



## **Brand Performance Check**

**van Laack GmbH**

**Publication date: March 2021**

This report covers the evaluation period 01-05-2019 to 30-04-2020

## About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Brand Performance Check Overview

**van Laack GmbH**

**Evaluation Period: 01-05-2019 to 30-04-2020**

Member company information	
Headquarters:	Mönchengladbach , Germany
Member since:	2017-02-28
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	Tunisia, Turkey, Viet Nam
Production in other countries:	Germany, Italy, Slovenia
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	96%
Benchmarking score	45
Category	Needs Improvement

## **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:

Van Laack GmbH has shown insufficient progress in several performance indicators in the financial year 2019-2020. Having monitored both its owned production locations, where more than 90% of van Laack's production takes place, the company has met required monitoring percentage of 80% for third-year members. Nevertheless, van Laack received a benchmarking score of 44, and is therefore placed in the 'Needs Improvement' category.

Van Laack has not shown improvement on two 'repeated non-compliance indicators', meaning that the brand's actions fall within the Fair Wear repeated non-compliance policy. As such, van Laack automatically falls in the 'Needs Improvement' category. Besides this, van Laack GmbH has generally shown insufficient progress on various requirements and recommendations from the previous performance check. After three years of membership, van Laack should ensure basic Fair Wear requirements - such as the posting of the Worker Information Sheet at all its production facilities - are met. Furthermore, van Laack's insight into country-specific risks is insufficient, and van Laack has not followed up on the requirements related to Syrian migrant worker policies. It is also worrying that van Laack has not correctly mapped its complete supply chain after three years of membership. Van Laack's relationship with its own factories is clearly strong and presents a lot of potential for improvement. The company has a decent monitoring system and is constantly in contact with its owned factories. While this is positive, van Laack should be aware that even though the unowned suppliers are only producing small quantities for the company, it is still van Laack's responsibility to ensure these suppliers also comply with the Fair Wear labour standards.

## 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.	96%	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 total, 96% of the production volume came from locations where the company buys at least 10% of the production capacity. This production takes place at the two production facilities in Tunisia and Vietnam which are owned by Van Laack. This is 4 percentage points more compared to the previous performance check. This increase is due to the fact that Van Laack was able to produce some products at their own factories, which previously were produced at external producers.

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.	3%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

**Comment:** A little over 2.5% of the production volume came from locations where the company buys less than 2% of its total FOB. This is a decrease of around 3 percentage points compared to the previous financial year. Due to investments and skills training at the own factories in Vietnam and Tunisia, Van Laack could move some parts of the production from the tail-end facilities to their own factories.

**Recommendation:** For such a small tail end in terms of production volume, the number of suppliers where van Laack GmbH buys only a very small percentage of its production is still quite high. Fair Wear recommends van Laack GmbH to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, van Laack GmbH should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	100%	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.	4	4	0

**Comment:** Van Laack GmbH values long-term relationships, especially with its own main suppliers (van Laack Tunisie and van Laack Asia) with which it has been working for decades. The percentage of production volume where a business relation longer than five years exists, decreased very slightly compared to the previous year as one supplier was added in Tunisia. This is still rounded to 100%.

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:** Van Laack GmbH onboarded one new production location in this financial year. This production location received and signed the questionnaire. However, the questionnaire for the existing Turkish supplier could not be shown during the performance check. Van Laack GmbH explained there are difficulties in communicating with this factory. Van Laack could provide evidence that the questionnaire has been shared with the factory but did not receive the signed questionnaire in return despite several reminders. Although Fair Wear understands this can be challenging, this is the third performance check, and van Laack GmbH should have been able to collect the signed questionnaire for this supplier by now. Van Laack GmbH has demonstrated proof that the factory in Turkey is regularly visited by technical staff of Van Laack, which makes it unclear why this topic could not be more actively addressed in this financial year. Van Laack also was not able to show evidence that all suppliers in low-risk countries have returned the questionnaires.



