



BRAND PERFORMANCE CHECK

K.O.I. International b.v.

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

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

K.O.I. International b.v.

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

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-01-2013
Product types:	Fashion
Production in countries where FWF is active:	Bulgaria, China, Macedonia, Republic of, Romania, Tunisia
Production in other countries:	Greece, Italy, Moldova, Republic of, Netherlands, Spain
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	100%
Benchmarking score	56
Category	Good

Summary:

Kings of Indigo (K.O.I.) has met most of FWF's performance requirements. Through meeting FWF monitoring requirements for low risk suppliers and adequately working with 4 external audit reports, the company has monitored 100% of its supply chain, by organizing FWF audits, using existing audit reports and fulfilling low risk requirements for all locations. The monitoring percentage, combined with a benchmark score of 55, means that FWF has awarded K.O.I. the 'Good' rating.

Where K.O.I. works with intermediary platforms, the member knows the pool of suppliers that is used by the platform, but is not informed beforehand which order is placed at what production location. FWF recommends that K.O.I. establishes a written agreement with the intermediary platform to be informed what production location is used for which order. This will enable K.O.I. to further improve its due diligence practices for specific production locations. When new production countries are added, it is advised to analyse beforehand the resources needed for monitoring and remediation in a (new) risk-prone country.

K.O.I. is advised to better document the outcomes of visits, conversations, screenings related to working conditions. This way, the documentation can serve as input in the internal decision-making process and links the level of working conditions to sourcing decisions.

The total benchmark decreased from 68 to 55, which is partly due to the member not yet taking sufficient steps towards living wages. FWF recommends that K.O.I. expand its knowledge of cost breakdowns, including calculating the costs of labour and linking this to its own buying prices. The member company is expected to take an active role in discussing living wages with its suppliers. K.O.I. is encouraged to continue its efforts of raising awareness of labour rights at its production locations through attending supplier seminars and organising training sessions.

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.	80%	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: K.O.I. has grown its production mainly at existing key suppliers. 80% of K.O.I.'s 2017 production volume came from suppliers where the brand buys at least 10% of the suppliers' production capacity (compared to 65% in last performance check).

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.	5%	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: 5% of K.O.I.'s production volume comes from production locations where it buys less than 2% of its total FOB (compared to 19% last year). Which means that tail end is shortened. K.O.I. is not further consolidating at the moment, it needs new locations.

Recommendation: Even though K.O.I. needs to find new suppliers, where possible FWF recommends K.O.I. to keep its 'tail end' as short as possible by keeping the number of production locations as limited as possible.

To achieve this, K.O.I. should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

It is advised to establish a sourcing strategy where the strategic relevance of (existing versus new) suppliers is integrated and that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	20%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	1	4	0

Comment: The percentage of production volume that comes from locations where a business relationship has existed for at least five years has grown slightly compared to the previous performance check (from 18% in 2017 to 20% in 2018).

Recommendation: Where possible FWF recommends K.O.I. to maintain stable business relationships with its existing suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

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: K.O.I. started production at six new facilities in 2018 and could show a signed questionnaire for all.

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

Comment: K.O.I. has established a due diligence policy, which includes a CSR checklist for buyers with steps that need to be taken before entering into a relation with a new supplier.

1. Is the factory located in an EU- Non -EU country, 2. is the factory audited before and/or already producing for another FWF member 3. health and safety checklist should be conducted 4. are subcontractors/homeworkers used 5. Is FWF active in the new production country. Although it is not explicitly formulated in the due diligence policy, it is understood that when the CSR manager would oppose the designer would not go ahead with this supplier.

For a new production country the CSR manager looks into the risks -using the country studies of FWF and MVO risico checker- and discusses with the designer if this country is needed for only one product group or more, and if this is seen for the long term.

All new production locations/countries are checked by the CSR manager, issues that come out of this check are discussed during visits with suppliers.

For the new production location in China the sourcing was done via an agent. K.O.I. has decided to not continue production at this location due to e.g. communication/CSR issues.

K.O.I. works for its production in Tunisia mainly with intermediary platforms, K.O.I. has discussed with the platforms to only use subcontractors that are approved by K.O.I. This agreement is not yet in writing or part of the vendor contract.

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

When new production countries are added, it is advised to analyse beforehand the extra resources needed for monitoring and remediation in a risk full country.

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: Last year, K.O.I has made the first step in setting up a system to evaluate its suppliers. Next to quality, communication, price and margin suppliers are evaluated on social compliance (CAP followup, low/high labour risks including subcontracting and homeworkers). In the weekly design meetings the performance of suppliers on social compliance is discussed. K.O.I. has decided to start and stop the production in China due to communication and social compliance reasons.

Recommendation: K.O.I. could integrate more factors like willingness to work on follow up of complaints or CAP in the evaluation.

