



Brand Performance Check

TH Clothes - Biscana

Publication date: November 2021

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. 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

TH Clothes - Biscana

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

Member company information	
Headquarters:	Batalha , Portugal
Member since:	2017-12-31
Product types:	Promotional wear and accessories
Production in countries where Fair Wear is active:	Bangladesh, China, Myanmar
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	92%
Benchmarking score	56
Category	Good

Summary:

TH Clothes has shown progress and met most of Fair Wears' performance requirements. It has monitored 92% of its purchasing volume and meets the monitoring threshold for 3+ year members. The benchmarking score of 56 would place TH Clothes in the 'Good' category. However, the repeated non-compliance of indicator 2.7 on enhanced monitoring in Bangladesh for the third year in a row placed TH Clothes in 'Needs improvement' last year. The repeated insufficient progress on indicator 2.7 for this year means TH Clothes' Fair Wear membership is suspended for one year.

In the guidance document, 'Verifying members' performance and response to COVID-19 in the performance checks assessing 2020' (published August 2020), Fair Wear announced that it is now possible for member brands to appeal their assessment score, considering the impact of the pandemic. On the 28th of July 2021, Th Clothes sent an appeal letter to Fair Wear, stating that the repeated non-compliance was, amongst others, a consequence of the impact of the Covid-19 pandemic. The guidance document mentioned above is applicable in this scenario. In a meeting on 8th September between TH Clothes and Fair Wear, the brand was able to demonstrate that the insufficient score on 2.7 was partly caused by Covid-19 related circumstances.

The Brand Performance Check score on indicator 2.7 will remain insufficient since TH Clothes – Biscana could not provide the information which is expected in the enhanced monitoring programme about the safety of workers at the production locations. However, following the appeal procedure, the repeated non-compliance of TH Clothes will not be applied and Fair Wear will allow Th Clothes to remain in the 'Good' category for one more year.

Corona Addendum:

When COVID-19 hit Europe, TH Clothes staff was sent home for two weeks on paid leave. After a week back at work, 70% of the staff was laid-off for two or three months, depending on their role in the company. The remaining 30% worked from home.

Shops were closed, and sales decreased drastically. As most of TH Clothes' customers are based in the south of Europe, the impact was significant as the pandemic hit these countries hard. TH Clothes cut budgets and crammed the warehouses. Later in the year, as lockdowns eased, TH Clothes experienced a slow return of orders.

On the production side, TH Clothes' suppliers in China and later also in its main production country Bangladesh, were facing restrictions due to the outbreak. An unprecedented collapse in orders quickly followed as customers in Europe were in lockdown, resulting in waves of job losses and factory closures. TH Clothes stayed in close touch with its suppliers to stay updated on each supplier's specific situations and needs. Factories were in lockdown for several weeks.

Limitations in travel disrupted TH Clothes' regular factory monitoring and approval processes. Fortunately, TH Clothes' Quality Manager spent the first three months of 2020 in Bangladesh and Myanmar, visiting production locations. This recent face-to-face contact benefited the extended period of long-distance communication via phone calls and WhatsApp. Online (video) meetings were held frequently, and in some cases, the local agent in Bangladesh was able to cover parts of the monitoring processes. TH Clothes postponed Fair Wear audits to 2021 and collected two external audit reports in 2020, of which it used CAPs to follow up and remediate.

TH Clothes was well-informed of the Fair Wear COVID-19 guidance and was in close touch with its suppliers to understand developments. TH Clothes investigated the situation per supplier. It used supplier input, general government updates, and Fair Wear updates to monitor the situation. The brand requested photos, and each supplier filled COVID-19 checklists. TH Clothes offered its suppliers support, but none of the suppliers indicated they needed it.

TH Clothes' CEO discussed planned orders with each supplier, as the common schedule of projected orders (TH Clothes always places a large order in September and smaller re-orders in the months after) had to be changed for the year 2020. This was done in close contact with the suppliers. Furthermore, TH Clothes' CEO assured each supplier that none of the orders already in production was being canceled. TH Clothes accepted and paid full price for goods in transit or production, and it took responsibility for materials costs. TH Clothes did not end any supplier relationship due to COVID-19, and no suppliers went bankrupt. The brand could show clear communication and openness from its suppliers, and some even offered lower minimum order quantities to help the brand. TH Clothes did not use this offer. Due to the significant drop in retail orders, TH Clothes requested a delivery delay of the running orders. The delay would give time to find additional warehousing in Spain and Italy.

