



Brand Performance Check

Star Sock B.V.

Publication date: July 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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

Brand Performance Check Overview

Star Sock B.V.

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

Member company information	
Headquarters:	Oisterwijk , Netherlands
Member since:	2015-01-31
Product types:	Sports & activewear
Production in countries where Fair Wear is active:	China, Turkey
Production in other countries:	Portugal
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	81%
Benchmarking score	61
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:

Star Sock has shown progress and met most of Fair Wear's performance requirements. In its fifth year of membership, Star Sock monitored 81% of its supply chain using Fair Wear audits, external audits and fulfilling monitoring requirements for low-risk countries. This, together with a benchmarking score of 61, means that Star Sock has achieved 'Good' status.

Star Sock works with a limited number of long term partners, most of which were visited several times during the past financial year. This partnership approach is also reflected in Star Sock's production planning, which allows for reasonable working hours despite challenges inherent to the business model. While excessive overtime remains a challenge, particularly at its Chinese production locations, Star Sock is looking for innovative solutions together with management and worker representatives.

While Star Sock has detailed insights into cost calculations and wage levels at most suppliers, no agreements to raise wage levels have been set. In 2019, Star Sock made preparations to start a wage project at its Turkish supplier. Star Sock should analyse what is needed to increase wages, set a target wage and develop a strategy to finance the costs of wage increases. Star Sock has a robust system for human rights due diligence in place, including risk assessment, monitoring and remediation. Subcontractors, however, are not fully included in this system. Star Sock has increased insights into the labour conditions at its Chinese subcontractors, but orders are still at times placed at subcontractors that Star Sock has not approved and that have not signed the Fair Wear questionnaire.

Especially considering the limited size of Star Sock's team, the company has a thorough understanding of its supply chain and issues related to labour standards. There is a high level of alignment among staff and top management on implementing the Fair Wear CoLP.

Star Sock communicates transparently about Fair Wear membership and discloses supplier names in its social report.

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.	80%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Star Sock is continuously trying to increase leverage at their production locations. During the last financial year they bought between 10-25% of a factories' production volume at five locations together accounting for 80% of Star Sock's production volume.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	12%	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.	2	4	0

Comment: Star Sock has a consolidated supply chain with a limited tail end. As part of its sourcing strategy it aims to place orders at existing suppliers. New production locations are mainly on-boarded if technical requirements cannot be fulfilled by existing partners. The expectation is a considerable network of subcontractors used by one of Star Sock's Chinese supplier to support production when their own capacity is overstretched. Star Sock has been discussing options to limit the pool of subcontractors with the supplier, but has not yet been successful in consolidating further.

Recommendation: Fair Wear recommends Star Sock B.V. to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Star Sock B.V. should determine together with its Chinese supplier how to limit the use of subcontracting locations. 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.	55%	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: 55% of Star Sock's production volume was bought from production locations where Star Sock has had a relationship for at least five years. In several cases the factory has been a partner for 15 years. It is Star Sock's aim to build long-term, stable relationships with all its suppliers.

The percentage decreased considerably (from 86% in 2018). This is partially because Star Sock has increased transparency over subcontracted locations in China and has added them to their production location data for the first time in 2019. Partially, the reduced percentage is also due to decreasing orders at long-term suppliers because of limited demand for these particular products.

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.	No	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.	0	2	0

Comment: In 2019, Star Sock's Chinese supplier used 18 subcontractors for its production. Star Sock is not always informed before production takes place and hence was not able to collect signed questionnaires from all factories prior to production.

Requirement: Star Sock needs to ensure that all new production locations including subcontractors sign and return the questionnaire before first orders are placed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: Star Sock has a robust system to conduct human rights due diligence when selecting new production locations. All potential new factories are visited by the Supply Chain Manager, who is well aware of common risks and assesses, for example, whether a factory has a business license, an electronic time keeping system and payment system. Fair Wear membership is discussed in detail during these visits. Where available, existing audit reports are also collected. After the factory visit, Star Sock shares a self-assessment questionnaire with suppliers, which also covers Fair Wear labour standards.

