



# **Brand Performance Check**

## **Workfashion**

**Publication date: June 2022**

This report covers the evaluation period 01-01-2021 to 31-12-2021

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

*This year's 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 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

## Workfashion

**Evaluation Period: 01-01-2021 to 31-12-2021**

Member company information	
Headquarters:	Hagendorn , Switzerland
Member since:	2015-01-31
Product types:	Workwear
Production in countries where Fair Wear is active:	China, North Macedonia, Turkey
Production in other countries:	Serbia, Switzerland
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	93%
Benchmarking score	69
Category	Good

## Summary:

Workfashion has shown progress and met most of Fair Wears' performance requirements. With a benchmarking score of 69, Workfashion is placed in the Good category. Although the monitoring threshold does not determine the category this year, Workfashion has monitored 92% of its production volume.

## Corona Addendum:

Regarding COVID-19, 2021 was a better year for Workfashion than 2020. Besides production delays, the brand did not experience significant issues with its suppliers, and business was more stable.

Workfashion has remained up to date on the developments in its sourcing countries through information provided by Fair Wear, regular contact with suppliers, and conducting supplier surveys. In North Macedonia, the production manager of its subsidiary factory, who acts as an agent for the production locations, supports the brand. The brand's risk assessment identified the main risks: the impact on the production of people getting COVID-19 in the workplace and job and wage loss.

From the conversations with suppliers and the supplier survey, Workfashion learned that many suppliers faced delivery delays because of production issues (less capacity and raw material delays). The brand responded to those issues by being flexible with its delivery terms. To follow up on the risk of people getting COVID-19 in the workplace, Workfashion facilitated COVID-19 tests for its production locations in North Macedonia. It used the supplier survey to ask whether suppliers faced issues with paying wages. None of the suppliers indicated they had difficulties with that.

To sum up, Workfashion has shown that it has a solid system to follow up on issues resulting from a crisis such as COVID-19. At the same time, due to changes in management and CSR, the brand made less progress in implementing living wages at its factories.

## 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.	94%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** In 2021, 94 % of the production volume from Workfashion came from locations where the company bought at least 10 % of the production volume of the factory, in total it concerns eight production locations.

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.	2%	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:** As part of its sourcing strategy, Workfashion focuses more on production in North Macedonia and is planning to move out of China gradually. In 2021, two per cent of Workfashion's production volume came from production locations where the company buys less than two per cent of its total FOB. That is a decrease of five per cent compared to the year before.

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.	89%	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:** Workfashion's company vision is to maintain long-term relations with its production partners. It is considered the basis for improving performance and transparency. In 2021, it sourced 89 % of its FOB at locations where a business relationship existed for at least five years.



Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** In 2021, Workfashion started production with one new location in China. While it is the company's strategy to move out of China gradually, it was needed to do one production run with this factory for a specific customer. The production location signed and returned the Fair Wear Code of Labour Practises (CoLP) questionnaire.

**Recommendation:** While temporary cooperation as discussed in the comment can happen, Fair Wear recommends that Workfashion carefully considers the risks of such a partnership. Especially when the factory is located in a high-risk country and the brand is limited in its ability to thoroughly check the working conditions in the factory.

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:** In 2021, Workfashion added one supplier in China. As a standard practice, before adding the new supplier, the CSR manager requested and checked a recent audit report to give input on social compliance. Next, Workfashion discussed the new supplier during a team meeting with the production manager, management and the CSR manager.

Workfashion has a risk assessment for its production countries based on information from Fair Wear and other credible initiatives such as Transparency Index and the World Bank; the risk assessment is repeated every two years. The risk profiling of its production countries has led the company to gradually move out of China and focus its production on Europe, especially North Macedonia. Workfashion also has a risk assessment on the supplier level; the risk assessment is used to inform sourcing and top management about the suppliers' performance and steer buying decisions. Workfashion plans to integrate its risk assessment into its responsible business conduct (RBC) policy.

During COVID-19, Workfashion has remained up to date on the developments in its sourcing countries through information provided by Fair Wear and regular contact with suppliers. In North Macedonia, the brand is supported by the production manager of its subsidiary factory, who acts as an agent for the production locations. The brand's risk assessment identified the main risks: the impact on the production of people getting COVID-19 in the workplace and job and wage loss.