The lack of a strong system, including the proper documenting of developments, made it difficult to structurally keep a clear overview of practices along the supply chain. Most of it is done on a case-by-case basis. TH Clothes is encouraged to improve this.

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.	54%	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.	3	4	0

Comment: In 2020, TH Clothes bought 54% of its production volume from production locations where it buys at least 10% of production capacity.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	7%	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: In 2020, 7% of the production volume came from production locations where TH Clothes buys less than 2% of its total FOB. This is a slight increase compared to 5% in 2019. These suppliers make specific products which cannot be placed at TH Clothes' main suppliers.

Recommendation: Fair Wear recommends TH Clothes to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, TH Clothes 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.	56%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In 2020, 56% of TH Clothes' production volume came from production locations where a business relationship has existed for at least five years. This percentage includes two of the main suppliers, with which TH Clothes have been working since the inception of the brand. In 2020, TH Clothes drew up a written policy for internal use, used to maintain stable relationships with suppliers as the company grows. With this policy, relevant staff is encouraged to make use of existing suppliers rather than sourcing new ones as much as possible.

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: Following the requirement in the previous brand performance check, TH Clothes has invested in receiving the signed questionnaire from its suppliers. To overcome the difficulty with its oldest supplier, TH Clothes translated in Portuguese and explained the value of this procedure. For 2020, TH Clothes could show the filled and signed questionnaire for each supplier.

Recommendation: It is advised to use the outcome of the questionnaires to update the production location data, for instance on leverage and subcontractor information. Moreover, TH Clothes is also encouraged to follow up with suppliers in case they do not endorse the Code of Labour Practices or show resistance in some of the replies.

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: TH Clothes uses a basic supplier assessment checklist to review in-house facilities and general quality requirements for their garments. This assessment includes a section to check existing audits or certifications. Every supplier is visited before orders are placed to check facilities, technical capability, capacity, certifications, and review of other existing brands sourcing there. In 2020, TH Clothes added three production locations to the supplier base, one in Bangladesh, one in Myanmar, and one in Portugal. The supplier assessment checklist was used during visits to these suppliers and this assessment is taken into consideration when selecting factories. Each potential new supplier is informed about the Code of Labour Practices and the related requirements. The Quality Manager has the final say in whether or not a production location is added to the supplier base and is in close contact with both the CEO and the Production Manager.

In 2020, Myanmar was added as a new production country to TH Clothes' supplier base. The company consulted Fair Wear's country study on Myanmar and additional guidance, but also ILO, CCC, and UN-ACT were consulted as important resources. TH Clothes has a good understanding of the main risks for Myanmar and could show during the performance check a folder with all due diligence actions taken and files collected. After visiting, signing the questionnaire, and trial order, TH Clothes decided to not go through with the supplier in Myanmar due to the challenging political events in the country.

Overall, a clear due diligence process is followed by TH Clothes, yet not thoroughly written in a policy.

Normally, supplier visits are an important part of TH Clothes' due diligence process and in the first three months of 2020, the Quality Manager had visited all of the production locations. However, due to COVID-19, visits were not possible for the rest of the year. External audit reports were collected for two suppliers, which were used to monitor the COVID-19 related conditions at the production locations. TH Clothes was aware that older audit reports would not accurately reflect the situation in 2020. The company kept track of the COVID-19 related risks in their production countries (Bangladesh, China, Myanmar, Portugal) by staying in close contact with them and discussing developments. TH Clothes staff frequently asked for updates to its suppliers and local newspapers and business updates were checked on a daily basis to follow the latest developments regarding measures set by local authorities.

Fair Wear's guidance was read and TH Clothes could show that the four guidance areas as prescribed by Fair Wear were focused on in conversations with the suppliers and agent to monitor the impact of COVID-19 on its suppliers. The general situation in the factories (closure, lower production, etc.) was not kept in one file, but more tracked on a case-by-case basis. Payment of salary during lockdown has been a topic during the phone conversations but was not verified by eg requesting payslips.

