



BRAND PERFORMANCE CHECK

Blutsgeschwister GmbH

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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

Blutsgeschwister GmbH

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

MEMBER COMPANY INFORMATION	
Headquarters:	Berlin, Germany
Member since:	01-07-2013
Product types:	Fashion, Bags & Accessories
Production in countries where FWF is active:	China, India
Production in other countries:	N/a
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	99%
Benchmarking score	78
Category	Leader

Summary:

Blutsgeschwister has shown advanced results on performance indicators. The company monitors 99% of its supply chain through FWF audits, meeting the threshold for members beyond the third year of membership. Blutsgeschwister fulfilled all monitoring requirements, including those for tail-end production locations. Together with a benchmarking score of 78 points, it remains in the 'Leader' category.

Blutsgeschwister's sourcing strategy is to work with a consolidated supply chain and long-term partners, which allows the company to make progress in improving working conditions. Since becoming a FWF member, Blutsgeschwister has implemented significant and systemic changes to its design process and production planning, with the goal of supporting reasonable working hours. Blutsgeschwister continues to visit the majority of its suppliers each year, including the locations sourced via agents.

Blutsgeschwister is addressing systematic issues found in previous audits. The brand has created new contract templates with minimum wage requirements for all present and future business relationships with production locations. Blutsgeschwister continues to collect open costing information through two facilities (China, India), which helps Blutsgeschwister formulate a plan for how to ensure better wages are paid in the factories it uses. Blutsgeschwister has demonstrated great dedication to and knowledge on gender-based issues, not only by addressing them in its own supply chain, but also by creating awareness of these issues during several events and workshops organized by FWF.

Although the brand's overarching performance showed advanced progress, the work on living wages needs to be accelerated in the coming year. The work done on this topic has already revealed areas for improvements at the production locations. This is a good start towards finding a cost-effective method for the payment of living wages

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: Blutsgeschwister sources its items from a small number of factories though there has been a decrease in the number of production locations where they have more than 10% of capacity. In the production locations where Blutsgeschwister produce more than 10% of their goods, the leverage is high between 21 to 85%.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	2%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: Blutsgeschwister works with production locations in which they buy less than 2% of the FOB. These are mainly for embellishments which are key for the garments they produce and are important for their products.

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.	87%	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: Blutsgeschwister makes a strategic decision that long term suppliers are easier to work with as these relationships help with quality, product development and their high demands. It is not easy to develop Blutsgeschwister products so starting with new suppliers is a very demanding process. However, there are also many repeated styles and quality while the fabric and/or print and/or embroidery might change meaning a lot of stability for their supply chain partners. Blutsgeschwister works with suppliers based on their speciality. 87% of business relationships have existed for more than 5 years. Where there was a recent change in relationship, this was requested by the agent used by Blutsgeschwister.

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

Comment: Only one new supplier was added to replace one exited factory. This supplier had no issue with providing the questionnaires signed by the HR Manager. Blutsgeschwister provided evidence of the CoLP posted up on the wall in production locations.

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.	Advanced	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.	4	4	0

Comment: Blutsgeschwister has a strong due diligence process which requires production location to share the results from previous audits and certifications as part of their onboarding process. Before working with a factory, Blutsgeschwister asks for the questionnaire and photos of the production location. Blutsgeschwister visits the factory before the order and production are made in a pre-assessment phase alongside the health and safety checklist. During this time they also discuss the factory's strategy for addressing human rights issues. Blutsgeschwister only places orders after the receipt of a completed questionnaire and agreement to the COLP.

There is a written sourcing policy which includes this approach to the due diligence. There is also a standard email that is sent to potential new suppliers explaining the processes mentioned above to ensure the production location fully understands what is required of them.

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: Blutsgeschwister revised its supplier rating and created a traffic light system. Next to business indicators the rating also takes transparency, level of cooperation and audits and training into consideration. Once the tool has been applied for several seasons, Blutsgeschwister will be able to compare suppliers and possibly use the information for business decisions. Blutsgeschwister also plans to share outcomes with suppliers to support them in improving their performance.

Recommendation: As it is not always possible to reward suppliers with more volumes, the member could look into other incentives that reward supplier's commitment towards the CoLP. An example would be to offer training for skill building/capacity development, placing more NOS styles. FWF recommends Blutsgeschwister to share and discuss the outcome of the supplier evaluation with all its suppliers. Furthermore, FWF recommends Blutsgeschwister to consider how it can stimulate progress on social issues, for example by offering price increases, bonuses or financial support to resolve issues.

