



# **Brand Performance Check**

## **Star Sock B.V.**

**Publication date: October 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

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

# Brand Performance Check Overview

## Star Sock B.V.

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

Member company information	
Headquarters:	Oisterwijk , Netherlands
Member since:	2015-01-31
Product types:	Sports & activewear
Production in countries where Fair Wear is active:	China, Turkey
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	69%
Benchmarking score	56
Category	Good

## Summary:

Star Sock has met most of Fair Wear's performance requirements. Star Sock monitored 69% of its supply chain using Fair Wear audits, external audits and fulfilling monitoring requirements for low-risk countries. Even though the monitoring threshold does not meet the requirements for a brand in 'Good', this percentage does not determine the category this year. With a benchmarking score of 56, Star Sock is therefore placed in the 'Good' category.

## Corona Addendum:

In 2020, Star Sock's turnover decreased 22% compared to the previous year due to the impact of COVID-19. Retailers produced more products independently and delayed many orders when shops were closed during lockdown. Since many events were cancelled in 2020, Star Sock also received less orders.

Star Sock did not delay or cancel any orders which were already in production, even though its costumers's demand decreased significantly. Instead, Star Sock has kept more products in stock which helped increase flexibility when demand started to rise again. This way, Star Sock could compensate for some of the losses during the crisis response of the pandemic. For production, more planning time was allocated as the sourcing of fabric and yarn took longer and transport was often delayed. This is also gave suppliers more leeway for production to avoid further risks such as excessive overtime.

The brand kept in close contact with the suppliers and was aware of COVID-19 specific risks. Star Sock reached out to suppliers during lock down to check on the situation at factories. Star Sock's Order Coordinator also conducted a digital visit to conduct human rights due diligence. The main risks identified were factory closures following COVID-19 outbreaks and workers having to quarantine and not being able to come into work. This caused order deliveries to be delayed. The brand kept dialogue to discuss the follow up on orders and adjust planning accordingly. With its main supplier in Portugal, the brand has placed additional orders to ensure the factory had enough production to ensure wages could be paid to workers. The factories were able to implement COVID-19 measures independently such as social distancing, face masks, safe transport, temperature checks and washing hands regularly.

In 2020, Star Sock was flexible in delivery dates as there were delays with fabric orders and capacity issues due to COVID-19. By accepting later delivery dates, Star Sock absorbed the costs for faster transport and accepted smaller deliveries where the production volume was not achievable. Star Sock also accepted alternative fabric options, which was not organically certified as per its usual requirement, to ensure production could be completed.

In 2020, Star Sock kept in close contact with its suppliers and asked whether minimum wages were being paid. In several occasions, factories had to close and could apply for government support. Star Sock did not verify legal minimum wage was paid with documentation from the factories and did not look into whether the governmental support added up to the legal minimum wage amount. Fair Wear recommends Star Sock to do so when there is a risk of non payment of legal minimum wage.

## Performance Category Overview

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

# 1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	87%	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:** Star Sock is continuously trying to increase leverage at its production locations. In 2020, overall production decreased due to less orders which made it difficult to increase leverage. During the last financial year they bought between 10-25% of a factories' production volume at four locations together accounting for over 85% of Star Sock's production volume.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	3%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

**Comment:** Star Sock has further consolidated its supply chain with a limited tail end of only 3%, compared to 12% in the previous year. As part of its sourcing strategy it aims to place orders at existing suppliers. New production locations are added when technical requirements cannot be fulfilled by existing partners. The exception is a network of subcontractors used by one of Star Sock's Chinese supplier to support production when their own capacity is overstretched. Since there were less orders in 2020 due to COVID-19, this number of subcontractors could be reduced. Star Sock has now selected and agreed to a list of six set subcontractors.

**Recommendation:** Fair Wear recommends Star Sock to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Star Sock should determine whether production locations, also the ones in the agreed list of subcontractors, are of strategic relevance and whether production can be done at its main suppliers. 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.



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	71%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** 71% of Star Sock's production volume was bought from production locations where Star Sock has had a relationship for at least five years. This is a significant growth from the previous year, when it was 55%. The increase is due to the reduction of subcontractors Star Sock works with in China. In several cases, suppliers have been a partner for over 15 years. It is Star Sock's aim to build long-term, stable relationships with all its suppliers.

**Recommendation:** Fair Wear recommends Star Sock to maintain stable business relationships with suppliers including subcontractors. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	2nd years + member and no new production locations selected	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	N/A	2	0

**Comment:** In 2020, no new production locations were added. Star Sock ensured all questionnaires of existing production locations, including subcontractors, were signed.

