



BRAND PERFORMANCE CHECK

van Laack GmbH

PUBLICATION DATE: APRIL 2019

this report covers the evaluation period 01-05-2017 to 30-04-2018

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

van Laack GmbH

Evaluation Period: 01-05-2017 to 30-04-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Monchengladbach, Germany
Member since:	15-03-2017
Product types:	Fashion
Production in countries where FWF is active:	China, Tunisia, Turkey, Viet Nam
Production in other countries:	Germany, Italy, Slovenia
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	34%
Benchmarking score	28
Category	Needs improvement

Summary:

Van Laack GmbH has shown insufficient progress in performance indicators. With a benchmarking score of 28 points and a monitoring percentage of 34% Van Laack is placed in the 'Needs Improvement' category after their first year of membership.

There are strong basic conditions in place to perform well on the Brand Performance Check Indicators: Van Laack owns two factories and it sources 83% from their own production locations. Van Laack GmbH has a relatively short tail end and a long term relationship with most of their suppliers. Van Laack GmbH made a very well motivated choice for FWF membership, also considering the organisation of their own supply chain. However, the main reason for placement in the 'needs improvement' category is that, for some differing reasons, there was not sufficient capacity available to integrate the FWF indicators in the day-to-day operation and to work on progress on the indicators.

FWF urges Van Laack GmbH to assign a specific person with sufficient time and resources assigned for FWF membership to focus on issues like updating the organisation of FWF membership, approaching suppliers to post the worker information sheet, CAP follow-up, production planning or making the relationship between prices and wages explicit.

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.	86%	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: Van Laack GmbH buys 86% of the production volume at production locations where it buys at least 10% of the production capacity.

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.	3%	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: For 3% of the production volume Van Laack GmbH buys less than 2% of its total FOB.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	99%	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: More than 80% of the production of Van Laack GmbH takes place in their own production locations Van Laack Tunisia and Van Laack Asia. Van Laack GmbH has the strategy to develop long term business relations with all their suppliers, mainly to be sure of high quality production. With 99% of the production locations the business relationship has existed more than 5 years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	No new production locations added in past financial year	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	N/A	2	0

Comment: This financial year no new production locations were added. For new production locations there is an on boarding system in place. The production locations receive a package of papers, that should be read and some returned. In this package an announcement of FWF membership is included. The questionnaire is not yet included in the on boarding package for new suppliers.

For the existing production locations Van Laack was able to show signed and stamped questionnaires from several suppliers.

Requirement: Van Laack GmbH needs to ensure that new 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.	Insufficient	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.	0	4	0

Comment: In general the perception at Van Laack GmbH is that the Van Laack Tunisia and Van Laack Asia production locations are good places of work for factory employees. Van Laack GmbH does not identify general human rights risks for the country or region, does not evaluate existing social audit reports and does not discuss the condition of the workers during visits. There is no system to conduct human rights due diligence at production locations before placing orders.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	No	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	0	2	0

Comment: Compliance of the CoLP is evaluated through audits. Van Laack started with the audit of their own production location in Vietnam. There is no systematic manner of evaluating performance of suppliers with the Code of Labour Practices and no relationship between compliance with Code of Labour Practices and production decisions.

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

Recommendation: Van Laack GmbH is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Part of the system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	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 locations Van Laack Asia and Van Laack Tunisia are together responsible for 80-90% of Van Laack GmbHs' production volume. This means that Van Laack GmbH is well aware of the production capacity of different production lines.

In the sample season Van Laack GmbH makes a calculation in minutes for production for each part of each piece, depending on design, fabric and print. In addition to this, Van Laack GmbH offers their customers a "made to measure" service. Based on customers' sizes and personal preferences Van Laack GmbH will send the customer a tailor-made product within 2-3 weeks time.

Van Laack GmbH does not work with a classic production planning system with forecasts or focus on reduction of complexity of the orders, but works on an ad hoc basis. Orders are done weekly and depend on the actual availability at the moment, like Ramadan, lead times and the preferences of the customer. When a customer says that production has to be fast, Van Laack arranges this by giving priority to a particular order or switching workers.

Van Laack GmbH has a cooperation with an in-flight supplier to airlines and during low season, this production is scheduled.

For their suppliers where Van Laack GmbH places orders, there is a long relationship and planning is done based on mutual experience and expectations.