The close business relationship TH Clothes has with the majority of its suppliers enabled short communication lines. Most of the communication was done via phone and TH Clothes did not document this.

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 TH Clothes 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.

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: TH Clothes could show a supplier evaluation file rating suppliers on general performance, quality, delivery and CSR. The criteria for social compliance are focused on various types of certifications and complaints filed through the complaints hotline. Besides this, the input from TH Clothes Quality Manager's (findings during factory visits, photographic evidence collected) is included.

Each supplier starts with 100 points and a number of points are deducted when non-compliance is found. Once a supplier has less than 75 points, it is flagged and action is required. Each criterion has equal weight in this evaluation.

Even though TH Clothes has a clear commitment to value long-term business relationships and large orders are placed at those who perform well enough in the overall supplier evaluation, it could not yet show how social compliance is rated and how this directly leads to production decisions.

During COVID-19, parts of TH Clothes' planned orders were postponed in consultation with the suppliers. None of the running orders were canceled.

In Bangladesh, China and Portugal, TH Clothes agreed with the suppliers to decrease its common large September order and to divide it into smaller orders spread over several months. The extra orders were put on hold, as sales had dropped drastically. Once the suppliers were back at full capacity TH Clothes started to place orders again, yet not back to its usual quantities.

Recommendation: Even though a supplier evaluation was set up by TH Clothes in 2020, including social compliance, Fair Wear encourages the member company to make more explicit how social compliance in the supplier rating system in which quality, relationship, price, and planning are assessed is weighted and how compliance with CoLP leads to production decisions.

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

Comment: TH Clothes keeps track of stock in an excel system which is also used as a forecasting system. Through this system, TH Clothes is able to estimate when stock will be low and can place orders for these items well ahead of time. The purchasing department uses a lead time of 6 months for all its orders as a rule. Festivals, such as Ramadan or Eid, when in Bangladesh less work can be done, are taken into account. TH Clothes' main supplier in Bangladesh sends an overview of their capacity at the beginning of the year, so TH Clothes can plan accordingly. TH Clothes tries to also make use of the low seasons where possible when planning the orders. When delays occur, TH Clothes simply accepts that without using any penalties or requesting for discounts. The frequent visits to the production locations by TH Clothes' Quality Manager enables him to double-check capacity on the work floor.

COVID-19 influenced TH Clothes' production cycle due to the factory closures, however the reduced capacity at most suppliers coincided with the reduced order size for September. TH Clothes accepted later delivery of the goods and for the orders in production, the member arranged extra warehouses in Portugal to avoid issues on the supplier end.

There were no COVID-19 related delays in production due to delay of material delays in TH Clothes' supply chain because the actual production for the next season only started in September and by then the fabrics were delivered and most delays caused by the lockdowns were solved. Decisions regarding production planning were all taken in dialogue with the suppliers and Th Clothes follows suppliers' schedules.

Recommendation: The member is encouraged to inquire with all of its suppliers if and how COVID-19 has impacted the suppliers' production capacity and take this into account in its production planning.

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: No Fair Wear audits were done in 2020. One external re-audit was done at a supplier in Bangladesh and it was found that overtime had not exceeded the legal limits of hours of work. In the previous financial year, TH Clothes already investigated root causes by discussing the matter with its main suppliers. It was indicated that quality issues in the sewing department result in overtime. These issues need to be resolved, which takes time. The plan was to do a thorough root cause analysis in 2020, yet due to the pandemic TH Clothes' main focus was COVID-19 related measures and keeping the company afloat. Further investigation and verification need to be done in 2021.

In general, TH Clothes has been aware of the risk of putting pressure on its suppliers in 2020. It monitored capacity when replacing the orders after the factory closures. The member company regularly checked in with its suppliers to request capacity updates and also the government health bulletin and other guidance documents provided input on capacity, yet no clear overview was created or an alternative tool to keep track of this for each supplier.

Requirement: With a high risk of excessive overtime in its supply chain due to the COVID-19 pandemic, the member needs to monitor suppliers more actively on excessive overtime. TH Clothes should have collected information on whether the replacement of orders due to COVID-19 led to excessive overtime.