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: Blutsgeschwister has a good and lengthy production planning system. The product development period is approximately 18 months which includes many repeated orders, styles and type of fabrics. Blutsgeschwister works with 3 agents which use the same factories each year. Blutsgeschwister together with the agents knows the capacity of each production location and which items will go into which factories for about 80/90% of the production with a final decision made in good time to plan the final production dates effectively. Blutsgeschwister has a contact person for each factory to work with a production location to ensure efficient production planning. Orders are placed twice a year with 4 delivery dates per season. After the sampling, there is a two month sales period where sales are collected and numbers are delivered to the factory. At this point, there is no more time for a change in style. For example, an order is finalized in August for delivery in November, December and January (two drops in one shipment). This is an approach developed over time to help alleviate pressure at the factory level and reduce overtime related to production for Blutsgeschwister.

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

Comment: There have been no reported cases of excessive overtime and there are not often delivery problems but if these do occur, there are options to deliver products by train or sea/air. It is worth noting that there were no audits in their Chinese supply chain in 2018.

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.	Intermediate	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.	2	4	0

Comment: Blutsgeschwister recently started to do open costing in two factories (one in India and one in China) based on plans made in 2017. The next step is to know in depth the cost of labour including labour minute costing and then the implementation of living wages can accelerate. Sampling is included in their open costing. From this work, Blutsgeschwister and the production locations have discovered where more efficiencies can be made in order to lower the cost of production. For example, better set up of the factory would enable more efficient use of fabrics saving the overall amount of money going towards the fabric. Any savings in materials and production would be kept by the factory to go towards living wages.

Blutsgeschwister is also grappling with the issue of how to carry out open costing with its agents.

Requirement: Blutsgeschwister 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: FWF recommends Blutsgeschwister to expand their 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 their own buying prices. First priority would be to make sure this level of transparency can be achieved with their 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.	Yes	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.	0	0	-2

Comment: In a 2017 audit, there was an issue with certain workers (elderly/retirees) being paid below legal minimum wages, consequently, Blutsgeschwister was required to ensure that all their suppliers respect local labour law. Hourly wage of piece rate workers must in all cases at least meet hourly minimum wages.

Blutsgeschwister addressed this together with the agent who also helped the factory to set up the correct bookkeeping/documentation methodology with a more accurate system to properly monitor wage levels at the factory. Blutsgeschwister visited this factory to follow up on this CAP. During the visit, the factory management clarified that the wage levels for these particular workers had been increased to minimum wages via wage slips. At the same time, the production location management made it known that these workers were no longer present in that factory.

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: There is a 30% deposit at order placement. There is a payment schedule for balance amount after receipt of shipping documents.

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: Blutsgeschwister has started to look at living wages in their production locations only with the data provided via audits. However, Blutsgeschwister has started working with two locations on open costing - one in China and one in India. Blutsgeschwister will carry out a food basket survey to help build on their work on the topic.

The Living Wage Ladder is earmarked as a tool to help them understand the issue more fully and make steps towards understanding the next steps.

Requirement: Blutsgeschwister 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. Blutsgeschwister 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.

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: Blutsgeschwister has not established concrete Target Wages but has discussed the payment of living wages with their suppliers. There are worker representatives involved in collective bargaining who will meet with the management to discuss wages at a factory in India. It is clear to Blutsgeschwister that there are many complex elements that need to work together to make these changes work.

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

Recommendation: We advise companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases it in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

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: Blutsgeschwister has not yet set a target wage, nor are they paying their share of a target wage in any production location.

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

PURCHASING PRACTICES

Possible Points: 41

Earned Points: 24

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	99%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	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	N/A	
Total of own production under monitoring	99%	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: Blutsgeschwister employs a CSR manager who has been in her position since 2017 while she was production manager and took over fully as CSR manager. She is supported by the Head of Production.

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: Where a CAP was required, there was no systemic involvement of workers to develop the CAP. However, the CAP is shared with the factory and improvement timelines established promptly.

Recommendation: FWF recommends Blutsgeschwister to systematically include worker representation when discussing audit findings and defining corrective action plans.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: CSR staff keeps an overview of all active CAPs and remains in frequent contact with the suppliers to request updates. During on-site visits, Blutsgeschwister discusses corrective actions with the factory management or agent. Top management is involved in discussions of more severe issues. In 2018, Blutsgeschwister had one audit carried out. This revealed a lack of a CBA as well as a lack of contract and employment letters to employees. Blutsgeschwister has worked with this factory to develop these documents as required.