Recommendation: It is advised to establish a system for sharing and updating forecasts with suppliers to facilitate their planning. The system may include assurance of early delivery of materials and trimmings to suppliers, ensuring samples are approved in time and that late changes are discussed with the production location.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: For van Laack's own factory in Vietnam overtime was found in the audit, however not excessive amounts. The FWF audit in the Van Laack Asia factory showed that overtime was not excessive and was paid 150%. Workers could choose to refuse working overtime as well. In addition to this, the legal contract lacks specific information on topics as the start time and end time of every work day, overtime hours and overtime provisions. Workers worked on one or two Sundays without a compensation day. In the CAP follow up in 2018 a root cause analysis or actions taken to remediate could not be found.

More generally, in case there is overtime and Van Laack GmbH is aware, this is discussed with the factory once a week. Van Laack GmbH tries to find a solution for that week and since most of the time is needed for logistics.

Van Laack GmbH supplies their Vietnam factory from Germany every week by airfreight. Raw materials supplied from Asia to Vietnam are shipped by seafreight. Garments are shipped by seafreight. In case of an urgent order, this is changed into air freight, to speed up the process. Sea/air-shipments are an alternative in case production meets the lead-time. Every week a truck is travelling between the Van Laack GmbH main office in Germany and the factory in Tunisia.

Van Laack has a long term relationship with the agents in Turkey and Slovenia, Van Laack GmbH books capacity in advance. Raw material for Turkey is delivered from Italy and for Slovenia from Germany. Since Van Laack GmbH is responsible for the delivery of the raw material and is well able to monitor this process, they aim not to speed up the production process in case of a late delivery of materials.

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.	No policy in place	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.	0	4	0

Comment: For its own factories, Van Laack GmbH has insight into prices of raw material, direct and indirect wages and other costs. The data about the wages is not explicitly linked to the price of the product.

From other factories Van Laack GmbH negotiates about the buying price paid to the agent. Van Laack GmbH does not know the share the factory receives, the wages the workers receive and therefore they also have no insight into the relation between wages and the buying price.

For other production locations, Van Laack GmbH negotiates the buying price and does not know the built up of the price per piece related to wages that are paid. Van Laack GmbH is therefore not able to check if the price they pay their agents is sufficient to cover legal minimum wages in the production locations.

Requirement: Van Laack GmbH needs to develop a pricing policy where Van Laack GmbH knows the labour cost of garments, including the other production locations that are not owned by Van Laack, and which allows the payment of at least legal minimum wages for different workers in production countries.

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	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

Comment: In the factory in Vietnam payment below the minimum wage was found during the audit for workers doing hazardous work. According to local law, those who do hazardous jobs must be paid at least 4,213,500 vnd/month. The basic salary is 4,013,000 vnd/month for all workers after apprentice period. This basic salary is lower than the company's wage scale and does not include at least 5% higher for workers who do hazardous work (sewing, cutting, etc.).

This finding came as a surprise for Van Laack GmbH since they had so far assumed that minimum wage was paid. The audit was discussed with factory management who stated that they disagreed on the findings and that minimum legal wage was paid. Van Laack GmbH stated that after the audit, wages were raised now to include the minimum wage for hazardous work.

Several Vietnamese documents were sent as proof. The FWF local team in Vietnam has checked these documents and could not find any proof of legal minimum wage being paid for workers doing hazardous work.

Requirement: Van Laack GmbH is expected to hold management of the production location accountable for respecting local labour law and require a time bound action plan to ensure adequate payment. Factory visits with a documents check or additional verification by FWF may be needed to verify remediation.

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

Comment: In the FWF audit there was no mention of late payment by Van Laack GmbH.

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: Currently there are no explicit efforts to assess the root causes of wages lower than living wage and take steps to implement a living wage.

Although there are no explicit efforts, the conditions to start working on this topic are well organized. In their own production locations in Vietnam and Tunisia Van Laack GmbH has full insight into wages of the workers.

Requirement: Van Laack GmbH is expected to take an active role in discussing living wages with its suppliers. The FWF wage ladder can be used as a tool to implement living wages. Most relevant wage estimates, such as local minimum wage, Asia Floor Wage, collective bargaining wage and industrial best practice wages are provided in the wage ladder. The wage ladder is included in FWF's audit reports. It 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.

In case a member brand owns a supplier, the member is held more accountable for implementing adequate steps. Van Laack GmbH is expected to take an active role in discussing living wages with its suppliers and should take steps to work towards living wages.

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).	83%	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.	2	2	0

Comment: Van Laack GmbH owns two of their production locations, responsible for 83% of its production.

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 16

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	34%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly, N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	N/A	1st or 2nd year member and tail-end monitoring requirements do not apply.
Total of own production under monitoring	34%	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	No	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: At the start of their financial year, a CSR coordinator and the head of supply chain logistics were responsible for the implementation of FWF membership. The CSR coordinator left and another person took care. However, she also left the business and was not replaced after she left.