**Requirement:** van Laack GmbH needs to ensure that all production locations sign and return the questionnaire before first orders are placed.

**Recommendation:** As international travel is still hardly possible due to the Covid-19 pandemic, it is recommended van Laack GmbH makes use of its local representatives ('technicians') to discuss the topic with the Turkish supplier in person.

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:** The business strategy of the brand is customisation, which is translated into high-end and long-lasting products made at the factories with high craftsmanship skills. The brand has a due diligence process to identify general country risks by checking published studies, common websites and working with communities in specific countries. The due diligence at the supplier level is done by visits (reports and pictures are made) and by collecting and checking existing audit reports. Potential suppliers receive information about Fair Wear. Where possible, van Laack involves local representatives in this process. The company's CEO visits factories before orders are placed, as well as the quality control manager. While these efforts are a good step, Van Laack still has not implemented a more formalised process to do its due diligence.

**Recommendation:** A risk analysis as part of the decision-making process of selecting new production locations is an important step to mitigate risk and prevent potential problems. Fair Wear recommends van Laack GmbH to clearly define preventive actions for identified risks and connect them to sourcing decisions. This also includes strategies to tackle structural risks such as low wage levels in the country, limited freedom of association and restricted civil society that are beyond the brand's individual sphere of influence. Fair Wear advises to use information from Fair Wear country studies and wage ladders and use the Fair Wear Health and Safety guidelines. van Laack GmbH can use the CSR Risk Check (<https://www.mvorisicochecker.nl/en/risk-check>) to further assess the risks in (potential new) sourcing countries. For gender risk assessments, van Laack GmbH can use the gender-toolkit that has fact-sheets per country, supplier checklists and a model policy on Sexual Harassment. van Laack GmbH can cooperate with local stakeholders to further investigate the situation in a specific country, particularly with regards to Turkey. Fair Wear can offer information on local stakeholders.

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:** van Laack GmbH has started to create an overview in excel of all the audits collected, also those from sources other than Fair Wear. Through this overview, the company plans to create more insight into the need for follow-up or requesting new audits at any of the suppliers. This is a slight improvement compared to the previous brand performance check. Insight specific to the elements of the Code of Labour Practices is lacking in this overview. Van Laack expressed it is not common for them to be unhappy about their suppliers' performance. However, as it became clear during this brand performance check that communication about social compliance with at least one supplier (in Turkey) has been causing difficulties, Fair Wear is surprised this has not been connected to sourcing decisions.

**Recommendation:** Fair Wear encourages van Laack GmbH to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Such a system can show whether and what information is missing per supplier and can include outcomes of audits, trainings and/or complaints. Fair Wear especially encourages van Laack GmbH to consider this when thinking about ways to deal with suppliers which, according to the company, are less 'open'.

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:** Van Laack GmbH has a strong integrated system in planning the production at their own factories in Vietnam and Tunisia. This planning process has been developed through the years and the internal system has been tested and adjusted to the company's needs. The planning process is in collaboration with several departments. The purchasing department has data available on factory capacity per week, the lead time needed to prepare and labour minutes needed per style. Orders are compiled and placed to make sure volumes are high. To support the preparation, trims are classified based on lead times into categories: A, B, C. The production is divided into continuous production with longer lead times for regular collections (2 collections a year) and flash fashion collections (3-4 collections a year) with short lead times. The production planning is done on a daily and weekly basis to ensure the actual factory capacity is available and no overtime is created. The production is planned to keep the balance and respect the factory available capacity in minutes when the flash collection production is involved.

In case there are delays in the production, van Laack discusses this with the customer to find a way to deliver as well as possible without pressuring the workers too much. For example, they ask which items are needed the fastest so those are prioritised, while others can be done a bit later.

For other (not-owned) facilities, no real steps have been taken to ensure van Laack's orders support reasonable working hours. It should be noted that the orders at these tail-end facilities are very small, making up often less than 1% of the factories' production capacity. This means the influence on work pressure is also limited.

