



BRAND PERFORMANCE CHECK

King Louie

this report covers the evaluation period 01-06-2018 to 31-05-2019

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

King Louie

Evaluation Period: 01-06-2018 to 31-05-2019

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-10-2015
Product types:	Fashion
Production in countries where FWF is active:	China, Turkey
Production in other countries:	
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	83%
Benchmarking score	53
Category	Good

Summary:

King Louie meets most of Fair Wear's performance requirements. The company monitored 83% of its supply chain, meeting the threshold for third-year members. With a benchmark score of 53, Fair Wear is placing King Louie in the Good category.

King Louie has deliberately chosen to grow its production delimited to two production countries; China and Turkey. The consolidation to two production countries (instead of four last year) has helped King Louie in their due diligence process, to be more aware of common labour risks in their supply chain. In the last financial year, King Louie has identified subcontractor locations in Turkey. With this, King Louie's supplier base has grown slightly compared to the year before. Fair Wear recommends King Louie to keep (e.g. via factory visits) monitoring its subcontractors and implement written agreements with all its production locations about CSR before production starts.

In the past financial year, King Louie had six Fair Wear audits conducted, in Turkey and China. In one audit, payment of minimum wages was flagged as an issue (due to undisclosed wage records) and King Louie actively tries to convince factory management to disclose the wage data. After consultations between the Production and Logistics department, King Louie has increased the production phase for production locations with two weeks to prevent excessive overtime. Fair Wear encourages King Louie to link the capacity needed for its orders to the production capacity of production locations. King Louie started discussions with two suppliers related to living wages based on the wage ladder. King Louie is encouraged to research the labour costs of its products per supplier and link this to its buying prices.

King Louie is recommended to raise awareness of labour rights at its main production locations through organising supplier meetings and/or (CoLP) 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.	72%	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.	3	4	0

Comment: King Louie has substantial leverage (buying at least 10% of the production capacity) at 72% of its supplier volume. This is a slight decrease compared to the previous year. Probably due to the added subcontractors in the supplier base and due to relocation of factories and joining production locations to one company.

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.	12%	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.	2	4	0

Comment: King Louie buys 12% of the production volume from production locations where the company buys less than 2% of its total FOB. Mostly accessories, such as scarfs and gloves are produced at the production locations King Louie has small orders.

Recommendation: Fair Wear recommends King Louie to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, King Louie should determine whether suppliers, 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 King Louie to improve working conditions more efficiently and effectively.

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.	63%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In the past financial year, 63% of King Louie's purchasing volume comes from factories they have worked with for more than 5 years. The percentage slightly dropped as extra production locations, subcontractors were added and due to relocation and merging of production locations.

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: King Louie starts researching social compliance before sampling and requests available social audits and other information on how a supplier works. New suppliers are informed about the FWF Code of Labour Practices before sampling starts. The supplier is requested to complete the FWF questionnaire before orders are placed. In the past financial year King Louie added six new suppliers, they could show five signed questionnaires and CoLP. One signature was missing.

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

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: King Louie has a basic process in place before placing orders at a new production location. First, the Head of Design and Production discusses Fair Wear membership and requirements before sampling is started at a new production location, FWF country studies are used as a source. King Louie requests existing external audit reports before starting production. In the sampling phase, the CSR coordinator informs the production location (and agents involved) about commitment to the Code of Labour Practices implementation and collects CSR information from the production location. Orders are placed, after receiving the returned questionnaire and evidence of a posted CoLP in the premises. This due diligence process is written on paper; however, there are no clear consequences (decision on whether to place orders) connected to the due diligence process yet.

In the past financial year, King Louie sourced from two production countries, Turkey and China. King Louie stays up to date about country-specific risks in Turkey and China, using the FWF country studies, specific country policies and by participating in country-specific events.

This year King Louie focused on getting more grip on the labour situation at its production locations in Turkey and has made progress in mapping its subcontractor locations based on discussions and factory visits with the main production locations. Last financial year several subcontractors have been audited, to understand the social compliance situation at these locations. At the moment the main production location can decide where an order is placed. A supplier contract related to the use of subcontractors is missing.

King Louie perceives it as more difficult to conduct human rights due diligence in China than in Turkey. The production locations in China are visited by agents and not by King Louie staff directly.

Requirement: A formal process should exist to evaluate the risks of labour violations in the production areas King Louie is operating. This evaluation should influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary. If there are too many 'red flags' the CSR coordinator should be able to VETO this option.

