



## **Brand Performance Check**

### **Blutsgeschwister GmbH**

This report covers the evaluation period 01-01-2020 to 31-12-2020

## 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.

*This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.*

# Brand Performance Check Overview

## Blutsgeschwister GmbH

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Berlin , Germany
Member since:	2013-06-01
Product types:	Garments, clothing, fashion apparel, bags
Production in countries where Fair Wear is active:	China, India
Production in other countries:	Portugal
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	99%
Benchmarking score	93
Category	Leader

## Summary:

Blutsgeschwister has shown advanced results on performance indicators and has made exceptional progress. With a benchmarking score of 93, Blutsgeschwister is again placed in the Leader category. Although the monitoring threshold does not determine the category this year, Blutsgeschwister has fulfilled the monitoring requirements at suppliers responsible for 99% of its production volume.

## Corona Addendum:

When Covid-19 hit Europe, Blutgeschwister reduced hours to 30% of some staff, including the CSR manager. Hours were gradually increased again over the following months. Although shops were closed, sales online continued and turnover for 2020, while lower than projected, turned out a bit higher than 2019.

Blutgeschwister's production in China was hardly affected by Covid-19, as the collection had already been finished when the pandemic hit the region of Blutgeschwister's suppliers. Production for the next collection started when the factories in China were fully operational again. The suppliers in India and Portugal closed down for several weeks in April and May. This coincided with a period that retail partners were not accepting new goods due to shop closure and therefore the goods could be delivered later. Blutgeschwister paid its orders in full and did not negotiate any discounts. If necessary, Blutgeschwister paid for airfreight.

Blutgeschwister allowed retailers extra time to sell the spring/summer goods and started to supply smaller amounts of goods more often to shops and retailers. This way, smaller amounts of new goods go into (web)shops more often, while allowing suppliers and stores to take more time to sell. Blutgeschwister also worked on more efficient production lines, for example by ordering the same design in more different colours.

Blutgeschwister was well-informed of the Fair Wear Covid-19 guidance and prioritised work with a clear focus on monitoring the suppliers. Some orders were reduced but compensated later. Blutgeschwister also created an extra 'capsule' collection, mostly using old designs and leftover fabrics, specifically to support suppliers who had too much capacity.

Blutgeschwister was in constant dialogue with its agents and suppliers about the situation at the factories. All suppliers filled out a questionnaire based on Fair Wear's four guidance areas. Blutgeschwister verified answers by requesting pay slips, photos, and videos. The brand gave extra orders to the suppliers who indicated they had too much spare capacity and shared workers' rights videos with the Indian suppliers.

Blutgeschwister has strong monitoring systems in place, which have supported the company in effectively monitoring and mitigating the risks related to the Covid-19 pandemic. Three Chinese and one Indian suppliers and were audited, and CAP follow-up was done as usual. Blutgeschwister kept an overview of the situation at all suppliers in one file. The finding of excessive overtime in Chinese factories remains a challenging topic and Fair Wear encourages Blutgeschwister to keep discussing this topic with factory managements. Blutgeschwister continued its efforts on living wage in 2020. Generally, Blutgeschwister shows the positive impact of strong, integrated monitoring systems on working conditions in the supply chain, which are proven to be even more of an asset in a crisis year as 2020.

Blutsgeschwister rightly focused on purchasing practices in its response to Covid-19. However, in addition to this, Blutsgeschwister gave its customers the choice to donate 3% of the VAT, which had been reduced from 19 to 16% by the German government. With this campaign, the brand collected 41,465 euros. In collaboration with German NGO FEMNET, this was donated to two local organisations supporting textile workers in India; CIVIDEP and SAVE. The German help network for women affected by violence, Frauenhauskoordination e.V., was also supported with these funds.

## 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.	76%	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:** Blutsgeschwister sources its items from a small number of factories. In 2020, there has been a slight increase in the amount of FOB sourced from facilities where they have more than 10% capacity.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	4%	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:** Less than 4% of its production volume comes from production locations where Blutsgeschwister buys less than 2% of its total FOB. These are mainly for embellishments which are key for the company's styles. Blutsgeschwister acknowledges it has a lot of advantages to have higher leverage at suppliers, but these embellishments are essential to the product and cannot be done at the factories where leverage is higher.

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.	77%	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:** 77% of Blutsgeschwister's FOB is sourced at production locations where a business relationship has existed for at least five years. This is a slight increase compared to the previous brand performance check.

