

# **Brand Performance Check King Louie**

**Publication date: January 2023** 

This report covers the evaluation period 01-06-2021 to 31-05-2022

#### **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 <a href="https://www.fairwear.org">www.fairwear.org</a>. The online <a href="https://www.fairwear.org">Brand Performance Check Guide</a> provides more information about the indicators.

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

## **Brand Performance Check Overview**

# **King Louie**

**Evaluation Period: 01-06-2021 to 31-05-2022** 

Member company information	
Headquarters:	Amsterdam , Netherlands
Member since:	2015-09-30
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	China, Turkey
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	81%
Benchmarking score	69
Category	Good

## **Summary:**

King Louie has shown progress and met most of Fair Wear's performance requirements. With a benchmark score of 69 points, King Louie retains its 'Good' status. The monitoring threshold is non-applicable due to COVID-19, but King Louie still managed a monitoring threshold of 81% of its supply chain.

#### **Corona Addendum:**

In the financial year assessed, King Louie focused on improving its purchasing practices. The brand had a good financial year, and COVID-19 did have less influence on the brand's business compared to the years before. As a result, no orders were cancelled. Late deliveries were an issue, but King Louie was flexible with delivery dates. King Louie prepaid material orders to ensure enough liquidity at its suppliers.

King Louie started working with a platform, Retraced, to map its supply chain more effectively. The platform gathers information about the brand's suppliers, the supplier's capacity, minimum order quantities (MOQs), and lead times. As a result, the brand raised its awareness about potential supply chain risks and therefore created several policies, such as a specific country-risk policy for its Turkish suppliers and a zero-tolerance policy for products coming from the Xinjiang region for its Chinese suppliers. All suppliers were requested to sign and endorse the policies. Additionally, internal guidelines such as a child labour action plan and complaints action plan were created.

The member brand ran a pilot project with its Turkish suppliers about its purchasing practices. As a result, it installed several improvement measures related to the brand's forecast and order planning to reduce the risk of excessive overtime and unauthorised subcontracting.

King Louie joined a project with RVO, Fair Wear, and two other Fair Wear member brands. This project aims to identify, analyse and test specific policies and actions, that garment brands and suppliers can implement to improve their due diligence and responsible business conduct, around two focal areas: payment of a living wage and gender equality, with a focus on violence and harassment. The project runs from January 2022 until December 2024 and contains two project areas: the impact assessment and implementation phase. King Louie aims to contribute to living wages for the workers of its Turkish suppliers at the end of the project.

Fair Wear encourages King Louie to continue its efforts to improve its purchasing practices, specifically when it comes to its Chinese suppliers. Fair Wear recommends actively addressing, discussing and improving findings related to excessive overtime and non-payment of living wages at these suppliers.

# **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.	47%	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.	2	4	O

**Comment:** In the assessed financial year (2020/2021), 47% of King Louie's production volume came from production locations where it buys at least 10% of the production capacity. Compared to the year before, this percentage decreased by 21% due to reduced orders at two main suppliers and the onboarding of two new subcontracting partners.

**Recommendation:** Fair Wear recommends King Louie to further consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	9%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	3	4	0

Comment: In the past financial year, King Louie bought 9% of the production volume from production locations where the company buys less than 2% of its total FOB. This percentage decreased by 1% compared to the previous year. Although two new subcontracting partners have been onboarded in the past financial year, King Louie will further continue to consolidate its supplier base. Due to the lack of significant leverage, the brand is aware that effective prevention and remediation of findings is more difficult at its tail-end suppliers.

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.	64%	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 the past financial year, 64% of King Louie's purchasing volume came from factories the brand has worked with for more than five years.

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

**Comment:** In the financial year assessed (2021/2022), King Louie's main suppliers in China and Turkey onboarded each a new subcontracting partner. The brand could show proof of the signed Code of Labour Practices questionnaires for each production location.

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:** King Louie created a written due diligence guide to be used internally and to ensure consistency in the onboarding of new production locations. This guide outlines the process King Louie staff must follow in selecting new production locations, requirements and the steps of a responsible exit strategy.

As the Corporate Social Sustainability (CSR) coordinator is part of the production team, meetings take place frequently, and potential new suppliers are discussed and evaluated in the onboarding process extensively. Agents are requested to hand in information about the new production site. At the same time, potential new suppliers will be informed about the brand's profile, values and strategy regarding sustainability. In addition, external audit reports are collected and evaluated. If the research reveals too many issues, the CSR coordinator has a veto right, and the supplier will not be onboarded. The two main suppliers in China and Turkey informed King Louie about the need for two new subcontracting partners. The onboarding procedure was applied for these suppliers.

