



BRAND PERFORMANCE CHECK

LaDress B.V.

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this report covers the evaluation period 01-01-2018 to 31-12-2018

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

LaDress B.V.

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-01-2014
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, Romania
Production in other countries:	Poland, Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	86%
Benchmarking score	41
Category	Needs improvement

Summary:

LaDress has shown insufficient progress in performance indicators. The total benchmarking score of 41 is below the required 50 points. LaDress requested an audit in late 2018, which could not take place due to limited capacity at FWF at that time. The audit is now planned for 2019. As this was out of LaDress' control, the 2015 audit counts towards the monitoring threshold for this year. With 86%, LaDress meets the monitoring threshold required by members after three years of membership.

In 2018, LaDress faced difficulties meeting FWF requirements. Due to an internal reorganisation, LaDress' resources to work on the FWF CoLP were limited.

LaDress sourced 83% of its production from its main supplier in Romania, with which it has substantial leverage and a long term business relationship. LaDress has a relatively small supplier base with a limited tail-end. In 2018, LaDress implemented a systematic way of evaluating the compliance of production locations with the CoLP. LaDress' planning system has a high level of flexibility and constant orders, helping maintain a steady production flow.

LaDress must start documenting discussions held during supplier visits. Closer monitoring such as requesting existing audit reports and checking CAP follow up via monitoring visits is required. Furthermore, FWF requires LaDress to actively raise awareness about the FWF Code of Labour Practices and FWF Complaint Hotline by organising training with suppliers. LaDress must also work towards implementing a living wage at its suppliers. The first step in this process is getting insight into the link between buying prices and wages through open costing.

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.	83%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: LaDress has six active production locations, and sources in Bulgaria, Romania, Poland, and Portugal. At LaDress' key production location in Romania, which counts for 83% of LaDress' total volume, it buys more than 10% of the factories' 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.	1%	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: 0.5% of LaDress' production volume comes from production locations where it 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.	85%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: LaDress maintains long term relationships of over 5 years with production locations that account for 85% of the company's production volume. LaDress aims to have long term business relations with suppliers as this enables them to work together towards better working conditions and product quality. This aim is not explicitly included in the sourcing policy, which makes it vulnerable to changes in case of staff turnover.

Recommendation: In order to embed the aim of long term business relations with production locations into LaDress' sourcing practices, FWF recommends making this explicit in the sourcing strategy.

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

Comment: LaDress added one new Portuguese production location in 2018 and could show the returned questionnaire for this supplier. For the production locations in Bulgaria, where LaDress started sourcing in 2016, the questionnaires are not yet signed. As this is a rather new concept for these suppliers, it takes time to convince them to sign. The agent through which LaDress is sourcing at the Bulgarian production locations promised to make sure the questionnaires get signed when the next order is placed.

Requirement: LaDress needs to ensure that all suppliers sign and return the questionnaire before first orders are placed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: LaDress sources in EU countries to limit non-compliance risks at their production locations. The CEO and production coordinator have the final say regarding sourcing decisions. These decisions are influenced by the potential compliance of suppliers with FWF CoLP, but this is done in an informal, intuitive way, and is not included in a policy or its sourcing manual.

In 2018, LaDress started working with its sourcing manual, which describes the steps before placing orders. Due diligence is part of the manual in the form of factory visits, collecting audit reports, and country-specific risk assessments. FWF country studies, the Portuguese risk analyse, and other online sources, are used to map country-specific risks. Furthermore, agents are asked to inform LaDress about these risks.

During the Brand Performance Check, LaDress demonstrated to be aware of most country-specific risks in their production countries. For the main supplier in Romania, LaDress is aware of factory specific risks because of its supplier visits. For the other production locations, LaDress discussed these risks with its agents.

For Bulgaria, the actual production locations were not known by LaDress when production started via their agent. This became clear when the invoice did not include the supplier information. After providing the actual production locations to LaDress, the agent initially did not allow LaDress to disclose this information to FWF. The actual production locations were only disclosed to FWF just before the Brand Performance Check. These suppliers have not returned the questionnaires to LaDress, nor are the Worker Information Sheets posted.

Requirement: To be able to conduct due diligence at the supplier level, LaDress must be aware of the actual production locations before placing orders.

Recommendation: LaDress is encouraged to formalise the decision-making process regarding new suppliers and production countries in their sourcing strategy. LaDress could make use of FWF's checklist for supplier visits, which is available on the Member Hub, as well as incorporate the eight labour standards more explicitly in the sourcing manual.

