



Brand Performance Check

Workfashion

This report covers the evaluation period 01-01-2019 to 31-12-2019

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

Brand Performance Check Overview

Workfashion

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Hagendorn , Switzerland
Member since:	2015-02-01
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	96%
Benchmarking score	76
Category	Leader

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

Workfashion has shown steady progress and gone beyond most of Fair Wear's performance indicators. With a monitoring percentage of 96% and a benchmarking score of 76 points, the brands retains its leader status.

In 2019, 85% of workfashion's production volume came from factories where the company buys at least 10% of production capacity, and 85% of its total FOB came from the suppliers with which it has had a business relationship for at least five years. While the first figure represents a slight decrease over last year due to starting a relationship with three new suppliers, the latter indicate a very positive increase and are a testimony to the company's strategy of developing long-term business relationships with their production locations.

Workfashion maintains a close working relationship with its production partners (suppliers) in planning production and has collected information about the total production capacity of its factories.

The company's due diligence and monitoring processes are strongly upheld by the CEO and Sustainability Coordinator. Workfashion is continuously working on trying to reduce excessive overtime, setting target wages and has a steady history of following up on the corrective actions plans, especially in North Macedonia and Turkey. One of the company's biggest challenges remains working with its suppliers towards paying living wages. In North Macedonia, workfashion conducted cost of living research to understand the differences between workers' financial needs in North Macedonia and Switzerland. In doing so, the company established a benchmark for wages in North Macedonia. Together with increasing factories' efficiency and product quality, the company is looking for a strategy to move towards the payment of living wage.

Fair Wear recommends that workfashion sharpen its work on living wages and start to scale-up wage levels outside its pilot projects. Furthermore, Fair Wear expects that workfashion will set up the target wages for its production facilities in consultation with workers' representatives. Lastly, workfashion should establish a system to update country risk-assessments on a yearly basis and all-in-all ensure that all processes become an integrated part of its company strategy, that is backed up by the CEO.

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.	85%	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 2019, 85% of the production volume came from locations where the company bought at least 10% of the production capacity. It has decreased with seven percentage points from the previous years brand performance check but it is still well above the minimum of 75% which is required to get maximum score.

In 2019 workfashion started up with a new production location in Serbia and two additional factories in North Macedonia which explains the drop compared to last years brand performance check

Recommendation: Fair Wear recommends workfashion to take leverage into consideration when moving its production to Serbian production locations. The member should consider the risk of human rights violations at suppliers, the influence it has to bring change and the impact it can have at a factory level.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	7%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

Comment: 7% of the production volume at workfashion comes from production location where the company buys less than 2% of its total FOB. This is an increase of four percentage points over last years brand performance check. The reason for this is that workfashion in 2019 started collaboration with two new production locations with relatively low FOB figures - One in Serbia and another in North Macedonia.

Recommendation: Fair Wear recommends workfashion to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, workfashion should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	85%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: In 2019, 85% of the production volume came from production locations where a business relationship has existed for at least 5 years. This is a substantial improvement of 21 percentage points compared to previous year brand performance check and it enables the maximum score in this indicator.

The reason for the rise is that the relationship with one of workfashions big suppliers entered its fifth year in 2019

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: workfashion on-boarded a total of three new production locations in 2019. In all cases the signed questionnaires were returned prior to placing the first bulk order in accordance with Fair Wear requirements.

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: workfashion has an on-boarding procedure for new factories and conducts thorough due diligence before starting to work with new suppliers. This procedure includes factory visits, risk assessments regarding working conditions and quality checks. workfashion uses Fair Wear's health and safety checklist during their initial visit to the factory. When selecting a new supplier, workfashion visits the supplier and discusses labour standards with them, based on the country risk assessment. Interviews are not only done with factory management but also with several workers to get a better sense of wage levels and working hours. The brand asks for existing audit reports and includes outcomes of the audits in its decision-making process. A supplier visit report is created after every visit, including discussions over potential risks and areas for improvement at the factories and pictures are taken of the production site.

For the existing suppliers, the brand evaluates each supplier on the yearly basis. In addition, the company uses existed Fair Wear audit reports, BSCI audits and country studies to assess the country risks.

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 monitored its suppliers towards the fulfilment of labour standards. The brand receives regular updates from factory management and keeps track of the progress in the CAPs (Corrective Action Plans).

In North Macedonia, the local quality manager assists in monitoring progress in the factories. Management of workfashion visits its North Macedonian suppliers frequently to discuss progress on the CAPs.