King Louie is aware of the main risks in its two production countries, China and Turkey, using country information provided by Fair Wear and its agents and supplier feedback as additional sources. King Louie prefers cooperation with agents with the same mindset about CSR as the member brand. Through the long-lasting and close relationship with its local agents and its main suppliers, updates on developments in the relevant regions are shared immediately.

Due to a complaint received in the financial year, the brand made an effort to focus on the prevention of unauthorised subcontracting in its supply chain (for more information, see indicators 3.4 and 5.1). In addition, King Louie started to map its supply chain by using the platform "Retrace". As a result, the brand raised its awareness about potential supply chain risks and therefore created several policies, such as a specific country-risk policy for its Turkish suppliers and a zero-tolerance policy for products coming from the Xinjiang region for its Chinese suppliers. All suppliers were requested to sign and endorse the policies. Additionally, internal guidelines such as a child labour action plan and complaints action plan were created. Yet, there is no formal risk assessment in place.

The COVID-19 pandemic less influenced King Louie's and its supplier's business. No lockdowns occurred. King Louie stayed in close contact with its suppliers and prepaid materials. No orders were cancelled. However, as visits to China were impossible due to the travel restrictions, the brand experienced a distancing of communication and cooperation with its Chinese suppliers.

**Recommendation:** Fair Wear encourages King Louie to further continue its due diligence process by developing and documenting a strategic and formal risk assessment. The assessed risks should be prioritised, and an improvement and prevention programme should be developed. Supporting guidelines, examples, and webinars can be found on Fair Wear's member hub.

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: The CSR coordinator and Head of Design and Production bi-annually evaluate each supplier, including feedback about the supplier's performance from all related departments. The CSR coordinator mainly uses the results of the audit reports to evaluate the supplier's social compliance. Yet, the severity of the findings and the progress of the Corrective Active Plan (CAPs) are not rated and included in the supplier's evaluation. The overall performance of each supplier is discussed, and in case social compliance behaviour is uncertain, the CSR coordinator immediately flags this within the production team and CEO. King Louie shares the results of the supplier's evaluation with its agents and suppliers, however, in a general way, as the brand still needs to incorporate a defined scoring system in its supplier's evaluation. Suppliers with good performance are favoured for next season's production.

One main supplier in China scored low because of a lack of improvements in audit findings. Although informed and warned, the supplier made no progress. As a result, the brand decided to decrease the orders but will further continue the business. King Louie does have an exit strategy, but before coming into force, the brand prefers guiding its suppliers to do better.

King Louie supported its suppliers by prepaying for materials to ensure enough liquidity at the suppliers. No orders were cancelled, and the brand accepted late deliveries.

**Recommendation:** King Louie is encouraged to improve its supplier's evaluation by making it more explicit how social compliance in the supplier rating system in which quality, relationship, price, and planning are assessed is weighted. For this, the brand could rate the severity of the audit findings and the supplier's efforts on CAP improvements, trainings and quality of communication. In addition, the supplier evaluation should include a rating (percentages, numbers, or letters) to give the suppliers more detailed feedback about their performance.

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:** King Louie works with two production phases per year for each supplier. The member brand is placing recurring styles at the same production locations to make production more efficient and predictable. The design process of a new collection takes roughly five months, followed by a pre-sale phase for the retailers and one month after the pre-sale phase, the final orders are placed at the suppliers. King Louie does not work with a forecast or book capacities at its suppliers. Due to the long-lasting cooperation between the brand and its suppliers, the brand does have a good insight into the capacities of its suppliers, and the suppliers, therefore, do have enough experience on the order quantities.

Design changes rarely happen, and information will be shared with the suppliers before the final order is placed. One collection, produced from left-over fabrics, will be produced in low-season only. In addition, the brand has a small amount of Never Out of Stock (NOS) items and several "classics" items on which only minor changes are made, for example, colour. Production of the NOS items and "classics" also preferably takes place during the low season. It is part of King Louie's business model to have stock for the bestselling collections. If the stock gets low, the brand places replenishment orders throughout the season, counting for about 30% of the total production. The replenishment orders are mostly placed at the Turkish suppliers. To cover this extra demand, the brand orders extra stock fabric when placing bulk orders. The brand supports its suppliers by prepaying the materials.