It is a strategic choice for Blutsgeschwister to maintain long-term relationships with its suppliers. Blutsgeschwister's products are of very high quality, which means starting with new suppliers is a very demanding process. This means the relationship with the suppliers is not unilateral; Blutsgeschwister depends on the specialised suppliers they have. At the same time, there are many repeated styles which brings a lot of stability to 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.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** In 2020, one production site in Portugal was added to the supplier list. This was an unknown subcontractor which had already worked on orders before having signed the questionnaire. Once this came to light, Blutsgeschwister ensured the questionnaire with the Code of Labour Practices was signed immediately.

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

**Comment:** Blutsgeschwister has a strong due diligence process which requires production locations to share the results from previous audits and certifications as part of their onboarding process. Before starting to work with the factory, Blutsgeschwister requests audit reports and photos of the factory and discusses with the factory their approach to human rights due diligence. Potential new suppliers are visited, also by the CSR manager, who has the final say in whether or not a supplier is added to the supplier base. Due diligence has increasingly become a part of the design and product development in the last years. For example, if a certain design requires an extra supplier/subcontractor, the design can be reconsidered and changed so that a new supplier is not necessary (see also indicator 6.1).

Blutsgeschwister only places orders after the receipt of a completed questionnaire and agreement to the Code of Labour Practice. The Fair Wear labour standards, including complex topics like open costing and transparency, are included in the contracts with suppliers and are part of the supplier manual.

There is a written sourcing policy which includes this approach to the due diligence. There is also a standard email that is sent to potential new suppliers explaining the processes mentioned above to ensure the production location fully understands what is required of them.

Normally, supplier visits are an important part of the company's due diligence processes. Due to Covid-19, BlutsGeschwister could not visit its suppliers in 2020. However, audits were conducted at 5 suppliers and external audit reports requested for others. Some audits were postponed slightly but then took place later in 2020 (for more on audit follow-up please refer to chapter 2). BlutsGeschwister was very aware that older audit reports would not accurately reflect the situation in 2020 anymore.

Furthermore, BlutsGeschwister has systematically kept track of the Covid-related risks in their production countries (China, India, Portugal) by creating a due diligence sheet in Excel which includes all risks per country as identified by Fair Wear and sharing a survey with suppliers. This survey was created based on Fair Wear's guidance and followed the four guidance areas as prescribed by Fair Wear. The factories indicated they did not have any issues with payment of wages, which BlutsGeschwister verified by requesting pay slips from the lockdown period. BlutsGeschwister kept an overview of the responses to the questionnaire and the situation in the factories (closure, lower production, etc.) in one file. BlutsGeschwister collected photos and videos of the health and safety measures related to Covid-19 in the factories and was in continuous dialogue with its suppliers during the height of the pandemic.

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:** BlutsGeschwister's supplier rating evaluation criteria are on general performance, quality, delivery, product development, cost and CSR. All criteria weight between 10 to 25%. Depending on the overall outcome of the criteria, the production site is rated red, yellow or green. The supplier evaluation is conducted twice a year. Since 2019, suppliers are informed about their rating in comparison to other suppliers (other suppliers are anonymised in the overview). Some suppliers improved performance after the supplier evaluation was shared, without being asked for this. The CSR rating in the system includes the performance on Fair Wear Code of Labour Practices. BlutsGeschwister has not ended collaboration with any suppliers in 2020.

Due to the pandemic, some of Blutsgeschwister's orders were postponed in consultation with the suppliers. In China, Blutsgeschwister's collection was not in production when the pandemic hit because it had already been finished. However, Blutsgeschwister kept in contact with them and the Chinese suppliers indicated there were no issues. When the new collections went into production, this production could take place as usual.

In India, Blutsgeschwister agreed with the factory to postpone the orders because the factory was not operational for several weeks in April and May 2020 and after that only with part of the capacity as per government requirement. However, when this and other suppliers indicated in the supplier surveys they had capacity again for extra orders, Blutsgeschwister created a small extra collection specifically to fill up that capacity. This 'capsule collection' used left-over materials. This way the factories did not have to wait on fabric suppliers and waste was reduced.

Blutsgeschwister was in constant contact with the suppliers to keep track of the impact of Covid-19 on them. Blutsgeschwister inquired if the factories needed any support to pay for any Covid-related issues, including payment of wages. The factories maintained they did not need any support in this regard and that they were able to pay wages. The audit reports confirm the payment of wages (see also indicator 1.9).

Blutsgeschwister used the Fair Wear brand-supplier conversation framework and other resources made available by Fair Wear. Suppliers sometimes also reached out to Blutsgeschwister from their side. Blutsgeschwister documented contact and was able to show e-mails during the brand performance check, and kept an overview of the contact in excel.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** Blutsgeschwister has a good and lengthy production planning system. The product development period is approximately 18 months which includes many repeated orders, styles and type of fabrics. To ensure efficient production planning, Blutsgeschwister has an agreed contact person for each production location.