Recommendation: FWF recommends King Louie to identify ways to improve the due diligence process for its production locations in China. Fair Wear recommends King Louie to visit all its production locations in China at least once.

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: King Louie has consolidated the number of production countries the last year. The number of production locations has increased slightly due to added subcontractor locations.

Production locations are evaluated in an informal way: quality of the products, the sourcing process and CSR performance is evaluated by different staff members that are in direct contact with its production locations. Currently, the performance on Code of Labour Practices is not documented on paper and there are no direct production decisions connected to the evaluation of suppliers. The CSR coordinator has flagged the compliance behaviour of one specific supplier in China for internal evaluation.

Last year King Louie has not stopped production with production locations.

Requirement: A systematic approach (on paper) is required to integrate social compliance into normal business processes and supports good decision-making. The approach needs to ensure that the member consistently evaluates the entire supplier base and includes information into decision-making procedures.

Recommendation: King Louie is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Such a system can create an incentive for rewarding suppliers for realised improvements in working conditions. Part of the system can show whether and what information is missing per supplier and can include outcomes of audits, training and/or complaints.

FWF encourages King Louie to implement a responsible exit strategy and make sure all relevant staff is informed about this. Please see FWF's guidelines on a responsible exit strategy:
<https://www.fairwear.org/resources/responsible-exit-strategy-guidelines>

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: King Louie works with two production phases per year for each supplier. King Louie has enlarged the production phase with two weeks to support reasonable working hours. King Louie is placing reoccurring styles at the same production locations to make production more efficient and predictable (around 70 per cent of the products are based on existing styles and 30 per cent are new). Also, the size of the order is made more stable, only small changes can be made and based on the sales forecasting.

For complex, time-consuming designs, orders are placed first and suppliers are consulted in advance about the best timing for the production. King Louie has a small amount Never Out of Stock (NOS) items and several "classics", items on which only small changes are made, like for example colour. Production of the NOS-items and classics is planned in the low season.

Production delays are discussed with the Logistics department and generally accepted by King Louie. King Louie is not aware of the production capacity of suppliers based on regular working hours.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours. It is advised to establish a system for sharing and updating forecasts with suppliers to facilitate their planning. The system may include assurance of early delivery of materials and trimmings to suppliers, ensuring samples are approved in time and that late changes are discussed with the supplier.

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: FWF conducted six audits at factories where King Louie is sourcing; five Turkish suppliers, one Chinese supplier.

In four FWF audits in Turkey and the FWF audit in China excessive overtime was reported in peak season.

As a response, King Louie has deepened its orders, more the same styles and bigger quantities, to prevent excessive overtime. Late delivery of fabrics was mentioned as a root cause of overtime, to mitigate King Louie is ordering more of the same fabrics once and sooner in the process.

King Louie started to place more complex orders in the beginning and the re-orders later, for the low season, this as a way to mitigate overtime.

Based on discussions with one Turkish supplier King Louie has increased the production period for all its production locations with two weeks. The supplier mentioned that the complex orders were causing overtime.

In case production delays are happening, the Logistics department is informed by the production department and they will try to adopt the delay; airfreight can be used or products can be sold in their shop. There is also some flexibility in the delivery date, as King Louie agrees upon delivery months. King Louie is not aware of the production capacity of its production locations.

Requirement: A root cause analysis of excessive overtime should be done for all suppliers to investigate which steps can be most effective to reduce overtime.

Recommendation: FWF recommends King Louie to gain more insight into the production capacity of suppliers.

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: King Louie sets the buying prices based on earlier buying prices, with small changes. King Louie is aware of production costs at a general level, cost of material and minimum wages per country. In case of a minimum wage increase, King Louie takes this into account during price negotiations.

King Louie has insight into labour costs at production locations Fair Wear audits were conducted. King Louie has not made a connection between its buying prices and wage levels.

For their woven products, King Louie is aware of the labour minutes that go into the products. The next step is to link the labour minutes to the labour minute costs.

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

King Louie 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.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: One audit in China reported falsification of wage records and with this the possibility to verify minimum wage is paid. King Louie emphasized the importance of transparency related wage records and the payment of workers according to legal requirements (including overtime and benefits) towards factory management. A re-audit was conducted, no improvement could be monitored yet. King Louie experiences difficulties to change factory managements views.

