



BRAND PERFORMANCE CHECK

Hubert Schmitz GmbH (S-Gard)

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

Hubert Schmitz GmbH (S-Gard)

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

MEMBER COMPANY INFORMATION	
Headquarters:	Heinsberg, Germany
Member since:	01-01-2016
Product types:	Workwear
Production in countries where FWF is active:	Tunisia, Turkey
Production in other countries:	Germany, Poland
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	100%
Benchmarking score	63
Category	Good

Summary:

S-Gard has met most of FWF's performance requirements. With a monitoring percentage of 100%, it goes well beyond the required monitoring threshold of 80% for its third year of FWF membership. This, in combination with a benchmarking score of 61, means that FWF is awarding S-Gard a place in the 'Good' category.

In its third year of membership, S-Gard has made steady progress in implementing FWF requirements. The brand has maintained a stable supplier base and has not added any new suppliers this year. S-Gard is the only customer at five of its six Tunisian suppliers. These production locations make up 82% of total FOB, which gives the brand significant leverage to improve working conditions. The brand also produces at one Polish supplier and completes embroidery finishes at a facility in Germany that is linked to their agent operating in Turkey.

In 2018, S-Gard continued its efforts to ensure that its production planning process supports reasonable working hours at its production locations. FWF recommends S-Gard continuously evaluate the impact these efforts have on audit findings pertaining to overtime and make changes to its approach accordingly at its supplier in Turkey.

FWF recommends that S-Gard sets up a systematic approach to analyse country risks, which will help structure and strengthen the due diligence process to mitigate risks. Furthermore, S-Gard should learn more about production planning and costing at those suppliers where strong systems are not yet in place. This is also essential to be able to work on living wages. In the coming year, we hope S-Gard will be looking to establish a target wage.

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.	100%	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: S-Gard has six main suppliers in Tunisia. Over 80% of its production takes place at Tunisian production locations where the brand uses 100% production capacity (except one supplier where the brand uses 50%).

Furthermore, production takes place at one production location in Poland. For promotional wear, the brand sources from a German intermediary, who organises production at a Turkish site and a German site (for badges, labels and embroidery). At these production locations, leverage ranges between 20-50% with FOB ranging from 3-10% resulting in no tail end production for S-Gard.

S-Gard has a Joint Venture with two Tunisian factories.

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.	0%	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.	4	4	0

Comment: S-Gard has no production locations with less than 2% 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.	65%	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.	3	4	0

Comment: S-Gard has a stable supplier base and values long-term relationships. It has been working with most of its suppliers for over five years. Due to recent growth, S-Gard has increased growth which has meant some capacity solutions were needed of existing suppliers as such they are expanding the number of suppliers to be able to account for the increase in its total production capacity. S-Gard did not start with any new suppliers in 2018 but is continuing to grow with those they brought on in 2017 to continue lasting relationships.

Recommendation: It is advised to describe policies regarding maintaining long term business relationships in a sourcing strategy that is agreed upon with top management/sourcing staff.

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: All production locations had signed and completed a questionnaire and the worker information sheet with Code of Labour Practices (CoLP) was posted.

Recommendation: It is advised to use the outcome of the questionnaires to update the production location data, for instance on leverage and subcontractor information. Moreover, members are also encouraged to follow up with suppliers in case they do not endorse the Code of Labour Practices or show resistance in some of the replies.

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: S-Gard does not select new suppliers often. In the last few years, the brand has shown significant growth, but only started relationships with a handful of new suppliers and only one production location changed due to the closure of this location.

S-Gard chooses new suppliers based on production capacity, price level and quality by the use of trial orders. In general, S-Gard visits production locations prior to placing orders. S-Gard developed an evaluation checklist, which also includes social factors, tracking and collecting existing audit reports (if any) among others. If the audits collected contain CAP findings S-Gard will discuss this with the supplier. During the visits, S-Gard discusses labour standards, FWF requirements and uses the FWF Health and Safety Check to assess the health and safety situation in the factory.