Recommendation: In cases where audits were not possible, the member could make use of additional monitoring tools, such as worker surveys, to monitor working hours at its suppliers

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: TH Clothes uses a costing system for its products in which different components of the price are specified. The labour cost is considered part of what is called the 'margin' in this open costing sheet. TH Clothes expects the factory to get its overhead, labour costs and profit margin from this component. The division between these costs is not specified. TH Clothes could show a first calculation of costing per style, linked to wages, but it does not have sufficient information regarding the labour cost to be able to use this in price negotiations. TH Clothes is not aware of the amount of sewing minutes that go into its products. The company negotiates prices in good faith and believes this brings them to a fair price. When the legal minimum wage was raised in Bangladesh, TH Clothes raised its prices in this country as well. The fair distribution of price increase has been discussed with the main suppliers in 2020, but no concrete implementation plan was defined yet.

TH Clothes discussed with its suppliers whether there was a need to include additional costs for COVID-19 measures in the prices, but the suppliers indicated this was not needed. TH Clothes could not show an indication of COVID-19 related extra costs. The orders that were postponed came with a minor price increase, however this was due to an increase of material costs according to TH Clothes.

Recommendation: Fair Wear recommends TH Clothes to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any COVID-19 related costs. Priority would be to make sure this level of transparency can be achieved with their suppliers.

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: During one external audit at a supplier in Bangladesh it was found that wages were not paid fully at the time of auditing. TH Clothes followed up immediately and discovered that the wages were paid out of government funds for the period of factory closure, which is why the payslips were not available yet at the time of the audit. Proof of payment was received and shown during the performance check.

Furthermore, no legal minimum wage issues were found. None of the suppliers indicated problems with wage payment due to the COVID-19 pandemic. TH Clothes checked regularly during conversations by phone, yet proper verification did not happen. As 99% of TH Clothes' production volume comes from Bangladesh, where there was a risk that workers would not receive LMW during lockdowns or due to reduced orders, effort to assess and verify this risk is important.

Recommendation: In case of a crisis such as COVID-19, TH Clothes is encouraged to find solutions in collaboration with their suppliers to ensure they can continue the payment of minimum wages to their workers. The member can for instance choose to pre-pay invoices for material or allow partial shipment of completed orders and paying immediately for this order portion.

Fair Wear strongly recommends TH Clothes to always verify whether legal minimum wage issues have actually been resolved in case factory management claims so. TH Clothes could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check whether the issue has actually been resolved.

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: There were no findings of late payment by TH Clothes in 2020. The company did not change its payment terms because of COVID-19 and shared with all suppliers that orders would not be cancelled and payment would be done according to the usual terms.

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

Comment: TH Clothes shared that living wage discussions are held with the main suppliers during the frequent factory visits. The Quality Manager has stayed in Bangladesh for the first three months of 2020, visiting each supplier several times. During these visits, conversations are held, but none were filed in visit reports or other forms of documentation. One external audit done in 2020 did not properly verify living wage, so no conclusion can be drawn from that. TH Clothes checked if the impact of COVID-19 resulted in lower-paid wages, but no evidence has been collected to verify this.

Even though the brand has a general idea, TH Clothes has not yet analyzed the root causes for wages that are lower than living wages in production locations. Based on its costing sheet, TH Clothes believes the prices paid at the main production location in Bangladesh are sufficient to pay for its share of a living wage, but it is not clear how the money is distributed. According to TH Clothes, low leverage makes it hard to gain insight in topic and the low margins in the promotional wear sector are limiting the member brand to raise prices.

Requirement: TH Clothes must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. TH Clothes is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

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

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

Comment: TH Clothes did not determine wage increases at suppliers yet, and did not set a target wage at any of its suppliers. TH Clothes' plans to pay for wage increases by balancing the costs with more technical, and thus more expensive, products were put on hold due to the COVID-19 pandemic.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	0

Comment: Although it was required in last year's brand performance check, TH Clothes has not set a target wage for its suppliers.

Purchasing Practices

Possible Points: 52

Earned Points: 23

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	91%	
% 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	
Requirement(s) for next performance check		
Total monitoring threshold:	92%	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: TH Clothes' Quality Manager is responsible for following up on 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: Two external audits were done in 2020. The follow up of the Corrective Action Plan (CAP) findings was discussed with the suppliers and improved timelines were agreed upon. TH Clothes follows the improvement timeline which is suggested by the auditors in the CAP. The member could not show whether information from the audit was shared with the workers.