At suppliers where LaDress sources through agents, FWF recommends taking extra due diligence steps, aside from contacting the agents.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: In 2018, LaDress developed a document with an overview of all its suppliers and their compliance status. The information is based on the level of transparency of suppliers, audits, and FWF country studies. Based on their level of compliance, production locations are marked green, yellow or red. The scoring is a continuous evaluation process. Suppliers are not informed about their score, but with the main supplier, progress and problems are discussed on a regular basis. LaDress rewards good scores with stable orders. LaDress stopped working with their supplier in Indonesia because of a lack of improvements in CoLP compliance. No formal exit strategy was implemented in this process. The supplier evaluation document is accessible for the whole organisation, but only used by the CSR manager. It helps the CSR manager to flag issues with other staff.

Recommendation: FWF recommends LaDress to share and discuss the outcome of the supplier evaluation with all its suppliers and encourages LaDress to implement a responsible exit strategy and make sure all relevant staff is informed about this.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: LaDress produces all year round in continuous order flow. At its main production location, monthly capacity is booked to ensure a steady order volume. LaDress does not work with seasonal collections, but instead produces and introduces styles whole year round, which avoids pressure to suppliers in peak season. Lead times are set in cooperation with the production locations and range from one month to one year. In case of last minute changes in orders, lead times are adjusted. This way of working is an important part of LaDress' sourcing strategy. In 2018, the amount of 'never out of stock' styles decreased to accommodate customer' requests for more new styles. This is a challenge for LaDress as it is not in line with the company's strategy.

LaDress discusses production planning and capacity with its main supplier on a weekly basis. When a delivery date cannot be met, LaDress is flexible in the introduction schedule and delivery times in the online shop. For seasonal products this flexibility is limited, and therefore longer lead times are set for these kinds of products. LaDress' main supplier has a sample room inhouse, which limits lead times. In order to contribute to the efficient use of cutting machines, LaDress only orders even numbers of products at its main supplier. For the production locations in Bulgaria, LaDress pre-orders fabrics to prevent that fabric delays shorten production time.

Recommendation: LaDress will start working with wholesale customers in 2019. FWF recommends to explicitly incorporate the consequences of this, as well as the consequences of the decreased 'never out of stock' styles in its sourcing strategy.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Insufficient	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	0	4	0

Comment: LaDress usually agrees with the prices suggested by the production locations or agents. Labour costs are not explicitly discussed in this process. LaDress values good working relations over lower prices and therefore does not negotiate harshly on prices with their suppliers. In the last audit in 2015, the main supplier was not transparent about wage records but will give insight into wages in the upcoming audit. LaDress sees this as the first step to work more actively towards open costing with its main supplier.

LaDress does not know the labour component of the prices and does not know how much one minute costs. It does have some knowledge of minutes needed to produce certain styles. For existing styles, the sample price is three times the CMT price. For new styles, the sample price is set together with the supplier/agents. No discounts are requested in case of late delivery or lower quality and extra costs due to order changes are covered by LaDress.

Requirement: LaDress needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

Recommendation: At a minimum, members are recommended to investigate wage levels in production countries, among others by making use of FWFs Wage Ladder and country studies. As an advanced step, increased transparency in costing and productivity gives insight into the labour costs per product. This forms the basis for ensuring enough is paid to cover at least a minimum wage and for taking steps towards living wages.

FWF recommends LaDress to expand its knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to its own buying prices. The first priority would be to make sure this level of transparency can be achieved with its suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-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 and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

Comment: Before LaDress can start working on living wages with its main supplier, the supplier first needs to be transparent about wages paid in the facility. The member expects the main supplier to be transparent about wage records in the upcoming audit.

On a country level, LaDress uses wage ladders to gain more insight into the gap between minimum wages and living wage benchmarks.

Requirement: LaDress must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. LaDress 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, to document, monitor, negotiate and evaluate the improvements at its suppliers.

Recommendation: FWF encourages LaDress to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with its main supplier because of the relatively high leverage and longterm business relationship.

FWF encourages LaDress to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	4	0

Comment: There is commitment of top management at LaDress to work towards living wages and increase prices if needed, but LaDress has no insight yet in the gap between current wages and living wage benchmarks.

Requirement: LaDress should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

Recommendation: LaDress could use the step-by-step approach towards setting a target wage as described on the FWF member hub. To support companies in analysing the wage gap, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

Comment: LaDress has not set a target wage yet.

Requirement: LaDress is expected to begin setting a target wage for its production locations.

