire and its outcomes during visits.

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 suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

**Comment:** K.O.I.'s policy is to only select new production partners that are part of a social compliance initiatives and/or have been audited before. The member company collects the existing audit reports and preferably conducts a visit before starting a new business relationship. The Varova Group that K.O.I was part of (until April 2018) requires BSCI audits and uses a buyers checklist. In some cases, K.O.I uses the FWF Health & Safety guidelines and FWF country studies when conducting a visit. However, most production locations are already known to K.O.I through its intermediary platforms or previous sourcing network.

**Recommendation:** For due diligence and risk-assessment purposes it is important to be aware of all production facilities that will be used before production starts. FWF recommends to put this agreement with the intermediary platforms in writing. In cases when new production facilities are selected, it is advised to document the outcomes of visits/conversations/screenings related to working conditions. This way, the documentation can serve as input in the internal decision making process and links the level of working conditions to sourcing decisions. Moreover, it is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon with top management/sourcing staff

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



**Comment:** K.O.I ended the business relationships in India and Turkey, among others because it no longer matched their vision of sourcing close to home. K.O.I felt the situation in Turkey presented too high risks and prevented them from visiting the supplier. Orders were moved to existing suppliers.

In previous performance checks K.O.I was not able to demonstrate a system for measuring and evaluating suppliers' performance. Because of the increased monitoring activities conducted in 2017, K.O.I has gained a better insight into the progress their suppliers are making through tracking its status in the Corrective Action Plans.

**Recommendation:** For 2018, FWF recommends K.O.I to conduct an overall evaluation of its entire supplier base in terms of social compliance. Part of the system can show whether and what information is missing per supplier and can include progress on corrective actions, outcomes of audits, trainings and/or complaints. The evaluation/grading system for suppliers where compliance with labour standards can be used as a criterion for future order placement.

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:** The production planning is a shared process with frequent feedback and communication between K.O.I. and its suppliers. Production forecast is shared in the beginning stage after which fabric is blocked. For the factories in Italy and Tunisia, K.O.I. is able to track every stage of production including the moment the fabric arrives, to the washing and finishing. Delays are mostly anticipated and included already in the lead times. If there are more delays, K.O.I. might need to accept late delivery to clients. K.O.I. is aware of the production capacity of its main suppliers, including which production lines are used for their order, and knows the time needed for the different production phases such as stitching, washing and finishing. Given the low order quantities, suppliers tend to use K.O.I orders to fill production lines and are flexible to decide on when to start their lines (particularly with Never out of Stock items). K.O.I does not have insight into the exact production time and minutes during the time frame given for stitching. Instead the the intermediary platform is trusted to make an informed decision taking into account available capacity for the different facilities.

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:** No excessive overtime problems were reported in the audits initiated by K.O.I. One audit at a shared supplier that was conducted on behalf of another FWF member showed excessive overtime. K.O.I was only informed of this at the end of 2017 and therefore did not yet have the opportunity to follow up.

**Recommendation:** For 2018, FWF recommends K.O.I to work together with the other FWF member specifically on the issue of overtime. The two FWF member companies may analyse how their orders and production planning system can support reducing excessive overtime.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0

**Comment:** K.O.I. pricing policy is cost-price up. For their denim orders in Tunisia, K.O.I. knows the cost break down per production process: stitching, washing etc and the gross margin for the supplier, but does not know the exact costs of labour. K.O.I. is aware of all minimum wage levels. K.O.I has several ways to ensure both the retail price as well as their organic/environmental ambition is met; for instance by reducing costs on material or the washing process.

**Recommendation:** FWF recommends K.O.I. to expand their knowledge of cost break downs, including other product groups. A next step would be to calculate the labour minutes per style to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to get more consistency with suppliers to make sure this level of transparency can be achieved.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

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

**Comment:** In 2017 K.O.I has focused on auditing/monitoring the majority of its production locations. Follow up of Corrective Action Plans included improvements in worker representation, awareness raising and health & safety issues. K.O.I did not yet discuss living wages with its supplier yet as it feels it needs more time to build trust and transparency before tackling this subject.

**Requirement:** The member company is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder that is included in the audit reports can be used as a tool to start discussing progress towards living wages. The wage ladder demonstrates the gaps between workers' wages at a factory and living wages demanded by major stakeholders. The wage ladder can be used to document, monitor, negotiate and evaluate the improvements at its suppliers.

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: 18

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	86%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	10%	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	96%	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

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.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

**Comment:** K.O.I systematically follows up on Corrective Action Plans through regular communication with suppliers. The status of improvements is collected and monitored, including supportive evidence. The member company invested in raising awareness among workers and management by ensuring the relevant information was shared with workers and by organising several Workplace Education Programme training sessions. Urgent issues are taken on by the sourcing manager who discusses pending issues during visits. Improvements have been made in the areas health & safety and worker representation.

K.O.I used FWF country studies to gain a better understanding of local topics.

**Recommendation:** The feedback and supportive evidence that is sent by suppliers can be complex and difficult to interpret when unfamiliar with the local laws and expertise. K.O.I can use FWF's local team to verify the supportive evidence in case that is desirable.

To facilitate remediation, K.O.I can analyse how their own practices can support improvements and discuss with supplier what is needed to make further progress. Moreover, K.O.I can also consider hiring a local consultant to assist the factory in developing an action plan and to assist factory management in investigating root causes.