Recommendation: Before an audit takes place, TH Clothes is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	4	8	-2

Comment: TH Clothes does not have a clear system in place to keep track of the progress on CAPs at this moment. The Quality Manager normally spends the majority of the year in Bangladesh and is in close contact with the factories there. This person regularly visits the factories and immediately discusses non-compliances with the factory management.

Due to COVID-19, Fair Wear audits planned for 2020 have been postponed to the next financial year, yet CAPs from the previous year have been active. TH Clothes could show CAP follow-up with photographic evidence and other relevant documents. TH Clothes staff were in continuous dialogue with its suppliers during the height of the pandemic. According to TH Clothes, a lot of the follow-up is done via phone or during factory visits, of which proper documentation has not been created.

TH Clothes did not make use of one central place to collect all pandemic-related risks per country, but it was done on a case by case basis through phone calls and WhatsApp contact. During COVID-19, TH Clothes ensured all its suppliers took required health & safety measures by requesting and collecting photos/videos for the suppliers in Bangladesh, China and Myanmar and through physical visits to the Portuguese supplier. The two external audits done in 2020, revealed several COVID-19 related issues, such as delayed payment of wages. TH Clothes showed follow-up with the relevant suppliers and collected evidence of the remediation. Another COVID-19 related issues identified by TH Clothes was production delay and the brand accepted this without requesting for discount.

Recommendation: Fair Wear encourages TH Clothes to more systematically keep track of CAP state and to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices.

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: In 2020, TH Clothes collected two audit reports from other sources, and could show follow-up on several of the CAP findings.

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.	1	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Insufficient			-2	6	-2
Compliance with FWF Myanmar policy	Intermediate			3	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	Intermediate			3	6	-2

Comment: Bangladesh:

TH Clothes could show insufficient progress on this indicator, compared to the previous brand performance check. The process to become a member of Accord was set in motion in 2020, yet the brand argued that mixed messages were sent by the Accord on the future of the initiative. Therefore the brand decided to wait for more clarity before signing the Accord. Communication with both the Accord and the main supplier on this topic was shown. However, given the clear Fair Wear guidelines provided, TH Clothes did have enough tools to take alternative steps to monitor the fire and building safety of this important supplier in the meantime. One external audit report was collected, yet this report does not meet any of the requirements to serve as an alternative to Accord inspection. Fire and building safety CAPs were shown for this supplier, but recent follow-up of (in most cases outdated) findings was missing.

TH Clothes is generally aware of the fire and building safety issues, child labour and subcontracting as risks in Bangladesh. It has agreed with its suppliers not to subcontract as part of their terms and conditions for working with suppliers. TH Clothes' Quality Manager regularly visits the production sites and uses a checklist that includes health & safety points to assess the situation in the factories. One small production location that was unwilling to commit to inspection and remediation of fire and building safety was phased out by TH Clothes. However, with 99% of TH Clothes' production volume, Bangladesh is a very important production country and more effort is expected. TH Clothes has not undertaken adequate further action to follow up the concrete requirement given last year: "for those not covered under Accord/RSC, Bureau Veritas and SGS are among creditable organisations doing alternative inspections. TH Clothes should make sure all factories are inspected and start to work on remediation plans."

Overall, willingness to take steps is shown, yet efforts have not been sufficient in order to ensure proper inspection.

Myanmar:

TH Clothes investigated Myanmar as a new production country in 2020. TH Clothes conducted a risk analysis by gathering information from sources such as ILO, employers' associations and Fair Wear. This exercise made TH Clothes decide to put the plan to expand to Myanmar on hold, as the political issues are currently causing too many risks that TH Clothes is not able to properly monitor and remediate.

China:

TH Clothes is generally aware of the main risks in China; subcontracting, working hours and wages are discussed with the two suppliers in China during meetings.