Blutsgeschwister works with three agents which use the same factories each year. The company and agents know the capacity of each production location and decide for about 80/90% of the production well in advance which items are produced at what production site. This enables the company to plan the final production dates with the production sites effectively.

Covid-19 influenced the production cycle as a part of the production was paused, i.e. in India and Portugal, due to lockdowns in these countries. In India, when opening up again, one facility was legally obliged to reduce capacity to 30% of the workforce. The reduction in capacity coincided with the period in which Blutsgeschwister reduced orders, so this was not a big problem. Blutsgeschwister accepted later delivery of the goods.

Normally, the sales period of a collection for Blutsgeschwister is 2 months, but since the shops were closed, Blutsgeschwister prolonged the sales period for the spring/summer collection. This also allowed more room for the suppliers to deliver the goods and to produce the next collections. Furthermore, Blutsgeschwister simplified orders by asking for more orders of the same style in more different colours. The different coloured styles were then put in the market in smaller amounts, in 6 drops instead of the previous 3. This approach is easier for the production facilities and better for Blutsgeschwister's sales, so the company will continue this way also after the pandemic. Generally, the on time delivery of goods was possible for this reason. There were no Covid-related delays in production due to delay of materials in Blutsgeschwister's supply chain, because the actual production for the next season only started back up in September and by then the fabrics were ready. Blutsgeschwister paid for airfreight if necessary. Decisions regarding production planning were all taken in dialogue with the suppliers, Blutsgeschwister did not take unilateral decisions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

**Comment:** The audits done in China in 2020 showed the occurrence of excessive overtime in the factories. Blutsgeschwister tried to get to the root cause of the excessive overtime by sending a questionnaires to the suppliers in China. One factory stated on e-mail that overtime in the factory was not caused by Blutsgeschwister, but by other factors such as delay of fabrics. Blutsgeschwister offered to help and streamline their production with the fabric delivery, but the factory maintained the issue is not caused Blutsgeschwister and that they would try to improve it themselves. This e-mail conversation could be shown during the performance check.

In another Chinese factory, workers complained during the worker interviews of the audit they had to work overtime due to Blutsgeschwister's orders. However, the audit report also showed that the factories were not keeping time records, which made it hard to assess whether overtime was actually occurring. Blutsgeschwister followed up with the factory about this and the factory installed a digital system for workers to clock their time using finger prints, but the workers do not like to use it. Blutsgeschwister is still in dialogue about how the factory can ensure they keep time records of the workers to get further insight in the overtime occurrence in this factory.

**Recommendation:** Fair Wear encourages Blutsgeschwister to find out why the workers do not want to use the timewriting system, and to work with the suppliers on finding solutions to this issue.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Advanced	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	4	4	0

**Comment:** In 2020, Blutsgeschwister continued to roll out open costing at all its suppliers. The company now has insight in labour costs of all of their products at 5 suppliers, and part of the products at 1 other supplier. Blutsgeschwister has full insight into the labour minute values at these factories and directly relates them to their prices. Blutsgeschwister keeps a structured overview of all this, including the FOB price increases needed in the coming years to contribute to a gradual wage increase at these suppliers (see also indicator 1.13). One supplier which is not willing to show the complete cost breakdown, does show a more general division of costs of the products (labour/fabric/other costs).

Blutsgeschwister discussed with its suppliers whether there was a need to include additional costs for Covid-19 measures in the minute prices, but for now agreed not to do this. The reason was that the prices are set about a year in advance. In Blutsgeschwister's experience, the suppliers contact the brand in case the prices are not meeting the costs. This happened for example when the cotton price increased significantly. The supplier then asked for an upcharge of the price.

Blutsgeschwister expects the suppliers will include the Covid-related costs in their overhead and that it will be included in next season's prices that way.

To ensure long-term success, Blutsgeschwister has a team for responsible pricing (2 Persons) and they do the open costing. The target wage is fixed in the open costing sheet. Both template for open costing and fixed target wages are prepared by CSR person prior to each pricing period. The CSR person and the purchasing team meet prior to each new season before costing starts and whenever there are adjustments to be made (process itself, supplier response, etc). Additionally it is business rule that new suppliers from 2020 onwards need to be open to open-costing as a requirement to start production at the site.

**Recommendation:** Fair Wear recommends Blutsgeschwister to check whether its suppliers indeed included Covid-related on-costs in the prices in 2021. Furthermore, Fair Wear recommends Blutsgeschwister to continue the conversation about open costing with the suppliers which are not yet open to it. The Fair Wear team can possibly help in furthering this dialogue.

