



Brand Performance Check

Takko Holding GmbH

Publication date: July 2020

This report covers the evaluation period 01-02-2019 to 31-01-2020

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear'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

Takko Holding GmbH

Evaluation Period: 01-02-2019 to 31-01-2020

Member company information	
Headquarters:	Friedrichsdorf , Germany
Member since:	2011-09-30
Product types:	Garments, Clothing, Fashion Apparel
Production in countries where Fair Wear is active:	Bangladesh, China, India, Myanmar, Turkey
Production in other countries:	Cambodia, Egypt, Ethiopia, Pakistan, Poland, Portugal, Sri Lanka
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	100%
Benchmarking score	73
Category	Good

Disclaimer

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

Takko has shown progress and met most of Fair Wear's performance requirements. Takko's monitoring threshold of 100% exceeds monitoring requirements (80%). With a benchmarking score of 73, Takko is awarded the 'Good' category.

For Takko, Fair Wear membership is of strategic relevance. Several new steps were taken to further increase social performance, like the start of a living wage approach, with first steps in open costing. In 2019, Takko made in-depth calculations to pay a living wage premium on top of workers' minimum wages at a supplier in Tamil Nadu, India. The calculations and agreements on how to arrange payments from 2020 onwards were made with factory management and worker representatives. Fair Wear recommends Takko to continue its living wage project and to get more insight into labour minute costs in general, in order to have further production sites participate. Doing so will help to systematically demonstrate the link between Takko's buying price and wage levels and see the impact of Takko's actions related to the target wages above legal minimum wage with some of the key production locations.

Takko has a relatively new procurement compliance manual that structures and describes the steps that need to be taken, including the integration of Fair Wear related activities with purchasing and quality assessment. In 2019, Takko increased the use of its innovative IT dashboard to strengthen and digitalise the monitoring of all Takko suppliers. The dashboard improved the monitoring capacity of Takko in the sense that it discloses information from audits on a more detailed level in real-time. It also supports the CSR team with automatic notifications, pop-ups and other reminders.

Excessive overtime remains a challenge. Every month, Takko analyses working hours at most of its production sites and cross-checks the information with audit report results. In doing so, Takko can adapt its production plans to the factories production capacity.

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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.	79%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2019, 79% of the brand's production volume came from production locations where Takko had at least 10% of the production capacity. This is an increase of 2% in comparison to the previous financial year (77%).

At 23% of Takko's production volume, the brand's leverage even exceeds 50%, which makes Takko the main client at these production locations of its supply chain.

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.	83%	Fair Wear 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 Fair Wear.	0	4	0

Comment: 83% of the total production volume comes from production locations where Takko buys less than 2% of its total production volume (FOB). At 31% of the production volume, the brand sourced less than 0,5% of its total FOB. This is due to Takko's wide range of products and partly due to factories' limited production capacities in comparison to the needs of Takko.

Recommendation: Fair Wear recommends Takko to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Takko should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

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.	74%	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: 74% of Takko's production volume is sourced from production locations where the brand's business relationship has existed for at least five years. This is a decrease of 8% in comparison to the previous financial year (80%). The policy strategy of Takko is focused on long-lasting partnerships with suppliers to deliver good quality products consistently. Agents working for Takko are well-aware of this policy and focus on long-term relationships as well.

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: Takko has added 34 new suppliers in 2019. New production sites have been added due to changes in design and product range. The brand has provided evidence of Fair Wear Code of Labour Practices documents signed by newly onboarded suppliers.

The signed document of Fair Wear Code of Labour Practice is mandatory when adding a new production site to the brand's IT data system. The CSR team must confirm receipt of the signed Code of Labour Practice document before a first bulk order is placed.

It is the brand's strategy to have several production sites able to produce the same goods.

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: The onboarding process of new production locations is a systematic, step-by-step approach. Takko staff and suppliers must get approval of the CSR department for the supplier to be processed in the company's Product Lifecycle Management (PLM) system. Top management supports this veto of the CSR department, which means in practice, that there are no discussions between buyers and CSR about a specific production location.

The purchasing department establishes a potential new contact and requests a factory to fill out and sign an onboarding package of relevant documents, including the factory evaluation form, 'no sandblasting' policy, code of conduct, and introduction letter to Takko requirements.