Recommendation: Conducting pre-audits or analysing existing audit reports can be a way to assess the level of working conditions before deciding to start or continue the business relationship.

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: S-Gard organises a yearly supplier meet up in Tunisia, where they discuss production capacity, quality and FWF membership with their suppliers and also factory supervisors. The brand has also developed a supplier evaluation template to monitor and compare social compliance performance of all suppliers.

S-Gard rewards suppliers in case of improved quality or on-time production, but has not yet set up a system to reward suppliers for the progress made to improve working conditions. They are looking into a reward system for those production locations with good audit results. Such as special recognition for suppliers.

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, etc.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: S-Gard sources and provides materials to its suppliers with the majority of their products coming from Never Out of Stock (NOS) lines. In case of delays, S-Gard consults the customer to change the delivery date. In case of urgency, the brand can consider air freight.

S-Gard has a strong integrated planning system in place with its Tunisian suppliers. As the only customer, S-Gard jointly plans production with the factories on a weekly basis. It is aware of the production capacity of the factories and the standard minute per style. S-Gard ensures that the factories are fully booked with orders, but takes measures to prevent that (excessive) overtime takes place. S-Gard shifts production of NOS items in case production capacity needs to be filled in other locations to keep factories running consistently and also to alleviate highs and lows in orders.

S-Gard knows the production capacity of its Polish suppliers and calculates the standard minute per style. Although S-Gard does not do planning together with its Polish suppliers, it can ensure that it does not overbook the factory.

With its Turkish supplier, it discusses lead times but is not aware of the production capacity or does not reserve specific lines for production.

Recommendation: FWF recommends S-Gard to learn more about the production capacity of the Turkish supplier and how its production orders relate to the total capacity of the factory and peak seasons.

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

Comment: In 2018, FWF audited one of the Tunisian factories. This audit report did not show that excessive overtime took place.

In 2017, S-Gard had their Turkish supplier audited, however as this audit was shared with the brand in January 2018 it will be included in the scope of this Brand Performance Check. The initial audit had issues pertaining to excessive overtime. Greater priority was given to other corrective actions in the audit in Turkey as they build up trust with their supplier to begin deeper analysis into overtime causes.

Due to S-Gard's long relationship and joint venture with their Tunisian suppliers, this allows for greater transparency regarding the production program to see how planning is organised. Their closed capacity planning showed occasional overtime was found in Tunisia 3-4 times a year.

Recommendation: The member could discuss with factory management on the causes of excessive overtime in the Turkish factory and provide support to manage over time. If necessary, S-Gard could hire local experts to analyse the root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

FWF recommends cooperating with other customers at the Turkish factory to increase leverage when trying to mitigate excessive overtime hours.

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: With its Tunisian suppliers, S-Gard has an open costing model, negotiates price per standard minute and payment per order. If a product is modified, the price is adjusted as necessary.

S-Gard is aware of the standard minute per style and negotiates prices with its Polish supplier in a partnership manner. It is not aware of the labour costs of the factories. With its German intermediary, it has negotiated a set agents price, but it is not aware of how wages relate to its price.

In general, prices directly depend on order quantity and complexity of the models. This is constantly negotiated. There are not set prices per product, due to the tendered/bulk order nature of the products. Sewing minutes are neither consequently captured nor the decisive basis for price discussions. The brand has not yet linked its prices to the wage levels.

The Tunisian supplier is very engaged in living wages and is currently looking into benchmarks in Tunisia. The supplier wants to show that you can build up a production facility using living wages and is looking into possible offsets such as childcare facilities and other means of testing out increases to living wages.

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

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: The 2018 audit at one Tunisian factory and audit in late 2017 audit at a Turkish factory, showed issues with legal minimum wages being paid to some workers.

S-Gard immediately talked through findings of minimum wage violations with the Turkish factory and the factory increased all wages to meet legal standards immediately for those workers that fell below the minimum requirements.

S-Gard had to first open up communication with the supplier via the agent. Once the direct contact was established the factory contact said that the issue of minimum wages had been solved immediately and then after some communication was followed up with pay slips being provided as proof.