COVID-19:

TH Clothes followed Fair Wear's COVID-19 guidance. The conversation framework provided by Fair Wear was used as a guide in supplier discussions. Information was shared with agents and suppliers. The questionnaire was used to identify specific risks at the suppliers. TH Clothes stayed in close contact with its suppliers, mostly via phone calls and WhatsApp. The main issue reported by the suppliers was capacity and delivery. TH Clothes accepted all delays without negotiating for discount and all orders were paid beforehand to ensure liquidity to pay wages. Evidence was collected (photos and videos) of necessary health & safety measures being taken. TH Clothes' main supplier in Bangladesh set up a COVID-19 committee to ensure measures were taken and issues could be detected. This committee represents both management and workers. The agent in Bangladesh visited the premises and kept TH Clothes up to date. Health and safety checklists were filled at each visit and shared with TH Clothes.

A COVID-19 related wage issue at a supplier in Bangladesh was reported through the questionnaire. One worker did not receive a wage payment. TH Clothes could show proper follow-up and the issue was taken up immediately and solved.

Requirement: Fair Wear expects TH Clothes to comply with the risk policy for Bangladesh. Fair Wear requires all member companies to ensure inspections and remediation on fire and building safety are conducted at all suppliers. The Accord/RSC and the Alliance do quality assessments and follow up for brands after building and fire safety inspections. According to the ILO, Bureau Veritas and SGS are among credible organizations doing such inspections. TH Clothes should make sure all factories are inspected and start to work on remediation plans.

Recommendation: Bangladesh: TH Clothes should share responsibilities with their production locations as business partners to improve workers' safety at the workplace. At the minimum, the member company should provide the necessary support to the suppliers. In terms of fire and building safety, the member could offer financial or technical support, or offer flexible lead time so that factories could prioritize remediation.

China: We ask TH Clothes to make a clear statement to its suppliers that, as a brand TH Clothes does not want to be involved with any forced labour in its supply chain, including subcontractors. We advise TH Clothes to add the risk of Uyghur forced labour to its risk assessment.

COVID-19: The member is encouraged to verify the information that came up through the additional monitoring tools with audits. Fair Wear recommends TH Clothes to continue remediation of the COVID-19 related issues.

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 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.	-1	2	-1

Comment: TH Clothes shares one production location with two other Fair Wear members. However, given the complexity of the promotional wear industry, TH Clothes believes it to be too risky to cooperate with other brands. As an exception, TH Clothes agreed to sign the joint statement expressing concern over the ongoing unrest in Myanmar, yet cooperation in resolving corrective actions is not (yet) an option for the member brand.

Requirement: Cooperation among Fair Wear members is required. In addition, it is advised to identify other clients and their commitment to improving working conditions. Involving more costumers of the factory increases leverage, the chances of successful outcomes and long term improvements.

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.: No (o)

Comment: TH Clothes has a small percentage of production at one facility in Portugal, which is visited yearly.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	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.	2	2	0

Comment: TH Clothes has collected the questionnaire from the external brand they are re-selling.

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).	100%	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.	3	3	0

Comment: TH Clothes resells items from one external brand, which is also a Fair Wear member.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 31

Earned Points: 18

3. Complaints Handling

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: TH Clothes' Quality Manager is responsible for addressing any worker complaints that may arise.

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: Worker information sheets are posted at all production locations. This is checked and photographed during every visit, by own staff or agent, and photos are kept on file.

Recommendation: Members are advised to follow Fair Wear's style/size/colour specifications for the Worker Information Sheet.

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.	29%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: TH Clothes has not initiated Fair Wear's Workplace Education Programme (WEP) at any of their suppliers in 2020. It was originally on the planning, but due to the COVID-19 pandemic, the training budget had to be cut. The planned training programs are moved to 2021. However, one supplier, representing 29% of TH Clothes' production volume, has been enrolled in training on violence and harassment prevention in the past three financial years.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

Complaints Handling

Possible Points: 9

Earned Points: 7

4. Training and Capacity Building

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

Comment: Information and news on Fair Wear membership are shared with all staff on a regular basis via e-mail. Additionally, new staff members take part in a training session on textile production, including certifications and memberships.

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: TH Clothes is a relatively small team, where Quality Control and Compliance fall under the production team, with one lead, who all sit together. All other staff members in direct contact with suppliers are informed of Fair Wear requirements via e-mail and during meetings.