**Recommendation:** Fair Wear recommends van Laack GmbH to learn more about the standard minute per style and how the production of its products impacts the total production capacity at its other, not owned, suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	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.	N/A	6	0

**Comment:** No audit findings on excessive overtime.

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.	Insufficient	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.	0	4	0

**Comment:** At its own factories, which produced 96% of the total FOB in this financial year, van Laack GmbH has some insight into the way prices relate to wages. Van Laack knows the total capacity minutes in the factories and the product prices. Van Laack knows the sewing minutes needed per product. van Laack does not have insight into the full cost breakdown of their products. The company does not make a connection between the information available and wage levels at their factories. This was recommended in the previous brand performance check. For the other, not-owned facilities, van Laack does not have any insight in the cost-breakdown either.

**Requirement:** Considering that van Laack GmbH owns two suppliers, the member should be able to demonstrate the link between its pricing and the wage levels at the supplier.

**Recommendation:** Fair Wear recommends van Laack GmbH to focus their efforts to get insight into the cost breakdown of their products on their own suppliers. A next step is to analyse in-depth the link between the buying prices and the exact cost of labour in the own production locations.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** A verification audit at the factory in Vietnam showed several findings related to legal payments, such as lack of payment of an additional 5% for hazardous work. van Laack collaborated with Fair Wear to ensure these findings were improved and compensation was paid to the workers.

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:** n/a

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:** During visits to the owned factories in Tunisia and Vietnam, van Laack's CSR manager was able to have an open discussion about the topic with the factory managements. van Laack identified the high volatility of the Tunisian Dinar to be one of the reasons for the wages being structurally too low. In Vietnam, where a part of the workforce does receive a living wage in line with the Global Living Wage Coalition living wage estimate, it became clear the factory fears it will negatively impact the local industry if the wages at this factory are raised further. This is a start of a root cause analysis which has not yet led to any further steps being taken to address these root causes.

**Recommendation:** Fair Wear encourages van Laack GmbH 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).	96%	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.	2	2	0

**Comment:** van Laack GmbH owns two production facilities, accountable for 96% of its total production volume.

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:** In comparison to the previous brand performance check, van Laack has not taken any significant steps to further develop a strategy to finance wage increases, while this was a requirement. van Laack has not set a target wage for its own suppliers. The strategy as described in the previous performance check report, to take wage increases from the company's margin, is still in place. van Laack is planning to work with several departments, including the sales department, CEO and CFO, to develop this strategy.

**Requirement:** In case a Fair Wear member buys exclusively at a production location or owns a production location, the member company has full influence over the wages and should be able to cost for a living wage.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	37%	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.	4	6	0

**Comment:** Although no target wage has been set, the Fair Wear verification audit at van Laack Asia in Vietnam in 2019 showed payment of a wage level according to the living wage estimate of Global Living Wage Coalition (2015), for a larger part of the workers. It should be noted that this estimate has been updated in 2020 and that in the next financial year, it shall no longer be counted towards this indicator.

**Recommendation:** van Laack GmbH is expected to begin setting a target wage for its production locations. Fair Wear encourages the member to show that discussions and plans for wage increases have resulted in the payment of a target wage.

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## Purchasing Practices

**Possible Points: 46**

**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.	95%	
% of production volume where an audit took place.	95%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	1.3%	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	During the 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. van Laack GmbH can collect existing audit reports from the production sites in order to ensure most up to date information on working conditions.	
Total monitoring threshold:	96%	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 Sr. Quality Manager and Supply Chain Manager have been appointed to follow up on the problems identified by the monitoring system.



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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

**Comment:** The audit reports and CAPs are shared in time and discussed with the production locations, timelines for CAP follow-up are set. van Laack GmbH sends reminders and in case of a late response, company management is looped in the email conversation about CAP follow up. Worker representation is also informed about the audit follow-up and its input is requested.

