



## **Brand Performance Check**

**K.O.I. International b.v.**

**Publication date: September 2020**

This report covers the evaluation period 01-01-2019 to 31-12-2019

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## Brand Performance Check Overview

**K.O.I. International b.v.**

**Evaluation Period: 01-01-2019 to 31-12-2019**

Member company information	
Headquarters:	Amsterdam , the Netherlands
Member since:	2013-01-01
Product types:	Fashion apparel
Production in countries where Fair Wear is active:	Bulgaria, China, India, North Macedonia, Romania, Tunisia, Turkey
Production in other countries:	Greece, Italy, the Netherlands, Republic of Moldova, Spain
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	94%
Benchmarking score	70
Category	Good

## **Disclaimer**

*This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.*

*While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.*

*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:

Kings of Indigo (K.O.I.) has met most of Fair Wear's performance requirements. By fulfilling most of Fair Wear's monitoring requirements for low-risk countries, adequately working with external audit reports and using Fair Wear audit teams to conduct audits, the company has monitored 94% of its supply chain. The monitoring percentage, combined with a benchmark score of 70, means that Fair Wear has awarded K.O.I. the 'Good' rating.

Last year, K.O.I. invested in improving its monitoring systems, e.g. by investing in audits and active monitoring by its own staff. K.O.I. has implemented a mandatory written supplier agreement. With this in place, K.O.I. has obtained better insight into what production location is used for a particular order by the intermediary platforms in Tunisia. Progress has been made on the integration of the due diligence policy into the daily practices of the production and sourcing staff; the due diligence policy is now part of the sourcing strategy, and staff visiting suppliers must now create a factory visit report after each visit. By doing this, K.O.I. can make more well-informed decisions connected to the working conditions in the factory. K.O.I. has obtained more insight into the production capacity and wage levels at the supplier level. In the last year, the brand has known wage levels at most of its factories and is able to connect these to its prices. With this information, Fair Wear encourages K.O.I. to create a root cause analysis of wages lower than living wages and, based on this, develop an action plan to increase wages, starting with the main suppliers. Further, Fair Wear recommends that K.O.I. verifies what CAPs have been remediated. Fair Wear local teams could be of support.

K.O.I. began production in Turkey, Tunisia and Bulgaria in 2019. It has done a thorough risk analysis before starting production in these countries. K.O.I. has been in contact with local civil society organisations to learn more about local labour issues. K.O.I. is encouraged to continue its efforts in raising awareness of labour rights at its production locations by attending supplier seminars and organising training sessions.

## Performance Category Overview

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

**Good:** It is 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.	88%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** K.O.I. has steadily grown its production mainly at existing key suppliers. 88% of K.O.I.'s 2019 production volume came from suppliers where the brand buys at least 10% of the suppliers' production capacity.

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.	9%	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.	3	4	0

**Comment:** 9% of K.O.I.'s production volume comes from production locations where it buys less than 2% of its total FOB.

**Recommendation:** Fair Wear recommends K.O.I. to keep its 'tail end' as short as possible by keeping the number of production locations and countries as limited as possible. To achieve this, K.O.I. should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

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.	21%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	1	4	0

**Comment:** The percentage of production volume that comes from locations where a business relationship has existed for at least five years has grown slightly to 21% of its 2019 production volume. K.O.I. has a number of intermediary platforms where it has worked with for a long period. However, the company had to move production locations and source new factories due to a shift in product groups; new products were added and others were removed from the product range.

**Recommendation:** Fair Wear recommends K.O.I. to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions. It is advised to describe policies regarding maintaining long term business relationships in a sourcing strategy that is agreed upon with top management/sourcing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** K.O.I. started production at seven new facilities in 2019 and could show the signed questionnaires.

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:** Last year, K.O.I. has professionalised its due diligence policy and integrated this in a sourcing strategy. Part of the policy is a CSR checklist that needs to be filled by buyers before entering a new business relationship. Firstly buyers are stimulated to produce new products at their existing suppliers. After this, buyers have to provide information about: 1. country-specific risks (FW country studies are used and CSR risk checker), 2. existing audit reports; and check if the factory is already producing for another FW member, 3. use of subcontractors/homeworkers, 4. Fair Wear's presence in the country 5. health and safety situation in the factory; health and safety checklists are filled. The CSR manager has the final say to decide to go ahead with a supplier.