In 2018, workfashion developed a systematic way of evaluating its suppliers. Each supplier is given points in the range between 1-3 (highest) for each specific part like production samples, quality, on-time delivery, factory management and CSR. The evaluation of CSR 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 BSCI (China). The criteria are in line with the eight labour practices in the FW Code of Labour Practices (CoLPs).

For 2019 the system remains unchanged and it leads to production decisions in the way that the companies that are performing best in the CSR category is the ones being award the most stable and increasing share of orders.

Recommendation: Fair Wear recommends workfashion to make it explicit how CSR is rated in comparison with other evaluation categories and to formulate exactly how the decision making takes place between sourcing and CSR in a way that highlights the decision taken by the CSR department is actually followed through in the sourcing department.

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: In 2019, almost 85% of workfashion's production volume came from North Macedonia. 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 NOOS (Never out of Stock) range the company makes targeted use of free capacity so as to utilize production partners evenly and this help not to contribute to overtime.

In Turkey and China, workfashion 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.

In case of delays, the company considers air freight or splitting orders.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	No production problems /delays have been documented.	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.	N/A	6	0

Comment: In 2019 two Fair Wear audits were conducted. There were findings of excessive overtime and inconsistent time records. These audits took place at the end of 2019 meaning that the result of the remediation work will be visible in 2020 and therefore is not a part of this brand performance check. For this reason the score in this indicator is N/A

In general workfashion did make attempts to investigate to uncover root causes of excessive overtime by sending forms for suppliers to fill in, but many suppliers did not respond for which reason the root causes were not mitigated. As a next step workfashion may need to leverage orders to get the necessary information from their factory and ensure their collaboration. These efforts will be evaluated in next years brand performance check.

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, 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. To support this design and development process, workfashion has set up a Competence Center in North Macedonia. In addition, through the Fair Wear Living Wage incubator project in 2017, the company learnt how to relate prices to the wage levels at the production locations and how to collect all information needed to determine its buying price.

After the project was done at one supplier, the brand applied its learnings to other two suppliers. The brand shared and started to collect the Fair Wear costing sheets from its other suppliers in North Macedonia. As the next step to transparency, the brand is implementing a new ERP system, which would not only connect its suppliers but also give them access to see the status of the actual orders.

In Turkey and China, workfashion is aware of minimum wage levels of the countries. Through BSCI-audits, it is also aware of wage levels in the factories. Part of its pricing policy is to calculate 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.

The CSR Manager at workfashion filled in the Labour Minute Costing Tool, but due to factories not being transparent they are not showing that they actually pay and the link could not be demonstrated in all cases and the work continues to make progress here.

Looking at the overall progress made by the brand in 2019 the scoring remains at 2 points and Fair Wear expects to see significant progress on this indicator in the coming brand performance check.

Requirement: workfashion needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

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: workfashion is actively responding when issues regarding minimum wages are found.

In 2019 two audit findings pointed towards that in some cases minimum wages were not being met.

In one instance a factory had reduced a legally entitled bonus payment, but after investigation from the brand it was discovered that reduction of the bonus had happened in agreement with the workers council at the factory which in some instances are allowed for in the law, how ever many factories are exploiting this opportunity and are seeking to pay reduced bonuses also in situations that does not qualify under the law. The brand took measures to ensure that next years bonuses will be paid in full.

A second finding was done in December 2019 were inconsistencies in wage records were found in one factory. The result of this mitigation effort will be evaluated in next year's brands performance check.

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

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: workfashion considers the wages paid to workers in its production facilities as a key part of its sustainability endeavours. The level of prices differs in the different countries it produces in. To make the position clearer, workfashion compared average consumer spending per household in Switzerland and in the main country where it produces; North Macedonia. The results showed big differences in the various areas of spendings between the two countries.

In 2019 workfashion showed some efforts to follow up and respond to root causes for wages that are lower than living wages in production locations.

Requirement: workfashion 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. Workfashion is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	8%	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 has a small in-house production facility located on the company's premises in Switzerland as well as its own competence center 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: workfashion's two suppliers in North Macedonia increased its products price for its customers. This price increase is used for workers salary increase.

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

Recommendation: It is advised that the strategy for how to finance wage increases is agreed upon by top management. In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

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: Although workfashion participated in the Fair Wear Living Wage incubator and managed to increase the workers earned wages, there was no clear definition of target wage set up in this process for 2019 for the majority of their production location. The increase of minimum wage in 2017 in North Macedonia has diluted the wage increase reached by the effort of the brand.