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:** Star Sock has a robust system to conduct human rights due diligence when selecting new production locations. All potential new factories are visited by the Supply Chain Manager, who is well aware of common risks and assesses. This includes whether a factory has a business license, an electronic time keeping system and payment system. Fair Wear membership is discussed in detail during these visits. Where available, existing audit reports are also collected. After the factory visit, Star Sock shares a self-assessment questionnaire with suppliers, which also covers Fair Wear labour standards. A sourcing trip evaluation is conducted with top management before orders are placed. If trial orders are successful, Star Sock aims to conduct a Fair Wear audit as soon as possible.

In the past, Star Sock has decided against sourcing at factories that did not meet their social compliance expectations. The company also deliberately excludes Bangladesh, Ethiopia and Myanmar as potential sourcing countries as Star Socks feels it cannot manage the associated risks in a sufficient way. For the time being the company prefers to focus on China and Turkey where they are familiar with common risks and have local teams to support monitoring.

Star Sock continuously assesses the human rights violation risks in the countries where it produces. The brand is aware of common risks in China including excessive overtime and freedom of association and excessive overtime and employment of Syrian refugees in Turkey.

The brand kept in close contact with the suppliers and was aware of COVID-19 specific risks. Star Sock reached out to suppliers during lock down to check on the situation on the factory floor. Star Sock's Order Coordinator also conducted a digital visit to conduct human rights due diligence. The main risks identified were factory closures following COVID-19 outbreaks and workers having to quarantine and not being able to come into work. With its main supplier in Portugal, the brand has placed additional orders to ensure the factory had enough production to ensure wages could be paid to workers. The brand absorbed the extra costs for stocking products which could be distributed later in the year. The factories were able to implement COVID-19 measures independently such as social distancing, face masks, safe transport, temperature checks and washing hands regularly.

**Recommendation:** Fair Wear recommends Star Sock to create a formal risk assessment process including a COVID-19 risk assessment with country specific information regarding the lockdown and supplier specific information regarding its financial impact. It should link the changes in the member's purchasing practices to its impact on suppliers. This risk assessment should serve as the basis for dialogue between the member and supplier. Additionally, members are encouraged to be aware of the COVID-19 guidance issued by local authorities in their production countries.

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:** Star Sock makes use of a supplier rating system, although the system is more focused on each supplier's performance in communication, delivery and quality. Star Sock does keep updates in its ERP system on the Code of Labour Practices. There's no explicit evaluation related to the updates but it's set up for follow up. Star Sock has yet to find a systematic approach to communicate the evaluation to suppliers and the consequences for its sourcing decisions.

Star Sock closely monitors social performance of its suppliers by making use of the supplier's self-assessment questionnaire, through discussing progress on CAPs and evaluation of factory visits. Outcomes are taken into account when making sourcing decisions. Star Sock's own leverage and influence it has at its suppliers are key to decision making. For example, Star Sock decided to move order capacity at a supplier in Turkey to another supplier as the evaluation of social compliance issues was better. Star Sock kept in close contact with the supplier and discussed this shift in orders early.

In addition, Star Sock works with a consolidated supply chain where often only one production location is able to produce a certain product. Hence, it is more difficult to tie order volumes to social performance.

**Recommendation:** Star Sock is encouraged 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:** Overall, Star Sock has a robust system in place to support reasonable working hours. The biggest challenge Star Sock faces in this regard is dependency on client demands. While the majority of client orders are placed well in advance, around a third of all orders only have very limited production time. Order volumes also fluctuate throughout the year and Star Sock cannot guarantee production to their suppliers. In 2020, Star Sock started sharing order forecasts including quantities ahead with its suppliers to support production planning for reasonable working hours.

To mitigate the risks, Star Sock approaches production planning in close collaboration with their suppliers. Suppliers are asked to propose lead times and indicate what steps are needed from Star Sock's side to meet deadlines. Together with their suppliers, Star Sock has developed a detailed tool to calculate the hours needed to complete each order, including production, packing and delivery time. They have a clear understanding of the capacity of their suppliers and common bottle necks in the process.

In 2020, Star Sock was flexible in delivery dates as there were delays with fabric orders and capacity issues due to COVID-19. The brand kept dialogue to discuss the follow up on orders and adjust planning accordingly. By accepting later delivery dates, Star Sock absorbed the costs paid for faster transport and accepted smaller where the production volume was not achievable. Star Sock also accepted alternative fabric options, which was not organically certified as per its usual requirement, to ensure production could be completed.

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

**Comment:** Overall Star Sock communicates frequently with suppliers and tries to take steps to avoid excessive overtime, for example by extending delivery times, agreeing to air freight or speed truck delivery or accepting higher costs for solutions that avoid overtime hours.