**Recommendation:** Fair Wear recommends that Workfashion continues with its plans to create an RBC policy.

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:** Workfashion developed a systematic way of evaluating its suppliers. Each supplier is given points in the range of 1-6 (highest) for each specific part like production samples, quality, on-time delivery, factory management and CSR. CSR evaluation includes progress on CAPs and third-party audit reports (if available). Production facilities are rated based on the scores achieved in the latest audit reports by Fair Wear (North Macedonia and Turkey) and Amfori BSCI (China and Serbia). The criteria align with the eight labour practices in the FW Code of Labour Practices (CoLPs). The evaluation is not actively shared with the suppliers. The suppliers' evaluation and overall feeling about the collaboration with the factory are used to steer purchasing decisions. Suppliers are informed of their evaluation through the social report of Workfashion; however, Workfashion does not proactively discuss the evaluations with its suppliers.

In 2021, Workfashion stopped with one subcontractor because of various severe non-compliances of the CoLP and the unwillingness of the factory management to improve. The decision to stop was made together with the main factory. As Workfashion had high leverage over the subcontractor, it was decided to phase out over five months so that new customers could be found and there would be no impact on workers.

From the conversations with suppliers and the supplier survey, Workfashion learned that many suppliers faced delivery delays because of production issues (less capacity and raw material delays). The brand responded to those issues by being flexible with its delivery terms.

**Recommendation:** Fair Wear recommends that Workfashion shares and discusses the outcomes of the supplier evaluation proactively with all its suppliers.

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:** As mentioned, most of Workfashion's production volume comes from North Macedonia. There, Workfashion works closely together with its suppliers in planning production. The brand knows the total production capacity of the factories and the standard minutes per style required. Production is planned with suppliers on a bi-weekly basis. Workfashion delivers the fabric to the factories and regularly monitors production planning through its quality manager. To manufacture the NOS (Never out of Stock) range, the company uses the free capacity to spread orders more smoothly throughout the year and utilize low season, which helps prevent pressure in peak season that may contribute to excessive overtime. In 2021, Workfashion gave its suppliers access to its delivery planning system to create more transparency.

In Turkey, Serbia and China, Workfashion has lower leverage and knowledge of the production capacity. It produces ready-made garments and discusses planning, lead times and possible delays with the factories.

Workfashion has lead times of 10-20 weeks for European production partners and 14-26 weeks for Asian suppliers. The delivery time depends on the type of product and the available production capacity of suppliers.

Due to COVID-19, many of its suppliers faced raw materials, transportation, and production issues. Therefore, the suppliers encountered delivery delays. Workfashion responded by being flexible with its delivery terms and explaining the situation to its customers.

**Recommendation:** Fair Wear recommends Workfashion to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factories in Turkey, Serbia and China.

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 2021, Workfashion discussed audit findings related to excessive overtime with its main supplier in North Macedonia and one of its suppliers in Turkey.

In North Macedonia, there was incidental overtime caused by raw material delays. The production run affected by the raw material delay was part of a joint project with another brand. As such, the brand could not postpone the deadline. Workfashion tried to overcome overtime by postponing other orders and increasing production lines.

In Turkey, the working hours could not be verified because the factory had not saved the manual hour records for the past months. The brand followed up with the factory and asked the factory to keep the manual records for review. Workfashion received a document which explained the agreements around working hours. During the brand performance check, Workfashion could not show it had received the hour records of the past months.

**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 recommends that Workfashion verifies the actual working hours made at its Turkish production site using working hour records of the past months. The Fair Wear local team can support verifying the documents.

When working on projects with multiple partners, Workfashion should thoroughly discuss with all partners involved how overtime hours can be prevented. This could mean postponing the deadline or choosing airfreight.

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:** In North Macedonia and Serbia, Workfashion works with minutes-based costing per style. The prices per style are first discussed, then tested in the production and the final price is based on those results negotiated with the supplier. Workfashion has set up a subsidiary factory in North Macedonia to support this design and development process.

In 2020, Workfashion had complete insight into the link between its buying prices and wage levels at its factories in North Macedonia (together, they represent 50 % of the brand's FOB). In 2021, Workfashion did not expand its knowledge on the cost breakdown of its products and the link to wages. It plans to work with a university on a project to do cost breakdowns of its products' prices in North Macedonia, but this has not started yet.

In Turkey and China, Workfashion is aware of the minimum wage levels of the countries. Part of its pricing policy is calculating prices based on an estimation of wages and productivity, which offers a range to accept a price offer from a supplier. In general, the brand works with suppliers to agree on reasonable prices. Workfashion considers inflation and the rise of legal minimum wage when setting prices.