In the workfashion competence center in North Macedonia workfashion did set and implement a target wage to serve as a benchmark for their other production facilities. This production amounts to 4 % of workfashion total production volume.

Requirement: workfashion is expected to begin setting a target wage for its production locations.

Recommendation: Fair Wear recommends workfashion to start using the labour minute costing tool at all suppliers. The wages paid by the company should already be sufficient to cover payment of decent wages but in order to really set target wages it would be important to know exactly how much of the paid prices ends up in the pocket of the workers.

Purchasing Practices

Possible Points: 46

Earned Points: 32

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	48%	
% of production volume where Fair Wear audits took place.	83%	
% of production volume where an audit took place.	86%	
% 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	
Requirement(s) for next performance check		
Total monitoring threshold:	96%	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 CEO and Sustainability Coordinator of workfashion are 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

Comment: workfashion are making use of Fair Wear audits in most of their factories. In addition they also have audits conducted by other external parties, in this case by BSCI/Amfori.

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: In 2019 Fair Wear performed audits at three suppliers of workfashion. At all three suppliers workfashion shared the audit report in time and established timelines on CAP remediation. As a further step workfashion made sure to share the audit report also with the worker representatives in the production facilities.

One additional audit was supposed to take place in 2019 but it got postponed until 2020 at no fault of the brand.

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

Comment: workfashion generally follows up well on CAPs at all its suppliers. At its three main suppliers, the brand remains involved in working on more complex issues such as wage increases and mitigating excessive overtime. Audit reports of its suppliers show that suppliers are making progress, including the issue on the social dialogue. The Fair Wear audit conducted in December 2017 found there was no functioning system of employee representation at one production partner in North Macedonia. A great deal of effort was put by workfashion into persuading the managers of the production facilities that this was necessary to have. In March 2018 a group meeting of all staff was organised to explain the importance of employee representation. Management was not involved in the election process but encouraged staff to go through with it. A representative was elected in each department and their names forwarded to workfashion. Since then the seven representatives have been having meetings with management and raising employees' opinions and problems.

There has been OK progress on the CAP of the audit at the Turkish suppliers. Among other findings, the working hours' records were found not being transparent. workfashion followed up on this issue and remediation were implemented. Every employee now receives a detailed pay slip along with their wages. Overtime is paid with the wages and limited in accordance with the law. All employees have a legally valid employment contract and have been given a copy of it. There are still a few improvements to be made in health and safety, which should be implemented shortly. A system of employee representatives is also due to be set up.

For the two audits conducted in 2019 in factories in North Macedonia Fair Wear did not see significant progress in working with the CAPs yet and expects to see a good follow up during 2020.

Recommendation: Fair Wear encourages workfashion to continue strengthening its system to analyse how the company might have contributed to findings and what changes they can make in their purchasing practices.

In addition, Fair Wear also recommends workfashion to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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.	96%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	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 suppliers in North Macedonia, Serbia and China in 2019 amounting to a total of 96% of their production capacity. During these visits the CAPS were also discussed.

The production facilities in Turkey were not visited in 2019

Recommendation: Fair Wear recommends to document the outcome of visits and ensure checking whether the CoLP is posted is part of every visit. Reporting back to the whole team on the discussions and follow up of CAPs with the supplier will help towards setting up an integrated system for improving working conditions. Fair Wear has developed a Health & Safety Guide that can be used during these visits.

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

Comment: workfashion collected BSCI audit reports from Chinese suppliers. The audit reports are analyzed through the Audit Quality Assessment Tool and CAP's are made and followed up. However, due to political reasons and small leverage at the Chinese factories, the progress on CAPs are slow.

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.	2	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	Insufficient			-2	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: workfashion made a country risk-assessment in which it has scored the severity of the risk of violation of the eight standards of the Code of Labour Practices. It has used Fair Wear country studies, information from BSCI (China) and other human rights reports to make an assessment. The brand is well informed of the actual human rights situation and country laws in North Macedonia. However, the biggest challenges are the small number of collective labour agreements, the establishment of the employee representatives and the need to improve dialogue between management and staff. A great deal of effort is required to set up employee representation and involve trade unions.

In 2018, workfashion adopted and shared with its partners the Syrian refugee policy developed by Fair Wear. In 2018, the CEO and Sustainability Manager visited its suppliers in Turkey and discussed various challenges at its most important supplier. The main challenge defined is transparent records of the working hours.