Since this year, K.O.I. requests intermediaries and suppliers to sign a supplier agreement/declaration. E.g. due to the implementation of this declaration, K.O.I. knows now beforehand what production locations are going to be used before production starts. This has been improved compared to last year when this was not agreed upon beforehand in writing.

Production staff travelling to factories have to document the CoLP status in a factory report, this way the CoLP status is better monitored and CSR has gotten a more prominent role within the practices of sourcing and production staff.

K.O.I. has started in 2019 a new business relationship with suppliers in Turkey, Bulgaria and Tunisia. Before production, K.O.I. has studied the regional risks for its new supplier(s) by the support of Fair Wear's country representative and local stakeholder(s).

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:** Last year, K.O.I. has set up a supplier benchmarking tool to evaluate its suppliers. Next to quality, communication, price and margin are suppliers evaluated on social compliance such as willingness to perform audits/training, CAP follow-up, low/high labour risks including subcontracting and homeworkers, outcomes of H&S checklists and audits. Suppliers can end up in a low/medium/good category. Feedback is shared with suppliers on how they could make progress. Suppliers are rewarded with more order placements or when this is not feasible a supplier is offered to take part in a training programme where possible.

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:** K.O.I.'s production planning is a shared process with frequent feedback and communication between K.O.I. and its suppliers. After sharing the production forecast fabric is blocked. For the factories in Italy, Tunisia, Turkey, Bulgaria, and Macedonia, K.O.I. is able to track every stage of production including the moment the fabric arrives, to the washing and finishing. K.O.I. is aware of peak seasons and the yearly production capacity of its main suppliers, including which production lines are used for their order, and knows the time needed for the different production phases such as stitching, washing and finishing.

Delays are mostly anticipated and included already in the lead times. If there are more delays, K.O.I. accepts the delays of its suppliers and takes the disadvantage of these effects. They inform the clients as soon as possible with the explanation of the delay to avoid order cancellation because this would harm the company.

Given the low order quantities, suppliers tend to use K.O.I. orders to fill production lines and can be flexible to decide on when to start their lines (particularly with Never Out Of Stock items). K.O.I. explains that they face challenges to influence supplier's production planning with their relative small orders; bigger orders could come in between, causing friction in the production planning with overtime hours for workers as a result.

K.O.I. has since this year more insight in the production capacity of its suppliers. With this in hand K.O.I. can adapt their production better to the factories capacity.

**Recommendation:** Since K.O.I. has more insight into the supplier's production capacity, Fair Wear recommends K.O.I. to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

Fair Wear recommends K.O.I. to discuss with the factories how to deal with its production planning during peak seasons and prevent excessive overtime.

Fair Wear Guidance on addressing (excessive) overtime through better purchasing practices: root causes and solutions could be of support and is available on the Member Hub.

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:** Three audits were conducted in 2019, one audit report showed occasional overtime in peak months, April-July. The audit finding was discussed in a face to face meeting in October 2019. The factory owner took the finding serious and explained that last-minute orders had increased the production pressure. K.O.I. has each Monday an update call with the respective factory about the production capacity.

**Recommendation:** K.O.I. could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, K.O.I. could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier.

Fair Wear could recommend qualified persons upon request.

Fair Wear recommends cooperation 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.	Advanced	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.	4	4	0

**Comment:** K.O.I.'s pricing policy is cost price up; the designer proposes a target price to the supplier based on the costs for material and trims, washing, stitching etc. K.O.I. knows the cost breakdown per production process: material costs, stitching, washing etc and the gross margin for the supplier. K.O.I. has shown efforts to gain more insight into the wage levels at its production locations. They know per style the operating costs, labour costs and minutes for most of its suppliers. K.O.I. is able to link its prices to the wage levels in the production locations. Despite the efforts made, several suppliers refused to be transparent about this. For new production locations, K.O.I. made openness of labour costs mandatory prerequisite before starting a business relationship.

