



Brand Performance Check

FOND OF GmbH

This report covers the evaluation period 01-08-2020 to 31-07-2021

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

FOND OF GmbH

Evaluation Period: 01-08-2020 to 31-07-2021

Member company information	
Headquarters:	Cologne , Germany
Member since:	2016-10-31
Product types:	Garments, clothing, fashion apparel;Sports & activewear;Bags;Footwear;Luggage & other travel ac
Production in countries where Fair Wear is active:	China, Myanmar, Turkey, Viet Nam
Production in other countries:	Bosnia and Herzegovina, China, Hong Kong Special Administrative Region, Italy, Lithuania, 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	98%
Benchmarking score	76
Category	Leader

Summary:

FOND OF has shown progress and met most of Fair Wears' performance requirements. With a benchmark score of 76 points, FOND OF again retains its LEADER status. The monitoring threshold is non-applicable due to COVID-19, but FOND OF still managed a monitoring threshold of 98% of its supply chain.

Corona Addendum:

The financial year in question covers the period from July 2020 to August 2021. The split financial means that FOND OF was already dealing with COVID-19 within its business operations and supply chain when entering the financial year. A description of the brands initial COVID-19 response is therefore not a primary focus of this report.

COVID-19 has meant overall cost-cutting within the company and putting the Living Wage project on hold. Sales were negatively affected due to the lock-down of the European retail sector. Liquidity was challenged by retailers receiving orders but being unable to pay for them. FOND OF did not experience furlough to any significant extent within the financial year and the CR department was working at its full capacity. There were a few people within the sales department that went on furlough for shorter periods around the month of December.

On the positive side it turned out that certain product groups, such as children's backpacks, maintained (and even increased) in demand and FOND OF experienced a delay in sales rather than a full stop. The company applied for government support in paying wages under the German scheme where the government pays 60% of a companies salaries when employees were on furlough.

Reduced capacity caused delays in orders being produced in China and Vietnam for around two months, which bought FOND OF some time and it was in most cases able to turn the otherwise problem of late deliveries into an advantage.

Last year FOND OF started producing facial masks, but only 9000 pieces at one of it's current suppliers.

FOND OF discussed discounts on its orders with all its suppliers due to the financial difficulties and constraint that was made a reality by the European Lock-down described earlier. Discounts were negotiated on an individual basis with each supplier and the suppliers maintained the right to refuse.

There were no lock-downs within the supply chain, but some suppliers did find themselves in financial difficulties and here FOND OF was able to support these suppliers with prepayments of its orders to help secure workers wages.

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.	92%	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: FOND OF has seven different brands, that mainly are selling bags, and various other accessories. The assortment has in the two most recent years also expanded into some selected apparel styles such as jackets and hats and shoes.

Whenever possible the company tries to use the same supplier for several brands to ensure supply chain consolidation.

In the past financial year, 92% of FOND OF's production volume came from production locations where the company buys at least 10% of the factory's capacity. This is an increase of seven percentage point over the previous financial year.

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.	13%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	2	4	0

Comment: In the past financial year, 13% of the production volume came from production locations where FOND OF buys less than two percent of its total production capacity. This is an increase of four percentage points compared to the previous financial year. The production locations described in this indicator are known as the so-called "tail-end".

The increase of four percentage points comes from FOND OF continuously expanding its product lines into apparel styles, caps and shoes. This expansion started in the previous financial year and has again this year caused the tail-end percentage to rise, but FOND OF still managed to keep its tail-end relatively stable.

The focus of FOND OF is to consolidate its supply chain and limit the tail-end as much as possible, however the need to align and adjust this along with the expansion strategy of adding ever more new product groups, is a balance FOND OF is doing its best to maintain.

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.	85%	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: FOND OF values long term relationships with their suppliers. In the past years, this has meant the company has been looking into possibilities of expanding its existing supplier relationships and expanding to different production locations belonging to the same main supplier.

In the past financial year, there was a business relationship, longer than five years, with suppliers responsible for 85 % of the brands total production volume. This represents a small increase of three percentage points.

During the performance check FOND OF explained that its expansion strategy means bringing onboard new suppliers starting from zero and building up the relationship, but that is considered a natural part of business development and in this financial year it still hasn't had a negative effect on the score, although this is expected in the future.