Each collection is divided into four delivery blocks, consisting of three to four weeks. The suppliers decide on the exact delivery date. Replenishment orders can be shipped with the bulk order or will be delivered at a later time, depending on the capacity of the supplier. For complex, time-consuming designs, orders are placed first, and suppliers are consulted about the best timing for the production. In case of a production delay, the supplier can shift the delivery time within the block or, in case needed, shift the delivery time to the next "delivery block". King Louie only requests its suppliers to inform on time about late deliveries.

In the past financial year, King Louie started working with a platform called "Retraced". The platform gathers detailed supplier information about capacity, minimum order quantities (MOQ), and lead times. The information will be updated every season. King Louie also ran a pilot project with Turkish suppliers about the brand's purchasing practices. The brand and its suppliers discussed the delivery deadlines, orders versus capacity, and the orders' distribution over different subcontracting partners. The pilot is part of the brand's approach to prevent risks proactively. As a result, suppliers are now more involved in the planning of the delivery blocks; the brand improved its order forecast to avoid too many replenishment orders and accepted higher stock. Initiated by one of the brand's Turkish suppliers, King Louie can only place replenishment orders at specific certain times to ensure enough supplier capacity and avoid excessive overtime. Since the start of the brand's purchasing practices assessment, suppliers have to indicate where exactly the production will take place for each order to avoid unauthorised subcontracting. Furthermore, orders are placed earlier to avoid tense capacities leading to unauthorised subcontracting or excessive overtime.

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 the past financial year, two Fair Wear audits at King Louie's Turkish and Chinese suppliers indicated excessive overtime. In addition, the follow-up on excessive overtime of one audit report at another Turkish supplier was assessed, as this audit report was shared only shortly before the end of the previous financial year (2020/2021).

For Turkey, King Louie followed up on the relevant findings. As described in indicator 1.6, the brand consulted its suppliers on how its purchasing practices contributed to excessive overtime. Based on the feedback, King Louie adapted its planning and order system by sending out orders earlier, improving its forecasting system, accepting higher stock, reducing the number of replenishment orders, shifting more orders to low season and placing replenishment orders in specific time frames set by the suppliers. This process led to intensified cooperation between the brand and its suppliers; the impact on working hours still needs to be assessed.

For China, the situation is more difficult as the main supplier shows little interest in improving on audit findings. King Louie's top management was engaged, and a warning letter was sent out. When the supplier still showed no improvement, the brand decided to reduce the order quantities. Still, the brand prefers to cooperate further with its long-lasting supplier and try to find ways to convince the supplier to do better rather than leave it. As a result, improvement in excessive overtime could not be shown yet.

King Louie collects external audits for its other Chinese suppliers. Several of these audits indicated excessive overtime. King Louie did not specifically follow up on these findings.

**Recommendation:** Fair Wear recommends to follow up on excessive overtime indicated in external audit reports. King Louie is encouraged to start discussing the findings of excessive overtime and to expand its purchasing practice assessment with its Chinese suppliers. For additional support, Fair Wear recommends the "Fair Working Hours Guide", available on the Member Hub.

Fair Wear recommends King Louie to assess whether the adapted planning and order system leads to a decrease in excessive overtime.

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:** As a starting point, King Louie calculates the buying prices based on its retail prices. There are price segments for the collections which contain often-repeated styles and materials. The CEO and Head of Design and Production are negotiating the prices with its agents. The agent negotiates the prices with the related factories and informs the member brand. For new items or collections, prices are asked for in advance. The brand has a clear statement not to squeeze the prices requested by its agents, as long-lasting cooperation, trust, and good quality are of much value to the brand. In addition, King Louie believes each company needs to earn money to thrive.

If a supplier asks for a price increase to cover higher material prices, increased energy prices, transport costs or wage increases, the brand follows the request. Yet, the brand cannot link its buying prices to wage levels and does not collect the wage data of its suppliers. The brand's Turkish suppliers followed the Fair Price App training, and calculations were made; however, the suppliers prefer to pay increased wages as a bonus instead of a systematic wage increase. At this point, the brand realised that an overall approach and specific support were needed. Therefore, King Louie joined a project with RVO, Fair Wear, and two other Fair Wear member brands. The RVO project includes labour-minute costing to enable the participating brands to link their buying prices to the wage levels in the production locations. For more information about the RVO project, see indicator 1.11.