**Recommendation:** K.O.I. 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.	No problems reported/no audits	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.	N/A	0	-2

**Comment:** There are no findings reported related to legal minimum wage violations. There are non-compliances reported connected to: incorrect payment of bonuses and payment below the Collective Bargaining Agreement (CBA). K.O.I. has actively followed up on both findings. The status of both findings need still be verified.

**Recommendation:** K.O.I. is advised to discuss a solution on the wage payment issues reported in audit reports. Both need to be aligned with local labour law and the active Collective Bargaining Agreement (CBA) in the factory.

Fair Wear recommends K.O.I. to verify both corrective action findings by the support of a local legal expert.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Insufficient	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	0	6	0

**Comment:** Three audits were conducted in 2019, all audits showed payment below living wage estimates. K.O.I. started discussions with its suppliers about living wages. Their suppliers in Tunisia responded with limited willingness or interest to work on this topic. K.O.I. started together with one of its Turkish suppliers to analyse the root causes of wages lower than a living wage and setting a wage target. This is in progress, no clear results yet.

**Requirement:** K.O.I. must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy.

K.O.I. is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

**Recommendation:** K.O.I. is encouraged to continue the discussions with its suppliers, starting with its Turkish suppliers, about 'why' wages are below living wages and develop together with its suppliers an action plan 'how' wages could be raised. Fair Wear encourages K.O.I. to discuss different strategies with suppliers to work towards higher wages.

Fair Wear encourages K.O.I. to involve worker representatives and local organisations in assessing root causes of wages lower than living wages.

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	6	0

**Comment:** K.O.I. is trying to get more insight into the gap between wages and target wage/living wage benchmarks. They are in the process of defining a plan on how they could set a target wage and finance wage increases. Part of this plan is defining how K.O.I could improve their daily operations by for instance selling more via their own webshop and make simpler designs and in this way free up financial space to cover wage increases.

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

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

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	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:** At the moment K.O.I. is not paying its share of a target wage

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

---

## Purchasing Practices

**Possible Points: 52**

**Earned Points: 25**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	5%	
% of production volume where Fair Wear audits took place.	82%	
% of production volume where an audit took place.	87%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	7%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.g. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	No (implementation will be assessed next performance check)	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 locations 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 Fair Wear health and safety checklist must be completed.	
Total monitoring threshold:	94%	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:** K.O.I. has a designated CSR manager to follow up on problems identified by the company's monitoring system.



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 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.	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: 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:** Audit reports were shared with factories including timelines for improvement. Worker representatives were not involved yet.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	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.	4	8	-2

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

The status of improvements is collected and monitored, including supporting evidence. More structural issues, for instance, related to living wages and overtime are discussed directly with factory management, preferably face to face. Since this year the CSR manager visits the production locations twice a year to discuss the progress on the CAP. As supporting evidence is mostly in the local language, K.O.I. explains it experiences in some cases difficulties to judge if a CAP is fully remediated. Fair Wear's local team could be of support in these cases.

K.O.I. invested in raising awareness among workers and management by ensuring the relevant information was shared with workers and by organising several Workplace Education Programme training sessions. At one of their Tunisian suppliers the names of worker representatives are now listed on the notice board, so workers know who they could approach for support. Urgent issues were taken on, for instance, the CAP connected to contract issues for juvenile workers and the bilingual (Turkish and Syrian language) instructions, those issues are now solved.

Other improvements have been made on the areas of health and safety. More challenging CAPs, related to living wages and overtime are still open at several suppliers. K.O.I. is discussing these more systemic issues with some of their Tunisian suppliers, as they are making less progress on these CAPs. If progress keeps difficult after several discussions and support of K.O.I., K.O.I. is going to evaluate these partnerships.

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

Fair Wear encourages K.O.I. to organise a joint training for their suppliers in Tunisia on social dialogue with a focus on living wages and overtime, to ensure more commitment from the suppliers to remediate these more structural issues and facilitate peer to peer learning.