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:** van Laack GmbH uses the CAPs to communicate and keep track of remediations. Open issues are marked red, partly resolved issues yellow, and resolved issues green. Resolved issues are supported by evidence (documents, photos), which are stored in the company folder. If the update by the factory is taking too long, a reminder email is sent by van Laack GmbH.

van Laack GmbH has two CAPs active, both from its own factory audits and has made improvements on CoLP by implementing the CAP's remediations. Many of the identified issues have been resolved, such as the instalment of water sprinklers and the acquiring of new ergonomic chairs for the workers. For one of the audits, van Laack went through the whole CAP during a joint call with both factory management and a Fair Wear representative. Worker representation was also present during this call. Many things were solved due to that. Certain more complex issues, such as the finding related to the notice period in case of termination, are still open.

For other (not owned) suppliers, van Laack GmbH is collecting and evaluating the BSCI audit reports in addition to the factory visits. In Slovenia and Tukey, van Laack explained that the brand's technician(s) are monitoring the factories not only on the quality issues but also on the CoLP. van Laack is planning to develop a checklist for anyone visiting the factories to be able to do a simple check on compliance with the CoLP, but such a systematic approach is not yet in place in the not owned factories.

**Recommendation:** It is advised that van Laack GmbH also includes the not owned factories in the creation of a systematic way to follow up on CAPs.

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.	95%	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:** 95% of the production locations, i.e. the company's own production sites, have been visited by staff of van Laack GmbH.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes	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.	1	3	0

**Comment:** Existing audit reports are collected, however, there was no proof of the systematic use of the FWF Audit Quality Assessment Tool and CAP follow up.

**Recommendation:** Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the Fair Wear audit quality tool and corrective actions are implemented.

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.	0	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	Intermediate			3	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Insufficient			-2	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Insufficient			-2	6	-2

**Comment:** Abrasive blasting-

van Laack GmbH has checked with its denim supplier and found out that this supplier does not use abrasive blasting for its production. van Laack GmbH shared Fair Wear policy on abrasive blasting with its denim supplier (washing subcontractor) and could show evidence (e-mail) of having explained that their Fair Wear membership means that abrasive blasting cannot be used.

Turkey-

van Laack GmbH's supplier in Turkey has confirmed that Syrian refugees are not employed at the factory. The Fair Wear policy on Syrian refugees was shared with the factory but there is no proof that the factory has implemented such policy. Furthermore, van Laack GmbH was not able to demonstrate the supplier has posted the Worker Information Sheet in the factory (see also indicator 3.2). van Laack GmbH works with two local technicians who visit the factory on a regular basis. While Fair Wear considers this a positive action, it makes it all the more striking that van Laack GmbH has not been able to follow up on the requirements regarding Turkey which were included in the previous performance check. As this indicator falls under the 'repeated non-compliance policy', this means van Laack GmbH is automatically placed in the Needs Improvement category.

Other risks-

While the previous performance check confirmed the company being aware of certain country-specific common and endemic issues, during this performance check continuous awareness could not be confirmed. van Laack GmbH was not able to name any of the systemic issues in countries the brand is sourcing from, such as lack of freedom of association (Vietnam) or migrant workers and forced labour (Italy).

**Requirement:** Van Laack GmbH's monitoring system should identify and address high risk issues that are specific to the member's sourcing practices. Fair Wear provides policies and country-specific requirements to member companies. Priorities in remediation efforts are guided by these policies.

**Recommendation:** Fair Wear recommends van Laack GmbH to more systematically analyze human rights risks per country and integrate that into its organizational and decision-making processes. Per country, it could assess and mitigate risks, set priorities and develop possible solutions. Fair Wear provides policies and country-specific requirements for Member companies.

Turkey-

Fair Wear members should ensure that all Turkish suppliers have a policy in place on the registering of Syrian refugee workers. Fair Wear policies can be found on the Member Hub. Production locations that appear to be at particular risk of violation to Syrian refugees -or at risk of using unauthorized subcontractors- should be scheduled for an audit focused on these risks; As many Syrian refugee workers are working in subcontractor factories, Fair Wear encourages members to ensure the subcontractors are included whenever main suppliers are audited. All standard Fair Wear procedures (e.g. posting of Code of Labour Practices, option to participate in the Workplace Education Programme, Arabic and Turkish helpline etc.) also apply to subcontractors.