New suppliers have to share a recent (not older than 1 year) and complete (so no summary report) third-party audit report, including a corrective action plan. For Bangladesh, there is a check if factories are covered by the Accord. If needed, the CSR department will discuss the progress in remediation. Based on this input, the CSR department can decide to approve or refuse new suppliers.

The next step is that local teams visit the production location before starting production. Information from the audit results is considered and discussed during this visit. Local Takko teams are subsequently following up on quality or social compliance directly and regularly with the factory, which means it has a good understanding of the production locations and can exercise leverage to work effectively on remediation. In several countries (Bangladesh, India, Myanmar, Cambodia and China), Takko always conducts a pre-audit before starting to source there. The agents and intermediaries working for Takko, are only allowed to place orders at a pool of pre-approved suppliers, after approval of the new production locations based on valid third-party or Takko audit.

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, and leads to production decisions	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.	2	2	0

Comment: Suppliers are evaluated with a scorecard system, with categories varying from excellent to needs improvement, on a yearly basis including purchasing, social standards and quality management. In the Product Lifecycle Management (PLM) system, Takko can temporarily block suppliers for non-compliance or low performance. This does not affect running orders. The evaluations are communicated to the relevant supplier and strengths and weaknesses are mentioned. When a supplier is blocked, the CSR department works with the supplier to improve.

Suppliers that perform well are rewarded with additional orders. Another way to reward a supplier is a letter from the Sourcing Director with congratulations on the performance. Takko experienced that the supplier that received the letter was very proud and even more motivated to take any additional steps.

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: Every month all production sites located in Bangladesh, Cambodia, China, Myanmar and Turkey (in total around 250 suppliers) are asked to hand in the hours worked of the previous month (in an excel per worker per department). To verify the working hours indicated by the supplier, the information is cross-checked with the hours worked of the previous months and audit report results. In case there is a peak in working hours, reasons behind and possible solutions are discussed with the supplier. Since audit reports and the hour analysis of Indian factories showed that there is hardly any overtime at production sites in India producing for Takko, asking Indian factories to hand in hours worked every month was stopped again in 2019.

In 2018, Takko introduced a new procurement compliance manual and works with a 12-month capacity plan having standard lead times of 7 to 12 months. This plan is reviewed on a monthly basis cross-checking working hours to identify if there is overbooking. Planning is shared with purchasing, local teams, and agents. The working hour analysis per month per factory gives Takko the possibility to plan quantities for the coming months per factory in-depth. In the case of overbooking, orders are spread over time or shifted to other facilities. In low season, where there are relatively fewer orders, production locations can already start production earlier. Knowledge about the capacity is helpful for Takko in realizing on-time deliveries; suppliers will not receive extra orders, even when they ask if according to the capacity versus order calculation of Takko, this might increase risk of late deliveries.

Since 2018, Takko cross-checks the capacity booked in the factories comparing it to the working hours of the workers. The first experience is that this is easier when the brand has higher leverage than when the brand has a lower leverage. Several specific cases were mentioned where Takko intervened, for example in Myanmar there was an issue where workers had to work on a public holiday due to QC inspections of another brand.

It remains brand's challenge to manage the risk of overbooking production site's capacity by other factory customers.

Recommendation: Fair Wear recommends Takko to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

With the analysis, Takko has good insight into which factories planning is more problematic and whether the risk of late deliveries and overtime are higher. The next step would be to train these production locations on how to improve.

Fair Wear recommends Takko to stay ambitious finding out how to manage the risk of overbooking production site's capacity by other customers to the production site.

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 2019, Fair Wear conducted 14 audits at production sites of Takko in the countries China, Turkey, Myanmar, India and Bangladesh. Excessive overtime was found in 11 factories. Partly documents were intransparent or not enough information could be provided to the audit teams. With three audits conducted in India, Fair Wear confirms Takko's findings in not having overtime issues at Indian production sites (see also indicator 1.6).

The local teams discuss excessive overtime with the factories and root causes are identified. The main reasons mentioned are late fabric delivery, fabric rejection due to poor quality and low worker attendance. Together with the factory, Takko tries to find solutions. In some cases, order cycles have been adjusted, flexibility with the delivery date or discussions with other clients about excessive overtime and how to mitigate this together were mentioned.

For Takko transparency about a production delay is key. Suppliers are informed that Takko avoids to penalize delays if factory management is transparent about the issues which caused the delay. The production sites audited by Fair Wear in 2019 which were intransparent about working hours were put on a short list with high attention to get its documents straight and to be transparent about them.