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.	85%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

**Comment:** The production manager who is at the same time the CSR manager travels regularly (at least twice a year) to production locations. Next to these production visits, the CSR manager travels twice a year to the production locations that were not visited yet that year, to discuss CSR matters separately. Before and after visits a factory report is created to document the factory floor circumstances.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under 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.	4	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** In 2019 K.O.I. started new business relationships in Turkey, Bulgaria and Tunisia. The new production locations are visited and audited.

For the Turkish suppliers, Fair Wear's Syrian refugee policy was discussed with suppliers and taken on. At one Turkish production location, several workers are of Syrian origin. Based on Fair Wear's audit findings the workers, including the Syrian migrant workers, at the Turkish production locations are working under a temporary working permit. All production locations, including subcontractors, were included in K.O.I.'s monitoring activities. A factory dialogue training was carried out at one of its Turkish suppliers to further address recurring issues at the factory floor. The short term contract situation keeps coming back as a challenge at several of their factories in Tunisia. K.O.I. has been in contact with FNV and CNV, trade unions, to learn more about how social dialogue could be stimulated in countries like Turkey, Bulgaria and Tunisia.

Other production countries were K.O.I. produced in the financial year 2019 are China, Greece, Italy, Moldova, Spain and North-Macedonia. K.O.I. invested in eleven WEP basic training sessions in China, Tunisia, Macedonia and Bulgaria to make workers more aware of the CoLP. The number of production countries and suppliers were K.O.I. produces is rather high than low. Fair Wear encourages K.O.I. to keep the extent of the supply chain compact.

K.O.I. does not use sandblasting for denim, but uses alternative methods such as stone washing and laser. The facilities are all audited to check whether eco PPE's are used and that rooms are sufficiently ventilated.

**Recommendation:** Fair Wear strongly recommends K.O.I. to ensure that the extent of their supply chain is kept low (number of suppliers and high-risk countries) and matches the resources needed to address specific risks occurring in these countries.

Fair Wear strongly encourages members to cooperate with other brands sourcing from Turkey, particularly on the prevention and remediation of issues related to Syrian refugees given the high-risk levels and complexity of remediation. Fair Wear encourages members to share their supplier data for remediation and prevention purposes via Fair Wear. Fair Wear can facilitate the sharing of data with Fair Wear members and with other organizations such as Fair Labour Association and Ethical Trading Initiative to help identify risks, share audit data, and share remediation. Such sharing can help to both increase the effectiveness of interventions, and to share the workload and costs of remediation when necessary.

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:** K.O.I. shared a corrective action plan with another Fair Wear member at a supplier in Turkey and Tunisia. They worked together on the CAP follow up.

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.	No			0	1	0

**Comment:** K.O.I. has fulfilled the monitoring requirements for all its suppliers in low-risk countries. Four factories in Italy were visited by their agents.

**Recommendation:** Fair Wear members are advised to conduct a mapping of its supply chain in Italy that includes: investigation of subcontractors, the ownership structure of production locations, the number of workers and the type of employment relationship (irregular and migrant employment) to identify and mitigate potential labour rights violations. Members are encouraged to visit their production locations in Italy to discuss the risks associated with irregular and migrant employment relationships.

K.O.I. recommends that the agent reports back about the CoLP situation in the factories by writing a factory report after each visit.

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:** K.O.I. has monitored more than 90% of its supply chain.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	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.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	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: 30**

**Earned Points: 25**

### 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.	1	
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 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:** K.O.I.'s CSR manager is responsible for addressing 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 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:** During visits K.O.I. checks if the worker information sheet is posted at an accessible location for workers.



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	91%	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.	6	6	0

**Comment:** K.O.I. has initiated eleven Workplace Education Programme Basic sessions in the past three years.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

**Comment:** One complaint, related to the CoLP elements health and safety and a legally binding employment relationship in Tunisia was resolved in the last financial year. According to all submitted documents and evidence, K.O.I. has followed and worked with the supplier on production planning, training in health & safety, and on the improvement of health & safety environment. The brand requested a WEP training at the factory and worked on improvements on the factory floor: 12 spray cabins with water curtains were installed in Jan 2019, the number of toilets was increased, and the management of hazards chemicals has improved.