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: FOND OF receives a signed copy of the questionnaire from each production location prior to starting production at a new supplier. All questionnaires are uploaded to the Fair Wear database, including those of the new production locations that were started up in the financial year 2020/2021. FOND OF has incorporated the Fair Wear questionnaire into its Code of Conduct, which needs to be signed and returned before bulk production can take place.

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: FOND OF's on-boarding process for new suppliers covers the checking of purchasing relevant information such as capacity, minimum order quantities, lead times as well as quality procedures and working conditions. Before adding a new supplier, all involved teams (purchasing, quality, and CR) need to approve. For CR this means collecting information on subcontractors, compliance systems, upstream suppliers, and existing audit reports. In addition, it tries to ensure in discussions that the supplier understands its aspirations in terms of sustainability. For any supplier FOND OF chooses to do business with, there needs to be a history of social audits at the factory. If possible FOND OF prefer suppliers that are already working with Fair Wear members and are showing willingness to work on the Corrective Action Plans (CAPs).

The on-boarding process would normally include a visit by the brand to check up on the working conditions in person. However since onsite visits for the most part hasn't an option during the recent financial year as a result of COVID-19 related travel restriction, FOND OF has had to rely on desk-top research and other communication channels.

FOND OF started working with four new suppliers in the most recent financial year. During the performance check, Fair Wear looked at the Human Rights Due Diligence (HRDD) steps taken by the brand during the on-boarding process including assessment of the country specific risks and how they relate to suppliers with in that production country.

Vietnam & China

For the suppliers in these two production countries, FOND OF collected existing audit reports and created CAPs from these. The suppliers were interviewed on the issue of subcontracting and social topics by the CR staff and afterwards the purchasing staff conducted a price check and discussed delivery terms. This all happened via e-mails and conference calls.

Bosnia and Herzegovina

This being a new sourcing country for FOND OF there were many considerations going into sourcing from here. Bosnia and Herzegovina has the advantage of being in close proximity to Germany, which is a part of the sourcing strategy. In addition to its regular risk assessment and HRDD, FOND OF found a manufacturer that is supplier to the German automotive industry which gave a little extra reassurance, since the automotive industry also has very strict requirements on social and environmental issues.

Turkey

The supplier in Turkey was the only new supplier that was visited by FOND OF staff. In this case the product developer went to the factory and filled in the needed checks on behalf of the CR department. It took a long time to find a suitable supplier in Turkey. One supplier did not want to hang up the Worker Information Sheet and had to be dropped from the on-boarding process, but FOND OF was able to get solid information about a factory used by another Fair Wear member and that always makes the process easier since the factory already knows Fair Wear's requirements and way of working. That in combination with a good audit result gave FOND OF confidence to work with the factory.

During COVID-19, FOND OF has kept in close dialogue with all its suppliers. In the beginning the company was sending bi-monthly questionnaires to suppliers to follow up on the COVID-19 situation. As the numbers of cases stabilised, FOND OF paused the use of questionnaire, but it maintained close supplier dialogue. The questionnaires started up again when the number of infection cases increased, as it happened in Vietnam in July of 2021. This was just weeks before the end of the companies financial year. The main questions that were asked was about the factories ability to keep paying workers and that general status of COVID-19 measures, and the development of cases within the factory. The findings showed this to be the case.

Aside from starting in Vietnam in Juni 2021, none of FOND OF's suppliers had not been subject to lock-downs in the assessed financial year. Audits could still happen, except for in Myanmar, but there the reason was due to the military coup rather than to COVID-19.

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: FOND OF evaluates the compliance of all its production locations in a structured and consistent manner. FOND OF has developed a supplier evaluation system in which it grades the overall performance of its suppliers.

The methodology has both content and process-related CSR elements. The grading is done every six months and results in a spider diagram, which enables FOND OF to track how the social compliance at each production locations develops over time. The grading is used to discuss the performance of a production location during the regular meetings between purchasing, quality and CR.

The CR weight in the supplier evaluation is 20%, but the CR department can also veto any decision. As an example of this, the brand did not start a business relationship with a supplier in Turkey due to the fact the supplier, during sampling, refused to post the Worker Information Sheet, displaying the eight Fair Wear Code of Labour Practices and the telephone number for the worker complaint helpline, in the factory.