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:** The audits in 2020 show there were some issues related to the payment of overtime premiums in Chinese factories. Blutsgeschwister addressed this with the suppliers and requested proof of payment. The proof of payment was confirmed by Fair Wear, although it is difficult to be completely certain the premiums were paid because the workers were paid in cash. The CSR manager is in dialogue with one supplier which pays piece rate, to create a system to accurately compare the piece rate with legal minimum wage and OT premiums.

At one Chinese factory, it seemed minimum wages had not been paid due to Covid-19. The period for which this supposedly was the case, coincided with the Chinese New Year period. After investigation it became clear the workers in question had requested leave for CNY and therefore it was legally correct the wages were not paid.

At the Indian factories where orders were reduced due to Covid-19, Blutsgeschwister ensured legal minimum wages had been paid also during factory closures and verified this by collecting wage payment overviews. At one of the Indian suppliers, after the Fair Wear workers rights videos had been shared and the factory did not want to show these (see 3.3), the internal complaints committee and management entered into dialogue and created a CBA to agree how to pay the wages in March, April and onwards. Blutsgeschwister was able to show this CBA during the performance check. Blutsgeschwister was not able to verify that contracted workers, who are not on the factory's payroll, also received wages. Many of these are migrants who returned to their villages. Blutsgeschwister was aware of the risks related to these workers and followed up with the factory to ensure they would be hired again after the factory opened up again. Furthermore, Blutsgeschwister worked with local NGOs SAVE and CIVIDEP to support these and other textile workers in India (see also indicator 2.7).

**Recommendation:** Blutsgeschwister should discuss the risks of working with a large amount of contracted workers with its Indian supplier and is encouraged to work with the suppliers to find ways to ensure payment of wages to these 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:** Blutsgeschwister pays 30% deposit at order placement. There is a payment schedule for the balance amount after receipt of shipping documents. The audits conducted did not indicate late payments to the supplier by Blutsgeschwister.

Blutsgeschwister's supplier questionnaire in relation to Covid-19 included questions regarding the order payment. Paid deposits were left with the suppliers regardless of whether orders had been postponed or reduced, in order to support them with the payment of wages and other costs. The remaining payment was done when the orders were finished. Blutsgeschwister normally pays the remaining 70% within 90 days after invoice date but asked in the questionnaire if suppliers needed quicker payment, so they could follow up if this was the case. Blutsgeschwister fully paid the orders and did not negotiate discounts because of Covid-19.



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.	Advanced	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	6	6	0

**Comment:** Blutsgeschwister addresses the topic of wages below living wages with all its suppliers. Blutsgeschwister uses audits to verify the wage levels at the suppliers, in 2020 five audits were done. The company has created a root cause analysis document to investigate why wages are below living wages and shared this with its suppliers. Blutsgeschwister is in the process of collecting answers on this root cause analysis file. At one of the Indian suppliers, where a root-cause analysis was done by a consultant in 2019, an audit in 2020 showed that the identified causes (mainly inefficiencies) have been addressed with the help of an external person. The audit showed the wages in the factory now reach the living wage estimate of the Global Living Wage Coalition for that region.

Blutsgeschwister kept in contact with the suppliers about the payment of wages throughout the Covid-19 pandemic and the suppliers assured her that the living wage gap did not increase due to the crisis. Blutsgeschwister verified this by requesting the overview of wages paid from the suppliers.

**Recommendation:** Blutsgeschwister is encouraged to continue the conversation about root causes of wages below living wages especially in the aftermath of Covid-19.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Advanced	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.	6	6	0

**Comment:** Blutsgeschwister has a clear time-bound plan of wage increases at its factories. In an overview, the company was able to demonstrate per supplier what steps the company plans to take to contribute to a gradual increase of the wages. In this overview the labour minute values per higher wage level are calculated, and these labour minute values are then used to calculate the labour cost per product and the FOB prices. For example, at one supplier in China in 2020 the target wage in these one of calculations was 70% of the selected Global Living Wage Coalition (GLWC) living wage estimate, in 2021 this will be 80%, etc. Another supplier already met 100% of the GLWC estimate in 2020. There is one Chinese and one Indian supplier where the steps are not completely clear yet, because they are not yet doing the open costing. In one of the Chinese suppliers, Blutsgeschwister works together with another Fair Wear member. The two companies have agreed on the target wage (Asia Floor Wage 2017) together. This supplier already pays 117% of the living wage estimate of the Global Living Wage Coalition. Blutsgeschwister includes the extra costs in its FOB prices as it is agreed within the company that this is a crucial topic.