A sourcing trip evaluation is conducted with top management before orders are placed. If trial orders are successful, Star Sock aims to conduct a Fair Wear audit as soon as possible.

In the past, Star Sock has decided against sourcing at factories that did not meet their social compliance expectations. The company also deliberately excludes Bangladesh, Ethiopia and Myanmar as potential sourcing countries as Star Socks feels they could not manage the associated risks in a sufficient way. For the time being the company prefers to focus on China and Turkey where they are familiar with common risks and have local teams to support monitoring.

While their selection process for new production locations is comprehensive, it is only partially applied to subcontractors selected by main suppliers. During production peaks suppliers at times opt to place orders at other production locations. Local staff/service providers are in close contact with suppliers and is often informed before orders are placed at subcontractors. Star Sock is working with their main suppliers to agree on a set of fixed subcontractors. The company has made an effort to visit subcontractors that are commonly used, has collected information about labour standards compliance and asked subcontractors to sign the Fair Wear questionnaire and post the Fair Wear worker information sheet. This has been collected for the majority of sites used in 2019.

Despite these efforts suppliers do at times still subcontract orders to locations that have not been assessed by Star Sock prior to production.

Recommendation: Fair Wear recommends Star Sock to ensure that suppliers cannot select and place production at new production locations before Star Sock has completed their human rights due diligence process. Fair Wear recommends to put this agreement in writing.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: Star Sock makes use of a supplier rating system, although the system is more focused on each supplier's performance in communication, delivery, quality etc.

Star Sock does closely monitor social performance of its suppliers by making use of the supplier's self-assessment questionnaire, through discussing progress on CAPs and evaluation of factory visits. Outcomes are taken into account when making sourcing decisions. For example, Star Sock has in the past decided to stop production at one of its production locations because of its lack of transparency and communication skills. This is however done in a more informal way.

In addition, Star Sock works with a consolidated supply chain where often only one production location is able to produce a certain product. Hence, it is more difficult to tie order volumes to social performance.

Recommendation: Star Sock is encouraged to make more explicit how social compliance is rated compared to criteria such as quality, relationship and price and how compliance with CoLP leads to production decisions.

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: Overall, Star Sock has a robust system in place to support reasonable working hours.

The biggest challenge Star Sock faces in this regard is dependancy on client demands. While the majority of client orders are placed well in advance, around a third of all orders only have very limited production time. Order volumes also fluctuate throughout the year and Star Sock cannot gurantee production to their suppliers.

To mitigate these risks, Star Sock approaches production planning in close collaboration with their suppliers. Suppliers are asked to propose lead times and indicate what steps are needed from Star Sock's side to meet deadlines. Together with their suppliers, Star Sock has developed a detailed tool to calculate the hours needed to complete each order, including production, packing and delivery time. They have a clear understanding of the capacity of their suppliers and common bottle necks in the process.

Star Sock has invested heavily in building trusted relationships with suppliers which leads to open and transparent communication during planning. This limits situations where unreasonable pressure is exerted on the factory.

As much as possible Star Sock tries to reach annual agreements on forecasted volumes with retail clients to enable better planning and order stability for suppliers.

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: Overall Star Sock communicates frequently with suppliers and tries to take steps to avoid excessive overtime, for example by extending delivery times, agreeing to air freight or speed truck delivery or accepting higher costs for solutions that avoid overtime hours.

Nevertheless, excessive overtime remains a significant challenge, especially for their Chinese suppliers where weekly working hours of 70-77 hours have been documented by Fair Wear audits.

Star Sock has identified cultural norms around overtime as the main root cause for their production locations and is in constant dialogue with its Chinese suppliers and worker representatives to determine creative solutions to change mindset and behaviour. The company also gathered information from Fair Wear's China country representative and other organisations to look for ideas. The 2019 audit at one of their Chinese supplier documented some improvement.