During the course of COVID-19, FOND OF has not cancelled or postponed its orders. In Portugal however, where an order that kept getting delayed repeatedly, the company negotiated a large discount. It was decided that the quantities could not be sold in full as a result of the significant delivery delay. The factory was contacted to learn if part of the order could be cancelled. That solution was however not possible since all pieces were all ready cut and in production, so instead, FOND OF negotiated a 17,5% discount on the full order amount. During the performance check, Fair Wear checked to what extend FOND OF had taken this decision unilaterally and if the consequences for the discount would have severe impact on workers. After looking at the transcript of the conversation leading up to the discount, Fair Wear concluded that the decision was not taken unilaterally and that the workers would not be affected as a result of it.

The discount in Portugal was not the only discount FOND OF negotiated last year. Following the lock-down in Germany in October and the shifting of sales, FOND OF found itself facing liquidity problems which led to asking all its suppliers for a discount on orders. The discount was put forward as a request rather than a demand, and it was negotiated with each supplier individually. The discount was between two and five percent. The suppliers were free to refuse and two suppliers did, saying they could not effort to provide a discount.

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: Each of FOND OFs' brands has a different production cycle, depending on collection frequency.

There is a system in place with a 12-month cycle of production planning, which is repeated twice a year. There are three to six delivery deadlines for each order. At the start of an order cycle, the supplier receives a forecast with specific quantities for each delivery deadline. FOND OF discusses the planning with the supplier and checks the long-term capacity. The process of design and product development for all seven brands is done in collaboration with the suppliers who eventually will be producing the products. FOND OF pays for the sample products, including a percentage to cover development costs.

The regular approach continued during the time of COVID-19 and FOND OF has added more delivery deadlines to allow its suppliers continuous production and thus improve their planning and productivity.

The pandemic did not significantly alter FOND OF production planning or the ability to get products delivered. According to FOND OF, only Vietnam was badly affected by COVID-19 when the third wave struck in start of July 2021.

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: In all audit reports from FOND OF's suppliers there were findings related to working hours and overtime. 28 findings in total spread over 11 audit reports.

FOND OF is always investigating findings on working hours and tries to mitigate the root causes. It is still having significant difficulties with this, particularly in China, where suppliers consistently plan with 60 hours of monthly overtime as a norm, but also Vietnam suppliers are showing findings on working hours. Another issue is with transparency of working hours due to inconsistent time registration.

FOND OF has continuously been looking at root causes, but have had little to no luck in effectively reducing overtime and the in-transparency of time registration poses a risk for even more hidden overtime lurking beneath surface.

Recommendation: Besides discussing with the supplier and assessing root causes, Fair Wear strongly recommends FOND OF to actively take measures when excessive overtime and irregularities are found in time registration. Measures such as regular checks by the local technician, documents checking and interviewing workers help assess whether excessive overtime takes place.

When on-boarding new suppliers, FOND OF should make it clear that it requires full transparency about working hours.

Further more Fair Wear recommends using its new "Fair Working Hours Guide" to dig deeper and uncover and solve root causes, not only related to excessive overtime, but also lack of transparency in time-registration at its factories.

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

Comment: For each bag, FOND OF knows the price for fabric and accessories. It has a clear indication of labour cost component. In the process of pricing, retail price is decided before the design and FOB price of a backpack is determined. A cross-check with the local minimum wage is done. In the discussion with production locations on the link between buying prices and wages FOND OF found that production locations find it difficult to pin down minutes and get the exact labour minute cost and will therefore rather provide a lump-sum to cover labour costs. In the price negotiations, the impacts on labour costs is carefully monitored.

FOND OF has yet to investigate the potential rise in costs to implement COVID-19 measures. The questionnaire FOND OF was using in the beginning of the pandemic did not include this question and also in the financial year being assessed now this question was not asked.

Requirement: The member should engage in a dialogue with the supplier about the additional costs due to COVID-19, the effect on wages, etc. and take steps to incorporate these additional costs into their prices.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No	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.	-2	0	-2

Comment: An audit in the end of FOND OF's financial year 2019/2020, showed issues with payment falling below legal minimum wage at one of FOND OF's subcontractors in Vietnam. FOND OF followed up with the main supplier, who claimed not to be working with this subcontractor and the investigation was stopped. In the yearly routine request to suppliers about sub-contracting, it showed that the factory where the wage issues were found, again was in used briefly, in the beginning of the financial year, by the main supplier. FOND OF assumes that the production volume relates to the first two month of the financial year 2020/2021, but is still in the process of investigating what really took place and when. The situation regarding non-payment of legal minimum wage therefore still hasn't been resolved.