FWF recommends K.O.I. to share and discuss the outcome of the supplier evaluation with all its suppliers and reward its suppliers for realised improvements in working conditions, for instance by future order placement.

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

Comment: The production planning is a shared process with frequent feedback and communication between K.O.I. and its suppliers. Production forecast is shared in the beginning stage after which fabric is blocked. For the factories in Italy and Tunisia, K.O.I. is able to track every stage of production including the moment the fabric arrives, to the washing and finishing. Delays are mostly anticipated and included already in the lead times. If there are more delays, K.O.I. might need to accept late delivery to clients. K.O.I. is aware of peak seasons and the yearly production capacity of its main suppliers, including which production lines are used for their order, and knows the time needed for the different production phases such as stitching, washing and finishing.

Given the low order quantities, suppliers tend to use K.O.I orders to fill production lines and are flexible to decide on when to start their lines (particularly with Never out of Stock items).

K.O.I does not have insight into the exact production time and minutes during the time frame given for stitching. Instead the intermediary platform is trusted to make an informed decision taking into account available capacity for the different facilities and all production locations are closely monitored by K.O.I. before orders are placed.

Recommendation: A good production planning system needs to be established based on the real time production capacity of the factory for regular working hours. The intermediary platforms could play an important role in placing orders based on the real time production capacity of the production locations. It is advised to integrate this in a supplier agreement with these platforms.

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

Comment: No excessive overtime problems were reported in the audits initiated by K.O.I.

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: K.O.I.'s pricing policy is cost price up; the designer proposes a target price to the supplier based on the costs for material and trims, washing, stitching etc. For their denim orders in Tunisia, K.O.I. knows the cost breakdown per production process: material costs, stitching, washing etc and the gross margin for the supplier, but does not know the exact costs of labour. K.O.I. is aware of legal minimum wage levels in the countries, but as the labour costs are not known, the CSR manager cannot check whether the target price can cover the legal minimum wage.

Recommendation: FWF recommends K.O.I. to expand their knowledge of cost break downs, including other product groups. A next step would be to calculate the labour minutes per style to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to get more consistency with suppliers to make sure this level of transparency can be achieved. It is recommended to start to get more insights in the labour minute cost per style for its production at the main supplier(s).

K.O.I. is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

Comment: In 2018 K.O.I has focused on monitoring and training its production locations. K.O.I started analysing wages paid per department at it's main supplier in Tunisia based on FWF wage ladders and FWF audit results. K.O.I did not discuss living wages with its supplier, they need more time to build trust and transparency before discussing this subject with its suppliers.

K.O.I. would like to get more grip on the cost and labour break down per item and would like to start discussing living wages with its main supplier in Tunisia, preferably together with another important client to increase leverage.

Requirement: K.O.I. 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.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

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: K.O.I. is trying to get more insight in the gap between current wages and living wage benchmarks.

K.O.I. is not financing any wage increases.

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

Recommendation: To support companies in analysing the wage gap, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

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: At the moment K.O.I. is not paying it's share of a target wage.

Requirement: K.O.I. is expected to begin setting a target wage for its production locations.

PURCHASING PRACTICES

Possible Points: 41

Earned Points: 17

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	87%	
% 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

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: Audit reports were shared with factories including timelines for improvement.

Recommendation: Before an audit takes place, K.O.I. is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting.

Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	4	8	-2

Comment: K.O.I systematically follows up on Corrective Action Plans and creates a timeline with prioritization upon receiving audit report and informs suppliers about this.

The status of improvements is collected and monitored, including supportive evidence. K.O.I. invested in raising awareness among workers and management by ensuring the relevant information was shared with workers and by organising several Workplace Education Programme training sessions. Urgent issues are taken on by the sourcing manager who discusses pending issues during visits. Several improvements have been made in the areas health & safety. K.O.I. Some structural issues are still outstanding.

Recommendation: The feedback and supportive evidence that is sent by suppliers can be complex and difficult to interpret when unfamiliar with the local laws and expertise. K.O.I. can use FWF's local team to verify the supportive evidence in case that is desirable. To facilitate remediation, K.O.I. can analyse how their own practices can support improvements and discuss with suppliers what is needed to make further progress. Moreover, K.O.I. can also consider hiring a local consultant to assist the factory in developing an action plan and to assist factory management in investigating root causes.

As a next step K.O.I. could conduct a yearly analysis of CAP issues to identify recurring issues. Based on such an analysis K.O.I. could make a plan on how to prevent similar issues in the future.

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.	92%	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: The production manager travels on a monthly basis to production locations. Before and after visits there is a feedback moment between the CSR manager and production manager where corrective actions are discussed. Minutes of meetings are not consistently documented.