Recommendation: Besides discussing it with the supplier and assessing root causes, Fair Wear recommends Takko to actively take measures when excessive overtime is found. Taking measures to ensure that Takko knows and shows whether excessive overtime takes place at a supplier is key in resolving the issue.

Takko could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, Takko could hire local experts to analyze root cause of excessive overtime in cooperation with the supplier. Fair Wear could recommend qualified persons upon request.

Fair Wear 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: Since 2018, Takko started using the tools developed by Fair Wear on labour minutes calculation. In 2019, the brand started using another Fair Wear tool on labour minutes value and product calculation per style. Since collecting the factory data for all factory workers is a very elaborated process, the brand has developed a more systematic factory data gathering, which takes into account the CMT price (known to the brand) and information available from audits and visits, such as the number of workers, the salaries, capacity and leverage.

In addition, Takko discussed with another Fair Wear member brand (participated in the living wage incubator) how they approach living wage and decided to take that approach as a blueprint for their own approach.

Based on Takko's first research on a living wage (2018) and the consult with other Fair Wear brand a new software tool has been developed and integrated into the company's PLM system. This tool enables to assess wage levels at the brand's production locations and can draw conclusions of the relation between the open costing information and buying prices. This newly developed tool will be fully implemented in 2020.

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

Takko is encouraged to provide the local teams, CSR and buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown.

Takko could 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.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: Out of the 14 audits conducted by Fair Wear in 2019, seven audit reports revealed that the production locations fail to pay legal minimum wages and / or fail to provide wage data to verify minimum wage is paid.

In case of wage issues found at production sites, the production site is marked 'red' within Takko's PLM system. Having a 'red' marking means that Takko's purchasers can neither communicate nor order anything at this supplier anymore. Communication and changing the status is only possible for CSR colleagues now.

In the above cases found during Fair Wear audits, the production sites were asked to re-pay the missing amounts. Orders at this production sites were possible again after another audit team verified that the payments were done and that at least minimum wage is paid.

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: At 19 production sites making a total of 22% of Takko's FoB, the company has an estimated leverage of more than 50% at the production site.

In their Indian production locations, Takko has started to assess wage levels systematically and increases its understanding of cost breakdowns. The concept of living wage is introduced and explained to factory management as well as the wage ladder approach and transparency about wage related data is discussed. Higher wages are planned to be paid from 2020 onwards.

In 2018, Takko started a baseline study in India calculating the wages for six positions in the factory before decisions were made about interventions during the living wage process. With this baseline study, Takko can gain insight into what the changes are and what the role of Takko is. Worker representation was involved. Next steps with this supplier is to start calculating the relationship between prices and wages and the root cause analysis why at this specific location the wage is lower than living wage.

Recommendation: Fair Wear encourages Takko 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.

Fair Wear encourages Takko to involve worker representatives and local organisation in assessing root causes of wages lower than living wages. Fair Wear finds it good practice of Takko to discuss the outcomes of the root cause analysis internally and with top management, to form a basis for an embedded strategy which is recommended to keep doing.

Takko is recommended to keep assessing root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Keeping its discussions on living wages with suppliers is a necessity.

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.	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.	2	6	0

Comment: In 2019, Takko has started a living wage project at one of its suppliers in India, Tamil Nadu. The criteria to select the production site were high leverage, long-term relationship, willingness and commitment of the factory management, a strong worker committee, proximity and continuity of a business relationship. The decision was for a production site with 167 workers.

A starting point to determine a target wage was to use existing living wage benchmarks. These were Asia Floor Wage (Rs 23,588), the target wage of another Fair Wear member brand sourcing in India (Rs 14,048) and the Global Living Wage Coalition (Rs 14,670) - all amounts are from 2018. Takko found the reasoning behind the figures of the Global Living Wage Coalition best to use as a starting point.

As a first step, Takko evaluated what a living wage premium could be. This was done by analysing the gap between the local minimum wage and the wage proposed by the Global Living Wage Coalition. Since the local minimum wage in Tamil Nadu is set per category of work, the lowest and highest category was taken into account. Takko decided to go for the gap between the lowest category of minimum wage and the wage of the Global Living Wage Coalition which was calculated to be Rs. 728.

Takko's plan was first to increase the wage of the workers in the lowest category only but changed its mind after re-checking with the worker representatives of the project factory which demanded an equal increase in wages to all workers. It was then decided to pay the extra of Rs. 728 (Living Wage premium) to all workers which means a rise in wages to workers from the lowest category of 8.46% and workers from the highest category of 7.96%.

