



BRAND PERFORMANCE CHECK

NEUE MASCHE

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

NEUE MASCHE

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

MEMBER COMPANY INFORMATION	
Headquarters:	Freiburg, Germany
Member since:	01-01-2018
Product types:	Promotional
Production in countries where FWF is active:	China, Turkey
Production in other countries:	Germany, Slovakia
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	73%
Benchmarking score	58
Category	Good

Summary:

NEUE MASCHE has shown progress and met most of FWFs' performance requirements. Monitoring 73% of its supply chain, the brand has gone above and beyond the monitoring threshold of 40% for its first year of membership. NEUE MASCHE has a consolidated supplier base and works with a small number of suppliers, with which it builds and maintains strong personal relationships. This allows NEUE MASCHE to work effectively on improving working conditions. This, in combination with a score of 58 points, means that NEUE MASCHE is awarded the 'Good' category.

In the first year of membership, NEUE MASCHE has implemented significant changes to its due diligence process to support responsible sourcing practices. The brand did this by using its supplier checklist, which makes CSR a high priority in defining and deciding the continued partnership with both new and existing suppliers.

NEUE MASCHE has strong forecasting and production planning systems in place. Due to the nature of its business, orders must be placed well in advance. Because of this, it allows NEUE MASCHE's suppliers to be flexible in their production planning, so much so that some suppliers have even requested receiving orders later in the season.

For the upcoming year, the challenge for NEUE MASCHE is to obtain more insights into the impact of its pricing policy at factory level, especially the labour cost of products. This could support NEUE MASCHE in assessing the impact of its prices on living wages and be included in price discussions with suppliers. Subsequently, together they can work towards living wages.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	16%	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.	1	4	0

Comment: NEUE MASCHE works with a small number of key suppliers. They order small quantities compared to the production locations' total capacity output. NEUE MASCHE finds it difficult to have high leverage in factories due to their production volume. However, their aim is to continue to consolidate in those suppliers where they produce low performing styles. The supplier(s) will not be impacted by the loss of these orders as they are already very small, and NEUE MASCHE intends to increase orders with those factories they already have higher leverage.

Recommendation: FWF recommends the member to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	1%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: NEUE MASCHE has a small, consolidated supply chain and distributes the majority of its FOB to key suppliers. They want to use the increased leverage in factories to be able to ask for improvements within their supply chain.

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.	15.69%	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: NEUE MASCHE is only now entering its 6th year of operation and due to this fact they have only had a relationship of over five years with one supplier. This factory was originally sourced through an agent who was unable to share the factory location with NEUE MASCHE. Due to this lack of transparency an agreement was made to slowly decrease orders through the agent at which point NEUE MASCHE then began direct sourcing.

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

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: NEUE MASCHE source some basic gym bags from a German charity that runs a workshop helping handicapped people be social whilst learning skills. This charity workshop does not identify as a factory and believes that some of the CoLP do not apply to their organisation. They have requested not to fully complete the questionnaire or post the CoLP in their workshop. NEUE MASCHE regularly visits the charity and has fully informed them of their FWF membership and is determined to collaborate with them for the social benefit the charity offers the community. With this disclosure, FWF will allow this one exception.

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

Comment: NEUE MASCHE started with 1 new supplier in 2018. NEUE MASCHE used to base sourcing decisions on a more intuitive basis before joining FWF. However, they have now implemented and use a systematic process for selecting new production locations and built a policy for selection and assessment. First, a pre-selection of countries, chosen based on risks in each country, which are evaluated using country studies provided by FWF and other resources, such as the Clean Clothes Campaign. Certain countries have been ruled out for future production. Each section must be passed as a precursor to moving forward in the sourcing process and contains both hard (non-negotiable) and soft criteria. The ongoing investigation into country locations also takes place via the FWF website and other current events.

NEUE MASCHE visit suppliers and introduce FWF, giving a short presentation to factory management on FWF CoLP and membership. They have expanded on the FWF Health & Safety checklist and created their own supplier checklist which includes points on CoLP, H&S, external audit reports, sub contracting, country specific risks, industry specific risks which is to be used during initial factory visit.

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: Using the assessment tool described in Indicator 1.4 NEUE MASCHE uses the Code of Labour Practices (CoLP) to actively assess all suppliers, with the CSR/CoLP section being used to assess each suppliers current adherence to or commitment to the CoLP. The assessments are conducted by the Managing Director and CSR Manager and directly lead to production decisions. For example NEUE MASCHE worked with an agent that refused to share complete factory location specific information. As the agent refused to be transparent NEUE MASCHE decided that business relations could no longer continue and amicable exit strategy was planned with both the agent and this factory. This factory was previously a key supplier to the brand.

