



# BRAND PERFORMANCE CHECK

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## Workfashion

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this report covers the evaluation period 01-01-2018 to 31-12-2018

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation 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. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF'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 FWF 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 FWF 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 FWF'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.

# BRAND PERFORMANCE CHECK OVERVIEW

Workfashion

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Hagendorn, Switzerland
Member since:	01-02-2015
Product types:	Workwear
Production in countries where FWF is active:	China, North Macedonia, Republic of, Turkey
Production in other countries:	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	97%
Benchmarking score	75
Category	Leader

## Summary:

workfashion has shown advanced results on FWF performance indicators. With a monitoring percentage of 97% and a benchmarking score of 75, the brand remains in the 'Leader' category.

In 2018, 92% of workfashion's production volume came from factories where the company buys at least 10% of production capacity, and 66% of its total FOB came from the suppliers with which it has had a business relationship for at least five years. Both figures indicate a positive increase in consolidating and managing transparency in its supply chain base. workfashion works closely together with its partners (suppliers) in planning the production and has collected information about the total production capacity of its factories.

The company's due diligence and monitoring processes are strongly embedded with the CEO and Sustainability Coordinator. In the past year, workfashion has been working on reducing the excessive overtime, payment of minimum wages and has shown improvements in following up on corrective actions, especially in North Macedonia and Turkey. One of the company's biggest challenges is 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 is trying to find a relevant benchmark for 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.

FWF recommends that workfashion continues its work on living wages and scale-up raising the wage levels outside its pilot projects. Furthermore, FWF recommends that workfashion set up the target wage for its production facilities in consultation with workers representatives.

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

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

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

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

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	92%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: In 2018, 92% of the production volume comes from locations where the company buys at least 10% of the production capacity. This is an improvement by 8% in comparison to the previous performance check.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	3%	FWF 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 FWF.	3	4	0

Comment: In 2018, 3% of the production volume came from locations where the company buys less than 2% of its total FOB. The percentage is very similar to the previous year 2018 performance check.

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.	66%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In 2018, 66% of production volume came from production locations where a business relationship has existed for at least 5 years. This is an improvement by 9% in comparison to the previous year 2018 performance check.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	2nd years + member and no new production locations selected	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	N/A	2	0

Comment: workfashion did not onboard a new production location in 2018, therefore this indicator is marked as N/A.

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:** Although no new supplier was added in 2018, workfashion has an onboarding factory procedure and conducts thorough due diligence before starting to work with new suppliers. This procedure includes onsite factory visits, risk assessments regarding working conditions and quality checks. workfashion uses FWF'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 sense of wage levels and working hours. The brand asks for existing audit reports and includes outcomes of the audit 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 the pictures are taken of the productions site.

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

The partnership with its supplier Paltex ended at the end of 2018. This exit was previously discussed and the supplier was aware of this short-term business relationship.

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 Plan). In North Macedonia, its 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 has 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 other party audit reports (if available). Production facilities are rated based on the scores achieved in the latest audit reports by the FWF (North Macedonia and Turkey) and BSCI (China). The criteria are in line with the eight labour practices in the FWF Code of Labour Practices (CoLP).

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 2018, almost 88% of its FOB came from North Macedonia. workfashion works closely together with its suppliers in planning production. The brandy knows the total production capacity of the factories and the standard minutes per style required for production. The production is planned with its suppliers on a bi-weekly basis. workfashion delivers the fabric to the factories and regularly monitors production planning through its quality manager. To manufacture its NOS (Never out of Stock) range the company make targeted use of free capacity so as to utilise production partners evenly and avoid overtime and output gaps as far as possible

In Turkey and China, workfashion produces ready-made garments and discusses planning, lead-times and possible delays with the factories. The total production volume of workfashion at its suppliers in China and Turkey was around 8% of its total FOB, usually for small orders. 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.	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 2018, two FWF audits were conducted at factories in North Macedonia. Both audits showed no findings on excessive overtime.

FWF audits conducted in 2017 showed the issue of excessive overtime at two factories. At one supplier in North Macedonia, the FWF-audit team could not establish whether workers worked every Saturday, which would amount to excessive overtime. workfashion discussed the issue with its North Macedonian supplier and assessed the root cause. Taking more orders than available production capacity and inadequate production planning led to (possible) excessive overtime, although this could not be verified.

During an FWF-audit, excessive overtime was found at one supplier in Turkey. The factory is a tail-end supplier where the member places only a very small amount of production. workfashion visited and discussed the matter during the visit in 2018.

**Recommendation:** FWF recommends cooperating with other customers at the factory to increase leverage when trying to mitigate excessive overtime hours.

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:** 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 the main country where it produces- North Macedonia. The results showed big differences in the various areas of spendings in both countries.

In North Macedonia, workfashion works with minutes base 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 centrum of excellence in North Macedonia. In addition, through the FWF Living Wage incubator project in 2017, the company learnt how to relate to the wage levels at the production locations and how to collect all information needed to determine its buying price. Currently, this project supplier factory management is in a social dialogue with the workers representative.

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 FWF 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.

One of the 2019 goals set up by workfashion is to define living wages with its stakeholders in all North Macedonian production facilities and raise wages towards this benchmark.

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.

Recommendation: workfashion could provide suppliers who don't use open costing, training on product costing and how to quote prices including (direct and indirect) labour costs.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No problems reported/no audits	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF 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, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	N/A	0	-2

Comment: In 2018, a FWF audit was conducted at two suppliers in North Macedonia. Both audits showed no findings on failure to pay minimum wages.