Requirement: If a supplier is not transparent about wages, the member is expected to respond as if minimum wages have not been paid. The member is required to start an investigation into the causes of the incomplete data, discuss this with the supplier and collect evidence of payment of legal minimum wage. Factory visits with a documents check or additional verification by FWF may be needed to verify remediation.

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: King Louie started discussions with its suppliers about living wages, and they have identified one supplier in Turkey and one in China with whom they have deepened the discussions related to living wages, based on the wage ladder and a plan to work on a step-by-step approach towards a living wage.

The Turkish supplier is paying close to one of the lowest marked living wage benchmarks in Fair Wear's wage ladder. The gap to the next living wage benchmark remains big, and overcoming this gap will be difficult.

Recommendation: FWF encourages King Louie to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

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

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

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

Requirement: King Louie should start analysing what is needed to increase wages and develop a strategy to finance the costs of wage increases.

Recommendation: 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

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

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 24

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	83%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	For those production locations eligible for 'tail-end monitoring' the following steps must be taken: all factories must be visited at least once every three years. During visits, labour conditions and the use of subcontractors must be discussed, outcomes of the discussion must be documented and the FWF health and safety checklist must be completed.	
Total of own production under monitoring	83%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

Comment: The CSR coordinator is responsible for monitoring and when absent the Head of Design & Buying is available.

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: The CSR coordinator is keeping an overview of the status of all CAPs and these are discussed with the Head of Design and Production. Regularly King Louie requests updates on improvements and proof, both from the supplier directly or via the production agent. King Louie could show that improvements were made at several suppliers.

Recommendation: Before an audit takes place, King Louie 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: The CSR coordinator is keeping an overview of the status of all CAPs and the issues are discussed with the Head of Design and Production and the production locations. Regularly King Louie requests updates on improvements and proof, both from the production location directly or via the production agent. King Louie could show that improvements were made at several production locations.

For example, an emergency door is opening now open outwards. At one production location in Turkey, a trusted person is installed and King Louie experiences that this person is useful in the CAP follow up process.

Complex issues such as overtime and living wages are still open and challenging. For the one production location that is not transparent about working hours and wage records, King Louie is considering how to continue with this production location to be able to take further steps.

Recommendation: To facilitate remediation, King Louie 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.

King Louie could consider organizing training/seminar for their suppliers in Turkey on overtime, to ensure more commitment from the suppliers to remediate these more structural issues and facilitate peer to peer learning. King Louie could also organise a supplier meeting at its own offices.

FWF encourages King Louie to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices

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.	16%	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.	1	4	0

Comment: Agents often visit the production locations and check if the CoLP is placed at a visible location for workers. The corrective action plan is discussed with agents. The Head of Production is visiting mainly the production locations in Turkey.

Requirement: King Louie should start visiting its production locations in China, this will reinforce King Louie's message to factory management about the implementation of the Code of Labour Practices, and provide opportunities to discuss problems and solutions with managers directly.

Recommendation: Regular visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide opportunities to discuss problems and corrective actions in the time period between formal audits. FWF has developed a Health & Safety Guide that can be used during these visits.

FWF recommends to document the outcome of their own visits and visits of agents where the CoLP and CAP follow up is discussed. Reporting back to the whole team on the discussions and follow up of CAPs with the supplier will help towards setting up an integrated system for improving working conditions. FWF has developed a Health & Safety Guide that can be used during these visits.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average 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: FWF country studies were used with regard to the production locations in China and Turkey.

King Louie has put effort to identify its subcontractor locations in Turkey thoroughly and has discussed the risks related to employing Syrian refugees, based on the information shared by Fair Wear about this topic. King Louie has in the past remediated an unfair treatment of a Syrian refugee.

King Louie is struggling with more structural issues in China, related freedom of association (FoA) and overtime. King Louie is open and interested to start an FoA project in China, they started discussing their struggles and possible steps with FWFs country manager for China.

Recommendation: In both China and Turkey Fair Wear recommends King Louie to start organising training programmes about country-specific topics (such as overtime, freedom of association and for Turkey risks related to Syrian refugee workers). This to get more understanding of the root causes of recurring issues and to be able to discuss possible solutions with production locations.

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.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	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).	0%	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.	0	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: 27

Earned Points: 13

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	0	

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

Comment: The CSR coordinator and Head of Design and Production are designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: King Louie keeps track of evidence of posted Worker Information Sheets. The collection of evidence is done by both King Louie and by the agents. During visits, the agents are requested to check whether the Worker Information Sheet is posted on an accessible spot 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.	4%	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: One training was carried out at a production location in Turkey.

