



Brand Performance Check
SANDQVIST Bags and Items AB

Publication date: June 2020

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

SANDQVIST Bags and Items AB

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

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	2016-02-29
Product types:	Outdoor products;Bags;Accessories;Luggage & other travel accessories
Production in countries where Fair Wear is active:	India, Viet Nam
Production in other countries:	
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	91%
Benchmarking score	74
Category	Good

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 evaluating the year 2019 in order to maintain fair and comparable data.

Fair Wear's performance checks review the progress that was made in the previous financial year. In this case, the 2019 financial year. Thus, this report does not cover the member's response to COVID-19, which will be monitored during the year and evaluated in the next performance check.

Summary:

Sandqvist has shown progress and met most of Fair Wear's performance requirements. The brand monitored 91% of its production volume in 2019, which is well above the 80% requirement for the third year of membership. Sandqvist's benchmarking score is 74, placing the member in the 'Good' category.

The brand has a small number of suppliers and only sources in India and Vietnam. For one new production location in India, in January 2019, the brand involved the Fair Wear team in the factory construction stage. Fair Wear was invited to give the factory management its input pertaining to Health & Safety requirements, to help review the factory layout e.g. provisions for the placement of fire extinguishers, notice boards, chemical storage and management, etc.

Sandqvist has a robust supplier evaluation and rating system where the suppliers are monitored on various parameters including working conditions that are linked to production decisions. In 2019, the brand exited one supplier in Vietnam (where they had very low leverage) due to unauthorised subcontracting. Furthermore, the brand has already informed another supplier in India that the next orders will be linked to the progress the supplier is able to demonstrate on critical audit findings.

Fair Wear audits in 2016 and 2019 indicate issues pertaining to minimum wage at suppliers in India. The brand has addressed the 2016 finding pertaining to payment of 'dearness allowance' and has worked with the supplier to ensure that the lowest wage set at the factory is 5%-10% over the minimum wage (contributed by Sandqvist during price-setting) so that any fluctuations in the 'dearness allowance' do not lead to the situation where the allowance paid is lower than legally mandated. For the 2019 findings pertaining to another supplier, the member engaged in an active dialogue with the supplier, emphasising that payment of minimum wage is non-negotiable. The member also stated that the commitment to ensuring that all workers received a minimum wage was a precondition for the next order placement. Additionally, the brand worked with the supplier to understand the root causes of excessive overtime, namely: delays in the opening of a new production location, worker attrition and unrest. The production location has recruited more workers to increase capacity and address excessive overtime related issues.

In 2019, Sandqvist developed a 5-year plan to address living wages, as below:

2020: Conduct a feasibility study and initiate pilot project for living wage implementation at CMT level.

2021: Evaluate pilot project and set plan for upscaling efforts to increase wages at CMT level.

2025: The majority of products sold by Sandqvist should be produced in CMT factories where workers earn a living wage for making Sandqvist products.

The member's efforts to address living wages in 2019 were limited as issues pertaining to minimum wages had to be first addressed to have the necessary foundation to work on living wages.

As a next step, Fair Wear encourages Sandqvist to engage in discussions with suppliers in India about different strategies to work towards higher wages. Fair Wear also encourages the brand to involve worker representatives when defining a target wage and approach to 'getting the money to workers'.

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.	57%	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.	3	4	0

Comment: In 2019, Sandqvist bought 57% of its production from production locations where it buys at least 10% of production capacity.

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.	0.5%	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.	4	4	0

Comment: Sandqvist is trying to maintain a consolidated supplier base and at two production locations, the brand buys less than 2% of its total FOB. One location does small runs. And at the other (new location), the brand will increase production in 2020.

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.	40%	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.	2	4	0

Comment: Over the last few years, the brand has grown and expanded its product base. At the same time, the brand has also increased its CSR and quality requirements. This required the brand to exit two suppliers in India where the brand had over 5 years of relationship, as they were not able to meet these requirements. Currently, the brand has one main supplier in India where the years' relationship exceeds five years.

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

Comment: Sandqvist collects signed questionnaires with the Code of Labour Practices in a systematic manner and could show them for the four new production locations during the brand performance check.

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: The brand has a small number of suppliers and only sources in India and Vietnam. For each potential supplier, the brand's Sustainability Manager (for locations in India) or the agent (for locations in Vietnam) first checks if the supplier is participating in the ILO Better Work programme and requests the supplier for recent third-party audit reports (if any). Sandqvist reviews the audit results and corrective action plans. This is followed by a visit to the factory and the supplier is selected only if there is a demonstrated effort to implement measures for improvement on the audit findings. In 2019, the brand's new production locations were either addition of physical locations of existing suppliers or new factories of an existing supplier.