**Recommendation:** Fair Wear recommends that Workfashion expand its knowledge of cost breakdowns 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, for example, by using the FairPrice app. The FairPrice app also enables suppliers to include any COVID-19-related costs. Workfashion could consider offering training by a local representative on FairPrice to its suppliers. Such training is available in all Fair Wear countries.

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

**Comment:** In 2021, Workfashion received two audits with findings related to the payment of legal minimum wage. The brand stopped with one of the suppliers, so it has not followed up on that audit. At the other supplier, the finding was related to the deduction of wages due to unjustified absence. Workfashion discussed the finding with the supplier and learned that the supplier was legally allowed to deduct the salary according to national law. The brand did not verify the supplier's answer with the Fair Wear local team.

Workfashion continued to ask, via its supplier survey, whether the factories were able to continue paying wages in 2021. From the responses of the factories, the brand concluded its factories did not face difficulties with that. Apart from Turkey, there were no national or regional lockdown periods in Workfashion's production countries. Workfashion did not take additional steps to verify whether wages were paid at all production locations.

**Recommendation:** Fair Wear strongly recommends that Workfashion always verifies whether legal minimum wage issues have been resolved in case factory management claims so. Workfashion could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check whether the issue has been resolved.

In the context of COVID-19, the member is expected to analyse the risks related to non-payment of minimum wage in its sourcing countries and connect the risk (for example, long-term factory closure in a country) to its own suppliers. When suppliers indicate no problem in paying legal minimum wages while it is a high-risk area, the member is expected to request evidence of wages paid.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	Yes	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.	-1	0	-1

**Comment:** In 2021, Workfashion received two audit findings related to late payments. In both cases, the delay was caused by the quality control check that delayed the payment process.

**Requirement:** Workfashion should pay its suppliers on time, and have a system to ensure on-time payments are made to suppliers. Late payments to suppliers have a negative impact on factories 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.

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:** Workfashion has regular discussions about prices and the calculation of prices with its main factories in North Macedonia and the production manager of its subsidiary factory in North Macedonia. In 2021, Workfashion did not continue the discussion on living wages. Instead, it focused on ensuring all factories continued to pay at least the legal minimum wage. The brand has not discussed the topic of living wages with its other production sites in Serbia, Turkey and China.

**Requirement:** If Workfashion buys exclusively at a supplier or owns a supplier, the member is held more accountable for implementing adequate steps. The member is expected to take an active role in discussing living wages with its suppliers and should take steps to work towards living wages.

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).	6%	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.	1	2	0

**Comment:** Workfashion owns a small in-house production facility located on the company's premises in Switzerland as well as its own subsidiary factory in North Macedonia.

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

**Comment:** In 2021, the previous CSR manager had proposed to top management a strategy to raise wages and define a target wage for the primary production locations in North Macedonia. Management decided to focus on an environmental project, and the living wage strategy proposal was discontinued.

**Requirement:** Workfashion 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.	4%	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.	2	6	0

**Comment:** In the Workfashion subsidiary factory in North Macedonia, Workfashion set and implemented a target wage of 50 % above the legal minimum wage to serve as a benchmark for its other production facilities. The subsidiary factory has a workforce of between 25-50 workers, and small series of mass production are produced there. This production amounts to four per cent of Workfashion's total production volume. Payment of target wage is yet to be implemented at the other production locations.

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 30**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	93%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	3%	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:	93%	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 CSR manager of workfashion is responsible for following up on issues deriving from its monitoring system.

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

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

**Comment:** Whenever the CSR manager at Workfashion receives a new audit report, it is promptly shared with factory management, followed by a constructive discussion about the findings. The CSR manager indicates the essential issues for Workfashion and tries to stick to the timelines indicated in the CAP for each issue. Workfashion shares audit results with worker representatives at its Macedonian suppliers.

In 2021, Workfashion conducted a worker survey at its subsidiary in North Macedonia to learn how workers felt about worker representation. From the survey, the brand concluded that workers did not give much importance to having worker representatives and that none wanted to be the worker representative.

**Recommendation:** Fair Wear recommends that Workfashion conducts the worker survey on worker representation at its other factories and continues to search for ways that it can contribute to functional social dialogue structures in the factories and capacitate worker representation.

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:** In 2021, Workfashion commissioned three Fair Wear audits in North Macedonia and actively worked on CAP issues of two. The third audit was not followed up because the brand terminated collaboration with the factory (see 1.5). The main issues mentioned in the audits are related to health and safety, working hours and living wages.