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.

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

Comment: In the first years NEUE MASCHE was operational, the production planning process was directed by their agent. This schedule had NEUE MASCHE placing orders approximately 6 months in advance. Once the member started direct sourcing and working on production planning with other suppliers their production planning evolved beyond only working with the agents schedule.

NEUE MASCHE rarely change their product assortments and much of their product offering is Never Out of Stock (NOS) repeat orders. The member forecasts one year forward and if they do not sell through stock they can store in a warehouse facility on site and they are able to hold stock on hand and use in the next season. Sampling is limited to mostly colour and pattern changes rather than design changes. Suppliers informed NEUE MASCHE that their lead times were so far out that it was better to make them a little shorter for Turkey as they don't have as much shipping time to accommodate. NEUE MASCHE forecasts aggressively to ensure they have enough stock on hand to accommodate any groups that wish to fund raise with them, as by October (their high season is Christmas) it is too far out for the member to react and place re-orders if they have unexpected customers.

NEUE MASCHE only deviates from the order plan if the factory says they can. Because of their smaller order size it can actually help the factory fill production holes between much larger orders. They have additionally spoken to suppliers to ask if their orders or planning could be improved even further than what they are currently doing.

Recommendation: FWF recommends as an advanced step for NEUE MASCHE to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

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 the first audit conducted in Turkey in 2018, excessive overtime findings were reported. As part of the follow up after this audit NEUE MASCHE discussed overtime hours with factory management and talks with factory management to find a solution and reduce the overtime hours.

When previously asked by the supplier, NEUE MASCHE has accepted some production delays. In most cases this was to help the supplier alleviate pressures from other orders in the factory. They have very small leverage and are unable to have a big impact on the factory's overall production orders from other brands also sourcing there, but try to help where they can.

Recommendation: If necessary, NEUE MASCHE could hire local experts to analyse 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 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: NEUE MASCHE describe themselves as “price takers” in that they do not dictate the cost price to their suppliers and only negotiate when the factory is offering price decreases. NEUE MASCHE has taken the first steps to understand buying prices and wages levels in their first year of membership. NEUE MASCHE have started to understand the cost break downs of products and asked to see calculations of labour cost components for three of their suppliers. Understanding how many individual products can be produced per machine and per person helps NEUE MASCHE build cost breakdowns and the impact it has on their factories and the workers. Their main Turkish supplier did their own investigation into living wages with their worker representatives assisting in surveying factory workers on living costs.

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

Recommendation: FWF recommends NEUE MASCHE to expand their knowledge of cost break downs of all products. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

A plausibility check could also be used after a cost price from a supplier is quoted to check if the price can cover living wages.

NEUE MASCHE could also provide suppliers who don't use open costing training on product costing and how to quote prices including (direct and indirect) labour costs.

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.	Intermediate	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	4	6	0

Comment: NEUE MASCHE started investigating into benchmarks for living wages, but has not done an in depth analysis. NEUE MASCHE lacks detailed insights in the labour costs at factory level, but started early discussions with two key suppliers in Turkey and Slovakia.

In their investigations into the Slovakian factory NEUE MASCHE used the Clean Clothes Campaign (CCC) living wage benchmark and found that most of the workers wages' were only marginally lower than the benchmark. The finding were discussed with another FWF brand sourcing there and finally with factory management.

Recommendation: FWF encourages NEUE MASCHE to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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

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

Comment: The member has not increased prices in 2018, but is looking into how they could manage it for 2019. Because of the nature of the fundraising business model it is difficult to change retail prices marginally, it must be done incrementally and is hard to easily offset. They are investigating further into design changes that could lower their costs.

Recommendation: It is advised that the strategy for how to finance wage increases is agreed upon by top management and FWF recommends looking into other areas that can absorb price increases without a direct price increase, such as, challenging other departments to define areas where costs could be saved that could go towards financing increased prices for suppliers to cover wage increases.

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: As a first year member NEUE MASCHE has not yet worked on this issue in 2018.

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

Recommendation: When selecting new suppliers, the member should also start to discuss and build in the commitment of the supplier to pay living wage increases.