**Recommendation:** Fair Wear recommends King Louie to evaluate if its pricing covers for payment of legal minimum wages, even if the legal minimum wage increased.

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

Comment: No audit indicated any findings related to non-payment of legal minimum wages.

King Louie investigated at its Chinese suppliers if power cuts led to delays but did not specifically follow up if production stoppages influenced the worker's wages and on the increased risk for wages lower than legal minimum wages. No Turkish supplier was involved in lockdowns. King Louie did not receive information about any lockdowns of its Chinese suppliers.

**Recommendation:** Fair Wear recommends King Louie to investigate on payment of legal minimum wages for all workers as soon as this risk becomes apparent. This could be production stoppages, lockdowns, illness of workers, high inflation and increase of (energy) prices and liquidity issues of suppliers. King Louie is recommended to collect proof of evidence.

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

**Comment:** King Louie paid its invoices within the agreed terms.

The brand has different modules of payment terms, such as 30% or 50% pre-payment at order placement and the remaining 70% or 50% as soon as the goods are loaded.; 100% payment when the goods are loaded; 100% payment at delivery at the warehouse; and sometimes the brand uses letters of credit (LCs).

In the past financial year, King Louie supported its suppliers by prepaying for materials to ensure enough liquidity at the suppliers.

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: In the past financial year, King Louie discussed the living wage topics with its agents and suppliers. As mentioned in indicator 1.8, King Louie joined the RVO project Turkey to improve due diligence, wages and equity for women at its Turkish suppliers. This project aims to identify, analyse and test specific policies and actions that garment brands and suppliers can implement to improve their due diligence and responsible business conduct around two focal areas: payment of a living wage and gender equality, with a focus on violence and harassment. The research will provide in-depth data on the impact of brands' purchasing practices on violence and harassment in garment factories and living wages among female and male workers. Part of this project is to uncover the root causes of wages lower than living wages and to assess living wage benchmarks. The project runs from January 2022 until December 2024 and contains two project areas: the impact assessment and implementation phase. King Louie aims to contribute to living wages for the workers of its Turkish suppliers at the end of the project. In the past financial year, the brand focussed on internal commitment, gaining funding for this project and convincing its Turkish suppliers to participate.

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:** King Louie is committed to financially support a systematic wage increase at its Turkish suppliers. As a participant in the RVO project, King Louie aims for payment of living wages. King Louie has a strategy to finance this wage increase at its suppliers, either by reducing the margin of the webshop or increasing the retailer prices. The brand has yet to determine target wages for its suppliers and has to decide how this will be financed.

**Recommendation:** Fair Wear recommends linking a price increase to an automatic wage increase. The increase in wages should be verified.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	O

**Comment:** King Louie has yet to agree on target wages and does not pay its share. The final result of the RVO project (see indicators 1.8, 1.11. and 1.13) is to contribute to a systematic wage increase at the brand's Turkish suppliers according to an agreed living wage benchmark.

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

# **Purchasing Practices**

**Possible Points: 52** 

**Earned Points: 29** 

# 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	81%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.		
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	81%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

**Comment:** The CSR coordinator is responsible for monitoring, and when absent, the Head of Design and Production is responsible.

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

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

Comment: Audits and Corrective Action Plans (CAPs) are shared with the agents and factories. Virtual meetings take place to discuss the findings and to agree on the timeline for findings with the highest priority. For the remaining findings, it's up to the suppliers what to work on next. The CSR coordinator keeps track of all CAPs by requesting updates on improvement and proof of evidence, both from the suppliers directly or via the production agent. The status of the CAPs is discussed with the Head of Design and Production and the CEO in regular meetings. King Louie could show that improvements were made at several suppliers, yet, there are no worker representatives involved in CAP follow-up.

**Recommendation:** Before an audit takes place, King Louie 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 to 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	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

**Comment:** Two audits took place at the brand's Chinese and Turkish suppliers. King Louie followed up on the CAPs, including a CAP of another Turkish supplier, which was received shortly before the start of the assessed financial year.