For one new production location in India, in January 2019, the brand involved the Fair Wear team in the factory construction stage to offer inputs to the factory management pertaining to Health & Safety requirements, to help review the factory layout e.g. provisions for the placement of fire extinguishers, notice boards, chemical storage, management etc.

The Sustainability Manager is aware, stays updated on Country-specific risks (and documents them, at country and supplier level) and no orders can be placed at a new supplier without the approval of the Sustainability Manager.

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: Sandqvist has implemented a supplier evaluation and rating system where the suppliers are monitored on various parameters covering size of orders, competence, quality, delivery, prices, reliability, communication and working conditions. The scores range from 1 (lowest) to 5 (highest) with supporting descriptive performance-related information (score justification) documented by the concerned teams. The evaluation is done two times a year, after every season, in discussion with the CEO, buying, design, production, logistics teams. Clear action points are developed and the feedback is shared with suppliers, especially those who score less than 3, to work with them on steps for improvements. In 2019, this evaluation was done only one time.

The brand is not able to reward suppliers with additional orders as the orders are defined by sales figures and each supplier works on specific and different styles. But at the same time, the brand uses the results of the evaluation system to engage and support suppliers who score low to encourage them to address issues. If no change is seen in the long-term the brand works on a phase-out strategy, as a last resort.

In 2019, the brand exited one supplier in Vietnam (where they had very low leverage) for unauthorized subcontracting and has already informed another supplier in India that the next orders are linked to the progress the supplier is able to demonstrate on critical audit findings.

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: Sandqvist has a structured production planning system in place. The company is aware of each supplier's production capacity which is provided by the supplier but the brand cross-checks this based on order history, number of workers and during factory visits. The brand now has one team which is involved from development to production, hence has a good oversight through the entire process. The brand also back calculates from the time of delivery and plans production timelines for various other stages accordingly.

Material delays have been a reason in the past contributing to overtime. The brand now directly orders materials (including trims) as soon as it is aware of the quantities. This also means that the material suppliers get bulk orders for dyeing and other processes. This additionally ensures that these orders get priority rather than the situation in the past when individual suppliers were placing small orders at different times hence experiencing delays as small orders often don't get priority.

Sandqvist books capacity at its suppliers in advance and offers 6 months' lead time. Through the period the brand keeps the suppliers informed of additional information, like specifications, colors etc. to support their planning.

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

Comment: Fair Wear audits conducted in 2019 indicate the presence of excessive overtime at one supplier in Vietnam and 2 suppliers in India.

With suppliers in Vietnam, the brand is limited by its leverage and also the unwillingness of the suppliers to work on overtime as an issue when it is within allowed legal limits.

For the supplier in India, the brand worked with the supplier to understand the root causes of excessive overtime, namely - delays in the opening of new production location, worker attrition and unrest. The production location has recruited more workers to increase capacity and address excessive overtime related issues. This will be reviewed in the next 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: The suppliers share the price and provide a detailed cost calculation sheet for each style after receiving the specifications from the brand. This is updated after every prototype and salesman sample run based on changes to the specifications.

For India, the cost sheets provide the brand detailed information on labour costs and labour minute values for every style. For Vietnam, the cost sheets provide the brand information on labour minute values for every style and an overall CMT cost, but not the labour costs.

Cost sheets also indicate price specific to the order quantity, with lower prices for higher quantity. Sample orders are generally priced higher, some suppliers would include them at the standard price provided the samples are selected for production.

Some scenarios where prices are renegotiated or changed are:

- change in minimum wages
- production delays (fines are applied as per contract)
- quality issues

The brand uses information from audit reports to ensure that minimum wages are paid at all supplier locations (including sub-contractors).

Recommendation: Fair Wear recommends Sandqvist to expand their knowledge of cost break downs to suppliers in Vietnam. A next step would be to use the information on labour minutes and exact labour costs and actively link this to their own buying prices. The first priority would be to make sure this level of transparency can be achieved consistently with all their suppliers.

Fair Wear recommends Sandqvist to actively approach one or more suppliers to work with the available tools of the living wage toolkit. Fair Wear can support a supplier with a support visit if needed.