Recommendation: FWF recommends Blutsgeschwister to define strategies to tackle complex, systemic findings in their supply chain. This may include defining action plans together with the supplier that set realistic mid-term goals.

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.	91%	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: Blutsgeschwister has visited 90% of its production locations. One supplier in India decided to discontinue the business relationship with the brand. Therefore, no visit took place. The outcome of the visits are shared via a word document and can be assessed by all staff. They are always shared in production meetings. The meetings are also shared with the factory and the agents where they exist.

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

Comment: Blugsgeschwister collects audit reports from other organisations where they exist, counted in this report as part of due diligence.

For one of the factories, an audit report was received and many questions were raised about the data in the report which resulted in a decision that the information was insufficient so an FWF audit was requested. This comparison was done using the audit quality assessment tool.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all 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.	6	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	Advanced			6	6	-2

Comment: Blutsgeschwister monitors and analyses common risks for their sourcing countries and products using the information provided by FWF (country studies, stakeholder information) as well as other NGOs. Furthermore, Blutsgeschwister has demonstrated great dedication and knowledge on the gender-based issues not only by addressing them in its own supply chain but also by creating awareness during several events and workshops organized by FWF.

India
 Tamil Nadu/Bonded Labour - Blutsgeschwister has been working with a local NGO to gather more information on what happens in the spinning mills and check on the working conditions of the female juvenile workers. In the Blutsgeschwister supply chain, one of the mills was already visited by a local NGO and the other will be checked by them. Blutsgeschwister is willing to monitor the situation further down the supply chain but require additional support to make this happen. With sexual harassment being a risk in India, Blutsgeschwister continues to monitor their supply chain diligently.

China
 Blutsgeschwister is aware of country-specific risks; only one governmental trade union, difficulties within the freedom of association and collective bargaining. Blutsgeschwister visited its suppliers last year and besides the CAPs, all country-specific issues were discussed. Reports of suppliers visits were created and shared internally within the company.
 Freedom Of Association -Blutsgeschwister visited worker representatives during the CAP meetings to understand their roles in the factories and understand how much they are involved.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: One factory is shared since 2017. There have been combined meetings with the brand involved who is also responsible for communications within the shared location. They have product calls together and since then they have found that they share three factories. Audit and WEP costs are shared as is information that comes from workshops and/or training.

Recommendation: FWF recommends members to document status of joint follow-up actions. Even though one brand commonly takes the lead it is important to be kept informed of the status in order to be aware of required implementation steps before communication with or visits to the factory.

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.	No production in low-risk countries	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.	N/A	3	0

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: 24

Earned Points: 22

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	1	
Number of worker complaints resolved since last check	1	

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

Comment: The CSR Manager is responsible for handling the complaints and was involved in resolving the one complaint that the member brand has had to handle so far.

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.	Yes	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: Blutsgeschwister made available a picture of the WIS posted in their newest production location to show how the information is communicated to workers and management. They also ensure that factory management and workers of existing factories are aware of the CoLP by checking the factory and subcontractors for FWF information during visits and requesting evidence that the information is still posted. Worker information cards are given to worker representatives in China with spares given so that they can be shared.

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.	94%	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.	6	6	0

Comment: Between 2016 and 2018, Blutsgeschwister enrolled production locations representing 94% of their production volume in the FWF Basic Worker Education Program and the Gender Based Violence module. Training is repeated especially where worker turnover is high. In one factory, the owner gives informal training to factories to engage with their workers.

Recommendation: The member could consider implementing additional activities to raise awareness about the FWF Code of Labour Practices and FWF complaint hotline next to providing good quality training. This could include making use of FWF's Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Blutsgeschwister only had one complaint to handle based on a complaint from a worker on losing its job after an agreed holiday period and the subsequent non-payment of wages. As a result, Blutsgeschwister asked the factory to develop and post a policy on holidays/sick leave so that the incident does not happen again. However, as the factory decided to no longer work with Blutsgeschwister, there was no leverage to ensure that the policy was developed and put into operation. Since the factory was unwilling to cooperate, the brand took an initiative in resolving this complaint. Brand's CSR manager travelled to India and together with the agent paid the worker in person.