Nevertheless, excessive overtime remains a significant challenge, especially for their Chinese suppliers where weekly working hours of 70-77 hours have been documented by a Fair Wear audit in late 2019. Star Sock has identified cultural norms around overtime as the main root cause for their production locations and is in constant dialogue with its Chinese suppliers and worker representatives to determine creative solutions to change mindset and behaviour. In 2020, no additional steps could be taken as it was not a priority during COVID-19. Star Sock wants to advocate for more free time to help tackle this root cause.

At one of their Turkish locations excessive overtime was documented in 2018 as well, but on a more limited scale. Star Sock discussed the issue with their supplier. As a first step, the supplier did amend contracts that previously had included the option for forced overtime. The amendment had to be signed by all workers to raise awareness of the change. It was however difficult for Star Sock to determine root causes for excessive overtime, as management was less open to discuss. They are monitoring the situation (e.g. by observing whether orders are delayed) and will plan another Fair Wear audit in 2021.

**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.

**Recommendation:** Fair Wear encourages Star Sock to continue working with their Chinese suppliers and worker representatives to reduce excessive overtime. Fair Wear also recommends to monitor the overtime situation in Turkey closely and consider a monitoring visit or audit to verify current working hours. This will still be relevant even though the member will decrease its order volume there.

Star Sock can also make use of Fair Wear's guidance "Addressing excessive overtime through better purchasing practices" available on the Member Hub.

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 two common basic styles (which make up a majority of its products), Star Sock has conducted a detailed cost calculation that includes material costs, supplier margins and labour costs. The company also knows how many minutes are needed per style. The member has yet to link this to the wage levels of the workers.

For other styles, Star Sock does know how changes in design impact knitting time and hence price, but does not have isolated labour costs in calculations as styles vary considerably.

Price negotiations are mainly focused on adjusting technical requirements to reduce costs, when needed. Prices are re-negotiated every season to account for changes in external factors such as cotton prices, legal minimum wage or exchange rates as well as new technical changes.

**Recommendation:** Fair Wear recommends Sock to expand their knowledge of cost break downs of all product groups. A next step would be 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. First priority would be to make sure this level of transparency can be achieved with their suppliers. Star Sock could provide suppliers who don't use open costing, training on product costing and how to quote prices including (direct and indirect) labour costs.

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:** In 2020, Star Sock kept in close contact with its suppliers and asked whether minimum wages were being paid. In several occasions, factories had to close due to COVID-19 and could apply for government support. Star Sock did not verify legal minimum wage was paid with documentation from the factories and did not look into whether the governmental support added up to the legal minimum wage amount. Legal minimum wage is included in the subcontractor checklist, but was not checked in 2020.

**Requirement:** During COVID-19 the member is expected to thoroughly check with its suppliers whether they foresee any issues with payment of wages.

Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

**Recommendation:** In case of a crisis such as COVID-19, Star Sock is encouraged to find solutions in collaboration with their suppliers to ensure they can continue payment of minimum wages to their workers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

**Comment:** No evidence about late payments were found.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

**Comment:** Star Sock has studied wage ladders documented in audits and discussed wage levels with their suppliers. Star Sock has used 2019 to prepare a worker survey involving their Turkish supplier to determine a target wage involving workers and other customers. To inform their plan, they engaged with another Fair Wear member to learn from their experience. In 2020, Star Sock did not take this further. Star Sock plans to collect information in 2021 with a survey to restart the process.

**Requirement:** Star Sock 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. Star Sock is expected to take an active role in discussing living wages with its suppliers.

**Recommendation:** Fair Wear encourages Star Sock to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

Fair Wear encourages Star Sock to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	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:** At this point Star Sock has not yet agreed on specific living wage benchmark, a target wage and financial contributions with their suppliers



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:** Star Sock has not yet set a target wage with any of its production locations.

**Requirement:** Star Sock is expected to begin setting a target wage for its production locations.

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## Purchasing Practices

**Possible Points: 50**

**Earned Points: 21**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	52%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	100%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	69%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

**Comment:** The Supply Chain Manager is in the lead to follow up on problems identified by the monitoring system. There is support from the owner during visits, the local quality control team in China and the agent in Turkey.

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

**Comment:** N/A

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.	No Corrective Action Plans were active during the previous year	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.	N/A	2	-1

**Comment:** There were no Corrective Action Plans (CAPs) in 2020. Usually the Supply Chain Manager at Star Sock shares the audit findings with factory and establishes timelines in a timely manner. During visits, CAPs are also discussed with worker representatives.