PURCHASING PRACTICES

Possible Points: 41

Earned Points: 18

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	83%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	3%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	86%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: There is a designated CSR staff person at LaDress.

Recommendation: With the current CSR manager leaving LaDress but probably continuing to perform the CSR tasks as a freelancer, FWF recommends LaDress to ensure that sufficient capacity is available to follow up on problems identified by the monitoring system and that FWF membership is embedded in the organisation.

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.	No Corrective Action Plans were active during the previous year	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.	N/A	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.	No Caps Active	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.	N/A	8	-2

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.	83%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: Only the main supplier in Romania has been visited by LaDress in 2018. Working conditions were not discussed during this visit but have been discussed over the phone throughout the year. The production locations in Portugal and Bulgaria were visited by the agents LaDress works with. During all of these visits, but one, labour conditions were discussed with factory management. Outcomes of visits were reported back to LaDress in an informal way and are not documented and therefore do not count towards this indicator.

Recommendation: FWF recommends to document the outcome of visits and ensure checking whether the CoLP is posted is part of every visit. Reporting back to the whole team on the discussions and follow up of CAPs with the supplier will help towards setting up an integrated system for improving working conditions. FWF has developed a Health & Safety Guide that can be used during these visits.

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

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

Comment: For Romania and Bulgaria, the main risks are related to wages below living wage, low levels of freedom of association and incorrect recording and payment of overtime.

LaDress' production planning system can help mitigating risks on excessive overtime, but this is not monitored by LaDress. In 2018, no other steps are taken to mitigate other risks, nor has LaDress discussed risk mitigation with the worker representatives at its main supplier in Romania. LaDress has taken no action to assess if the main risks are applicable to the Bulgarian production locations and has not monitored them.

Requirement: LaDress' monitoring system should identify and address high-risk issues that are specific to its sourcing practices. FWF provides policies and country-specific requirements to Member companies. Priorities in remediation efforts are guided by these policies.

Recommendation: Knowing the country-specific risks facilitates the starting point for discussing this with suppliers. Member companies can agree on additional commitments that are required to mitigate risks. Discussing risks with worker representatives at suppliers can help LaDress to further develop its knowledge about country- and region-specific risks. At suppliers where LaDress sources through agents, FWF recommends taking extra steps towards risk mitigation, aside from contacting the agents.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	0-49%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	3	0

Comment: LaDress uses 3 suppliers in low-risk countries, producing 7% of its total FOB. All suppliers have been visited by the agents LaDress works with. Discussing FWF membership was part of these visits, but this could not be demonstrated in meeting minutes. For one supplier the monitoring requirements are not met as the Worker Information Sheet was not posted. This means that for 37% of LaDress' production in low-risk countries the monitoring requirements are fulfilled.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to 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	2	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: 15

Earned Points: 5

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 CSR manager is responsible to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	No	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	-2	2	-2

Comment: LaDress asks its suppliers to sent pictures of posted Worker Information Sheets, keeps track of the status, and stores pictures on its server. Agents also check whether the Worker Information Sheets are posted. However, the Worker Information Sheet was not posted at one of the Portuguese suppliers and at the Bulgarian suppliers. LaDress is working with the agents to get the Worker Information Sheets posted as soon as possible.

Requirement: LaDress must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to all workers. LaDress 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 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	0%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Requirement: FWF requires LaDress to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline. LaDress should ensure good quality systematic training of workers and management on these topics. To this end, LaDress can either use FWF's Workplace Education Programme (WEP) basic module or implement training related to the FWF CoLP and complaint hotline through service providers or brand staff. FWF's guidance on training quality standards is available on the Member Hub.

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: 9

Earned Points: -1

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	0

Comment: In the first part of 2018, FWF membership was often discussed in the weekly meetings, but due to an internal reorganisation, these meetings did not take place regularly during the rest of the year. In 2018 LaDress organised an event for their shop managers and gave a presentation about FWF membership. New staff is required to read the We Care section on LaDress' website.

Recommendation: It is advised to develop a standard procedure for all new employees to get familiar with FWF membership. FWF has material available that can be used to inform (sales) staff.

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

Comment: The CEO, CFO, and Head of Production are aware of FWF requirements and regularly receive updates from the CSR manager about ongoing issues. Furthermore, the CSR manager took part in a training on the implementation of living wages in 2018.

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: Before LaDress starts working with a new agent, it discusses FWF membership, explains the CoLP, and sends all the documents that are usually sent to new suppliers. In 2018, the agents started using the sourcing manual developed by LaDress, which describes the steps before placing orders.