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 25

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	44%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	29%	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.	N/A	1st or 2nd year member and tail-end monitoring requirements do not apply.
Requirement(s) for next performance check		
Total of own production under monitoring	73%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

Comment: There is a designated CSR Manager responsible for FWF membership at NEUE MASCHE. The Managing Director is very closely involved in all things CSR which relate to sourcing and buying decisions.

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: When NEUE MASCHE receives an audit report it is reviewed and passed on to the supplier. The CSR Manager agrees on timelines together with the factory first by email and audit findings are also discussed at Managing Director level during factory calls and/or visits. In a follow up skype call with the supplier both factory management and worker representative were present.

The audit conducted in 2018, in Turkey, needed some clarification from FWF staff and therefore was not shared with factory until Jan 3, 2019. NEUE MASCHE has agreed that for the purpose of this Brand Performance Check they would like audit and related follow up in January 2019 to be included in 2018 BPC.

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: During the Brand Performance Check NEUE MASCHE could show that some corrective actions had been both followed up on and remediated. CSR staff first communicate CAP findings with the supplier via email. Following this, a call was had between both supplier staff and worker representatives within three weeks. In those three weeks the supplier had sent a timeline schedule for the more difficult issues and evidence of other CAPs already solved, such as new policy and requirements for working hours of pregnant women is now in line with legal requirements and annual leave forms filed by workers and now recorded.

NEUE MASCHE is taking a deeper look into root causes of transparency in Turkey and have organised a second audit to verify improvements around book keeping issues. NEUE MASCHE wanted to dig into the content on Turkey to further understand the systematic issues within the country and reached out to other FWF members sourcing in the country to learn from their experience.

Recommendation: To facilitate remediation, NEUE MASCHE could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars.
- Provide factory training.
- Share knowledge/material.
- providing financial support to the supplier for implementing improvements.

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.	78%	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: NEUE MASSCHE visits the majority of their suppliers, with the exception of the one factory in China which they are now exiting. The Managing Director, CSR Manager and occasionally other staff members visit suppliers. Sales staff are sent on factory visits to better understand the production side of the business.

Although the member was not allowed to visit the supplier in China, their agent (a BSCI member) did visit the location and discussed the FWF CoLP with the supplier. Evidence (photos of CoLP) was sent and the agent also discussed NEUE MASSCHE's membership of FWF with supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0

Comment: NEUE MASSCHE requests existing audit reports from all factories before they begin sourcing and including those factories they have not yet had audited by FWF. They use the Audit Quality Assessment Tool (AQAT) to assess non FWF audit. The AQAT was taken to factory and photos taken, and used this to decide on a test order and then FWF audit.

In 2018, NM received an existing BSCI audit report from one factory in Turkey. NM discussed the audit findings in a phone call with the supplier, but decided to conduct a FWF audit instead of continuing to follow-up on this report.

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	Intermediate			3	6	-2

Comment: Syrian refugees: NEUE MASCHE read available FWF guidance papers on Syrian refugee workers in Turkey and addressed these with the supplier during an onsite visit. Both of their Turkish suppliers lawfully employ Syrian refugees and when asked, knew all local regulations for refugee workers. The worker information sheet was sent in both Arabic and Turkish.

Other: Toe linking can be done either by automatic linking machine or hand linking machines. If the supplier offers hand linking the member checks if the supplier has the corresponding machines to avoid the risk of outsourcing. NEUE MASCHE has raised the issue of outsourcing with management during factory visits, and check that their own production is taking place where it is meant to. This has been added as a question to their supplier checklist.

Slovakia: Looked at Clean Clothes Campaign country study and made a list of points for the owner to discuss during factory visits, included in supplier checklist. Informal employment, overtime hours, and living wages were issues they discussed.

Recommendation: Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees: It is recommended that the member brand write a policy clearly outlining the expectation of suppliers regarding the employment of refugees.

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

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: NEUE MASCHE maintains strong personal relationships with their suppliers in Slovakia and Germany, where 29% of its FOB is produced. All production sites are visited at least once a year.

During the Brand Performance Check NEUE MASCHE could show that the Worker Information Sheet was posted at their Slovakian supplier. Also the FWF questionnaire has been signed and returned. The NEUE MASCHE checklist is adapted to incorporate country specific and industry/product specific risks and these were discussed with the factory.

Their German supplier has been visited but have specific requests not to sign questionnaire or hang CoLP, due to them being a social enterprise and do not wish to be recognised as a production or manufacturing facility.