No visits to Turkey were made during 2019 which means that workfashion in 2019 did not adhere to the enhanced monitoring programme, hence the insufficient score on Turkey.

Requirement: workfashion's monitoring system should identify and address high risk issues that are specific to the member's sourcing practices. Fair Wear provides policies and country-specific requirements to member companies. Priorities in remediation efforts are guided by these policies.

Recommendation: Fair Wear recommends workfashion to more systematically analyze human rights risks per country and integrate that into its organizational and decision-making processes. Per country, it could assess and mitigate risks, set priorities and develop possible solutions and for the ensure that there is a yearly follow up on the risk assessments involving the inputs from local stakeholders.

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: At two suppliers, another Fair Wear member is active. The cooperation started again after staff change at workfashion.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
Member undertakes additional activities to monitor suppliers.	No			0	1	0

Comment: workfashion sources from three suppliers in Switzerland. The company collected signed questionnaires and checked if the FWF Code of Labour Practices is posted. Both 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).	Yes	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	2	2	0

Comment: workfashion conducted one FW audit at a tail-end supplier in North Macedonia in 2019 and one external audit at a Chinese supplier.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	2	2	0

Comment: workfashion has a significant number of external producers. The company collected the questionnaire from most of the brands.

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).	34%	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: Almost a third of the external brands is a member 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

Monitoring and Remediation

Possible Points: 34

Earned Points: 28

3. Complaints Handling

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

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 CEO and Sustainability Coordinator are involved when a complaint is filed through the FW worker helpline.

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 complaint helpline. During visits, workfashion checks whether the Worker Information Sheet is 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.	45%	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: No WEP trainings were carried out in 2019. Still valid trainings were two trainings carried out in 2017 amounting to 45% of its production volume

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

Comment: No complaints received in 2019

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

Complaints Handling

Possible Points: 9

Earned Points: 7

4. Training and Capacity Building

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

Comment: Sustainability Coordinator is responsible to ensure all staff of Workfashion is aware of Fair Wear membership requirements. Workfashion is committed to sustainability and takes efforts to make all staff aware of this topic. Therefore, the brand organizes a 'Sustainability week' with activities on this topic once a year.

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 receives briefings by the Sustainability Coordinator when needed. An internal wiki page was created, providing easy access to sustainability-related issues. The staff of workfashion usually attend the Fair Wear annual seminar and participates in webinars. Newly hired staff is informed about company CSR programme by the CEO and the sustainability coordinator during a two months training programme.

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: No transformative trainings were conducted in 2019 and no trainings were still valid from previous years

Recommendation: Fair Wear recommends members 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 change and long-term structures to improve working conditions. To this end, members can make use of Fair Wear's Workplace Education Programme communication or violence prevention.

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

Training and Capacity Building

Possible Points: 9

Earned Points: 3

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 their subcontractors in North Macedonia, Turkey and China. It regularly discusses this with its suppliers and does on-site visits to check whether orders are not transferred to another factory. Printing and embroidery are usually done in-house or a specifically designated supplier is used.

workfashion also makes use of audits to monitor and mitigate the risk of unauthorized 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: workfashion has created an internal wiki page, which lists relevant information related to workfashion suppliers. This wiki page is available to all staff of Workfashion.

Recommendation: Fair Wear recommends workfashion to clearly document outcomes of meetings with suppliers and share that with relevant staff as this is not currently a part of the internal wiki-page.

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 website, social report, newsletter and various blogs, e.g. on supplier visits to participate in audits or trainings. It also displays the Fair Wear Formula animated movie on its website. workfashion is aware of the Fair Wear communication policy and adheres to it.

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 sites on-line.

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 and well written social report and posted it on-line

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

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

Comment: Workfashion annually evaluates all management processes, which includes FW membership.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	100%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Evaluation

Possible Points: 6

Earned Points: 6

Recommendations to Fair Wear

workfashion recommends Fair Wear to develop more Workplace Education Programmes like for example how to set up living wages.

workfashion recommends Fair Wear to have more factory involvement in the complaint processes for them to get a feel that they have a say in it and that their side is being heard

Scoring Overview

Category	Earned	Possible
Purchasing Practices	32	46
Monitoring and Remediation	28	34
Complaints Handling	7	9
Training and Capacity Building	3	9
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	89	117

Benchmarking Score (earned points divided by possible points)

76

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

17-06-2020

Conducted by:

Peter Jahns

Interviews with:

Claudio Juen, CSR Manager