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

## Complaints Handling

**Possible Points: 9**

**Earned Points: 9**

## 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:** New employees are informed about FWF membership. Staff working in sales and marketing are made aware of FWF membership developments every two weeks.

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

Staff persons visiting suppliers need to create a factory visit report after each visit.

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

Agents conduct regular visits, take pictures of the Worker Information Sheet and monitor the CAP status and have joined Fair Wear webinars/seminars.

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.	1%	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:** One of K.O.I.'s production location in Turkey has participated in Fair Wear's Factory Dialogue programme.

**Recommendation:** FWF recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end, members can make use of FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	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:** After the Factory dialogue training session, K.O.I. created an action plan based on the outcomes of the training report. K.O.I. has done this also after the WEP basic training sessions. This action plan is discussed with the supplier.

**Recommendation:** Fair Wear recommends members to discuss outcomes of dialogue sessions with their supplier and what steps management is planning to further strengthen dialogue between workers and management. This may include holding an independent worker representative election; regular meetings between worker representatives and management to discuss improvements to working conditions or allowing worker representatives to conduct a worker survey on specific issues.

The member should also investigate how they can contribute to implementing the action plan workers and management have agreed on (e.g. by adjusting sourcing practices).

---

## **Training and Capacity Building**

**Possible Points: 13**

**Earned Points: 8**

## 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:** K.O.I. made increased efforts to identify and monitor all its production locations and integrated a transparency clause within the supplier manual their partners have to sign. They introduced a written agreement in which suppliers and intermediary platforms have to indicate what production locations are going to be used for K.O.I.'s production, including subcontractor locations. K.O.I. knows now beforehand at what production location their products are made.

K.O.I. plans factory visits when its production takes to verify if their products are made at the beforehand agreed production location, by checking available machinery, production lines and capacity.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** Within K.O.I. all staff involved with suppliers are in the same team and regularly share information. Updates regarding Fair Wear are discussed during the weekly production team meeting. When a staff member visits a supplier, the CSR manager will discuss the relevant documents such as the Corrective Action Plans and explain what should be updated during the visits. A factory visit report needs to be created within two weeks after the visit, were development/improvements are documented.

---

## 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

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:** K.O.I. has published its supplier list and brand performance check on the website. The company is actively raising awareness for the importance of 'where are own your clothes made'. K.O.I. works with the Open Apparel Registry (OAR) - a website that provides an open map of global apparel facilities.

K.O.I. has signed the Transparency Pledge initiated by Clean Clothes Campaign.

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:** A complete and accurate social report was submitted to Fair Wear and is posted on the member's website.

---

## **Transparency**

**Possible Points: 6**

**Earned Points: 6**

---

## 7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** K.O.I. has set a number of social and environmental goals together with resources needed for this. In November/December they evaluate within the management team if these goals are reached. Fair Wear Brand Performance Check results are discussed with management and used as input to set the annual social goals.

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.	60%	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:** K.O.I. has shown progress on 3 out of the 5 requirements listed in last year's Brand Performance check (on indicators 1.8, 5.1 and 7.2). Progress was made on: getting more insight/transparency on the wage levels and the production capacity at its production locations, factory evaluation/documentation systems were implemented, written supplier agreements are integrated into K.O.I. sourcing practices and K.O.I. gained more insight into what production locations are used by their intermediary platforms in Tunisia before production starts.

**Recommendation:** Fair Wear advises organising a meeting with management and sourcing staff to discuss the outcomes of this performance check and use those to formulate future plans.

---

## Evaluation

**Possible Points: 6**

**Earned Points: 6**

---

## Recommendations to Fair Wear

Brand Performance Check is often planned late in the year and this makes it more difficult (shortage of time) to integrate changes before the next Performance Check.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	25	52
Monitoring and Remediation	25	30
Complaints Handling	9	9
Training and Capacity Building	8	13
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	86	123

### Benchmarking Score (earned points divided by possible points)

70

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

25-06-2020

Conducted by:

Rosan van Wolveren

Interviews with:

Margreeth Dronkert - CSR Manager