#### China:

The audit was carried out at one of the brand's main suppliers. After the audit of 2020, the supplier showed fewer efforts to actively work on improving the findings found during this audit. King Louie's CEO was involved, and a warning letter was sent out. As travelling to China was impossible due to the COVID-19 travel restrictions, the brand decided to conduct a follow-up audit to assess the working conditions. The audit results were unsatisfying as serious issues were not improved. Consequently, the brand decided to reduce the order quantities at this supplier. Yet, the brand did not finally decide to exit this supplier. According to the brand, the lack of visits and personal contact contributed to a distancing of communication and cooperation. King Louie hopes to visit the supplier soon and to intensify the business relationship again, which hopefully will improve the working conditions.

#### Turkey:

King Louie showed proof of regular CAP follow-up. Occupational and health findings were solved within a short time, and proof of evidence was collected. In addition, the brand started a purchasing assessment to investigate the root causes of excessive overtime found at both suppliers. As a result, the brand took several measures to help to improve the situation. For more information, see indicators 1.6 and 1.7. To follow up on findings such as payment below living wages, King Louie decided to join the RVO project Turkey. For more information, see the wage indicators in chapter 1. For some improved findings related to other Code of Labour standards, no proof of evidence was collected.

For the external audit reports collected by King Louie, no CAPs are available, and follow-up has been basic.

Overall, no worker representatives were involved in the remediation of audit findings.

King Louie does not rate the audit results (severity of findings) and does not measure the CAP improvements yet.

**Recommendation:** Fair Wear recommends King Louie to establish an action plan for its main Chinese supplier, including a deadline for a final decision. Furthermore, Fair Wear recommends King Louie to intensify the CAP follow-up of the collected external audits. King Louie is recommended to collect proof of evidence before classifying findings as resolved.

Fair Wear encourages King Louie to create a rating system for all audit reports (Fair Wear and external) to weigh the severity of findings and measure the CAP follow-up and improvements. Both indicators should be taken into account in the supplier's evaluation.

Fair Wear also recommends King Louie 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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	2	3	0

**Comment:** The CSR coordinator collected several external audit reports of its Chinese suppliers and assessed the audit quality. Yet, King Louie does not have a systematic CAP follow-up of external reports.

**Recommendation:** Fair Wear recommends King Louie to discuss the audit reports and CAPs with its (Chinese) suppliers. In addition, a CAP should be installed and integrated into the overall monitoring of all suppliers.

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

#### Comment: Turkey:

In the assessed financial year, King Louie intensively followed up on country-specific risks. As a result, the brand created a country-specific risk policy, which all suppliers had to sign. The policy covers risks such as child labour, legally-binding employment relationship, no discrimination in employment (migrant workers) and unauthorised subcontracting. A Fair Wear training was conducted for the brand's agents and factory management. The training focused on Fair Wear's Code of Labour Practices, local labour law, and child labour. Ten out of 12 suppliers, including subcontracting partners, were audited. However, King Louie still needs to organise training for the workers.

King Louie put effort into identifying its subcontractor locations in Turkey, and after a complaint indicated the use of unauthorised subcontractors, the brand intensified the monitoring. Besides signing the above-mentioned policy, the main suppliers are obliged to inform about the exact production location for each order. Agents are sensitised to closely follow up and monitor, supported by the brand's visits. The overall aim is to create a consistent pool of subcontracting partners, ensuring all subcontracting partners are informed about the Fair Wear Code of Labour Practices and thorough due diligence has been carried out.

#### Other risks:

King Louie started working with the "Retraced" platform. The use of the platform in combination with certified materials enables the brand to increase its supply chain transparency and uncover related risks. As a result, the brand raised its awareness about potential supply chain risks and created several policies.

#### China:

For China, King Louie identified risks like excessive overtime and non-payment of living wages at its suppliers. Cooperation with its Chinese suppliers is facilitated through agents. The majority of its suppliers are audited by a third-party organisation. One main supplier was audited by Fair Wear but showed a lack of willingness to work on findings. For more information, please see indicator 2.4. Yet, King Louie cannot show improvements related to overtime or living wages at its Chinese suppliers.

As a result of the above-mentioned GOTS/OCS certifications and the use of the "Retrace" platform, the use of cotton from the Xinjiang region is prohibited. King Louie established a zero-tolerance policy for products coming from the Xinjiang region. The brand's suppliers were requested to sign and endorse this policy. King Louie participated in research about forced labour. No forced labour issues were found. The brand has no specific zero-tolerance policy of forced labour in place.