Currently the head of supply chain logistics has been given the FWF membership to look after, but has too limited time for follow-up. This means that the capacity for proactive follow up on FWF membership is limited and not supported internally.

Requirement: Van Laack GmbH should designate a person with sufficient capacity 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

Comment: The audit and CAP are shared and discussed with the production location, timelines for CAP follow up are set. Van Laack GmbH sends reminders and in case of late response company management is looped in the email conversation about CAP follow up.

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: For the FWF Audit at the Vietnam Factory Van Laack GmbH could show communication on CAP follow up. For the health and safety issues flagged in the CAP, progress was made. Van laack GmbH showed pictures for improvement on technical issues.

For the issues in the CAP related to contract restrictions, no information was available about follow up.

Requirement: For a first year membership with active follow up for 34% of the production volume, a basic score can be graded. However, for next year active CAP follow of other suppliers is as relevant as following up on own production locations and progress needs to be shown on more complex issues such as contracts.

Resolving and remediating non-compliances is an important action Van Laack GmbH can take towards improving working conditions. FWF expects Van laack GmbH to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

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.	42%	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.	2	4	0

Comment: 42% of the production locations has been visited by Van Laack GmbH.

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

Comment: Existing audit reports are collected, however there was no proof of the systematic use of the FWF Audit Quality Assessment Tool.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	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.	1	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	Intermediate			3	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Insufficient			-2	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: After joining FWF, Van Laack GmbH has checked with their denim supplier and found out that this supplier did not use abrasive blasting for their production. Van Laack GmbH has explained to this supplier that their FWF membership means that abrasive blasting cannot be used.

Van Laack GmbH has not proactively discussed risks related to employment of Syrian refugees and informed Turkish suppliers about FWF policy.

Requirement: FWF expects Van Laack GmbH to actively inform their Turkish supplier about risks related to employing Syrian refugees as described in the FWF policy on Syrian Refugees.

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

Comment: There are two FWF audits that are shared with other FWF member brands at a Chinese and Turkish supplier. One audit was done in 2015 and one in 2016, both before Van Laack GmbH was member of FWF. Van Laack GmbH stopped sourcing at the Turkish supplier. For the Chinese supplier it is not clear how active CAP follow up is.

Recommendation: Cooperation among FWF members is required. In addition, it is advised to identify other clients and their commitment to improving working conditions. Involving more customers of the factory increases leverage, the chances of successful outcomes and long term improvements.

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: For none of the production volume from low risk countries the monitoring requirements are fulfilled. Most were not visited during the last three years, no proof of the Worker Information Sheet (WIS) posted, no completed health and safety checklists.

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:

- o Ensure up to date information on the labour conditions in the location either by a regular visit and/or a report by a third party;
- o Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- o Be aware of specific risks identified by FWF;
- o Have the FWF Worker Information Sheet posted in local languages.

When a Member company can demonstrate it has monitored production locations in low risk countries (meaning done all of the above 4 bullets), that percentage counts towards the monitoring threshold.

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

MONITORING AND REMEDIATION

Possible Points: 27

Earned Points: 8

Additional comments on Monitoring and Remediation:

The calculation of the percentage of factories for monitoring as described in the brand performance check guide, results in a percentage of 34% under monitoring. More than 7% of the production is in low risk countries, however the requirements for low risk countries are not fulfilled, therefore it cannot be counted towards the monitoring threshold.

During this financial year Van Laack requested a BSCI audit for their factory, which was conducted 2nd of May 2018, one day after the start of the new financial year on the first of May. Had internal planning be more organized, the scheduling of this audit before the end of the financial year, would have resulted in Van Laack GmbH meeting their monitoring requirements.

In addition, there are existing audits available for other production locations, however no proof was shown that these were requested and collected during this financial year and they were not assessed with help of the FWF Audit Quality Assessment Tool. In addition to this, no proof was shown of active follow up of CAPs for the suppliers not owned by Van Laack GmbH.

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

Comment: The head of Supply Chain Logistics is designated to address worker complaints; if not available quality management is second.

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: There is no systematic process to check and update the posting of Worker Information Sheet (WIS) at production locations. There is no active follow-up in case the WIS is not posted.

Requirement: Van Laack GmbH 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. Van Laack GmbH should check by means of a visit whether the Worker Information Sheet is posted in the factories.

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.	33%	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.	2	4	0

Comment: Three production locations were audited by FWF. Van Laack GmbH shares a production location in Turkey with another FWF member. At this production location more than 50% of the workers was aware of the FWF 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: 3

4. TRAINING AND CAPACITY BUILDING

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

Comment: All employees at the Van Laack GmbH office and in the Van Laack stores are informed about the FWF membership. Both the Quality Management and sales departments are aware and add support to the FWF membership. The announcement of joining FWF is shared and the audit results of the Van Laack factories.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	No	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.	-1	2	-1

Comment: Every Monday there is a meeting with several departments. During this meeting topics like production time line, planning, quantity, quality sales figures etc. are discussed. Relevant departments like purchasing, quality control and other staff in direct contact with suppliers are in this meeting.