Although this was a responsible approach to solve this complaint by the brand, the check on preventive steps implementation was not done due to factory exit therefore, 3 points were awarded.

Recommendation: Where applicable, worker representation should be involved in agreeing to the Corrective Action Plan.

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: 15

Earned Points: 12

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: All staff are made aware of FWF membership during the on-boarding process.

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: Every product developer (purchasing included) is involved with suppliers, trained on FWF requirements and involved in the monthly Fair Wear meetings.

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

Comment: Evidence was provided of Blutsgeschwisters email correspondence with some agents showing their discussions on the FWF Code of Labour Practices. Two agents (out of three) currently either provide follow-ups on CAPs as and when they are completed or attend meetings and/or training sessions as requested. China-based agents are now following up directly on CAPs without prompting by Blutsgeschwister. The agents are providing photographic evidence of the improvements as they are being made.

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.	31%	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.	4	6	0

Comment: Blutsgeschwister enrolled two of its India based factories in the WEP Violence Prevention training.

Recommendation: FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	Active follow-up	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.	2	2	0

Comment: Once any training session suggested/promoted by Blutsgeschwister has taken place, the CSR manager inquires about the training, and photographic attendance evidence is often sent.

After India Violence Against Women training sessions, there is more follow up as these sessions must be repeated by law and the committees meet regularly. Meeting protocols are seen along with attendance lists.

TRAINING AND CAPACITY BUILDING

Possible Points: 13

Earned Points: 11

5. INFORMATION MANAGEMENT

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

Comment: The CSR Manager has a background in fashion and sourcing at Blutgeschwister with a clear understanding of processes and collections. In monthly meetings, the product developers are made to identify the different processes needed which make their products. Due to this background, the CSR manager can match the production with the capacity of the factories whether direct or indirect to ensure that there are no hidden subcontractors.

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: There are meetings between CSR and production teams in which production-level information is shared internally with the different departments so that everyone is kept up to date with FWF related issues. All new colleagues are trained on membership when they start both at head office and in retail stores. In addition, there is a good level of information sharing between CSR and Marketing. Information about FWF membership is also made available to the sales teams during the meetings that happen twice a year. This includes clarification on what the leader status means, what it means to be FWF member.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

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

Comment: There is a page on the website where the public can access relevant FWF documents. Own magazines that are produced twice a year also have specific information on FWF membership, themes and examples of their work in this area and their PR firm is made aware of the importance of their FWF membership.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: There is a link between Blutsgeschwister's website and Facebook to keep their customer updated with the latest information including on FWF. There is also a booklet available to B2B customers that demonstrates their relationship with FWF and the CoLP is an easy to understand format. Labels are provided for multi brand locations to make it clear that Blutsgeschwister is a FWF member and therefore easy to identify when placed in a busy store.

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 AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

TRANSPARENCY

Possible Points: 6

Earned Points: 5

7. EVALUATION

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

Comment: Systematic evaluation takes place on an on-going basis. When the Brand Performance Check is received the CSR manager evaluates the report, the recommendations and requirements and then calls a meeting with the CEO and Director of Product development & Purchasing to discuss. They then decide how improvements are incorporated - the same process goes for the work plan. After which separate meetings are scheduled with different team members.

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.	100%	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: FWF required Blutsgeschwister to ensure that all their suppliers respect local labour law especially in relation to minimum wages. Blutsgeschwister worked with created a new contract which explicitly mentioned that they expect suppliers to pay a minimum wage whether hourly or through piece-rates. The contract was shared with FWF as evidence and is the basis for future contracts with new suppliers.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Blutsgeschwister expects good quality and on time follow up. FWF needs to be more responsive to emails - which can affect the remediation speed, more responsive to requests for items such as supervisor training.

Blutsgeschwister would appreciate if requests by FWF are made more in advance especially when it may involve a management decision. There should also be feedback when these requests are met. This feedback should provide details on how the items requested were used and if they were of value.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	24	41
Monitoring and Remediation	22	24
Complaints Handling	12	15
Training and Capacity Building	11	13
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	87	112

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

78

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

28-05-2019

Conducted by:

Christian Smith

Interviews with:

Karin Ziegler - CEO & Head of Design

Stephan Künz - CEO

Sandra Walker - Director of Product Development and Purchasing

Sara Lemmens - Head of Marketing

Marion Meyer-Arendt - Head of Retail

Katharina Fest - CSR Manager

Sylvia Beckers - CFO

Nadine Koch - Finance Team