



Brand Performance Check

Hubert Schmitz GmbH (S-Gard)

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

Brand Performance Check Overview

Hubert Schmitz GmbH (S-Gard)

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

Member company information	
Headquarters:	Heinsberg , Germany
Member since:	2015-12-31
Product types:	Workwear
Production in countries where Fair Wear is active:	Tunisia, Turkey
Production in other countries:	Germany, Poland
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	89%
Benchmarking score	56
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:

Hubert Schmitz GmbH (S-Gard) has met most of FWF's performance requirements. With a monitoring percentage of 89%, it goes beyond the required monitoring threshold of 80% for its third year of FWF membership. This, in combination with a benchmarking score of 56, means that FWF is awarding S-Gard a place in the 'Good' category.

S-Gard has made steady progress in implementing FWF requirements. The brand has maintained a stable supplier base and has not added any new suppliers this year. S-Gard produces in six factories in Tunisia, five of which they are the only customer, which gives the brand significant leverage to improve working conditions. S-Gard also produces at one Polish supplier and completes embroidery finishes at a facility in Germany that is linked to their agent operating in Turkey.

In 2019, S-Gard increased efforts to actively raise awareness of the FWF CoLP and complaints hotline through initiating Fair Wear's Workplace Education Programme (WEP) training at their suppliers in Tunisia. This was positively received by the workers based on the feedback gathered, S-Gard plans to continue pushing for more training.

S-Gard has continued the discussion on living wages with suppliers in Tunisia and gathered wage levels information from a sample of workers across all its suppliers in Tunisia. S-Gard has estimated capacity at suppliers in Tunisia and Poland, however, this information is still limited. In addition to improving production planning, S-Gard can benefit greatly by learning more about the price-setting process, labour cost component in the product price and labour minutes needed per product. This will help the brand link the necessary minutes, to the price per minute to extrapolate to wages, therefore learning connecting the price they pay to wages workers receive. This is also essential to be able to work on living wages as well as establishing a target wage.

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.	100%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In the past financial year, 100% of Hubert Schmitz GmbH (S-Gard)'s production volume came from production locations where the company buys at least 10% of the factory's production capacity.

S-Gard worked with six main suppliers in Tunisia where over 80% of its production is distributed. S-Gard has one supplier in Poland and for promotional wear, S-Gard sources from a German intermediary, who organises production at a Turkish site and a German site (for badges, labels and embroidery).

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.	0%	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.	4	4	0

Comment: S-Gard has no production locations with less than 2% FOB.

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.	71%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In 2019, there was a business relationship for more than 5 years with suppliers responsible for 71% of the production volume. Hubert Schmitz GmbH (S-Gard) maintains a stable supplier base and highly values long term relationships with its suppliers.

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.	2nd years + member and no new production locations selected	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.	N/A	2	0

Comment: S-Gard had no new production location in 2019. All existing production locations had signed and completed a questionnaire and the worker information sheet with the Code of Labour Practices (CoLP) was posted.

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: S-Gard prioritizes existing suppliers and will only select new suppliers as a last resort if capacity is unavailable. When necessary, S-Gard will select suppliers based on production capacity, price level and quality by the use of trial orders. In general, S-Gard visits production locations prior to placing orders. S-Gard developed an evaluation checklist, which also includes social factors, tracking and collecting existing audit reports (if any) among others. If the audits collected contain CAP findings, S-Gard will discuss these with the supplier during the visit. S-Gard discusses factory working conditions, safety standards and FWF requirements. S-Gard also uses the FWF Health and Safety Check to assess the health and safety situation in the factory. S-Gard's owner has the final say before adding a new supplier, however, the input of the product manager who is also responsible for CSR is taken into consideration as part of the decision making process.

Recommendation: It is advised to describe the process of assessing working conditions at potential new suppliers in a sourcing strategy that is agreed upon and shared with top management/sourcing staff.

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: S-Gard has created an evaluation sheet for all its production locations which consists of a number of indicators including compliance with the Fair Wear Code of Labour Practices. This supplier evaluation template is used to monitor and compare the social compliance performance of all suppliers and is filled out throughout the year alongside the use of audit CAPs to track any major transgressions. This evaluation template is used as a base for discussions with suppliers in Tunisia where S-Gard facilitates a yearly supplier seminar to discuss production capacity, quality and FWF membership with their suppliers and also factory supervisors.