FOND OF's financial year runs from August to July and within that period, there were no COVID-19 related issues which resulted in temporary factory closures. The COVID-19 situation first became an issue again in the supply chain in June 2021 with the situation in Vietnam, the response to which will be assessed in next years performance check.

Requirement: If a supplier fails to pay minimum wages, members are expected to respond in time, identify root causes with factory management, and resolve that local labour laws are respected. Evidence of remediation must be collected. Factory visits with a documents check or additional verification by Fair Wear may be needed to verify remediation.

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: Although FOND OF did negotiate discounts with practically all its suppliers of between two and five percent (and in one case 17,5%), the decision was not taken unilaterally and always looked at as a last resort to ensure liquidity.

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: As a result of COVID-19, FOND OF seized its project of discussing wage gaps and Living Wage with its suppliers.

As mentioned in Indicator 1.5 FOND OF negotiated a discount with many of its suppliers and the motivation behind it was to ensure the survival of the company. However for this indicator, the discounts negotiated by FOND OF could have further increased the gap between paid wages and living wages and FOND OF did not look into this aspect, which is the reason Fair Wear deems the brand's effort insufficient here.

Requirement: FOND OF 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. FOND OF GmbH 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: FOND OF had a plan to start financing a wage increase at one of its suppliers where there is a high leverage of 70%.

A budget was reserved for this and the plan was to start with that one supplier and gather experience from there. At one moment however the supplier refused to share additional details about how the price was calculated, which meant FOND OF could not continue. As a further development COVID-19 hit and there were no further discussions with the supplier after that. Had it not been for COVID-19, FOND OF thinks it could have convinced the supplier to continue. The project is now put on hold to see how the situation develops.

One of the direct COVID-19 impacts was that the budget for FOND OF's living wage efforts was cut last year and it remained cut for the whole financial year 2020/2021.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	44%	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: During the performance check, FOND OF presented a table showing that it is paying its share of target wages for 44% of its production volume at three of its suppliers in Vietnam. The figures have been checked by Fair Wear.

Recommendation: FOND OF is encouraged to roll out its approach to other suppliers.

Purchasing Practices

Possible Points: 52

Earned Points: 29

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.	66%	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:	98%	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: FOND OF has a CR department responsible for follow 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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: FOND OF is sharing the CAPs from each audit with its suppliers. Timelines are established and through its internal system, the CR staff is reminded when deadlines for remediation are surpassed. CAPs are discussed with the factory management during visits as well as with HR and worker representatives via regular Skype calls and emails. FOND OF could show evidence of active CAP follow-up during the performance check. When a supplier is unwilling to follow up, FOND OF is persistent in approaching the supplier and it will also support the supplier when needed.

When a supplier has difficulties in following up on an identified action, FOND OF listens to the supplier in order to understand the difficulty and together with the supplier it tries to come up with a solution.

FOND OF cross-checks whether a result matches typical problems within a country and is constantly keeping its eyes open to learn from best practices done by other Fair Wear member brands. As an extra incentive for suppliers to improve social compliance, FOND OF has published the result of the audits on its website, including a data visual which gives instant insight into the performance of each supplier.

During COVID-19, no issues were uncovered by FOND OF's risk assessment and it continued its usual follow up on CAPs without adding specific COVID-19 related points to the CAP.

All active CAPs were shared with Fair Wear during the performance check and the follow up was found sufficient.

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 2020/2021 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: FOND OF collects existing audit reports from other sources as part of its due diligence process and uses these reports to follow up on remediation efforts.

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

Comment: Myanmar:

0,5% of FOND OF's production volume comes from Myanmar and it started sourcing there in 2016, but was already there in the previous financial year. The factory FOND OF is working with was already working for two other Fair Wear members and FOND OF is collaborating closely with these two brands conducting risk assessment and working on the corrective action plan of audits. The situation in Myanmar has worsened significantly in the past year by the military coup and on top of COVID-19 it has compromised the brand's ability to conduct visits and made it impossible to conduct audits and training. FOND OF is closely monitoring the situation and is participating in the joint Fair Wear brand calls where all members are discussing with the country manager. FOND OF is complying fully with Fair Wear's enhanced monitoring requirements for Myanmar.