During the brand performance check, the brand could show progress on issues related to health and safety and worker representation. Workfashion has not yet worked on more complex issues such as working hours and living wages.

**Recommendation:** Workfashion could consider organising a joint training for their suppliers in North Macedonia to ensure more commitment from the suppliers to remediate these more structural issues and facilitate peer to peer learning.

Fair Wear encourages Workfashion to strengthen its system to analyse how it might have contributed to findings and what changes it can make in its purchasing practices.

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.	86%	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.	4	4	0

**Comment:** Workfashion visited nearly all its production sites in North Macedonia last year, representing 86 % of the brand's FOB.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	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.	N/A	3	0

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:** Turkey

Workfashion bought from two factories in Turkey in 2021. Both factories have been audited at the end of 2020. During one of the audits, unauthorised subcontracting was found. Workfashion discussed the finding with the factory and found it the subcontractors were temporarily used because of capacity issues (see 5.1). Workfashion has an agreement with its factories that they cannot use subcontractors without informing Workfashion first. The WIS is posted in Turkish and Arabic at both factories. Together with the other FW member sourcing, Workfashion organised a WEP training on migrant and refugee workers at one of the suppliers in 2021.

### Other risks:

#### China

Workfashion has decided to move out of China as a sourcing country due to the country-specific risks. In the meantime, the brand follows up on the risks by commissioning audits and asking factories to reconfirm the Fair Wear CoLP. The brand has not taken additional steps to remediate excessive overtime or Freedom of Association.

#### North Macedonia

Workfashion has most of its production volume (80 %) in North Macedonia and considers it the preferred production country. Compared to Turkey and China, the company considers that there are fewer risks of labour rights violations. The risk of corruption and payment below living wage is defined as the main risks for North Macedonia. Other risks identified for North Macedonia are excessive overtime and Freedom of Association. Workfashion monitors its production locations in North Macedonia and works closely with the locations for the production planning. That way, it is assured that excessive overtime does not take place. To work on the topic of Freedom of Association, Workfashion has conducted a worker survey at its subsidiary in North Macedonia (2.3). Workfashion has not made progress on the topic of living wages in 2021.

#### Serbia

For Serbia, Workfashion has identified as main risks: corruption and transparency. The brand aims to minimise those risks by conducting factory visits and audits.

### COVID-19:

Workfashion continued its regular dialogue with its suppliers about the issues they faced related to COVID-19. The brand also sent out supplier surveys to check what support suppliers needed. From the conversations with suppliers and the survey, the brand learned that its suppliers did not need more support and that the suppliers did not face difficulties with paying wages. In North Macedonia, the brand facilitated COVID-19 testing at all locations.

**Recommendation:** Fair Wear members should ensure that all suppliers have a policy in place on registering Syrian refugee workers. See for an example/draft policy the Fair Wear Guidance for members: Risks related to Turkish garment factories employing Syrian refugees.

Fair Wear recommends that Workfashion strengthens its remediation efforts on Freedom of Association and living wages in North Macedonia, especially at factories where the brand has high leverage.

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:** Workfashion actively cooperates with another FW member in CAP follow-up and monitoring working conditions at a shared factory where both brands source from.

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

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

**Comment:** Workfashion sourced from two suppliers in Switzerland in 2021. The company collected signed questionnaires and checked if the FWF Code of Labour Practices is posted. All suppliers are visited on a regular basis.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	2	0

**Comment:** Workfashion has a significant number of external producers. The company collected the questionnaire from most of the brands but did not receive it back from all brands.

**Recommendation:** Fair Wear members are encouraged to actively follow up with external producers on the Fair Wear questionnaire for external production.

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).	33%	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.	2	3	0

**Comment:** A third of the sales volume from external brands (33%) comes from brands that are members of the Fair Labour Association or Fair Wear.



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

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## Monitoring and Remediation

**Possible Points: 32**

**Earned Points: 22**

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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 CSR manager has the responsibility to follow up on complaints. In North Macedonia, the CSR manager is supported by the local technicians and the Export manager, who is also the manager of one of the production locations.

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:** Workfashion has informed factory management and workers about FW CoLP and the complaint helpline. During visits, workfashion checks whether the Worker Information Sheet is posted.

In 2021, Workfashion followed up with one factory that still had an outdated Worker Information Sheet (WIS) posted and ensured that the factory updated the WIS.