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, 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.	0	0	-2

Comment: Fair Wear audits in 2016 and 2019 indicate issues pertaining to minimum wage at suppliers in India. The brand has addressed the 2016 finding pertaining to 'dearness allowance' and has worked with the factory to ensure that the lowest wage set at the factory is 5%-10% over the minim wage (contributed by the member during price-setting) so that any fluctuations in the 'dearness allowance' do not lead to the situation where the allowance paid is lower than legally mandated. For the 2019 findings pertaining to another supplier, the member engaged in an active dialogue with the supplier emphasizing that payment of minimum wage is non-negotiable and commitment to ensuring that all workers received a minim wage was a precondition to the next order placement. As the report was shared with the member in 2020, this will be verified in the next performance check.

That apart, Fair Wear audit at one supplier in Vietnam indicated issues pertaining to wage records and allowance payments for the fire safety teams. As there were some issues pertaining to documents presented to the auditors, a new audit was done. The member has low leverage at this production location, this is further being followed -up by another Fair Wear member.

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: For the Indian suppliers where the brand has good leverage, the brand is aware of the Labour Minute Values and Labour Costs for every style. For one supplier the brand has done a detailed analysis to understand price levels needed to pay living wage using Anker estimates. This will be verified in the next performance check.

In 2019, Sandqvist developed a 5-year plan to address living wages, as below:

2020: Conduct a feasibility study and initiate pilot project for living wage implementation at CMT level.

2021: Evaluate pilot project and set plan for upscaling efforts to increase wages at CMT level.

2025: The majority of products sold by Sandqvist should be produced in CMT factories where workers earn a living wage for making Sandqvist products.

The member's efforts to address living wages in 2019 were limited as issues pertaining to minimum wages had to be first addressed to have the necessary foundation to work on living wage

Recommendation: As a next step, Fair Wear encourages Sandqvist to discuss with suppliers in India where they have good leverage, about different strategies to work towards higher wages.

Fair Wear encourages the brand to involve worker representatives when defining a target wage and approach to 'getting the money to workers'.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

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

Comment: The brand is yet to define and agree on a target wage and increase wages at the suppliers.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	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	6	0

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

Purchasing Practices

Possible Points: 52

Earned Points: 33

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.		
% of production volume where approved external audits took place.	26.17%	
% of production volume where Fair Wear audits took place.	65%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	0%	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.)
% of production volume where an audit took place.	91%	
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	91%	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: The Sustainability Manager is responsible for following up on social compliance related matters.

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

Comment: The brand uses FWF audits, Better Work and affiliate (Summations) audits where the audit team has been trained by FWF.

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 2019, Fair Wear audit was conducted at 3 suppliers in India and 1 supplier in Vietnam. The audit report and CAP were shared in a timely manner. The progress on the CAP was checked during the brand's visit to the supplier in November.

Recommendation: Before an audit takes place, Sandqvist 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: The brand has been able to discuss and achieve progress on most issues highlighted in the CAP. The brand has been working closely with suppliers on understanding the root causes of excessive overtime, legal minimum wages, and how they could work together to address it. That apart, the other issues pertaining to health & safety, payment of wages, contracts have also been addressed.

The brand tracks the progress made on CAPs through email and telephone interactions with suppliers. In most cases, the brand does not close the issue until after a factory visit when the brand can in-person review and verify the status of the audit finding.

For one supplier in India the audit report was shared in Jan 2020, hence it will be reviewed in the next performance check.

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: Almost all production locations have been visited by the brand in 2018. During the visit,

1. Pending CAPs are discussed and updated;
2. Meeting minutes are documented;
3. Meeting minutes are used to make action points with timelines which are shared with the supplier. All this information is further documented in the supplier folder which can be accessed by all concerned Sandqvist staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

Comment: The brand does collect existing audit reports from suppliers, though mainly uses Fair Wear audits.

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

Comment: For India, the brand is aware of the risks of young workers being employed in mills. The brand has visited its spinning mills in the 3 last years and also moved production to mills where workers come from nearby residential areas lowering the risk of young workers being employed through the 'sumangali' scheme.

That apart, for its CMT factories in Kolkata the brand has engaged the supplier addressing transport-related issues (equal access to transport, difficulty workers face reaching back home on late working days) and for its factory in Chennai the brand had an active dialogue with the supplier to strengthen management systems, the anti-harassment committee.

For Vietnam, to mitigate risks the brand sources from suppliers who work with big brands (who are members of FLA, BSCI etc.) and other FWF members. The brand is yet to be able to receive a commitment from suppliers to work on complex issues pertaining to overtime, worker representation, and Living wage.

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: Sandqvist is actively engaging with another FWF member on the 2019 audit at one supplier in Vietnam. That apart, for another supplier in Vietnam which is shared with multiple FWF members the brand supports with follow-up and verification.

The brand also collaborates with a non-Fair Wear member to support remediation efforts at one supplier in India.