Additionally, the cost of Employee State Insurance (ESI) and Employee Provident Fund (EPF) incurred due to Living Wage Premium amount for the employer have been determined and are also to be paid by Takko.

In agreement with the factory management and worker representatives, Takko has decided to pay the living wage premium quarterly. To ensure all workers are aware, Takko has posted the information on the factory's notice board and asked the worker representatives to spread the information. A letter describing the living wage premium and reasoning behind was shared with all workers before start of payment. The living wage premium is mentioned on the salary slip of each worker. Start of payment was February 2020. Verification of payments is planned to be done through audits and worker interviews (on- and off-site).

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

Fair Wear advises companies and strongly recommend members to integrate the financing of wage increases in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

Takko should develop a strategy to finance the costs of wage increases at the rest of its suppliers based on the learnings from the project supplier in India.

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%	Fair Wear 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	6	0

Comment: Takko has agreed on a target wage with one of its suppliers in India. The share is planned to be paid from February 2020 onwards. Takko hence has not yet paid their share of the target wage in 2019 yet.

Requirement: Takko is expected to begin paying a target wage for its production locations.

Purchasing Practices

Possible Points: 52

Earned Points: 30

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	93%	
% of production volume where approved external audits took place.	44%	
% of production volume where Fair Wear audits took place.	29%	
% of production volume where an audit took place.	100%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0.2%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	100%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear 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 team is designated to follow up on monitoring.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Yes	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	0	0	-1

Comment: In 2018 and 2019, Takko has implemented an IT based audit tool on tablets, which has been used in Myanmar, China, India, Bangladesh and Pakistan. The structure and approach are comparable with the Fair Wear audits. Due to the use of tablets, Takko head office, local offices and its suppliers can share information in real-time. Takko marks findings which are more urgent to solve and factory management can work off findings sending documents and proof directly to Takko through the IT-based audit tool. Related to the new IT-based audit tool, some suppliers reported having difficulties uploading documents.

During regular team meetings, unique findings observed in a factory will be shared by the auditors and included in the audit checklist. Takko also strengthened its audits by conducting off-site worker interviews. To this end, workers are interviewed in their homes in the evening during the days of the audit.

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: Fair Wear 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: Due to the newly established IT tool to conduct audits, the local Takko team already has the audit report ready in hands for the closing meeting at the end of an audit.

The production location has to sign the CAP with commitments as to the timelines. Suppliers upload documents and pictures as proof of implementation of a finding in the IT audit tool itself. The follow up of the supplier is checked by the local teams. Part of the methodology of follow-up is a surprise visit to follow up on suspected cases.

In Bangladesh, each production site is audited on a three months basis. In Myanmar, the factories are audited twice a year. In China and India, the factories are audited once a year. In case of exceptional findings, Takko arranges extra visits to verify remediation of urgent matters.

In addition to factory management, the worker representation, as well as related departments, are invited during the opening and closing meetings of Takko audits. For Takko this is an important moment to inform the supplier about updates and educate about how to follow-up. Takko organizes separate sessions to meet with the worker representatives.

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	Fair Wear 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: Takko could show follow-up on corrective actions in a random sample of Fair Wear and Takko audits. The CSR team at Takko headquarters was able to share information on the status of CAP findings. The local Takko teams and the CSR team discuss the audits and follow-up of the CAPS with factory management. Where applicable, agents are involved and included to approach suppliers to follow up on corrective actions.

In the CAPs, the findings during the visits are documented well, including new findings. Takko states that where applicable, worker representation is informed. This was more difficult to find and trace than the reaction of the factory management.

Takko has built an IT tool in which CAPs are included. This enables Takko to organize the remediation process digitally. The system alerts Takko on a detailed level, for example with an automatic reminder for a deadline for a specific action within the CAP.

With these efforts, Takko has a very robust and good system of corrective actions and its follow up. Verification of its findings and establishing time frames to resolve is well done.

Recommendation: It is advised to include worker representation in the remediation process and document their input towards remediation.

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.	80%	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: 80% of all production locations are visited in the previous financial year.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: During the onboarding process of a new supplier, Takko always requests existing full-audit reports, assesses the status and the quality of the report and is asking questions about the follow-up on corrective actions. Orders can only be placed after a full third-party audit is available or Takko has conducted an audit.