S-Gard has not yet developed a consistent reward system for progress made to improve working condition, however, has used special recognition and highlighting best practices of suppliers during the yearly seminar as a first step. With suppliers where both quality, timeliness and compliance to code of labour practices are highly achieved S-Gard started guaranteeing long term commitment to the suppliers, and long term booking out capacity based on incoming long term tenders.

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: S-Gard is responsible for fabrics, therefore is able to plan retrospectively, set their own internal deadlines for fabric delivery and estimate production plan based on experience. S-Gard has a unique position in which the suppliers in Tunisia produce almost exclusively for them. As a result, production planning is done in collaboration with the supplier where factories are able to provide their own projected lead times. S-Gard can be flexible with the production timelines proposed by the factory because it does not work with seasons but rather on an order basis where approximately 90% of the production is customized items for specific customers. S-Gard, therefore, has the flexibility to shift orders outside of low capacity periods such as during Ramadhan or Eid in Tunisia. Poland serves as extra capacity during these peak times, whereas S-Gard purchases ready-made garments in Turkey and only a small part of the embroidery is completed at the German supplier.

S-Gard does not work with a forecasting system, however, still works with a traditional planning system heavily dependant on experience of working with suppliers over time. Although S-Gard knows the approximate capacity, S-Gard does not yet know the standard minute per style at suppliers in Tunisia. S-Gard knows the production capacity of its Polish suppliers and calculates the standard minute per style. Although S-Gard does not do planning together with its Polish suppliers, it can ensure that it does not overbook the factory. S-Gard discusses lead times with its Turkish supplier but is not aware of the production capacity and does not reserve specific lines for production.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced 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.	6	6	0

Comment: There were no issues with excessive overtime found in audits conducted in 2019 for S-Gard. However, at one of its Tunisian suppliers, there was an issue with missing records in reported working hours. Since then, the factory updated the working times and guaranteed more consistent recording. This will be confirmed in the upcoming audit.

S-Gard has a long relationship and joint venture with one of their Tunisian suppliers, this allows for greater transparency regarding the production program to see how planning is organised. Furthermore, since S-Gard is the predominant producer at the factory and does not work with seasons, S-Gard has flexible with its production plan. This gives the factory more freedom to decide when orders should be placed and establishing deadlines for receiving materials.

S-Gard has less information on capacity at their Turkish supplier, however, is in continuous communication with both the supplier and intermediary to ensure their orders are not causing a time pressure to the production line.

Recommendation: Besides discussing it with the supplier and assessing root causes, Fair Wear strongly recommends S-Gard to actively take measures when excessive overtime is found. Taking measures to ensure that S-Gard knows and shows whether excessive overtime takes place at a supplier is key in resolving the issue. Measures such as regular checks by the local technician, documents checking and interviewing workers help assess whether excessive overtime takes place.

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 Tunisia, S-Gard has a close relationship with suppliers where prices are openly discussed and negotiated based on the order quantity and complexity of the models. There are no set prices per product, due to the tendered/bulk order nature of the products. Because S-Gard works with a large portion of customized items, the sewing minutes are not yet calculated and are not a consideration during the pricing discussion. S-Gard retrieved the wage information per worker at all their Tunisian suppliers as a basis for calculating the labour minute however does not yet know the labour minute cost and price composition for suppliers.

S-Gard is aware of the standard minute per style and negotiates prices with its Polish supplier in a partnership manner. It is not aware of the labour costs of the factories. With its German intermediary, it has negotiated a set agent's price, but it is not aware of how wages relate to prices.

Overall across its supplier base, S-Gard does not know about the price-setting process and does not yet know the labour cost component in the product price or labour minutes needed per product. Without this information, S-Gard can not yet link the necessary minutes, to the price per minute to extrapolate to wages – the brand is therefore not yet able to connect the price they pay to wages.

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 were no issues related to failure to pay legal minimum wages reported in the audit conducted in 2019.

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: None of the FWF audit reports showed late payment by S-Gard.

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: In 2019, two Fair Wear audit was conducted at S-Gard's suppliers in Tunisia. There were no production problems recorded within the audit report related to excessive overtime at either of the production locations. S-Gard has had discussions with suppliers on wages and reasons for wages being lower than living wages. In 2019, S-Gard retrieved the wage information per worker at all their Tunisian suppliers as a basis for calculating the labour minute however does not yet know the labour minute cost and price composition for suppliers. Therefore S-Gard has limited information on root causes for wages that are lower than living wages in production locations.

Requirement: S-Gard 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. S-Gard 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.

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).	1%	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.	1	2	0

Comment: S-Gard has a joint venture at two of its Tunisian suppliers, which they co-fund.