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: TH Clothes works with one agent in Bangladesh. This agent is involved in making sure Fair Wear requirements are met, such as signing the Code of Labour Practices. TH Clothes is frequently in contact with its agent. During COVID-19, the contact was intensified and the agent visited several production locations as part of the monitoring; checking H&S situation, filling checklists and talking with management and workers.

Recommendation: When TH Clothes delegates CAP follow up and monitoring to agents, it should inform them about the FW COVID-19 guidance and ensure agents are enabled to monitor the impact of COVID-19 on suppliers.

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.	29%	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.	4	6	0

Comment: TH Clothes has initiated one Fair Wear Workplace Education Programme (WEP) session on violence and harassment prevention in the last three years. Another one was planned in Bangladesh, but was postponed due to COVID-19 and took place in 2021.

Recommendation: Fair Wear recommends TH Clothes 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, TH Clothes 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 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.	0	2	0

Comment: TH Clothes could not show follow-up on the training modules.

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.	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: As part of TH Clothes' written agreement with suppliers, suppliers are required to produce all products in-house and inform and get approval from TH Clothes if they use subcontractors. The Quality Manager spends most of the year in the production countries and visits the premises many times per year. Through visual inspection and being in dialogue with the factories, the Quality Manager crosschecks production schedule with the work floor. Information from questionnaires is used to update supplier data, including subcontractors. Finding unauthorized subcontracting can be a reason to end relationships with a supplier.

Recommendation: Fair Wear recommends TH Clothes to strengthen its periodical checks, to make sure these are done more systematically and documented properly.

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: TH Clothes' team is fairly small and they share information on conditions at production locations regularly, via meetings and shared emails. After a factory visit, the staff is informed about the factory visit including any issues working conditions issues.

Information Management

Possible Points: 7

Earned Points: 4

6. Transparency

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

Comment: TH Clothes communicates about Fair Wear's membership on its website, catalog, and banner.

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: TH Clothes published the 2019 Brand Performance Check report on the website of its mother company Biscana. The link on the official website of TH Clothes does not work. Given the clear connection with Biscana, one point will be given for this indicator, yet with a clear requirement and recommendation for next year.

TH Clothes has not disclosed production locations to other members in Fair Force and on the Fair Wear website.

Requirement: Fair Wear requires member brands to disclose production locations to other member brands in Fair Force and on the Fair Wear website.

Recommendation: Fair Wear recommends TH Clothes to publish one or more of the following reports on its own 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: TH Clothes completed its social report, but it was not (yet) published 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: TH Clothes discusses and evaluates Fair Wear membership throughout the year during meetings between top management, Quality Manager and Production Manager.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	30%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: TH Clothes received ten requirements in the previous brand performance check. Especially the lack of progress on indicator 2.7 is considered a severe problem by Fair Wear. This year, TH Clothes showed progress on three of the requirements.

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. -> full progress made

1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations. -> no progress

1.13 Member company determines and finances wage increases. -> no progress

1.14 Percentage of production volume where the member company pays its share of the target wage. -> no progress

- 2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems. -> Some progress made in 2020, more steps are needed to fully count towards this indicator.
- 2.7 Compliance with FWF risk policies. -> insufficient progress made in 2020, more steps are needed to count towards this indicator.
- 2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers. -> no progress
- 3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline. -> full progress made
- 3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline. -> no progress as training was postponed due to COVID-19.
- 7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company. -> progress made, three out of nine requirements are followed up.

Recommendation: Although the member was not able to fully execute the requirements included in the previous performance check due to the COVID-19 pandemic, the member should resort to following up on these requirements when the situation allows.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

TH Clothes would like to have a more “on the field” Fair Wear, without relying on other important organizations.

TH Clothes would appreciate more tools to deal with delicate questions as the brand is relying on close relationships with partners as a way of trying to make them aware of the risks they may endure, without compromising their privacy.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	23	52
Monitoring and Remediation	18	31
Complaints Handling	7	9
Training and Capacity Building	9	13
Information Management	4	7
Transparency	4	6
Evaluation	4	6
Totals:	69	124

Benchmarking Score (earned points divided by possible points)

56

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

01-06-2021

Conducted by:

Hendrine Stelwagen

Interviews with:

Pedro Cunha - Quality Controller

Nuno Lucas - Purchasing Manager

Jessica Ferreira - Designer

Mauro Silva - CEO