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.	73%	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.	3	4	0

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

**Comment:** K.O.I has collected 3 external audit reports and worked on realising improvements from the Corrective Actions.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	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.	5	6	0
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Policies are not relevant to the company's supply chain			N/A	6	-2

**Comment:** K.O.I does not use sandblasting for denim, but works closely with suppliers on other treatments such as ozone and laser. When visiting suppliers, the company never comes across this technique still being used.

In 2017, K.O.I worked with one Turkish supplier and discussed the guidance on risks related to Syrian refugees. Given the high risks and travel restriction, it decided to no longer work in Turkey. Compliance with the policy has therefore been considered not applicable.

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:** K.O.I has worked with one other FWF member at a shared supplier in Moldova. It has recently established contact with another FWF member at a shared supplier in Tunisia that has been audited by FWF.

**Recommendation:** K.O.I is recommended to discuss with the FWF member how it can support the remediation plan of the FWF audit that was conducted at the shared suppliers.

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

**Comment:** K.O.I has fulfilled all monitoring requirements for low risk countries

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.	Not applicable	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

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## MONITORING AND REMEDIATION

Possible Points: 29

Earned Points: 24

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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	1	
Number of worker complaints resolved since last check	0	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: K.O.I asked all the new suppliers in Tunisia that were revealed by the intermediary platform to post the Worker Information Sheet and have requested pictures as evidence. During visits by either K.O.I staff or their agents, it is checked whether 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.	62%	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

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:** One complaint was submitted by a worker in a production location that was not previously known to K.O.I. The company investigated the supplier relation and order placement. An audit was scheduled as part of the investigation. Remediation and verification was still ongoing at the time of the performance check, however the factory indicated to have now established a Health & Safety committee and a worker representative was elected (meeting reports and election results were submitted) as part of the follow up.

**Recommendation:** K.O.I must follow up the corrective action plan of the audit and keep FWF informed of the status. Subsequently, FWF will verify the remediation process.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No 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.	0	2	0

Recommendation: K.O.I could reach out to other brands sourcing at the factory, particularly to address the production planning issues and work on a more stable order flow.

## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 9

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: Staff is made aware of FWF membership requirements through weekly internal meetings. Staff that visits suppliers have separate meetings with the CSR manager. New employees are informed and material is shared via the internal server. Every season K.O.I informs the sales agents, mostly active in Europe, with updates of FWF reports and membership. During line-launches, FWF membership is also shared.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0



Comment: K.O.I relies heavily on their agents/intermediaries to convey the importance of social compliance to production locations. Agents conduct regular visits, take pictures of the Worker Information Sheet and monitor the CAP status. Audits and CAPs are part of production meetings with agents and discuss country specific follow up with their agents.

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)	36%	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.	4	6	0

Comment: K.O.I has conducted 4 trainings as part of FWF's Workplace Education Programme to raise awareness of labour rights and strengthen communication between workers and management.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	N/A	4	0

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

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## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 9

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## 5. INFORMATION MANAGEMENT

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

**Comment:** K.O.I. made increased efforts to identify all production locations, especially in Tunisia where orders are made via an intermediary platform. In 2017, K.O.I. is informed beforehand which style will be placed at what production location. The company is updated regularly through the delivery overview schedule. The platform has flexibility to move orders around, though all the locations that are used by the platform are known to K.O.I. In rare cases it happened the Product Order form showed a different location than initially mentioned in the questionnaire.

**Recommendation:** K.O.I. should be aware of all production locations that are used for their production before orders are placed and require this information from production agents and intermediaries. It is advised to put this agreement in writing with the platform it works with.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** Within K.O.I. all staff involved with suppliers are in the same team and regularly share information. Updates regarding FWF are discussed during the weekly production team meeting. When a staff member visits a supplier, the CSR manager will discuss the relevant documents such as the Corrective Action Plans and explain what should be updated during the visits.

**Recommendation:** It is recommended to better document the outcomes of the visits and conversations all staff have with suppliers relating to labour standards. This will enable the CSR manager to better monitor the status of improvements and ensure the same process is followed when staff changes.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 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: K.O.I actively communicates its FWF membership both online and offline. FWF membership is described in correct wording. After disappointing results in last year's performance check, K.O.I informed its retail agents and openly discussed ways for improvements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Production locations are disclosed to the public	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.	2	2	0

Comment: K.O.I has published a supplier list on its website. Customers and other stakeholders can easily find where they buy their fabric, where garments are stitched and washed. The brand performance check report is also published online.

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: 6

## 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

Recommendation: FWF advises to organise a meeting with management and the production team to discuss the outcomes of this performance check and use those to formulate/adjust future plans.

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.	51%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: Out of the 4 requirements of last year's performance check, K.O.I has managed to (partly) follow up on three of them. It has increased its monitoring activities and met the monitoring threshold. This also led to better tracking progress of suppliers' social compliance. In addition, it has made a strong effort into ensuring all production facilities are known through its intermediary platforms before production starts. Outstanding issue for 2018 is to start discussing wage levels with suppliers in an effort to support payment of living wage.

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

As some findings in audits require specific country knowledge/expertise, K.O.I would appreciate more guidance/support during CAP follow up and closer involvement of FWF in determining the verification of CAPs.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	18	38
Monitoring and Remediation	24	29
Complaints Handling	9	15
Training and Capacity Building	9	11
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	76	112

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

68

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

11-04-2018

Conducted by:

Annabel Meurs

Interviews with:

Tony Tonnaer, Founder/King Of Inspiration

Margreeth Dronkert, Queen of Product/CSR

Elisabeth Verheijen, Queen of Brand Strategy/Managing Director

Bart-Jan Opten, King Of Sourcing