Fair Wear members should schedule visits to Turkish suppliers and their known subcontractors at least annually.

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:** No shared production locations with other Fair Wear members.

**Recommendation:** Involving more customers of the factory increases leverage, the chances of successful outcomes and long term improvements.

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

**Comment:** van Laack GmbH sources from other (not owned) suppliers located in Slovenia, Italy and Germany. Most of the questionnaires have been collected and production locations have been visited by the company's staff or local brand representatives. However, van Laack GmbH could not demonstrate that all locations had posted the Worker Information Sheet. Although there is a small improvement in comparison to the previous brand performance check, the company needs to make sure that all production locations in production countries Germany and Italy have a WIS posted.

**Requirement:** Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Ensure up to date information on the labour conditions in the location either by a regular visit and/or a report by a third party;
- Be informed of Fair Wear membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by Fair Wear;
- Have the Fair Wear Worker Information Sheet posted in local languages.

**Recommendation:** Fair Wear recommends to conduct a mapping of its supply chain in Italy that includes: an investigation of subcontractors, the ownership structure of production locations, the number of workers and the type of employment relationship (irregular and migrant employment) to identify and mitigate potential labour rights violations. Fair Wear also recommends van Laack GmbH to read up on Fair Wear's risk assessment on Italy.

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

**Comment:** No audits were conducted at van Laack's tail end suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	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

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## Monitoring and Remediation

**Possible Points: 28**

**Earned Points: 15**

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### 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 Head of Supply Chain Logistics is designated to address worker complaints. If not available, the Quality Manager is second. In addition, a specific CSR e-mail address has been created to receive the 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.	No	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:** van Laack GmbH has informed factory management and workers of its biggest suppliers about Fair Wear CoLP and complaints hotline. Although some evidence (Slovenia, Italy) was provided, not all production locations have posted the WIS. The evidence of posted WIS at Turkish and Italian production locations was not provided. This was a requirement in van Laack GmbH's previous brand performance check. Following Fair Wear's repeated non-compliance policy, lack of sufficient action on this indicator leads to van Laack GmbH automatically being moved to the Needs Improvement category.

**Requirement:** van Laack GmbH must ensure that the Worker Information Sheet, including contact information of the local complaints handler of Fair Wear, is posted in factories in a location that is accessible to all workers. Member company should check by means of a visit whether the Worker Information Sheet is posted in the factories.

**Recommendation:** If suppliers refuse to post the WIS when asked by e-mail, it is advised to organise a call with the production locations to discuss the topic and take away doubts van Laack might have. It is also advised to ask staff visiting a supplier to check if the documents are still posted as indicated on the obtained photo.

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.	0%	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.	0	6	0

**Comment:** The two owned production locations were audited by Fair Wear. Both audits reported that despite verifiable efforts of the employer, less than 50% of interviewed workers were aware of the Fair Wear CoLP and complaints mechanism. A voluntary training on the Fair Wear CoLP was organised by the factory management in the production location in Vietnam. This was not a Fair Wear training as this was not checked with Fair Wear's guidance on training quality, and therefore it does not count towards this indicator.

**Requirement:** Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. van Laack GmbH should ensure good quality systematic training of workers and management on these topics. To this end members can either use Fair Wear's Workplace Education Programme (WEP) basic module, or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear's guidance on training quality standards is available on the Member Hub.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the 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: -1**

## 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:** The Fair Wear membership is discussed with both factory managers (Vietnam, Tunisia) during the regular visits to the headquarter office in Germany. Internally, the company has three layers of meetings to inform all its staff about Fair Wear requirements: top management meetings, management meetings and departments meetings.