S-Gard is working towards more structural systems to prevent this from happening again. They have not yet received full wage overviews. As worker representatives don't speak English or German they are looking for other solutions to ensure workers are involved in the remediation process.

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: None of the FWF audit reports showed late payment by S-Gard.

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: Currently, S-Gard has no production locations paying living wages. They actively discuss living wage payments with their Tunisian suppliers at every meeting.

Requirement: As S-Gard buys exclusively at a supplier through a joint venture and also has 100% leverage, the member is held more accountable for implementing adequate steps. The member is expected to take an active role in discussing living wages with its suppliers and should take steps to work towards living wages through training given by FWF and also recording the steps S-Gard make when this process begins.

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).	20%	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.	1	2	0

Comment: The owners of S-Gard also have a joint venture at two of its Tunisian suppliers.

Recommendation: FWF supports direct ownership of suppliers. Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.

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: In Tunisia, S-Gard is working with the official minimum wage guide.

Recommendation: S-Gard should analyse what is needed to increase wages in at least one of their Tunisian factories as a first step, and develop a strategy to finance the costs of wage increases.

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: S-Gard has not yet implemented a target wage.

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

Recommendation: We encourage the member to show that discussions and plans for wage increases have resulted in the payment of a target wage.

PURCHASING PRACTICES

Possible Points: 49

Earned Points: 24

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	78%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	13%	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	100%	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: The Product Manager is responsible to follow up on problems identified by the monitoring system. For its Tunisian suppliers, S-Gard does this in close cooperation with the managing director of its main Tunisian supplier and has designated staff for follow-up and verification.

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: S-Gard has shared the FWF audit reports and has set up timelines with the suppliers in a timely manner. At all Tunisian suppliers, there was a worker representative involved, but S-Gard has not yet included the representatives in the follow up of the CAP.

Recommendation: FWF recommends S-Gard to include worker representatives or worker committees when it shares audit reports and also include them in the follow up of a CAP.

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: At one Tunisian supplier and one Turkish supplier, a FWF-audit was conducted in 2017/18. S-Gard actively followed up the issues with these suppliers and had regular discussions with them. The brand also discussed the priorities that were set by the factories. The factories and S-Gard focused on resolving issues concerning health and safety, wages, payslips, worker representative awareness of the FWF Code of Labour Practices and the worker helpline.

More complex issues like infrastructure (allocating space and building for a canteen), living wages and setting up worker committees were considered issues that would be solved over a longer period of time. Due to the internal staff changes, S-Gard is looking to improve a more systematic approach to remediating CAPs.

Recommendation: FWF recommends S-Gard to develop a strategy to solve more complex issues like living wages and freedom of association. The strategy should contain short and mid-term milestones.

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: S-Gard visited 91% of production locations in 2018. During a check, notes are taken around Health & Safety and emails sent to relevant S-Gard staff.

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 score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	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	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: S-Gard has been working in Tunisia for a long time. Local staff is present in Tunisia and informs management of S-Gard about changes in the Tunisian context. For example, local staff inform S-Gard when CBA wages change. S-Gard has a general knowledge of the human rights situation in Tunisia and collects information about labour standards in an ad hoc manner.

S-Gard has sent the FWF Guidance on Risks related to Turkish Garment Factories employing Syrian Refugees to its German intermediary. It has discussed the employment of Syrian refugees with the intermediary, which stated that no refugees were employed by the Turkish factory. But with the intermediary and supplier not sufficiently co-operative, despite intentions and efforts, the brand was not able to perform necessary due diligence or visit before placing orders in Turkey.

Recommendation: FWF has established an Arabic-language version of its worker helpline and developed worker information sheets in Arabic, with contact information for the helpline. Member brand could distribute these cards to all suppliers and subcontractors during factory visits.