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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Advanced			6	6	-2
Compliance with FWF Myanmar policy	Intermediate			3	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Advanced			6	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: Bangladesh:

All suppliers in Bangladesh are audited by Fair Wear or Takko. Takko is a signatory of the Accord and all Takko suppliers have been inspected by the Accord. Reports are available. Training is provided by the Accord and support is made available to establish safety committees. The brand is proud that it has an overall remediation rate of 97% compared to a 91% average of the Accord. In 2018, Takko enrolled eight suppliers into the WEP Prevention of Violence against Women or Gender-Based Violence. These trainings have follow up sessions which were taken on in 2019.

Myanmar:

Takko sources from ten suppliers in Myanmar and has more than 10% leverage at seven of these. All ten production sites are audited by FWF (five) or the Takko auditors. At three production locations a Workplace Education Programme Training on Communication was taking place in 2019. Another factory participated in the Workplace Education Programme Basic Training.

For all suppliers where Takko placed orders in 2019, the brand has published a wage ladder in its sourcing report. The wage analysis per factory includes the minimum wage and demanding wage by Trade union, however, Fair Wear suggests to include the legal minimum wage in Myanmar, a Living Wage benchmark as well as the lowest and the median wage paid per department of the production site.

Complaints in Myanmar that Fair Wear published on the website, are included in the sourcing report. The complaints addressed all labour standards (see indicator 3.3 and 3.4 for more details).

Abrasive blasting:

The policy that prohibits abrasive blasting must be signed by all suppliers. Local Takko staff verifies that the policy is adhered to during visits.

Turkey:

A small percentage of Takko's production volume is sourced from Turkey at 15 production sites. Takko has shared information with its suppliers about risks associated with Syrian refugee workers. All its Turkish suppliers are audited or visited. According to Takko, there are no indications of Syrian refugees from audit and visit reports. Takko suppliers are working with ISKUR in Turkey, which operates as an official governmental employment office.

Other Risks:

Other country-specific and product-specific risks and possible actions and approaches are discussed in weekly country-specific meetings in Bangladesh and India where Takko has local offices and local audit teams. Main country-specific findings using their own audit results plus those of Fair Wear and local developments in the market are discussed. In case a team finds issues which could be useful to know for other country teams, the findings are shared with the respective country. Takko is a member of the Partnership for Sustainable Textiles. Risk policies and monitoring of country-specific risks are a requirement in the membership.

Requirement: Myanmar:

Takko is required to follow all monitoring steps according to Fair Wear's enhanced monitoring programme Myanmar - April 2018.

Recommendation: Myanmar:

It is recommended to improve the graphs of the wage ladders in Takko's sourcing report. It is recommended that the graphs of wage ladders the marking of minimum wage in Myanmar as well as the lowest and median wage paid per department of the production site is included.

Turkey:

Takko could discuss what support they can offer when Syrian workers are employed, such as covering the costs of work permits and supporting HR where needed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Takko cooperated with another Fair Wear member company in resolving corrective actions at a shared supplier in Bangladesh.

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.	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. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	Yes			1	1	0

Comment: Takko has eight suppliers in low-risk countries, which collectively account for less than one percent of its total production volume. Takko visited all production locations in 2018 and 2019. The suppliers in low-risk countries have returned the Code of Labour Practice. The Worker Information Sheet was confirmed posted during the visits. In addition, the brand has monitored and collected 3rd party audits for five of its facilities.

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).	Yes	Fair Wear 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 Fair Wear and recent Audit Reports.	2	2	0

Comment: Due to its many production sites and long tail-end, Takko applies Fair Wears regular monitoring requirements to all suppliers.

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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

Comment: Takko has received the questionnaire of the one external brand that it resells.

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%	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	0	3	0

Comment: Takko resells two external brands. Both brands are member of BSCI.

Recommendation: Takko has to ensure progress towards an external supplier base that is covered by either Fair Wear 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	Fair Wear 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: 34

Earned Points: 30

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	26	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.	18	
Number of worker complaints resolved since last check.	22	

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 Fair Wear 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 team is responsible to address any complaint received.

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 Fair Wear 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: Takko checks that the Worker Information Sheet is posted during visits of the local team and can demonstrate proof.

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.	33%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: 83 production locations have participated in Fair Wear's Workplace Education Programme Basic module in 2017, 2018 and 2019 or similar trainings conducted by Takko collectively accounting for 33% of the production volume in high-risk countries. The factories are located in Turkey, Myanmar, Bangladesh and China.