Compliance with COVID-19 guidance:

The COVID-19 pandemic less influenced King Louie's and its supplier's business. No lockdowns occurred. King Louie stayed in close contact with its suppliers and prepaid materials. No orders were cancelled. However, as visits to China were impossible due to the travel restrictions, the brand experienced a distancing of communication and cooperation with its Chinese suppliers. King Louie hopes to visit the supplier soon and to intensify the business relationship again, which hopefully will improve the working conditions.

**Recommendation:** Fair Wear advises King Louie to conduct WEP trainings at its Turkish suppliers.

Fair Wear encourages King Louie to create a policy to identify and remediate forced labour in its supply chain.

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:** King Louie actively cooperates with several other Fair Wear member brands at shared production locations and throughout the RVO project in Turkey.

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. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	N/A	2	o

Member undertakes additional activities to monitor suppliers.: N/A (N/A)

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

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

# **Monitoring and Remediation**

**Possible Points: 23** 

**Earned Points: 17** 

# 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	1	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.	1	
Number of worker complaints resolved since last check.	0	

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

**Comment:** The CSR coordinator is designated to address worker complaints. In case of absence, the Head of Design and Production is taking over.

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

Comment: King Louie collects evidence of posted Worker Information Sheets. The collection of evidence is done by both King Louie and by the agents. During visits, the agents are requested to check whether the Worker Information Sheet is posted on an accessible spot for workers. As visits were still not possible in the past financial year, King Louie has asked for photo proof to show proper posting. Some Worker Information Sheets did not show the correct Fair Wear logo, and the brand did not upload the updated Worker Information Sheets to Fair Wear's database.

**Recommendation:** King Louie is strongly recommended to ensure that all Worker Information Sheets, posted at the suppliers, are up to date and containing the correct Fair Wear logo. In addition, Fair Wear recommends to upload the updated Worker Information Sheets on time to Fair Wear's database.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	All production in low-risk countries/training not possible	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	N/A	6	0

**Comment:** Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check.

King Louie commissioned three Workplace Education Programme (WEP) basic training at three Chinese suppliers, counting for 17% of the member brand's FOB.

Recommendation: Fair Wear recommends King Louie to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. King Louie should ensure good quality systematic training of workers and management on these topics. To this end, King Louie can either use Fair Wear's WEP Basic module, or implement training related to the Fair Wear CoLP and complaint helpline through third-party training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	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:** Beginning of 2022, King Louie received a complaint about suspected child labour and unauthorised subcontracting. A Fair Wear investigation audit was carried out. The complaint related to unauthorised subcontracting was grounded; however, the complaint related to child labour was not confirmed. As a result, King Louie intensified its monitoring efforts regarding unauthorised subcontracting, established policies (country-risk related policy and child labour action plan) and additionally adapted its purchasing practices. For more information, see indicators 1.6, 1.7 and 5.1.

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

## **Complaints Handling**

**Possible Points: 9** 

**Earned Points: 9** 

# 4. Training and Capacity Building

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

**Comment:** The purchasing and sourcing staff and the CSR coordinator closely cooperate. In weekly meetings, all Fair Wear-related topics are discussed. In the monthly meetings, the CSR manager informs the board and the management about Fair Wear and CSR topics. King Louie publishes an internal newsletter for the whole company staff on a bi-monthly basis, and updates on Fair Wear progress and highlights are shared with the staff. New onboarding employees receive an information document about Fair Wear.

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

**Comment:** The CSR coordinator works closely together with the Head of Design and Production, who has frequent contact with production locations. This way, Fair Wear-related information, such as CAP status, is easily shared with factory management or relevant staff. Management is informed about Fair Wear developments in monthly meetings by the CSR coordinator.

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, Fair Wear audit findings.	2	2	0

**Comment:** King Louie works with several agents for its production locations in China and Turkey and prefers long-lasting relationships. All agents are informed about Fair Wear's Code of Labour practices and support the brand with implementing these.

After receiving a complaint in the previous financial year, one agent was trained explicitly by Fair Wear staff and has installed a specific CSR position to better follow up on CSR-related topics at the suppliers.

Another agent, responsible for some of the brand's Chinese suppliers, is located close to the brand's office and visits the brand monthly. This ensures close cooperation and follow-up regarding the related suppliers.