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:** After sharing the audit report with the production location, Star Sock schedules calls and/or in person meetings to agree on remediation steps for corrective actions. Local staff and/or service providers are involved in these discussions and support the monitoring progress. The CAP is then discussed and tracked during frequent visits. Supporting evidence is also collected and Star Sock tries to engage with worker representation to include their point of view. Star Sock uses an online system where information per supplier including CAP progress is stored and accessible to all staff involved in the production.

There were no new audit findings of 2020, but some CAPs were still open from 2019. In China, worker representatives were elected in fall 2019. Star Sock did meet them in January 2020 and discussed the audit report and working conditions with them. However, the worker representative stopped working at the factory. A new worker representative was elected and Star Sock can work together with them now. In Turkey, Star Sock did meet worker representatives outside the factory and discussed working conditions with them. The representatives confirmed to Star Sock that they are able to discuss issues with management.

At one of its supplier in China, there was a finding still open from an audit in 2019 where workers did not receive their entitled leave. This was applicable specifically to workers with more than 1 year of seniority and piece rate workers. The brand has followed up with the factory and the factory's policy was updated. However, this was still insufficient in line with Chinese labour laws providing not enough leave for these two groups and will need additional follow up from the brand.

Currently it has been difficult to collaborate with other clients sourcing at their production locations to follow up on the findings from 2019 as many costumers source through agents.

**Recommendation:** Fair Wear encourages Star Sock to continue working on complex issues by cooperating with other customers, further strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices and supporting peer learning between suppliers.

Fair Wear recommends Star Sock. to only close issues when verification can be provided by showing proof (pictures, documentation) or by on-site visits of Star Sock, by including worker representation, or an independent third party.

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 and quality assessed	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.	2	3	0

**Comment:** Star Sock has collected and assessed the quality of two external audit reports at its suppliers in Turkey which accounts for 29% of FOB, counting towards Star Sock's monitoring percentage.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** Star Sock is aware of the risks related to Syrian refugees in Turkey. The Fair Wear policy has been communicated to existing suppliers and it is part of the risk assessment when selecting new suppliers. During its last financial year, Star Sock was sourcing from four Turkish production locations, which includes one subcontractor. These locations combined, account for more than 45% of Star Sock's FOB. Their main production location, accounting for 26%, had been audited by Fair Wear in 2018 and by BSCI in 2020. The main production location participated in Fair wear's WEP Basic module. Star Sock's local quality control service provider has been informed extensively. The service provider regularly visits the factories including subcontractors, especially when production for Star Sock is on-going hence limiting the risk of unauthorised subcontracting. All factories confirmed they do not employ Syrian refugee workers.

In 2020, Star Sock sourced from five suppliers in China, accounting for 40% of its FOB including three subcontractors. Star Sock is aware of the specific risks related to China including excessive overtime, freedom of association and forced labour. As mentioned in 1.4, 1.7 and 2.4, Star Sock is taking steps to prevent and mitigate these risks. At its main suppliers, worker representation has been established and thoroughly followed up in 2020. With its local office in China, the local technician has good knowledge to mitigate risks. Through WEP training and continued dialogue, workers are also made aware on the issue of non-payment of social security. It's still an ongoing issue which Star Socks continues to follow up with and wants to achieve this for 100% of its production in China.

Star Sock has a thorough understanding of common risks in their supply chain such as unauthorised subcontracting, limited freedom of association, excessive overtime, non-payment of social security or use of hazardous chemicals. Star Sock has also developed and implemented a policy to ban hand linking in its supply chain to prevent health risks associated with the technique. Star Sock also checks in on health and safety issues regularly during calls and visits. In 2020, these calls focused specifically on COVID-19 issues. Star Sock used a checklist related to social issues and health and safety for subcontractors. This has been limited due to COVID-19 and the follow up has not been integrated systematically yet. The issues were followed up ad-hoc.

Star Sock revised its strategy and developed a risk matrix to advance their human rights due diligence work. The systematic implementation to prevent and mitigate has yet to be further rolled out in practise to provide structure and proactively address urgent risks.

**Recommendation:** Fair Wear recommends Star Sock to ensure suppliers continue to receive training/information about risks associated with the employment of Syrian refugee workers and opportunities for legal employment, also when increasing FOB at a new supplier in 2021. Star Sock should make sure that suppliers have sufficient knowledge about the CoLP and Fair Wear's approach. Star Sock should make sure that suppliers and workers know about effective management-worker communication and grievance mechanism. Star Sock is strongly encouraged to audit all locations and is recommended to ask the Fair Wear Turkey team to execute the audit as they possess the necessary expertise to detect unauthorized subcontracting where the most violations are taken place.