At one of their Turkish locations excessive overtime was documented in 2018 as well, but on a more limited scale. Star Sock discussed the issue with their supplier. As a first step, the supplier did amend contracts that previously had included the option for forced overtime. The amendment had to be signed by all workers to raise awareness of the change. It was however difficult for Star Sock to determine root causes for excessive overtime, as management was less open to discuss. They are monitoring the situation (e.g. by observing whether orders are delayed) and will plan another Fair Wear audit in 2021.

Recommendation: Fair Wear encourages Star Sock to continue working with their Chinese suppliers and worker representatives to reduce excessive overtime. Fair Wear also recommends to monitor the overtime situation in Turkey closely and consider a monitoring visit or audit to verify current working hours. Star Sock can also make use of Fair Wear's guidance "Addressing excessive overtime through better purchasing practices" available on the Member Hub.

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: For two common basic (that make up a majority of its products), Star Sock has conducted a detailed cost calculation that includes material costs, supplier margins and labour costs. The company also knows how many minutes are needed per style.

For other styles, Star Sock does know how changes in design impact knitting time and hence price, but does not have isolated labour costs in calculations as styles vary considerably.

Price negotiations are mainly focused on adjusting technical requirements to reduce costs, when needed. Prices are re-negotiated every season to account for changes in external factors such as cotton prices, legal minimum wage or exchange rates as well as new technical changes.

Recommendation: Fair Wear recommends Sock to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers. Star Sock 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: Fair Wear audits did not document payment below legal minimum wage. An audit at a Chinese location did however highlight issues around payment of annual leave.

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

Comment: Star Sock has fixed payment terms with their suppliers.

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: Star Sock has studied wage ladders documented in audits and discussed wage levels with their suppliers. Star Sock has used 2019 to prepare a worker survey involving their Turkish supplier to determine a target wage involving workers and other customers. To inform their plan, they engaged with another Fair Wear member to learn from their experience.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	6	0

Comment: At this point Star Sock has not yet agreed on specific living wage benchmark, a target wage and financial contributions with their suppliers.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	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: Star Sock has not yet set a target wage with any of its production locations.

Requirement: Star Sock 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.	9.67%	
% of production volume where Fair Wear audits took place.	60%	
% of production volume where an audit took place.	70%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	10.86%	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	<p>Fair Wear requires Star Sock as a 3 year+ member to audit all locations where they buy more than 10% of the supplier's overall production capacity or where the factory produces more than 2% of the Star Sock's total FOB. This has not been the case for two locations in 2019.</p> <p>For locations that produce less than 2% of FOB AND where leverage is below 10%, lighter monitoring requirements apply. During factory 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 check-list must be completed and filed for Fair Wear to assess during a Brand Performance Check. Star Sock can collect existing audit reports from the production sites in order to ensure most up to date information on working conditions.</p>	
Total monitoring threshold:	81%	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 Supply Chain Manager and Merchandiser are in the lead to follow up on problems identified by the monitoring system. They are supported by the owner and local quality control teams in Turkey and China.

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: The Sourcing Manager at Star Sock shares the audit findings with factory and timelines are established in a timely manner.

In China, worker representatives were elected in fall 2019. Star Sock did meet them in January 2020 (outside the scope of this performance check) and discussed the audit report and working conditions with them. In Turkey, Star Sock did meet worker representatives outside the factory and discussed working conditions with them. The representatives confirmed that they feel they can discuss issues with management.

In both countries, worker representatives are not systematically involved in discussing and monitoring corrective actions identified during audits.

Recommendation: 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. Fair Wear encourages Star Sock to continue their engagement with worker representatives and look for ways to stimulate a systematic role for them vis a vis management when discussing and monitoring corrective actions.

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: After sharing the audit report with the production location, Star Sock plans calls or meetings to agree on remediation steps for corrective actions. Local staff/service providers are involved in these discussions and support the monitoring progress. The CAP is then discussed and tracked during frequent visits. Supporting evidence is also collected and Star Sock tries to engage with worker representation to include their point of view. Star Sock uses an online system where information per supplier including corrective action plan progress is stored and accessible to all staff involved in the production.