Recommendation: Fair Wear supports direct ownership of suppliers. Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.

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: S-Gard currently only works with the official minimum wage guide for all its production locations. S-Gard has not yet determined the needed wage increases.

Requirement: S-Gard 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.

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: S-Gard has not yet implemented a target wage.

Requirement: S-Gard is expected to begin setting a target wage for its production locations.

Recommendation: Fair Wear encourages S-Gard to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Purchasing Practices

Possible Points: 50

Earned Points: 26

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.	0%	
% of production volume where Fair Wear audits took place.	74%	
% of production volume where an audit took place.	74%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	15%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	89%	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 Product Manager is responsible to follow up on problems identified by the monitoring system. For its Tunisian suppliers, S-Gard does this in close cooperation with the managing director of its main Tunisian supplier and has designated staff for follow-up and verification.

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

Comment: S-Gard makes use of Fair Wear audits.

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: S-Gard has shared the FWF audit reports and has set up timelines with the suppliers in a timely manner. At all Tunisian suppliers, there was a worker representative involved during the audit exit meeting, but S-Gard has not yet included the representatives in the follow up of the CAP. S-Gard also shares the CAP abstract with the public via the social report.

Recommendation: Before an audit takes place, S-Gard 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.	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: S-Gard conducted two audits in 2019 at their suppliers in Tunisia. Once received, S-Gard shared the FWF audit reports and CAPs and set up timelines with the suppliers in a timely manner. S-Gard actively followed up the issues with these suppliers and had regular discussions with them. The brand also discussed the priorities that were set by the factories. The factories and S-Gard focused on resolving issues concerning health and safety, wages, payslips, worker representative awareness of the FWF Code of Labour Practices and the worker helpline. Most of the CAP issues reported were resolved, however, S-Gard sees issues like infrastructure (allocating space and building for a canteen) and living wages as more complex and has allocated a more long term plan to address them in collaboration with the suppliers.

Recommendation: To facilitate remediation, S-Gard could consider:

- Hiring a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organising supplier seminars.
- Providing factory training.
- Sharing knowledge/material.
- Providing financial support to the supplier for implementing improvements.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	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: In 2019, S-Gard visited 89% of production locations. During a check, notes are taken around Health & Safety and emails sent to relevant S-Gard staff. S-Gard did not visit its Turkish supplier in 2019.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under 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: The majority of the production for S-Gard takes place at six suppliers in Tunisia, where S-Gard has a co-funded joint venture with two of these suppliers. S-Gard conducts audits at suppliers and has organised a WEP basic training at three of their main suppliers in Tunisia. S-Gard works closely with the local staff present at their Tunisian partner venture to gather information about national labour law changes, CBA wage changes and other country-specific production information. S-Gard is aware of the risks within Tunisia through Fair Wear's country study, visits to the production locations, auditing and as enlisting suppliers in the Fair Wear organised supplier seminars.

S-Gard sources from one Turkish supplier since 2016, through a German intermediary. Both the intermediary and the supplier received the Fair Wear Guidance on Risks related to Turkish Garment Factories employing Syrian Refugees. S-Gard discussed the employment of Syrian refugees with the intermediary and was informed that no refugees were currently employed by the Turkish factory. S-Gard has conducted a Fair Wear audit at the supplier to gather additional information and collected a pre-existing audit to discuss with the factory and intermediary. S-Gard gathers additional information via the Fair wear country studies and shares this information with the intermediary in Germany, however has not had sufficient cooperation to be able to perform necessary due diligence before placing orders at the supplier. S-Gard has not visited the Turkish supplier however receives updates, including photos of production at the factory through the intermediary.

S-Gard has production in Poland and Germany, where information on risks in production is gathered during visits and discussions with the management. S-Gard is dependent on the national labour laws as a guidance for due diligence at the suppliers. S-Gard is in regular contact with the suppliers, and has long existing relationships at both production locations.

Recommendation: Knowing the country-specific risks facilitates the starting point for discussing this with suppliers. Member companies can agree on additional commitments that are required to mitigate risks. S-Gard can provide additional measures for support and integrate that in the monitoring system.

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

Comment: In 2019, S-Gard had no shared production locations.

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.	15%	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.	1	2	0

Member undertakes additional activities to monitor suppliers.: No (o)

Comment: S-Gard has two production locations in Poland and one in Germany. Except for the supplier in Germany (which is also the intermediary office), where the embroidery is done, the brand has sent and received the questionnaire and checked whether the FWF Code of Labour Practices was posted.