Turkey:

0,4% of FOND OF's production volume comes from Turkey and the company started sourcing there within the financial year currently being assessed. FOND OF did its due diligence procedure for the factory and at the same time this was a factory where another Fair Wear member was already active. From the collaboration with the other member came the needed insights into country risks as well as the possibility to share a policy regarding working with Syrian Refugees, which the other brand had already implemented together with the factory. The refugee situation along with forced labour, remain the most prominent risks in Turkey.

OTHER:

China:

24% of FOND OF's production volume comes from China and it started sourcing there in 2015. As a part of using additionally monitoring tools, FOND OF participated in a project initiated by Fair Wear and conducted with an external specialist in scraping content from public social media postings, as well as local media and correlating this to specific factory names. From this project, findings related to labour standards are often uncovered. The project was initiated in April and the results are expected in the end of 2021. The report on the findings will happen in next year's brand performance check. COVID-19 is under control in China and production for FOND OF has not been impacted in the recent financial year.

China remains high risk when it comes to forced labour, freedom of association (FOA) as well as excessive overtime.

Vietnam

With 72% of FOND OF's production volume coming from Vietnam, this is by far the biggest sourcing country, with a business relationship going back to 2010. FOND OF is well aware about the specific country risk, and here in particular FOA is dominant. In Vietnam FOND OF is working with BetterWork to conduct factory level training. FOND OF is monitoring the Social Dialogue meetings in the factories, that are mandatory by law. Minutes and recordings of these meeting are received and FOND OF is checking with the help of Fair Wear, that meaningful dialogue is taking place.

The COVID-19 situation in Vietnam took a turn for the worse in the beginning of June and it was followed by very decisive action from the government, who implemented the so-called "3-onsite" regulation, where factories that wanted to keep operating in the most infected provinces, needed to have its workers work, eat and sleep at the factory or in a facility nearby. FOND OF started sending out its questionnaires again when the cases started raising and has been participating in Fair Wear webinars on the situation. As the biggest developments happened in the end of FOND OF's financial year, its response needs to be assessed in next years performance check.

Recommendation: To receive advanced score in country specific risk policy compliance, Fair Wear recommends FOND OF to enrol its suppliers in the WEP (or equivalent) training.

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: FOND OF actively cooperates with other Fair Wear members whenever possible.

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.	66%	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)

Comment: FOND OF has 66% of its low risk production volume under monitoring.

Two audits were conducted at FOND OFs' supplier in Lithuania and Portugal and this qualifies as undertaking additional activities in supplier monitoring and the scoring of one extra point in this indicator.

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: FOND OF conducted two audits at two tail-end location in the financial year 2020/2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

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

Monitoring and Remediation

Possible Points: 26

Earned Points: 25

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	3	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.	2	
Number of worker complaints resolved since last check.	2	

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 CR Team at FOND OF is addressing worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: FOND OF has uploaded pictures of posted Worker Information Sheets at different production locations in the Fair Wear data management system.

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.	40%	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: During the period of the last three years FOND OF enrolled four suppliers in the basic module of Fair Wears' Work Place Education Programme (WEP Basic). Two suppliers in Vietnam and one in China and one in Myanmar jointly responsible for 30 % of its total production volume. In addition FOND OF did two own training sessions in China at factories that together amounts to 10% of its production volume. The total percentage of FOB covered by training in this category is 40%.

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.	Yes + Preventive steps taken	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.	6	6	-2

Comment: In the financial year there were three complaints received, and they all came from Myanmar. The complaints were of different nature but were all related to COVID-19 and a legally binding employment relationship, payment of a living wage as well as Health and Safety.

For two of the complaints preventive steps were taken to make sure the same type of complaint would not happen in the future. In one instance the factory abolished the rule which had led to the complaint in the first place. And in the second instance the management of the factory confirmed that based on the complaint, the procedure of applying for government subsidy had been implemented for all employees.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	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.	2	2	0

Comment: FOND OF has active collaboration with two other Fair Wear members at a shared factory.

Complaints Handling

Possible Points: 17

Earned Points: 15

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 new employees at FOND OF have to go through an internal introduction course that includes a training session given by the CR department about Fair Wear. In addition there is an online channel on sustainability.

The result of the brand performance check is shared with every member of staff.

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: There are weekly meetings between the purchasing, quality, and CR department. CR has biweekly meetings with the internal brands, a bi-monthly meeting with the whole FOND OF team, in which sustainability topics are also addressed when necessary.