Although in the previous performance check, Blutsgeschwister received the recommendation to include worker representation in the target wage setting, due to Covid-19 the company was not able to take this up in 2020.

**Recommendation:** Fair Wear encourages Blutsgeschwister to involve worker representation in determining target wages and in determining what is needed to raise wages.

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.	53.2%	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:** The audit at one of the factories in India shows the wage levels meet the agreed living wage estimate of the Global Living Wage Coalition, and in one facility in China the wage increase could be verified through the audit. At another supplier in China where Blutgeschwister has contributed to higher wages through their prices, the wage levels including overtime premiums came close to the living wage estimate. However, a living wage is received in a regular working week and therefore this supplier is not included this year. The audit at this supplier was done at the beginning of 2020, so it is possible that Blutgeschwister's increased prices had not yet translated into higher wages. A next audit may show the impact more clearly.

**Recommendation:** Fair Wear encourages Blutgeschwister to continue working on the topic of raising wages and verifying the wage increases at the supplier level.

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 46**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	98%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	1%	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	
Total monitoring threshold:	99%	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:** Blutsgeschwister employs a CSR manager who has been in the position since 2017. The CSR manager is supported by the director of purchasing and product development. The CSR person used to work at Blutsgeschwister as a product developer, given her a strong background and in-depth knowledge about production rhythms. Additionally the CSR person is empowered to approve all new sourcing decisions. Due to the Covid-19 pandemic, the working hours of the CSR manager were reduced to 30% (April 2020) to be slowly increased until full capacity by the end of 2020. While working reduced hours, the CSR manager prioritized work related to monitoring of the suppliers and dropped for example work related to older CAP reports, focusing on the new situation and Covid-related risks.

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

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

**Comment:** Audit report and corrective action plan findings are shared with factory management. Improvement timelines are established in a timely manner.

Normally, the CSR manager visits all production sites at least one time per year. During the visits, the CAP is discussed and where possible, worker representatives are involved. Whether this is possible strongly depends on the production sites. At some, the CSR person is well known to the worker representatives, at others it is difficult to establish a relationship.

Blutsgeschwister followed the recommendation from the previous brand performance check to include worker representation in the opening and exit meetings and executed it at all factories where an audit took place in 2020. In China, worker representation has also been somewhat involved in the CAP follow-up, but due to language barrier and the limitation of freedom of association in China, this is not yet always the case. Blutsgeschwister finds it is more challenging to address this when not being able to travel and meet in person with the factory management. In India, the Internal Complaints Committees in the factories are directly involved in the CAP follow-up.

**Recommendation:** Blutsgeschwister is encouraged to continue including worker representation also in the CAP follow-up, and to address this topic in person when travel is possible again. 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.	Advanced	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.	8	8	-2

**Comment:** CSR staff keeps an overview of all corrective actions and remains in frequent contact with the suppliers to request updates. Normally, during yearly on-site visits, Blutsgeschwister discusses corrective actions with the factory management or agent. This was not possible in 2020 but will be done again in the future. Top management is involved in discussions of more severe issues. During the Covid-19 pandemic, the CSR manager shared the CAP and related workplan and asked the suppliers to input the work they had done. This exchange allowed Blutsgeschwister to continue CAP follow-up despite travel restrictions.

Despite the Covid-19 pandemic, audits were conducted at 4 suppliers in 2020. Blutsgeschwister emphasized with the factories that they did not have to do the audit yet if the supplier did not feel safe to receive auditors. Still, the planned audits could all take place in the end. The CAPs from these audits were followed up by sharing a timebound work plan with the suppliers. This working document was e-mailed back and forth with supporting documentation (photos, videos, copies of safety protocols, etc.) to show proof of remediation. For example, the Chinese audits included several findings related to the lack of fire acceptance permit of the buildings. Blutsgeschwister collected the fire acceptance permit from the suppliers. Where suppliers indicated this document is very difficult and expensive to obtain after the construction of the building has been completed, Blutsgeschwister ensured the building fire safety was in order by requesting building fire safety reports. For complex findings, for example related to living wage, Blutsgeschwister reached out to Fair Wear's local team to support the suppliers, for example by explaining the open costing tools.

The situation at all suppliers in relation to the Covid-19 pandemic was systematically documented in one big "due diligence file". This information could be verified during this brand performance check. Blutsgeschwister used photos and videos to verify the health & safety measures has been taken. Because of the pandemic it was not possible to include workers in follow-up of CAP issues in 2020.

In China, most audits show findings related to the social security scheme. Blutschwister discussed this with the suppliers, who argue that all workers can join the scheme, but not all want to. Since some are migrant workers, it does not make sense for them to join the social security scheme in a region where they will not stay. Blutschwister is trying to work with the factory on awareness raising of the availability of this scheme, but it remains a voluntary choice for the workers.