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

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

Comment: K.O.I. has collected 4 external audit reports and worked on realising improvements from the Corrective Actions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-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	Advanced			6	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	Intermediate			3	6	-2

Comment: K.O.I. does not use sandblasting for denim, but uses alternative methods such as stonewashing and laser. K.O.I. has not yet comprehensively identified environmental and social risks for these methods and is continuously working on this. The facilities are all audited to check whether PPE's are used correctly and that rooms are sufficiently ventilated.

K.O.I. has identify potential environmental and labour risks for Bulgaria, Romania, Macedonia, Moldova, Italy, Tunisia and China. Before K.O.I. started production in China in 2018, the risks listed in the FWF country study and CSR risk checker have been part of the discussion with its agent. Due to the member being a small client, the agent was hesitant to discuss this with the supplier.

Partly due to increased labour risks, K.O.I. decided to stop production in Turkey. However, K.O.I. decided to look for production locations with higher margins and may therefore start production again in Turkey.

Recommendation: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Member companies can agree on additional commitments that are required to mitigate risks. K.O.I. can provide additional measures for support and integrate that in the monitoring system.

In Tunisia the main risks are related to short-term contract issues and for China related to FoA and excessive overtime.

K.O.I. is encouraged to be more proactive when it comes to recurring risks in their production countries. Especially since Tunisia is such an important country to K.O.I. the member is expected to discuss the type and terms of the contracts given to the workers and explore possibilities to organize peer to peer learning between suppliers for instance.

In Italy irregular and migrant workers are most vulnerable to labour right violations given the lack of labour law protection and monitoring.

Whenever K.O.I. decides to start production in Turkey, it is advised to look into the extra monitoring requirements for production in Turkey.

FWF strongly recommends to ensure that the number of high risk countries and the available resources to actively address specific risks occurring in these countries are coinciding.

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

Comment: K.O.I. shared a corrective action plan with another FWF member at a supplier in Moldova. The other FWF member stopped production at this supplier, so further cooperation was not possible.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. 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.	2	3	0

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits 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: 28

Earned Points: 22

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

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: During visits K.O.I. checks if the worker information sheet is posted at an accessible location for workers.

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.	37%	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: K.O.I. has initiated two trainings in 2018, together with four trainings performed in 2017, K.O.I. has actively informed workers and management about FWF CoLP and complaints helpline. K.O.I. received positive feedback from suppliers.

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 providing the FWF worker information cards to workers during visits or when handing out pay slips, 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	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: Staff is made aware of FWF membership developments in a weekly internal meeting. New employees are informed about FWF membership, e.g. FWF formula video is shared.

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

Comment: Staff in direct contact with suppliers and that visits suppliers have separate meetings with the CSR manager related to FWF developments. Before factory visits, the CSR person shares discussion points (related to open CAP issues for instance) with these colleagues.

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

Comment: K.O.I. works mainly with agents for their production in China, Italy and Greece. They rely heavily on their agents/intermediaries to convey the importance of social compliance to production locations.

Agents conduct regular visits, take pictures of the Worker Information Sheet and monitor the CAP status.

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: 5

5. INFORMATION MANAGEMENT

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

Comment: K.O.I. made increased efforts to identify and monitor all its production locations. K.O.I. works in Tunisia via an intermediary platform. K.O.I. knows for most orders beforehand at which production location the production will be placed. There is no written agreement between K.O.I. and the intermediary platform on the use of specific production locations for K.O.I.'s orders.

Requirement: K.O.I. should be aware of all production locations that are used for their production and should require from its production agents and intermediaries to inform K.O.I. beforehand which production locations are used, this should be put in a written agreement.

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

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

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

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

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

Comment: K.O.I. actively communicates its FWF membership both online and offline.

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

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report 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: 6

7. EVALUATION

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

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.	0%	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.	-2	4	-2

Comment: In last years Brand Performance Check there was one requirement included related to discussing wage levels and decreasing the gap towards the payment of living wages with suppliers. K.O.I. has made some preparation steps related to the topic, by analysing the different wage levels at their main supplier in Tunisia for 2018. Starting the discussion with the supplier(s) is outstanding.

Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to discussing wage levels with suppliers to support the road towards payment of living wages, as mentioned in the last Brand Performance Check.

EVALUATION

Possible Points: 6

Earned Points: 0

RECOMMENDATIONS TO FWF

K.O.I. would like to receive audit reports and corrective actions in a timely manner. In this way the momentum to discuss corrective actions with factory management is kept.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	17	41
Monitoring and Remediation	22	28
Complaints Handling	7	9
Training and Capacity Building	5	11
Information Management	4	7
Transparency	6	6
Evaluation	0	6
Totals:	61	108

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

56

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

06-08-2019

Conducted by:

Rosan van Wolveren

Interviews with:

Margreeth Dronkert - CSR Manager

Tony Tonnaer - CEO

Roosje Kay van Veen - Marketing Manager