In case of detection of a severe human rights violation in one of the production locations, all relevant staff, including the CEO, are informed right away.

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: FOND OFs' agents are informed about the Fair Wear Code of Labour Practices.

FOND OF is currently working with two agents. Factory disclosure is an issue for one of FOND OF's agents and therefore an NDA has been signed where FOND OF is allowed to disclose the factories internally in Fair Force, but not publicly on its website or the website of Fair Wear.

Agents are as well informed about the strong preference of FOND OF to work with GOTS certified factories. Active support on implementing the CoLP is secured by having its agents in charge of the corrective action plan follow up with the suppliers.

Recommendation: Fair Wear recommends FOND OF to train its agents to be in a position to actively support the Code of Labour Practices.

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.	20%	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: Two of FOND OF suppliers were engaged in a continuous training program with BetterWork in Vietnam account for approximately 40% of FOND OF's total production volume (FOB). Fair Wear's rules around counting external training that fall in between advanced and basic has changed since last year. This year, Fair Wear is therefore only awarding points for half the FOB. The production volume that can be counted in this indicator amounts to 20%, according to the updated rules on training.

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

Comment: Better Work is following up on the training, and as per Fair Wear guidelines, Better Work is taking the lead with FOND OF staying updated on training the activities.

Training and Capacity Building

Possible Points: 11

Earned Points: 7

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: FOND OF receives information upfront on what is produced where and what the work schedules are. As a quality check, production locations are visited when its possible, and work schedules are assessed on a weekly basis. Except for the visits, which in most cases could not take place, FOND OF continued its practise surrounding identifying all production locations during COVID-19.

Checking working schedules weekly, together with knowing at what moments its orders are being produced, helps FOND OF mitigate the risk that orders are being subcontracted. As seen in the incident described in indicator 1.9 the system is not 100% accurate and unauthorised subcontracting still happens.

FOND OF stressed again with its main suppliers that subcontracting is only allowed in special circumstances and that they need to be transparent about this beforehand.

Recommendation: Fair Wear recommends FOND OF to take additional efforts to ensure that the brand is always informed beforehand about the placement of production at production locations.

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: CR informs Purchasing- and Quality-department every two weeks about audit reports, CAP follow-up, complaints handling at its main production locations and subcontractors.

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: The CR department checks all publications of the marketing department regarding Fair Wear. They brief them and repeat from time to time the message to be humble and honest. In addition to this, FOND OF shares anecdotal stories about for example how an audit is done.

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: All of FOND OF's suppliers are disclosed internally to other Fair Wear Members as well as on the Fair Wear website, making FOND OF between 90 and 100% transparent.

Recommendation: Fair Wear recommends FOND OF to discuss with the agent that did not want to disclose the production locations (Explained in Indicator 4.3) and make it clear that this will become a requirement within Fair Wear next year.

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

Comment: FOND OF submitted its Social Report to Fair Wear for publication as well as published it on its own company website.

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: The CR department meets with one of the CEOs every month. Fair Wear membership is discussed during this meeting. Examples of specific topics discussed with the CEO would be the Brand Performance Check result and how to increase wages in the factories although at this moment the Living Wage project is on hold due to the pandemic.

During COVID-19, management has given a special task to the CR team to monitor the developments of COVID-19 in FOND OFs' sourcing countries.

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.	100%	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.	4	4	-2

Comment: FOND OF only had one requirement of the previous year regarding monitoring of its "tail-end" suppliers. FOND OF has met this requirement in this financial year.

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

- The Fair Wear Member Hub is difficult to navigate and documents are not easy to find.
- The work in the Corrective Action Plans, should be integrated into Fair Force so the members can work on them there.
- FOND OF felt that Fair Wear could have done more to explain the added requirements that occurred in the brand performance check as a result of COVID-19 and felt a lack in consistency between how last year check was evaluated and the check of this year.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	29	52
Monitoring and Remediation	25	26
Complaints Handling	15	17
Training and Capacity Building	7	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	95	125

Benchmarking Score (earned points divided by possible points)

76

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

27-10-2021

Conducted by:

Peter Jahns

Interviews with:

Hannes Weber, CSR Manager

Philipp Schumacher, CSR Manager

Carsten Winkler – CEO

Alexandra Buchkremer – Purchasing

Kevin Altendorf – Purchasing