**Recommendation:** Blutschwister is recommended to work with the factories to continue raising awareness among workers of the right to the social security scheme in China. Once Covid-19 has passed, it is advised to include worker representation in the remediation process. Either to engage workers in identifying and implementing improvements or to verify realised 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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

**Comment:** As travel was restricted due to the Covid-19 pandemic, this indicator is not applicable in 2020 for all Fair Wear members.

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

**Comment:** Blutschwister always collects audit reports from other organisations where they exist and follows up on them as part of due diligence. The quality of such reports is assessed and corrective actions implemented. In the pandemic year, this was found to be especially important and Blutschwister collected reports from all factories where they did not commission a Fair Wear audit.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	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.	6	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	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

**Comment:** Blutsgeschwister monitors and analyses common risks for their sourcing countries and products using the information provided by Fair Wear (country studies, stakeholder information) as well as other non-governmental organisations.



## Covid-19

Blutsgeschwister diligently followed all Fair Wear's Covid-19 guidance, attended all webinars organised in 2020 and kept an overview of the available information related to the pandemic. Information was shared with agents and suppliers. As mentioned, Blutsgeschwister did its own supplier questionnaire to identify specific risks at the suppliers. These questionnaires were based on the Fair Wear guidance and included the four focus areas Fair Wear identified.

Blutsgeschwister stayed in constant dialogue with its supplier also aside from this questionnaire, the CSR manager could demonstrate e-mail contact during the performance check.

The suppliers' main challenge was the spare capacity they had due to the pandemic. Blutsgeschwister gave extra orders to the suppliers which indicated they could use extra work, from the capsule collection which was created specifically to support suppliers in this period (see also 1.6). Blutsgeschwister collected proof in the form of photos and videos of necessary health & safety measures being taken. Blutsgeschwister verified the payment of wages at its suppliers and offered support in case suppliers had difficulties, which they did not. However, at one of the Indian suppliers, the risk was identified that migrant workers, not on the factory payroll, were without wages during the factory closure as they left the area to go back to their villages. Blutsgeschwister tried to follow up where these workers went, but was not able to reach most of them. As soon as the factory opened, some of them were hired again. Blutsgeschwister tried to support these and other workers through a collaboration with the German NGO FEMNET and Indian organisations SAVE and CIVIDEP. Blutsgeschwister raised 41,465 euros through a consumer campaign, most of which was used to support these organisations (for more details on this campaign, refer to the Corona addendum at the start of this report).

## India

Blutsgeschwister is aware of the common risks (bonded labour, gender based violence) in India and continued efforts to mitigate these risks. Blutsgeschwister verified if the internal complaints committees were still meeting, which they were except for the period of factory closure. The internal complaints committee in one of the factories was used to spread guidance on Covid-19. Content of the WEP training has been incorporated into the onboarding programme for new workers at this factory so each worker is alerted to their rights from the start. Blutsgeschwister had planned to do repeat trainings in both factories, which would also include workers from subcontractors, but this could not take place in 2020 and was postponed to 2021 (see also indicator 3.3 and 4.4).

Blutsgeschwister also follows up on risks in the fabric production such as spinning mills, one of which is enrolled in an ETI training programme. Blutsgeschwister keeps working on these risks, even though the company has already been doing so since 2015 and a lot of progress has been made, there is an understanding that this is an ongoing process.

## China

Blutsgeschwister is aware of country-specific risks related to freedom of association and collective bargaining and the occurrence of excessive overtime. Blutsgeschwister tries to work on improving social dialogue within the existing limitation of freedom of association, for example by involving worker representatives in the audit opening and exit meetings.

Blutsgeschwister notices the challenges in China seem to be increasing and especially worries about the risk of forced labour. While this is currently not found in the company's supply chain, Blutsgeschwister recognises this is not a guarantee for the future. While Blutsgeschwister tries to work on ways to mitigate this risk, the company finds it is quite challenging to effectively do so, since the topic can hardly be discussed with Chinese suppliers. Blutsgeschwister does maintain constant dialogue about the occurrence of excessive overtime and supports the suppliers where possible to lower the occurrence of this risk, for example by having long lead times (see also indicator 1.6 and 1.7).

## Portugal

Blutsgeschwister is increasingly sourcing from low risk countries, i.e. Portugal. The Portuguese suppliers are visited regularly, though not in 2020, and audit reports are collected. The main Portuguese supplier was also included in the Covid-19 questionnaire and all Covid-19 additional monitoring was also done here.