Sourcing and purchasing staff possess the knowledge necessary to implement Fair Wear requirements, however, the process is still to be implemented internally.

van Laack staff has gathered relevant knowledge by attending stakeholders meetings and seminars organized by Fair Wear. van Laack is also planning to work directly with the purchasing department to increase their awareness about Fair Wear. To this end, an information board about Fair Wear has been placed near the entrance at the van Laack GmbH office.

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 purchasing department is responsible for informing all its suppliers about Fair Wear 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.	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

**Comment:** It is van Laack's policy not to have any agents in the CMT production.

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:** van Laack GmbH has not conducted any advanced training programmes at any of its production facilities.

**Recommendation:** Fair Wear recommends van Laack GmbH 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, van Laack GmbH 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

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## **Training and Capacity Building**

**Possible Points: 9**

**Earned Points: 3**

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## 5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Insufficient	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.	-2	6	-2

**Comment:** Laack GmbH confirmed their list of suppliers and provided relevant financial data to Fair Wear at the end of the financial year. However, during the check as well as during the follow-up after the brand performance check it became clear several suppliers were missing from the financial list for 2019/2020. This includes one supplier which is actually located in Romania; a country not currently included in van Laack GmbH's supplier list at all.

**Requirement:** After the end of each financial year, van Laack GmbH must confirm their list of production locations and provide relevant financial data. A complete list means ALL production locations are included of all production processes the member uses in the stages after fabric 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:** Monthly reports on CSR information are shared internally in addition to weekly and monthly meetings including several departments.

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## Information Management

**Possible Points: 7**

**Earned Points: -1**

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## 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:** van Laack GmbH complies with Fair Wear's 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:** van Laack's social report and previous brand performance check report are not posted on the company's website. However, a link to van Laack's brand page on the Fair Wear website is posted. This leads also to the brand performance check report.

**Recommendation:** Fair Wear recommends van Laack GmbH 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	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.	1	2	-1

**Comment:** van Laack GmbH submitted its social report to Fair Wear but has not published the report on its website.

## Transparency

**Possible Points: 6**

**Earned Points: 4**

## 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:** The FWF membership is evaluated by top management and by the owner. Audit results of the van Laack GmbH production locations and brand performance check reports are shared.

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.	12.5%	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:** In the previous brand performance check, 8 requirements were included. None of these requirements were resolved. For two requirements, the member has started working on them, although a lot of work still needs to be done. Two of these requirements were for repeated non-compliance indicators (2.7 and 3.2).

- 1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner. -> in progress
- 1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations. -> in progress
- 1.13 Member company determines and finances wage increases -> insufficient progress
- 1.14 Percentage of production volume where the member company pays its share of the target wage -> no progress
- 2.7 Compliance with FWF risk policies. -> insufficient progress
- 2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled. -> insufficient progress
- 3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline. -> insufficient progress (-1)
- 3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline. -> no progress

**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 requirements mentioned in the last Brand Performance Check.

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## Evaluation

**Possible Points: 6**

**Earned Points: 4**

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## Recommendations to Fair Wear

van Laack GmbH recommends Fair Wear to align its audit format more with other verification organisations, such as BSCI. Furthermore, van Laack GmbH would appreciate it if some information regarding Fair Wear would be available in short format, for example a hand-out which explains the difference between good and leader brands. van Laack indicated that not everyone knows Fair Wear, and such a hand-out could help explaining the membership to its B2B customers. van Laack also advises Fair Wear to increase its presence at German universities, for example at courses about corporate social responsibility.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	26	46
Monitoring and Remediation	15	28
Complaints Handling	-1	9
Training and Capacity Building	3	9
Information Management	-1	7
Transparency	4	6
Evaluation	4	6
Totals:	50	111

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

45

### Performance Benchmarking Category

Needs Improvement

## Brand Performance Check details

Date of Brand Performance Check:

27-01-2021

Conducted by:

Paula de Beer

Interviews with:

Catharina von Spee, Markus Becker, Marie Sitter