**Recommendation:** As an additional measure, Workfashion could hand out the Worker Information Cards (WIC) available on the Fair Wear member hub during factory visits. Or, Workfashion could ask the factory to hand them out together with the payslips.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

**Comment:** Because of travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable in 2021.

In 2021, Workfashion conducted two WEP training. One WEP basic training in North Macedonia and one WEP Migrant Refugee training in Turkey. Together it presents 23 % of the brand FOB.

**Recommendation:** Workfashion could consider implementing additional activities to raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline next to providing good quality training. This could include providing the Fair Wear worker information cards to workers during visits or when handing out payslips, making use of the Fair Wear Factory Guide, stimulating peer-to-peer learning among workers, and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

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

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

## Complaints Handling

**Possible Points: 3**

**Earned Points: 3**

## 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:** Workfashion has created an introduction program for new staff starting in the company, CSR and Fair Wear membership are included to ensure all new employees understand the mission and vision of the company in terms of sustainability. Information on Fair Wear membership is also shared by the sales department with customers.

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:** All staff that is in direct contact with suppliers, such as sourcing, distribution and top management, have regular meetings during which CSR topics are discussed as well. In addition, the CSR manager informs relevant staff about audit results and CAP findings. When staff visits production locations, they are provided with the last CAP status and they conduct the H&S check in the factory.

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

**Comment:** Workfashion does not place any orders through agents but cooperates directly with the manufacturers.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

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

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## Training and Capacity Building

**Possible Points: 5**

**Earned Points: 5**

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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.	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:** Workfashion has identified all direct suppliers and subcontractors in North Macedonia, Serbia, Turkey and China. In 2021, Workfashion renewed its supplier agreements, and it has included a section on the use of subcontractors.

In North Macedonia, Workfashion knows the production capacity of four of its main suppliers, good for nearly 90 % of its total placed FOB. Workfashion is (almost) the only client at these locations, and the locations are visited regularly by the staff of Workfashion and the local technicians. Moreover, Workfashion closely monitors the production flow at these locations. As such, the brand knows exactly which subcontractors are used for production.

In Turkey, Workfashion works with two main suppliers. The two main suppliers were audited in 2020. At one supplier, subcontractors were found. The brand followed up on the finding with the supplier, and it turned out that the supplier temporarily used the subcontractors to overcome capacity issues. The brand has agreed with the factory that they need to be informed if the factory wants to use subcontractors.

In China, Workfashion has only a small share of its production volume and relatively low leverage (<2%) over its suppliers. The brand did not take additional steps to know whether subcontracting occurs at its factories in China.

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:** CSR, sourcing and top management have regular meetings during which CSR topics including audit results are discussed. When there are specific issues related to a certain production location, the CSR manager sits together with the people involved.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**



## 6. Transparency

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

**Comment:** Workfashion communicates about Fair Wear through the company's website, social report, and email signatures. It also makes use of the Fair Wear on-garment communication possibilities.

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:** Workfashion publishes the Brand Performance Check reports and discloses its production through its social report. The brand has also disclosed through the Fair Wear transparency tool, both on the Fair Wear website and in FairForce with other members. Workfashion discloses production locations that represent together 99 % of its production volume.

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:** Workfashion submitted a comprehensive social report to Fair Wear and has published it on its company 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:** Workfashion evaluates Fair Wear membership with its board, management, the CSR manager and the production department.

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.	33%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

**Comment:** In 2020, Workfashion received requirements on the indicators 1.9, 1.13 and 1.14. The brand could show progress on indicator 1.9 but could now show progress on indicators 1.13 and 1.14. Hence, Workfashion has made progress on 33 % of the requirements from last year.

**Requirement:** It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check:

1.13:  
In case Workfashion buys exclusively at a production location or owns a production location, the member company has full influence over the wages and should be able to cost a living wage.

1.14:  
Workfashion is expected to begin setting a target wage for its production locations.

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## Evaluation

**Possible Points: 6**

**Earned Points: 4**

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## Recommendations to Fair Wear

Workfashion recommends that Fair Wear restructures its member platform to make it more appealing and easier to navigate for its members. Moreover, it recommends that Fair Wear develops a production/factory check app that could be used instead of the health and safety checklist pdfs. To end, Workfashion recommends that Fair Wear enables CAP management in the system and connects the suppliers to the platform as well.



## Scoring Overview

Category	Earned	Possible
Purchasing Practices	30	52
Monitoring and Remediation	22	32
Complaints Handling	3	3
Training and Capacity Building	5	5
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	77	111

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

69

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

01-06-2022

Conducted by:

Annemiek Smits