Recommendation: Fair Wear recommends members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline among a larger portion of its suppliers. Takko 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.

Takko could consider implementing additional activities to raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline next to providing good quality training. This could include providing the Fair Wear worker information cards to workers during visits or when handing out pay slips, making use of Fair Wear's Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Throughout the year 2019, Takko has been working on 32 complaints in total, and the brand is well aware of the Fair Wear complaints procedure. The complaints addressed all labour standards and came from Bangladesh, Myanmar, China and India. Most received complaints are from Bangladesh and Myanmar. Complaints received can become a priority to solve for the brand management depending on the type of complaint. If needed, the management is visiting factories involved to discuss the relevant complaints. When multiple complaints received from one factory in Myanmar, the brand's management had a meeting with the factory management to solve those complaints. As a result, training by an independent organisation (CARE) was proposed and will be carried out in 2020. The CSR team is receiving and working on all received complaints with the support of the local team when needed.

India: 6 complaints received; 6 resolved/closed. Takko received 5 complaints from one factory and asked Fair Wear to conduct an investigation. This investigation concluded that the most recent complaints were false accusations.

China: 2 complaints received, 2 resolved/closed and one complaint from the previous financial year is still open.

Myanmar: 9 received, 6 resolved/closed and 3 still open. Complaints received are mostly about overtime. In one case the supplier hired a local consultant to work with the factory's production management. As a result, all nominated workers from the production line, have a meeting daily, evaluate if the production planning they have agreed upon the day before is working out to produce without excessive overtime. The consultant was hired for a period of a couple of months. The concern was that the complaints came from 10 workers supposed to be hired by the government. Verification of this was not possible.

Bangladesh: 15 received, 8 resolved/closed and 7 open.

Recommendation: It is recommended to uncover the root causes of complaints and prevent them from recurring. When appropriate, the investigation includes incidents at other factories.

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 Fair Wear 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

Comment: Takko has approached another Fair Wear member to work together on a complaint, but received no response from this member.

Complaints Handling

Possible Points: 15

Earned Points: 10

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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: For all staff members, there is training once a year which includes Takko's Fair Wear and Accord membership. A new colleague receives a welcome email and a welcome bag with an information flyer that explains Fair Wear in detail. Fair Wear updates are shared in the internal newsletter to staff and stores.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: Purchasing and local staff in contact with suppliers are more intensively trained than other staff. In this training on Fair Wear membership requirements, there is specific attention for the onboarding process. The purchasing department invites the CSR department to discuss outstanding corrective action plan issues when suppliers visit the German Office.

In 2019 Takko has trained all production managers in depths on sustainability projects of Takko. Aside many environmental matters, the training included information related to Fair Wear membership.

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, Fair Wear audit findings.	2	2	0

Comment: All agents are informed about Fair Wear membership requirements by the CSR department when the agent visits the headquarters or the local staff, which involves agents in audits and complaints remediation.

All policy documents are shared with agents. All agent offices also have a social auditor, who usually joins the Takko audit team during visits. Takko requires the agent to be involved during audits and complaints follow-up.

Takko has a supplier hub, where all policies from different departments and supporting documents, Code of Conduct, Fair Wear worker info sheets and the Standard Operating Procedure for CSR can be found. Each supplier has own log-in for this hub.

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.	8%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	1	6	0

Comment: 14 production locations in both Bangladesh and Myanmar participated in advanced training through Fair Wear's Workplace Education Programme in the violence prevention and communication module. These locations together account for 8% of Takko's production volume in high-risk countries.

Recommendation: Fair Wear recommends Takko to implement training programs that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioral change and long-term structures to improve working conditions. To this end, members can make use of Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training 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
4.5 Degree to which member company follows up after a training programme.	Active follow-up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

Comment: Takko is supporting the established anti-harassment committees that give active follow-up after the WEP communication training. The follow-up trainings were conducted in 11 factories in Bangladesh in 2019.

Training and Capacity Building

Possible Points: 13

Earned Points: 8

Additional comments on Training and Capacity Building :

Due to its membership in the German Partnership for Sustainable Textiles, Takko has published its anti-corruption guide in 2019. Publishing, the company noticed that many were not aware of the long existing guide (especially on supplier level). Takko's in-house lawyer - who trains on anti-corruption staff at head office and in local offices on a yearly basis - has trained the local teams to train suppliers explicitly on this matter in 2019.