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: 25

Earned Points: 18

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 Product Manager is responsible 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: S-gard showed photos of the posted Worker Information Sheet, including contact information of the Fair Wear local complaints handler. The photos were taken during staff visits to production locations and confirmed that information sheets were posted in factories in locations that were accessible to all 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.	73%	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: S-Gard organised WEP basic training at three of their main production locations in Tunisia responsible for 73% of production volume.

Recommendation: S-Gard 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: S-Gard received no complaints in 2019.

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: S-Gard has fortnightly meetings with the marketing and productions teams where ongoing projects and remediations at suppliers are discussed with the team, this includes FWF membership and requirements. Additional teams are involved in meetings and training where FWF is discussed at quarterly sales meetings.

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: S-Gard's product manager debriefs the team on all activities happening with Fair Wear as well as requirements. The CEO is actively involved in discussions with suppliers and takes part in meetings involving FWF requirements.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	1	2	0

Comment: S-Gard works with one supplier for the production of promotional products in Turkey. The agent has been informed of the Fair Wear Code of Labour Labour Practices and has had a discussion with S-Gard about FWF requirements. Despite using the agent, S-Gard also has direct contact with the supplier to discuss issues and work on CAPs. The agent plays an additional communication role where necessary.

Recommendation: Fair Wear recommends the S-Gard to actively train their sourcing contractors/agents on monitoring and remediating gender-related problems and enable them to support the implementation of the CoLP.

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

Comment: In 2019, S-Gard has not yet initiated training programmes that support transformative processes related to human rights.

Recommendation: Fair Wear recommends S-Gard 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, S-Gard 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: 11

Earned Points: 4

5. Information Management

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

Comment: S-Gard works with six main suppliers in Tunisia, one in Poland, one in Turkey and an embroidering and finishings factory in Germany. According to the S-Gard code of conduct signed by suppliers, subcontracting has also been discussed and agreed upon with suppliers. S-Gard visits production locations in Tunisia, Poland and Germany regularly to check production, verify existing lines, capacity and machinery. Due to the high-quality and complex nature of the technical products, S-Gard is easily able to check consistency in quality for each product. S-Gard believes that the type of product they produce has a very low risk of outsourcing or subcontracting due to complexity in product and need of high-end machinery. In Turkey, however, there is a high risk of subcontracting by factories. S-Gard has not visited the location but has had discussed on the issue with the German intermediary who has also signed the code of conduct that forbids unagreed upon subcontracting.

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: S-Gard is a small organization where information is easily shared among staff. All relevant staff members have access to audit reports, updated CAPs and information about FWF. When management visit production sites, they are updated by the Product Manager on progress made by the suppliers and issues that still need to be discussed.

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: S-Gard communicates FWF membership through the following channels of communication: website, social media and presentation for customers. All communication is in line with Fair Wear communications policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of 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.	1	2	0

Comment: In its social report, S-Gard mentions the names of its Tunisian suppliers and goes into detail about the remediation taking place at each supplier but did not publish more specific information that discloses the production locations.

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

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

Comment: S-Gard has submitted its social report to FWF and publishes a clear link to the report on its website.

Transparency

Possible Points: 6

Earned Points: 5

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: S-Gard holds annual systematic evaluation of FWF membership and requirements. When preparing the social report and the work plan, S-Gard evaluates progress made and possible next steps. There is a common understanding of the importance of Fair Wear membership with buy-in and commitment at the CEO level.

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.	0%	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: Based on the previous performance check, S-Gard was required to conduct a root cause analysis for wages that are lower than living wages in production locations as well as establish and commence payment of its share of the target wage at suppliers. S-Gard still has a long way to address the living wages issue in Tunisia, however, in 2019 focused on the initial information gathering in collaboration with the factory management who were keen to have discussions about living wages across the different regions in the country.

Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following up of requirements mentioned in the last Brand Performance Check.

Evaluation

Possible Points: 6

Earned Points: 0

Recommendations to Fair Wear

S-Gard is happy with the support and guidance it has received from fair Wear over the last year and is excited to see the outcomes of the further decentralization of the Amsterdam office to strengthen local in-country teams.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	26	50
Monitoring and Remediation	18	25
Complaints Handling	7	9
Training and Capacity Building	4	11
Information Management	4	7
Transparency	5	6
Evaluation	0	6
Totals:	64	114

Benchmarking Score (earned points divided by possible points)

56

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

13-08-2020

Conducted by:

Sandra Gonza

Interviews with:

Bruno Schmitz - CEO

Jonas Kuschnir - Product Manager

Christina Aretz - Accounting