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.	Yes, and member has collected necessary information	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.	2	2	0

Comment: All relevant documentation was on file and shown during the Brand Performance Check.

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).	6%	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.	1	3	0

Comment: NEUE MASCHKE indicated that through consolidating its supply chain in the future it hopes to reduce the need for the number of both external brands and direct suppliers.

Requirement: The member has to ensure progress towards an external supplier base that is covered by either FWF or have another acceptable system in place for monitoring its supply chain.

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: 33

Earned Points: 24

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: NEUE MASCHE regularly checks during factory visits whether the Worker Information Sheet is posted at an accessible location in the factory and records this. Their agent in China checks if the Worker Information Sheet is posted. All factories have been informed of FWF membership and factory management received a presentation from CSR staff about FWF membership and encourage suppliers to attend FWF recommended training and seminars held in country.

A Turkish supplier had a different version posted without a complaints hotline number.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	0%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: NEUE MASCHE had not planned any Worker Education Programmes (WEP) in 2018, but aims to enrol some key suppliers in 2019.

Requirement: FWF requires members to actively raise awareness about the FWF Code of Labour Practices and FWF complaint hotline. 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's guidance on training quality standards is available on the Member Hub.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 3

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: When NEUE MASCHE started their FWF membership a presentation was given to all staff about what that now means for those in contact with suppliers and customers. Workshop training was given for customer service staff on how to answer questions regarding FWF membership and correct messaging about working conditions. Additional workshop training is given before each peak season to assure information is fresh for staff and sales staff also receive a script to ensure that correct information is always given to customers. This information is also included in new team member induction packs.

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: All interviewed staff showed a high level of understanding regarding FWF's approach and implications of membership. CSR staff participated in FWF's member seminar and in additional FWF events.

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: For some suppliers, NUEU MASCHE works with intermediaries. They are aware of FWF membership and check if the Worker Information Sheet is posted in the factory. NEUE MASCHE presented a FWF introduction powerpoint to agents and then gives this presentation to agents so that the agents can inform potential suppliers of FWF requirements. They use this process to ensure they work with those suppliers that agree to and understand FWF, and 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

Comment: NEUE MASCHE has not yet conducted training programmes within their supply chain.

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: NEUE MASCHE has invested time and effort in identifying all production locations. Asking about sub contracting is a step in NEUE MASCHE's first interactions with a supplier via their supplier checklist. NEUE MASCHE asks suppliers to sign and commit to not using sub contractors. Understanding the machinery and time needed to make their socks allows the member to run basics calculations at a site visit to know if their products have been out sourced to a different location.

When a supplier informed them a specific design element needed to be produced elsewhere due to a lack of necessary machinery, NEUE MASCHE opted to remove this design element to ensure all production remained in house at the one supplier.

Recommendation: FWF recommends NEUE MASCHE 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: All meetings between staff and suppliers are recorded in meeting minutes, CSR internal meetings are also recorded and filed. All staff receive a presentation about production locations; staff are given an opportunity to have a say about sourcing in potential or existing production locations.

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: NEUE MASCHE communicates about FWF on its website, Facebook and YouTube channels. The member has also presented information to schools about their membership.

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

Comment: NEUE MASCHE has published a video on their website showing inside a factory where they produce.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	For new member companies	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	N/A	2	-1

TRANSPARENCY

Possible Points: 4

Earned Points: 3

7. EVALUATION

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

Comment: Top management is highly involved in FWF membership. FWF membership is integrated in decisions on management level. Adjustments have been implemented to the structure of the production planning on company level.

The Managing Director and CSR Manager meet and reflect on current achievements and learnings from FWF for the year and to use the Brand Performance Check to formulate plans on the coming year. They also ask their suppliers for feedback on the experience of audits, etc.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

1. To create greater visibility and brand awareness of FWF.
2. Clearer guidance on how to use Living Wage benchmarks to use
3. More stability in the process and requirements. Some indicators are difficult for such a small brand.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	25	47
Monitoring and Remediation	24	33
Complaints Handling	3	9
Training and Capacity Building	5	11
Information Management	4	7
Transparency	3	4
Evaluation	2	2
Totals:	66	113

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

58

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

12-04-2019

Conducted by:

Brigitta Danka and Emma Conos

Interviews with:

Chiara Tröndle - CSR Manager

Dr. Benedikt Link - Managing Director

Marc Ringgenburger - Head of Marketing