Although the staff is aware of the FWF membership, FWF requirements where other staff members can play a role seem not to be shared and are not used in practice, for example:

- the use of the health and safety checklist during visits;
- checking where in the factory the Workers Information Sheet (WIS) is placed;
- identification of all production locations;
- follow up of audits and CAPS for the production locations that are not owned by Van Laack.

Requirement: Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements.

Recommendation: A training session on labour standards can be held for purchasing staff. FWF can support or facilitate in providing trainings. In addition, it 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: At the start of the FWF memberships agents are actively informed and asked to inform the production locations. There are no follow up discussions with agents about FWF membership and the CoLP.

Requirement: Van Laack GmbH needs to ensure agents are aware of FWF requirements and actively support the implementation of the CoLP.

Recommendation: FWF recommends Van Laack GmbH to actively train their sourcing contractors/agents on monitoring and remediating gender-related problems and enable them to support the implementation of the CoLP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	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: At the moment none of the production locations participated in a Workplace Education Programme. Van Laack GmbH is interested in WEP trainings for their own production locations.

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 currently offers the following training modules for the WEP: Basic, Communication, Gender Based Violence, Supervisor and the Factory Guide. More info on availability in countries can be found on the FWF website and via the brand liaison.

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: Production locations are situated in countries where FWF is active or in countries on the FWF low risk list.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 1

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Insufficient	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.	-2	6	-2

Comment: Van Laack GmbH knows where the production is located for their own factories and for the suppliers they have a direct relationship and own quality inspections at the production locations. When Van Laack GmbH works with agents, it is unclear if subcontractors are used.

An audit conducted in Turkey by another FWF member, which took place before Van Laack was a FWF member, showed that the production location was not transparent about subcontractors.

Requirement: After the end of each financial year, Van Laack GmbH must confirm their list of suppliers and provide relevant financial data. A complete suppliers list means ALL suppliers are included.

Recommendation: Van Laack GmbH is advised to develop a systematic approach to complete their entire supplier list. Part of the approach can be:

1. Automatically include information from audit reports and complaints
2. Create list of products within each department and keep track of each supplier per product by asking where the supplier/agent will make.
3. Business relationships with agents include transparency of production locations.
4. 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.	No	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: There is information available about the audits and CAPS on the intranet from the CSR manager, with notice to all staff. There are no meetings or active information exchange in which working conditions at production locations and progress which is made to improve these, are a recurring topic.

Recommendation: It is advised to make relevant staff aware of the available tools FWF offers, such as the Health and Safety guides, monitoring CAP documents, access to FWF's online information system. Purchasing staff is recommended to share reports from factory visits that include a status update of implementing the CoLP.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: -3

6. TRANSPARENCY

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	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

Comment: There is some information available on the Van Laack GmbH website about their own factories in Vietnam and Tunisia, including the working conditions and pictures. Other production locations are not disclosed.

Recommendation: FWF recommends Van Laack GmbH to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of Van Laack GmbH's and FWF's work.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	For new member companies	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.	N/A	2	-1

Comment: There is not yet a social report submitted for this financial year as Van Laack GmbH is first year member.

Recommendation: FWF approach requires transparency and therefore FWF recommends Van Laack GmbH to submit their social report to FWF and published it on the Van Laack GmbH website. FWF has a template available for the social report on the member hub.

TRANSPARENCY

Possible Points: 4

Earned Points: 2

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: The FWF membership is evaluated by top management and by the owner. Audit results of the Van Laack production locations were shared.

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.	No requirements were included in previous Check	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.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

1. Please, make sure that there is careful communication with regard to audits and careful reporting.
2. Van Laack GmbH requests FWF to organize a training for Van Laack GmbH in spring 2019?

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	16	44
Monitoring and Remediation	8	27
Complaints Handling	3	7
Training and Capacity Building	1	11
Information Management	-3	7
Transparency	2	4
Evaluation	2	2
Totals:	29	102

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

28

PERFORMANCE BENCHMARKING CATEGORY

Needs improvement

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

19-12-2018

Conducted by:

Mariette van Amstel

Interviews with:

Mr. Gerhard Studeneer - Head of Supply Chain Logistics

Mr. Julian Wossak - Head of Purchasing

Mr. Ralf Kittner - Head of Production Logistics and Planning