FWF recommends S-Gard to develop a system to continuously assess high risks in countries like Tunisia and Turkey. Knowing the country-specific risks facilitates the starting point for discussing this with suppliers. It can gather information from FWF country studies, human rights report or information from local stakeholders which can be added as specific criteria to the checklist when sourcing from high-risk countries. The brand should relate such information to the practices of its suppliers and promote discussions about these risks with its suppliers.

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: S-Gard has two production locations in Poland and one in Germany. Except for the supplier in Germany (which is also the intermediary office), where embroidery is done, the brand has sent and received the questionnaire and checked whether the FWF Code of Labour Practices was posted.

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: 25

Earned Points: 18

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 Product 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.	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: S-Gard has a system in place to check whether the Worker Information Sheet is posted. The brand checks through on-site visits and FWF audits whether the Worker Information Sheet is posted. In case the supplier has not been recently visited or audited by FWF, it requests the supplier to send a picture of a posted Worker Information Sheet.

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.	20%	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.	4	6	0

Comment: Out of the two factories audited in 2018, there was a low awareness of FWF and the CoLP.

Recommendation: FWF recommends members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline among a larger portion of its suppliers. The member should ensure good quality systematic training of workers and management on these topics. To this end, members 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 guidance on good quality training 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: 7

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: S-Gard has fortnightly meetings with the marketing and productions teams where ongoing projects and remediations are discussed with staff in a spot reserved for FWF membership. Additional teams are involved in meetings and training where FWF is discussed at quarterly sales meetings.

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

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: S-Gard makes use of one German intermediary that produces at a Turkish production site and has had continuous engagement to inform FWF requirements. The brand is now working directly with the supplier to discuss issues and work on CAPs.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 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

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.	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	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: S-Gard is the only customer at its six Tunisian factories, with whom it does joint planning of production. Because of this, S-Gard would be at a lower risk in case subcontracting would take place.

At its other suppliers, S-Gard has discussed subcontracting. It has a policy in place that does not allow subcontracting without the approval of S-Gard, the 'inspection' section covers this requirement. The brand regularly checks the quality of its products to learn more about subcontracting, as quality issues could be an indicator for subcontracting.

In Turkey, there is a high risk of subcontracting by factories. S-Gard discussed the issue with the German intermediary.

In general, due to the complexity of its products and the high-level quality standards, S-Gard expects that its products will not be outsourced easily as these products require specific patented machinery to produce these garments.

Recommendation: FWF recommends S-Gard to periodically check with its agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including 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: S-Gard is a small organization where information is easily shared among staff. All relevant staff members have access to audit reports, updated CAPs and information about FWF. When management visit production sites, they are updated by the Product Manager on progress made by the suppliers and issues that still need to be discussed.

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: The member communicates FWF membership through the following channels of communication: website, social media and presentation for customers.

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: In its social report, S-Gard mentions the names of its Tunisian suppliers and goes into detail about the remediation taking place at each supplier but did not publish more specific information that discloses the production locations.

Recommendation: FWF recommends S-Gard to publish audit reports and supplier information on its website. Good reporting by members helps to ensure the transparency of the affiliate 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 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

Comment: S-Gard has submitted its social report to FWF and publishes a clear link to the report on its website.

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: S-Gard holds systematic evaluation of FWF membership and requirements. When preparing the social report and the work plan, S-Gard evaluates progress made and possible next steps. There is a common understanding of the importance of FWF membership with buy-in and commitment at CEO level.

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: The FWF Code of Labour Practices/Worker Information Sheet was posted at the German supplier location, with the questionnaire signed and returned.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

- Tenders always ask for a certificate and to have a one-page summary document that shows their yearly Brand Performance Check rating would help.
- Using more comparative initiatives like Romero survey to show FWF's credibility.
- Would like tender contacts to be able to contact FWF directly and gain information about our organisation.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	24	49
Monitoring and Remediation	18	25
Complaints Handling	7	9
Training and Capacity Building	4	11
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	71	113

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

63

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

29-04-2019

Conducted by:

Brigitta Danka

Interviews with:

Bruno Schmitz - CEO - Finance and Operations

Jonas Kuschnir - Product Manager