Recommendation: Fair Wear recommends King Louie to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline among a larger portion of its suppliers. King Louie should ensure good quality systematic training of workers and management on these topics. To this end, members can either use Fair Wear's Workplace Education Programme (WEP) basic module or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear guidance on good quality training is available on the Member Hub.

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

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

COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 7

4. TRAINING AND CAPACITY BUILDING

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

Comment: Fair Wear membership is discussed in team meetings. Every season King Louie informs their sales agents about Fair Wear updates on their sales agent days.

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

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

Comment: The CSR coordinator works closely together with the Head of Design and Production, who has frequent contact with production locations. In this way information related Fair Wear such as CAP status is easily communicated with factory management or relevant staff. Management is informed about Fair Wear developments every 3rd week of the month by the CSR coordinator.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	1	2	0

Comment: King Louie works with agents for most production locations and they are involved in monitoring and remediation efforts. Knowledge and capabilities of agents increased in the past three years: One of King Louie's agents in Turkey is now training subcontractors herself about Fair Wear.

Recommendation: Fair Wear recommends King Louie to expand the knowledge of all their sourcing contractors/agents on monitoring and remediating gender-related problems and enable them to support the implementation of the CoLP. Since its Turkish agent is well aware of the CoLP, Fair Wear recommends training its Chinese sourcing contractors/agents.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

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

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 4

5. INFORMATION MANAGEMENT

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

Comment: King Louie has put effort to identify all production locations including subcontractor locations, with a special focus on Turkey. Several subcontractor locations were added to the suppliers' list after localisation of subcontractor locations during audits and disclosure of factory information after discussions with factory management. King Louie requests the main production location to choose from subcontractor locations that are already linked to King Louie and have been audited. The terms of using subcontractor locations are not included in a written agreement yet.

Recommendation: Fair Wear recommends King Louie to take additional efforts to ensure that King Louie is always informed beforehand about the placement of production at production locations. Furthermore, Fair Wear encourages King Louie to establish written agreements with its main production locations on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system.

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: The CSR coordinator and the Production and Design department have regular meetings in which the progress of factories in improving to comply with the CoLP and Fair Wear developments are on the agenda. Last year the collaboration between the Production and Logistics department have been improved to prevent late deliveries and excessive overtime where possible. The departments have full access to information about working conditions at 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: King Louie communicates about Fair Wear on its website. The CSR manager checks the shops regularly on communication according to Fair Wear's communication policy.

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: King Louie has published the most recent Brand Performance Check on the company website.

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

TRANSPARENCY

Possible Points: 6

Earned Points: 2

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: Fair Wear membership updates are part of the agenda of the meeting between management, head of Production and the CSR coordinator, every 3rd week in the month. An annual evaluation of FWF membership is done after the Brand Performance Check and forms a basis for the strategy for next year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	75%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: King Louie received 4 requirements during its last Brand Performance Check: King Louie has made significant progress on the requirements related to due diligence (1.4) and identifying subcontractors (5.1). For both topics, Fair Wear has included recommendations to further improve internal processes related to the identification of risks at its production locations before production starts.

The requirement related to root causes of overtime (1.7) is partly followed upon. King Louie has looked at its internal processes, together with production and logistics to create extra time for the production phase and be flexible related production delays. Fair Wear encourages King Louie to consult and discuss possible root causes of overtime with all its production locations, starting with its main locations. And investigate, based on the discussions with suppliers, which steps can be most effective to reduce overtime.

The fourth requirement refers to indicator 1.9, payment of legal minimum wages. Due to undisclosed wage records, it is not clear if workers are paid the legal minimum wage. King Louie has made progress in convincing factory management to disclosure wage data, without positive result until now.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

King Louie wishes regular contact moments with Fair Wear (experts), to function as a sparring partner. With a special focus on the remediation of recurring issues. King Louie is open for participating in a pilot project.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	24	47
Monitoring and Remediation	13	27
Complaints Handling	7	9
Training and Capacity Building	4	11
Information Management	4	7
Transparency	2	6
Evaluation	6	6
Totals:	60	113

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

53

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

05-11-2019

Conducted by:

Rosan van Wolveren and Eveline de Wael

Interviews with:

Laura Tol (CSR coordinator)

Gael Brutin (Head of production and design)

Jeroen Dijkema (CEO)