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

**Comment:** Blutsgeschwister shares three factories with another Fair Wear member. It cooperates in resolving corrective actions at shared suppliers. Since the member brands are located nearby the CSR responsible meet in person regularly to discuss the status of resolving corrective actions at its shared suppliers. Meeting protocols are made directly in the corrective action plan which is shared with the factory management after the meeting.

The two companies collaborated closely during the pandemic as well, supporting each other in dealing with the situation at the factories. They work together specifically on the topic of living wage. Blutsgeschwister's CSR manager also reached out to other members which are sourcing in the same factories in Portugal and India.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

**Member undertakes additional activities to monitor suppliers.:** Yes (1)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	Yes	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	2	2	0

**Comment:** Five production locations fall under tail-end requirements. Two of these are in Portugal and 3 in China. Two of the tail end suppliers in China have been audited by Fair Wear.

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: 26**

**Earned Points: 28**

### 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 CSR Manager is responsible for handling the complaints and was involved in resolving the one complaint that the member brand has had to handle so far in 2018.

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:** Blutsgeschwister has informed factory management and workers of the Fair Wear Code of Labour Practice. Picture proof showing the Worker Information Sheets are posted and workers are informed about the complaints hotline have been shown to Fair Wear during the performance check.

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.	89%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

**Comment:** In 2018, 2019 and 2020, Blutsgeschwister enrolled production locations representing 67% of the total FOB in the Fair Wear Basic Workplace Education Program and the Fair Wear WEP module Violence Prevention Capacity Building. At the two Indian production sites where the violence prevention trainings took place, monthly internal complaints committee (ICC) meetings take place. Every three months an external non-governmental organisation joined the meetings as required per law. The CoLP are also included in the supplier contracts and supplier manuals, and the Indian suppliers have included the information from the WEP in their basic onboarding presentation.

Fair Wear produced Covid-19 workers' rights videos for several Fair Wear countries, including India. Blutsgeschwister could demonstrate having shared these videos with its Indian suppliers. The one supplier which has not done a WEP training in the past 3 years, shared the videos through the ICC in the factory. Blutsgeschwister verified this as they have direct contact with SAVE, the local NGO which works as external partner of the ICC. The supplier and workers were very positive about the videos. FOB of this supplier (22%) is therefore also included in the scoring of this indicator. The other Indian supplier refused to show the videos as they claimed the information was already outdated. This then did lead to a discussion within the factory between workers and management and the creation of a CBA to agree on the payment of wages for March, April and onwards (see also 1.9). As the WEP Violence Prevention training in this factory was done in 2019, the FOB in this factory is nevertheless counting towards this indicator.

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: 9**

## 4. Training and Capacity Building

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

**Comment:** All staff are made aware of Fair Wear membership during the onboarding process. In 2020, the stores received more information about Fair Wear. All staff in the stores receive a manual which includes information on Fair Wear membership. Store managers were always informed about the membership through in-person meetings once a year. In 2020, this presentation about Fair Wear was done online. The store managers are then expected to train the staff in the stores and documentation of this is kept on record by the CSR manager.

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:** Every product developer (purchasing included) is involved with suppliers on CSR matters, trained on Fair Wear requirements and involved in the monthly Fair Wear meetings. This did not change due to Covid-19. Monthly meetings to inform everyone continued digitally and are mandatory for staff in contact with suppliers to attend. Covid guidance from Fair Wear was discussed here as well. When someone is absent in these meetings, the CSR manager shares afterward what was discussed.

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



**Comment:** The agents which Blutsgeschwister uses are completely informed about everything, as this is how they maintain their relevance. They are involved in CAP follow-up, they make use of the health and safety checklists and report back to the brand. During the height of the pandemic, the agents were the only ones who could still visit the factories and Blutsgeschwister was able to share the Fair Wear guidance through them. Blutsgeschwister's buyer manual also includes the CoLP and specifically the importance of living wage and open costing.

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.	10%	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.	2	6	0

**Comment:** Blutsgeschwister had planned a WEP Violence Prevention at one of its Indian suppliers, including the workers at its subcontractors. This training had to be postponed due to Covid-19 and took place early 2021. A training was done at this supplier in 2015 as well, after which Blutsgeschwister closely monitored whether the internal complaints committee is regularly meeting and complaints are addressed. The ICC in this factory is functional and was also involved in the showing of the workers' rights videos. A CBA about working hour was negotiated in this factory after the audit took place. In 2019, a WEP Violence Prevention was done at its other Indian supplier, where Blutsgeschwister sources almost 10% of its FOB. Follow-up of this training was closely monitored in 2020. The ICC in this factory effectively negotiated the availability of free hygiene products for women in the factory. Furthermore, the ICC was involved in the creation of a CBA during Covid. When visiting the factories, Blutsgeschwister meets with the ICCs in these factories, although this was not possible in 2020.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	Active follow-up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

**Comment:** Once any training session has taken place, the CSR manager inquires about the training, and photographic attendance evidence is often sent.