For their overall risk management system, Fair Wear recommends Star Sock to strengthen their risk prevention and mitigation strategies for identified risks and define clear steps how to tackle these.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	No CAPs active, no shared production locations or refusal of other company to cooperate	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	N/A	2	-1

**Comment:** N/A

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

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



**Comment:** Star Sock's supplier in low risk country Portugal has been visited in the last three years and has signed and returned the CoLP and the questionnaire. Furthermore, Star Sock collected an external audit report for its production location in Portugal.

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

**Comment:** N/A

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

**Comment:** N/A

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

**Comment:** N/A

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

Comment: N/A

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## Monitoring and Remediation

**Possible Points: 22**

**Earned Points: 14**

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### 3. Complaints Handling

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

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

**Comment:** The Supply Chain Manager have been designated to address worker complaints.

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

**Comment:** All production locations are regularly visited. During these visits, Star Sock checks that the Worker Information Sheets are visibly posted.

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.	69%	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:** Star Sock's main Turkish location and its Chinese supplier participated in Fair Wear's Workplace Education Programme Basic module in 2020 accounting for 69% of Star Socks total FOB.

**Recommendation:** Fair Wear recommends Star Sock to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Star Sock should ensure good quality systematic training of workers and management on these topics. To this end, Star Sock 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

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 7**

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## 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:** Star Sock consists of a small team. Everyone working at the company has been informed about Fair Wear membership. During regular operational meetings updates on social topics, including Fair Wear, are shared. Presentations about the Brand Performance Check, major achievements and challenges are shared during staff meetings or via email with the whole Star Sock team.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** The Supply Chain Manager, merchandisers and the owner are well aware of Fair Wear membership requirements and social compliance in general. They regularly attend learning events by Fair Wear and other organisations such as amfori or the Dutch Covenant.

Star Sock has local quality control staff/service providers in China and Turkey, who are also aware of Fair Wear requirements. Updates from Fair Wear and other organisation's meetings/trainings are regularly shared via email or during country visits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Member does not use agents/contractors	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Comment:** Star Sock has yet to enrol its suppliers in transformative training.

**Recommendation:** Fair Wear recommends Star Sock 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, Star Sock can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

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

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## **Training and Capacity Building**

**Possible Points: 9**

**Earned Points: 3**

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## 5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	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:** Local staff as well as headquarter staff have visited suppliers and subcontractors. In the past, Star Sock's production has been outsourced to other production locations without prior notice to the brand. In 2020, Star Sock has created and agreed to a limited subcontracting list to minimise the risk of unauthorised subcontracting.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

**Comment:** Star Sock has an internal database where Fair Wear documentation, audit reports and other information is stored. This information is accessible to all staff. Star Sock's staff consists of a small team that regularly exchanges information about suppliers and takes important decisions together.

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## Information Management

**Possible Points: 7**

**Earned Points: 4**

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## 6. Transparency

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

**Comment:** Star Sock communicates about Fair Wear membership through the company's website and adheres to Fair Wear communications policy.

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:** Star Sock publishes its Brand Performance Check report on its website and discloses supplier names in its social report and on the Fair Wear website.

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:** The social report has been submitted to Fair Wear and is published on the member's website.

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## **Transparency**

**Possible Points: 6**

**Earned Points: 6**

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## 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:** Major achievements and challenges related to CoLP implementation and Fair Wear membership are discussed regularly during meetings with Star Sock's owner. A formal assessment of Fair Wear membership takes place after the Brand Performance Check. Star Sock also revised its strategy where working conditions play a more central role.

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.	50%	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:** Star Sock received four requirements related to the tail end requirements and 1.3, 1.13 and 1.14. Significant progress has been made on requirements regarding to the tail end and 1.3 (subcontractors signing the questionnaires). However, still limited progress has been made on indicators 1.13 and 1.14 (determining and financing a target wage towards a living wage).

**Recommendation:** Although the member was not able to 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.

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## Evaluation

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

Star Sock would like Fair Wear to be as aligned as possible with related issues such as sustainability and with likeminded organisations to strengthen the outcomes across sectors. Star Sock also would like to have a checklist of all Fair Wear requirements.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	21	50
Monitoring and Remediation	14	22
Complaints Handling	7	9
Training and Capacity Building	3	9
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	61	109

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

56

### Performance Benchmarking Category

Good



## Brand Performance Check details

Date of Brand Performance Check:

21-09-2021

Conducted by:

Kathleen Gabriel

Interviews with:

Iris Vrijssen - Supply Chain Manager

Dave Trappel - Commercial Manager

Eric Roosen - CEO