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: The Takko supplier database can be accessed by all staff. Only after a successful onboarding system, including returning all relevant signed documents and visits by the local teams, orders can be placed.

One of the documents that have to be filled in is the factory data sheet where suppliers indicate which production steps they have in-house, and which subcontractors will use for the different steps in production. In communication, Takko is very clear to suppliers that illegal subcontracting has consequences.

Approximately 80% of the production is sourced from countries where Takko has a local team. The local team visits the factories regularly for quality control or compliance issues. With the frequent visits of factories, Takko closely monitors where production takes place.

In countries where Takko does not have local staff, this is more challenging to conduct regular visits and thus monitor these production locations as closely as in other countries.

Takko distinguishes between main suppliers, which include all production locations where CMT takes place (even when one subcontracts to the other), and subcontractors, which include all locations where additional tasks such as washing, printing, etc, take place. In Bangladesh and China, the subcontractors are audited and it is verified whether worker information sheets are posted.

None of the Fair Wear audits conducted in 2019 indicated that production was placed at unknown subcontractors to the audited sites.

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 team works closely together with the local offices and with purchasing and technicians. Information about working conditions at production sites is accessible to all through a database. CSR also has specific briefings for purchase during visits, including checkpoints during visits, mostly related to health and safety.

The databases' landing page of each style includes the product, the name of the supplier, the price and a marking in green and red depending on how well a supplier is rated on social standards.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Takko's public communication about Fair Wear membership complies with Fair Wear's Communication Policy. The Fair Wear Logo and brief explanation about their membership are displayed on their website. Since 2018 Fair Wear is communicated in-store, which was checked with Fair Wear before publication.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

Comment: Takko's website links to their latest Fair Wear Brand Performance Check report. Takko has signed Fair Wear's transparency policy in 2019.

Recommendation: Fair Wear recommends Takko to publish one or more of the following reports on its website: audit reports, supplier information. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: Takko has submitted its social report to FWF and has published the report on its website in German and English.

Transparency

Possible Points: 6

Earned Points: 6

Additional comments on Transparency :

In 2019, Takko hosted Fair Wear's German Stakeholder Meeting in Telgte. This event was used to show other Fair Wear members how Takko works from design to delivery and how social standards are integrated in its working rhythms.

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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: Fair Wear membership is considered of strategic relevance for Takko. CSR is working closely with top management on a day to day basis. The requirements and recommendations of last year's Brand Performance Check were discussed with top management. Top management was actively included during the Brand Performance Check. More difficult and concerning complaints are always taken up and discussed by the top management with the supplier.

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.	50%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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: Indicator 1.11 is about the degree to which Takko assesses and responds to root causes for wages that are lower than living wages in production locations. Although several steps are made towards a living wage approach, the actual assessment of root causes on the factory level why a living wage is not yet paid, has to be started.

In 1.13 Fair Wear judges whether Takko determines and finances wage increases. In 2019 Takko calculated a living wage premium to be paid to a supplier in India, Tamil Nadu starting in 2020. Doing so, Takko has started working on Fair Wear's requirement to pay for wage increases.

Indicator 1.14 is about the percentage of production volume where Takko pays its share of the target wage. Since payments to workers at a factory in India, Tamil Nadu are rolled out only in 2020, this requirement remains.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

Due to its high number of complaints it keeps being a challenge to be on the same page with Fair Wear about the status of verification on complaints. It has been the case that Takko was under the impression that all relevant information was sent but the complaints handler did not receive the information in time. Takko recommends Fair Wear to streamline processes to ensure correct, transparent and in-time information flow on complaints.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	30	52
Monitoring and Remediation	30	34
Complaints Handling	10	15
Training and Capacity Building	8	13
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	97	133

Benchmarking Score (earned points divided by possible points)

73

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

26-05-2020

Conducted by:

Stefanie Santila Krause, Terezia Haselhoff

Interviews with:

Thomas Ciesielski - Senior Director QM & CS

Patricia Zülch - Expert Procurement Compliance

Iryna Makoveienko - Coordinator Procurement Compliance

Pia Langhals - Coordinator Procurement Compliance

Katrin Meindl - Specialist Support

Dr. C. Deenathayalapandian - Chief Executive Officer of Bangladesh, Sri Lanka and Tirupur Office