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:** Since its participation in the FWF Living Wage incubator in 2017, the brand mostly focused on one North Macedonian supplier with whom it has a strong partnership and the 100% leverage at the factory. Over the course of past years where workfashion paid all the costs of the supplier, the manager of the factory gradually started to raise wages, in total raising wages with about 30% in three years' time. Factory management used the average wage in the region as a benchmark. In 2017, the North Macedonian government raised the statutory minimum wages by 25%. Almost all of the workers already earned a wage above that legal minimum wage. In 2018, workfashion further helped to increase workers wages. Currently, the brand is actively discussing living wages with this supplier and started a social dialogue with workers representative.

At other North Macedonian suppliers, workfashion achieved more transparency in costing, enabling it to relate it to its pricing. It also discussed living wages with those suppliers.

**Recommendation:** FWF encourages workfashion to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship. FWF encourages workfashion to involve worker representatives and local organisations in assessing the root causes of wages lower than 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).	5%	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.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	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.	2	4	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.

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	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

**Comment:** Although workfashion was participating in the FWF 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 2018. The increase of minimum wage in 2017 in North Macedonia has diluted the wage increase reached by the effort of the brand.

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

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## PURCHASING PRACTICES

Possible Points: 47

**Earned Points: 32**

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	92%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	5%	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.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	97%	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 FWF 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: 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 FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF 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: FWF 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 2018, FWF performed audits at two suppliers of workfashion. At both suppliers, workfashion shared the report on time and established timelines on CAP's remediation.

Recommendation: Before an audit takes place, workfashion.com is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting.

Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF 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 follows up on CAPs at all its suppliers. At its three main suppliers, the brand remains involved in working on more complex issues such as (living) wages and excessive overtime. Audit reports of its suppliers show that suppliers are making good progress, including the issue on the social dialogue. The FWF 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. 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 very good progress on the CAP of the audit at the Turkish supplier. Amongst 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.

**Recommendation:** FWF 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, FWF 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.	100%	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: All suppliers were visited by the member company staff in the previous financial year. During those visits not only CAPs are discussed but also the were disuccessed

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 suppliers China. 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 Chinees 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 FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	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	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 FWF 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.

#### Turkey

Two out of three Turkish suppliers were audited by FWF-team in 2017. No Syrian refugees were found. workfashion discussed with its suppliers whether they had policies in place in case they would like to hire Syrian refugees. Subcontracting was also discussed.

In 2018, workfashion has adopted and shared with its partners the Syrian refugee policy developed by FWF. 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.

**Recommendation:** FWF 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.

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 FWF member is active. The cooperation started again after staff change at workfashion.com.

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.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

Comment: workfashion sources from two 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 bases.

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	FWF 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 FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes, and member has collected necessary information	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF 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 has sent and 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).	29%	FWF 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 FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	1	3	0

Comment: Almost a third of the external brands is a member of FLA or FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF 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: 35

Earned Points: 29

### 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	1	

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 FWF 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: CEO and Sustainability Coordinator are involved when a complaint is filed through the FWF 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 FWF 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 FWF CoLP and complaints hotline. 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.	83%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

**Comment:** workfashion makes sure that the workers are aware of the FWF CoLP and complaints hotline. This is done through the Workplace Education Place trainings (WEP). WEP Basic was conducted at four suppliers in North Macedonia and one supplier in Turkey, which is 83% of its total FOB. Due to political problems, the FWF was not able to carry out our two WEPs in Turkey scheduled for 2018.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	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.	3	6	-2

**Comment:** workfashion received one complaint from its main supplier in North Macedonia in 2017. This complaint was related to overtime working hours. The company followed and addressed this complaint in accordance with the FWF procedure and the complaint was resolved in 2018. It was recommended that the factory management should explain the overtime and compensation hours policy to all workers to avoid any confusion in the future. Overtime hours should be communicated clearly on wage records and overtime hours should be voluntary.

Recommendation: Where applicable, worker representation should be involved in agreeing to the Corrective Action Plan and preventive steps should be checked.

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 FWF 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

Recommendation: workfashion could investigate whether cooperation with other customers is possible for enhancing the efforts to resolve the complaint.

## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 12

## 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 FWF 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 FWF 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 FWF requirements and advocate for change within their organisations.	FWF 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 FWF annual seminar and participates in webinars. New hired staff is informed about company CSR programme by CEO and Sustainability Coordinator during its two months training.

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, FWF 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. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

**Recommendation:** FWF 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 FWF's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

## 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 subcontractor is used.

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:** FWF recommends workfashion to clearly document outcomes of meetings with suppliers and share that with relevant staff.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: workfashion communicates about FWF through the company website, social report, newsletter and various blogs, e.g. on supplier visits to participate in audits or WEPs. It also displays the Fair Wear Formula animated movie on its website. workfashion is aware of the FWF 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 FWF'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 FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: workfashion submitted its 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 FWF 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 FWF membership. Currently, the company is looking for an environmental program next to the social.

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.	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

Not clear communication from FWF staff and issue with compliance with the deadlines. Brand liaison switches almost every year. No backup when brand liaison is out of office.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	32	47
Monitoring and Remediation	29	35
Complaints Handling	12	15
Training and Capacity Building	3	9
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	91	121

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

75

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

24-06-2019

Conducted by:

Terezia Haselhoff

Interviews with:

dr. Alfred Beerli - CEO

Thomas Burkard - CFO

Claudio Juen - Sustainability Coordinator

Sanela Hodovic - Planning and Purchasing