Star Sock could demonstrate meaningful progress on several corrective actions from audits of previous years. The company is now focusing on more complex, structural issues such as excessive overtime, payment of social security in China and payment of a living wage.

Collaboration with other clients sourcing at their production locations is limited as many customers source through agents.

Recommendation: Fair Wear encourages Star Sock to continue working on complex issues by cooperating with other customers, further strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices and supporting peer learning between suppliers.

Fair Wear also recommends Star Sock to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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.	89%	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: Star Sock's production locations are visited several times a year by the Supply Chain Manager. He is at times accompanied by the owner. In China and Turkey, Star Sock's local quality control staff/service providers visit the factories during production on a weekly basis.

Their location in Portugal (accounting for 11% of FOB) has not been visited in the financial year under assessment.

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: Star Sock has collected external audit reports for four production locations and followed up on corrective actions. Together these locations account for 9.67% which is counted towards Star Sock's monitoring percentage.

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.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Star Sock is aware of the risks related to Syrian refugees in Turkey. The Fair Wear policy has been communicated to existing suppliers and it is part of the risk assessment when selecting new suppliers. During its last financial year, Star Sock was sourcing from six Turkish production locations, which includes two subcontractors. These locations combined account for more than 40% of Star Sock's FOB. Their main production location, accounting for 23%, had been audited by Fair Wear in 2018. The factory did not employ Syrian workers nor were there issues with unauthorized subcontracting highlighted. The other five factories have not been audited, for three locations Star Sock did collect external audit reports. All factories claim to not employ Syrian refugee workers.

The factories have not participated in the Fair Wear Workplace Education Programme (WEP) training or Fair Wear supplier seminars on the issue of Syrian refugee workers. Star Sock's local quality control service provider has however been informed extensively. The service provider regularly visits the factories including subcontractors, especially when production for Star Sock is on-going hence limiting the risk of unauthorized subcontracting. The Fair Wear Worker Information Sheet is posted at all locations, including subcontractors. Star Sock monitors the situation at subcontractors closely and regularly engages with all Turkish locations.

Star Sock has a thorough understanding of common risks in their supply chain such as unauthorised subcontracting, limited freedom of association, excessive overtime, non-payment of social security or use of chemicals. They have started taking steps to prevent and mitigate these risks (see also indicators 1.4, 1.7 and 2.4). Star Sock has also developed and implemented a policy to ban hand linking in its supply chain to prevent health risks associated with the technique. In 2019, Star Sock revised their strategy and based on this developed a risk matrix to advance their human rights due diligence work. This project will be fully implemented in 2020.

Recommendation: Fair Wear recommends Star Sock to ensure suppliers continue to receive training/information about risks associated with the employment of Syrian refugee workers and opportunities for legal employment. Star Sock should make sure that suppliers have sufficient knowledge about the CoLP and Fair Wear's approach. Star Sock should make sure that suppliers and workers know about effective management-worker communication and grievance mechanism.

Fair Wear also encourages Star Sock to continue their due diligence especially related to subcontractors and continue to manage the risk of unauthorized subcontracting as the risk of violations could increase. Star Sock is strongly encouraged to audit all locations and is recommended to ask the Fair Wear Turkey team to execute the audit as they possess the necessary expertise to detect unauthorized subcontracting where the most violations are taken place.

For their overall risk management system, Fair Wear recommends Star Sock to strengthen their risk prevention and mitigation strategies for identified risks and define clear steps how to tackle these.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	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: Star Sock's suppliers in low risk country Portugal has been visited in the last three years and has signed and returned the CoLP and the questionnaire. Furthermore, Star Sock collects external audit reports for production locations in Portugal and conducts an informal evaluation of the findings.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	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: 27

Earned Points: 22

3. Complaints Handling

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of 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 merchandiser and supply chain manager have been designated to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the 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: All production locations are regularly visited. During these visits, Star Socks checks that the Worker Information Sheets are visibly posted.

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.	26%	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: Star Sock's main Turkish location participated in Fair Wear's Workplace Education Programme Basic module in 2019, which is counted toward this indicator.