After Fair Wear's WEP Violence Prevention Capacity Building training sessions, there is more follow up as these sessions must be repeated by law and the committees meet regularly. Meeting protocols are seen along with attendance lists during the Brand Performance Check. In case of language barriers, Fair Wear was consulted for translations and follow up. In factories where other Fair Wear members are sourcing, Blutsgeschwister collaborates with them on the follow-up.

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## Training and Capacity Building

**Possible Points: 13**

**Earned Points: 9**

## 5. Information Management

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

**Comment:** The CSR Manager has a background in fashion and sourcing at Blutgeschwister with a clear understanding of processes and collections. In monthly meetings, the product developers identify the different processes needed to make its products. Due to this background, the CSR manager can match the production with the capacity of the factories whether direct or indirect to ensure that there are no hidden subcontractors. Regular visits have shown production at the sites agreed upon. Fair Wear audits did not show any hidden subcontractors. However, the CSR manager identified a subcontractor in Portugal because she realised the product contained certain small embroidery which she knew could not be done at the known factories. Blutgeschwister ensured to collect all necessary information (signed questionnaire, WIS posting etc.) and added this supplier to the list. The supplier is already GOTS certified and was very open to sign the Fair Wear CoLP.

In order to avoid similar situations in the future, Blutgeschwister is in the process of integrating the supplier mapping into the product development stage. The product development team has to map the whole chain of manufacturing the design, so they already get an idea of which production processes need to be included and which suppliers or subcontractors will be needed for that. The CSR manager then checks all the mappings of the development team to see if they are not missing any elements of production. Making development part of this is part of integrating the CSR work into all processes at the company.

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:** There are meetings between CSR and production teams in which production-level information is shared internally with the different departments so that everyone is kept up to date with Fair Wear related issues. All new colleagues are trained on membership when they start both at head office and in retail stores. In addition, there is a good level of information sharing between CSR and marketing. Information about Fair Wear membership is also made available to the sales teams during the meetings that happen twice a year.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

## 6. Transparency

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

**Comment:** There is a page on the website where the public can access relevant Fair Wear documents. Own magazines that are produced twice a year also have specific information on Fair Wear membership, themes and examples of their work in this area. Blutsgeschwister regularly participates in Fair Wear online campaigns. No problems in compliance with Fair Wear's Communications Policy were found during the Brand Performance Check.

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

**Comment:** Blutsgeschwister discloses 100% of its suppliers on the Fair Wear website and also goes into detail about the various suppliers in its social report. There is a link between Blutsgeschwister's website and social media to keep their customer updated with the latest information including updates on Fair Wear. There is a booklet available for B2B customers that demonstrates the company's relationship with Fair Wear; the Code of Labour Practice is explained in an easy to understand format. Labels are provided for multi-brand locations to make it clear that Blutsgeschwister is a Fair Wear member and therefore easy to identify when placed in busy stores. Blutsgeschwister publishes the Brand Performance Checks and social report.

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

## Transparency

**Possible Points: 6**

**Earned Points: 6**

## 7. Evaluation

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

**Comment:** Systematic evaluation takes place on an on-going basis as the top management and CSR manager meet regularly. When the Brand Performance Check is received, the CSR manager evaluates the report, the recommendations and requirements and then calls a meeting with the CEOs and director of product development & purchasing to discuss. The team then decides how improvements are incorporated (the same process goes for the work plan). Having agreed, separate meetings are scheduled with different team members to follow up.

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.	No requirements were included in previous Check	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.	N/A	4	-2

## Evaluation

**Possible Points: 2**

**Earned Points: 2**

## Recommendations to Fair Wear

Blutsgeschwister is generally positive about Fair Wear and sees the added value of external verification of its efforts. However, Blutsgeschwister recommends Fair Wear to improve its social media channels and make them more appealing to the general consumer. Currently the content is very focused on conscious consumers. Furthermore, Blutsgeschwister thinks that in the external communication for the German market it would be better to communicate in German, without giving the idea that as an organisation Fair Wear is German-speaking.



## Scoring Overview

Category	Earned	Possible
Purchasing Practices	46	52
Monitoring and Remediation	28	26
Complaints Handling	9	9
Training and Capacity Building	9	13
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	107	115

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

93

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

07-04-2021

Conducted by:

Paula de Beer

Interviews with:

Katharina Fest, Stephan Künz, Karin Ziegler, Sara Lemmens.