The agent through which LaDress sources in Bulgaria initially did not inform LaDress about the actual production locations, nor did it allow LaDress to disclose the actual production locations to FWF (for more details see the comment at indicator 5.1). This does not help to support implementing the CoLP.

Requirement: LaDress should require their agents to be transparent about production locations, to inform the production locations about the CoLP, and help monitoring the CoLP implementation. Furthermore, outcomes of meetings with agents should be documented.

Recommendation: FWF recommends La Dress to actively train their sourcing 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 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 4

5. INFORMATION MANAGEMENT

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

Comment: LaDress identifies (potential) production locations by organizing factory visits. For Bulgaria, where LaDress sources via an agent, the actual production locations were not known by LaDress when production started, this became clear when the invoice did not include the supplier information. The actual production locations were only disclosed to FWF just before the Brand Performance Check as the agent initially did not allow LaDress to enter the production location addresses into FWF's information system. Not disclosing production locations to FWF is in violation of membership requirements. In Bulgaria, LaDress does not know which styles are produced at which production locations, but the agent has agreed to be transparent about this with the next order.

Requirement: LaDress is required to disclose all production locations to FWF and cannot continue its membership without meeting this requirement. If an agent requires a NDA, LaDress is expected to negotiate a clause that stipulates that LaDress is allowed to share the supplier information with FWF.

Recommendation: FWF recommends LaDress to require agents to be informed about the production location before the order starts and to take additional efforts to ensure that it is always informed beforehand about the placement of production at production locations.

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: Information about working conditions at production locations is shared among relevant staff by sharing outcomes of meetings and supplier visits and other relevant (CAP) updates. This is done on an ad hoc basis.

Recommendation: It is advised to make relevant staff aware of the available tools FWF offers, such as the Health and Safety guides and monitoring CAP documents. 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: 4

6. TRANSPARENCY

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

Recommendation: As LaDress is planning to work more with 3rd party resellers, it is advised to communicate the communication rules to 3rd parties and actively monitor adherence to the rules. This is to make sure that 3rd party retailers and resellers communicate the same FWF message and to avoid 100% fair message and/or greenwash messages. The FWF 3rd party resellers flyer can support in explaining FWF, FWF's work and the communication rules for 3rd parties. Members are accountable for the communication behaviour of 3rd party retailers, resellers, and customers as part of the Brand Performance Check.

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

Recommendation: FWF recommends LaDress 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 the member 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	Complete and accurate report submitted to FWF	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	1	2	-1

TRANSPARENCY

Possible Points: 6

Earned Points: 3

7. EVALUATION

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

Comment: FWF membership is evaluated with top management by discussing the Brand Performance Check report. This discussion is used to set priorities for the upcoming year. Top management is also involved in discussions on progress on ongoing issues and CAP follow up during the year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: Three requirements have been included in the previous Brand Performance Check. One requirement was resolved, one requirement was partly resolved and on one requirement, limited progress was made.

The resolved requirement pertains the evaluation of production locations' compliance with FWF CoLP. LaDress set up a system to keep track of its supplier's compliance with FWF CoLP. The partly resolved requirement was about the CAP follow up, for which LaDress made some progress in 2018, but have not managed to close all issues. The requirement with limited progress was about working towards the implementation of living wages. LaDress agreed on more transparency on wages with their main supplier in 2019. The pre-work for this agreement was done in 2018, but without actual results, this requirement cannot count towards indicator 7.2. 1.5 requirements solved out of 3 means 50% solved.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

- LaDress would like to learn more from best practices of other FWF members and it would be beneficial for LaDress if FWF could share more insights on developments within the clothing industry in general.
- With regard to living wages, LaDress would like to receive more guidance on setting up questionnaires about living costs for workers.
- LaDress would be interested to learn more about FWF's impact and how this is measured.
- In order to avoid repeating the same stories for years, LaDress suggests to fill in some indicators of the Brand Performance Check based on the answers of previous years.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	18	41
Monitoring and Remediation	5	15
Complaints Handling	-1	9
Training and Capacity Building	4	11
Information Management	4	7
Transparency	3	6
Evaluation	6	6
Totals:	39	95

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

41

PERFORMANCE BENCHMARKING CATEGORY

Needs improvement

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

07-05-2019

Conducted by:

Linda van IJendoorn and Mariëtte van Amstel

Interviews with:

Nynke Eggen - CSR manager

Nancy Ros - Head of Production

Jordana Slop - Development Department

Pieter de Ridder - CFO