Recommendation: Fair Wear recommends Star Sock to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Star Sock should ensure good quality systematic training of workers and management on these topics. To this end, Star Sock can either use Fair Wear's WEP Basic module, or implement training related to the Fair Wear CoLP and complaint helpline through third-party training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the 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: 7

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: Star Sock consists of a small team. Everyone working at the company has been informed about Fair Wear membership. During regular operational meetings updates on social topics, including Fair Wear, are shared. Presentations on the Brand Performance Check, major achievements and challenges are shared during staff meetings or via email with the whole Star Sock team.

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: The Supply Chain Manager, merchandisers and the owner are well aware of Fair Wear membership requirements and social compliance in general. They regularly attend learning events by Fair Wear and other organisations such as amfori or the Dutch Covenant. The merchandiser who is implementing Fair Wear membership together with the Supply Chain Manager attended Fair Wear's introduction seminar for new members.

Star Sock has local quality control staff/service providers in China and Turkey, who are also aware of Fair Wear requirements. Updates from Fair Wear and other organisation's meetings/trainings are regularly shared via email or during country visits.

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.	Member does not use agents/contractors	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. 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.	0	6	0

Recommendation: Fair Wear recommends Star Sock 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 and structural change to improve working conditions. To this end, Star Sock can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

Training and Capacity Building

Possible Points: 9

Earned Points: 3

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: Star Sock is aware that production is outsourced to other production locations that have not been pre-selected by Star Sock (see also indicator 1.4). Star Socks has made efforts during its last financial year to minimize the risks associated with this. Local staff as well as headquarter staff have visited subcontractors. The company is aware where production took place in 2019 including subcontractors, but does not always know prior to production where their orders will be placed. To prevent this, Star Sock is working toward creating a list of approved subcontractors.

Recommendation: Fair Wear recommends Star Sock to take additional efforts to ensure that the brand is always informed beforehand about the placement of production at production locations. Furthermore, Star Sock could also agree with its main suppliers that only a pre-selected number of production locations can be used for production.

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: Star Sock has an internal database where Fair Wear documentation, audit reports and other information is stored. This information is accessible to all staff. Star Sock's staff consists of a small team that regularly exchanges information about suppliers and takes important decisions together.

Information Management

Possible Points: 7

Earned Points: 4

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	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: Star Sock communicates about Fair Wear membership through the company's website and adheres to Fair Wear communications policy. However, the text on its website accompanying the Brand Performance Check report 2019 implies that they are in category "Leader", while Star Sock achieved category Good in their latest report.

Recommendation: Star Sock should communicate the correct category that they achieved in their latest Brand Performance Check.

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: Star Socks publishes its Brand Performance Check report on its website and discloses supplier names in its public social report.

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

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: Major achievements and challenges related to CoLP implementation and Fair Wear membership are discussed regularly during meetings with Star Sock's owner. A formal assessment of Fair Wear membership takes place after the Brand Performance Check. Star Sock also revised its strategy during 2019, where working conditions play a central role.

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.	30%	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.	2	4	-2

Comment: Star Sock received two requirements related to indicators 1.3., 5.1, 1.13 and 1.14 during its last Brand Performance Check. The brand has gained further insights into its Chinese subcontractors, yet does not always manage to receive a signed Fair Wear questionnaire before production. Limited progress has been made on indicators 1.13 and 1.14 (determining and financing a target wage towards a living wage).

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

Star Sock would like Fair Wear to provide an app that could inform and/or survey workers about working conditions and their rights.

They would also welcome training for factory managers on management systems and behavioural changes.

Star Sock also hopes that Fair Wear can continue its brand visibility.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	25	52
Monitoring and Remediation	22	27
Complaints Handling	7	9
Training and Capacity Building	3	9
Information Management	4	7
Transparency	6	6
Evaluation	4	6
Totals:	71	116

Benchmarking Score (earned points divided by possible points)

61

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

10-06-2020

Conducted by:

Lisa Suess

Interviews with:

Willem Schilders, Supply Chain Manager

Iris Vrijssen, Merchandiser