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.	No production in low-risk countries	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.	N/A	3	0

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	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.	2	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.	No external brands resold	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.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	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.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	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: 24

Earned Points: 21

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check	4	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	5	
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: The Sustainability Manager has been designated to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the 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: During the factory visits (generally at least once a year) the Sustainability Manager checks if the Worker Information Sheets is posted, and documents them.

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.	73%	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.	4	6	0

Comment: In all, four production locations (three in Vietnam and one in India) have participated in WEP training in the last 3 years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: In 2019, four complaints were received on the Fair Wear complaints hotline, pertaining to 2 suppliers in India. For one supplier the brand has been able to actively follow-up on the complaints which were pertaining to Discrimination, Safe & healthy working conditions, Legally binding employment relationship. The brand is additionally engaging with the supplier to improve management systems and processes as a measure to prevent such complaints in the future. At the other Indian supplier, though the brand engaged in active dialogue with the factory, the brand is reviewing the progress after a Fair Wear audit indicated that the measures taken by the supplier in response to the complaint could not be verified.

For one complaint at a production location in Vietnam, the brand collaborated with other Fair Wear members and supported the follow-up.

Recommendation: Fair Wear recommends that the brand uncover the root causes of complaints and prevent them from recurring.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the 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.	2	2	0

Comment: The brand actively collaborated with other Fair Wear members and non- members to support the remediation of worker complaints received at production locations.

Complaints Handling

Possible Points: 17

Earned Points: 15

4. Training and Capacity Building

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

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: During weekly team meetings, relevant information is brought up by the Sustainability Manager. That apart, when travelling together with the sustainability manager, product teams/ buyers join discussions with the supplier on Fair Wear requirements. In general, twice a year (every season) a supplier evaluation is done by the team and the results are discussed.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

Comment: Sandqvist works with one agent in Vietnam who has participated in a Fair Wear audit in the past. The agent plays an important role in sourcing and is involved in CAP follow up, joins Sustainability manager for meetings to review the CAPs and conducts the Health & Safety Checks at production locations.

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

Comment: The brand's production locations have not participated in any training programmes that support transformative processes related to human rights.

Recommendation: Fair Wear recommends Sandqvist 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 module or implement advanced training through service providers or brand staff. Fair Wear 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: 11

Earned Points: 5

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: Sandqvist reiterates both in the contract and during supplier visits that no production can take place at locations that have not been approved by the brand. In Vietnam, this is checked by in-line inspections for all productions. In India, the brand has production throughout the year, hence while in-line inspections are not always possible, the brand visits every supplier at least 3-4 times a year and also conducts third-party quality inspections to check production at the specified production location. The brand tries to invest a lot of time and effort in production line inspections to catch irregularities which can indicate subcontracting.

In 2019, the brand exited one supplier in Vietnam for 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: Information pertaining to working conditions at production locations is shared with relevant staff in the weekly meetings by the sustainability manager.

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	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: The brand communicates about FWF membership through different channels like - Instagram, facebook, in stores, press releases etc.

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: The main suppliers the brand works with and details on the working conditions is disclosed on their website and in the sustainability report.

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: The brand has submitted and published a complete and accurate sustainability report on it's website.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

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

Comment: The sustainability manager keeps the top management aware of developments and issues as when they happen through meetings and discussions.

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.	49%	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.	2	4	-2

Comment: The brand had 2 requirements in the last check -

1. Pertaining to increasing wages and develop a strategy to finance the costs of wage increases.
2. Set a target wage for supplier locations.

The brand has made some progress on these requirements in terms of developing a 5-year plan to achieve a living wage at supplier locations and deciding to use Anker wage benchmarks for setting a target wage.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

1) Fair Wear, in general, is sometimes bureaucratic and rigid, specific reference to audits and number of days needed for audits (India) when the facilities are located next to each other (same management and processes), were still billed based on the time needed on paper, which was far from actuals. There needs to be an option to review this as a special case scenario, rules vs what makes the best sense should be reviewed. Fair Wear needs to work on having a pragmatic and constructive approach with members.

2) Complaints handling in Fair Force system is unclear for members, when to email, when to enter details in fair force, who has to take the next step.

Might be good for brand liaisons to discuss complaints with the members, in the scheduled catch-ups.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	33	52
Monitoring and Remediation	21	24
Complaints Handling	15	17
Training and Capacity Building	5	11
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	91	123

Benchmarking Score (earned points divided by possible points)

74

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

02-06-2020

Conducted by:

Supraja Suresh

Interviews with:

Henrik Lindholm, Sustainability manager