**Recommendation:** Fair Wear recommends King Louie to share all relevant policies and guidelines available on the member hub with its agents.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	All production in low-risk countries/training not possible	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	N/A	6	0

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

**Recommendation:** Fair Wear recommends King Louie to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. To this end, King Louie can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

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

# **Training and Capacity Building**

**Possible Points: 5** 

**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.	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

**Comment:** King Louie showed efforts to identify and register all production locations. King Louie allows suppliers to use subcontractors, yet only if King Louie is informed about subcontracting partners before production starts. The brand prefers that, in case needed, its main suppliers have a consistent pool of subcontracting partners, ensuring that all subcontracting partners are informed about the Fair Wear Code of Labour Practices.

However, a complaint revealed unauthorised subcontracting (see indicator 3.4). Since using unauthorised subcontracting is not the first time, the brand intensified its efforts to prevent this from happening again. First, King Louie established a country-risk policy, including child labour, legally-binding employment relationship, no discrimination in employment (migrant workers) and unauthorised subcontracting. All suppliers had to sign and endorse this policy. Next, the Turkish suppliers have been specifically made aware that unauthorised subcontracting is not allowed. Now, the suppliers have to indicate for each order the exact production location. In case an order is shifted to another production location, the supplier has to explain the reason. The brand's agents and the management of the main suppliers received a Fair Wear training. King Louie adapted its purchasing practices to avoid tense production capacities, which bear an increased risk of unauthorised subcontracting. For more information, see indicators 1.6 and 1.7. The brand's overall aim is to create a consistent pool of subcontracting partners, ensuring all subcontracting partners are informed about the Fair Wear Code of Labour Practices and thorough due diligence has been carried out. King Louie additionally monitored the situation by re-starting to visit its Turkish suppliers in the current financial year.

**Recommendation:** Fair Wear recommends King Louie and its agents to regularly visit its suppliers and systematically evaluate whether all known production locations are still up to date.

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:** The CSR coordinator and the Production and Design department have regular meetings in which the performance of factories in social compliance is on the agenda. The departments have full access to information about working conditions at production locations. In addition, the CSR coordinator and CEO meet monthly to discuss all related CSR topics, including Fair Wear. King Louie is in close contact with its agents and updates each other regularly on all supplier-relevant topics, such as CAP follow-up and Occupational Health & Safety (OHS) at the factories.

# **Information Management**

**Possible Points: 7** 

**Earned Points: 4** 

# 6. Transparency

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

**Comment:** King Louie shares about Fair Wear on its website and regularly in its online newsletter. The CSR coordinator checks whether King Louie's communication and the shops' communications align with Fair Wear's communication policy. Furthermore, King Louie participated in the Fashion Revolution Campaign 2021 and Fair Friday activities.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	O

**Comment:** King Louie has published the most recent Brand Performance Check on the company website.

King Louie transparently publishes its suppliers on its website. In addition, the member brand has disclosed production locations to other member brands. 79% of production volume is disclosed in the internal Fair Wear system and on Fair Wear's website.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	1	2	-1

**Comment:** A complete and accurate report was submitted to Fair Wear. Yet, the social report is not published on King Louie's website.

# **Transparency**

**Possible Points: 6** 

**Earned Points: 5** 

## 7. Evaluation

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

**Comment:** Fair Wear membership updates are part of the regular meetings between management, Head of Design and Production and the CSR coordinator. Annual evaluation of Fair Wear membership is done after the Brand Performance Check and forms a basis for the strategy for next year. Fair Wear membership is important to the brand and there is an increased acknowledgement by the brand's customers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	50%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: In the past Brand Performance Check, King Louie was given five wage requirements (indicators 1.8, 1.11, 1.13 and 1.14) and the level of effort to identify all production locations (indicator 5.1). Although King Louie cannot link its prices to wages yet and does not pay its share to target wages, its participation in the RVO project ensures a systematic wage increase for the workers at the end of this project (Dec. 2024). As a result, the wage indicators 1.8, 1.11 and 1.13 are solved by 50%, yet the requirement for wage indicator 1.14 (percentage of production volume where the member company pays its share of the target wage) remains. The requirement related to indicator 5.1 is resolved. Overall, King Louie succeeded to made progress of 50% on the given requirements.

**Recommendation:** Fair Wear encourages King Louie to continually follow up on the open requirements of the wage indicators 1.8, 1.11, 1.13 and 1.14.

# **Evaluation**

**Possible Points: 6** 

**Earned Points: 6** 

## **Recommendations to Fair Wear**

King Louie finds Fair Wear's living wage approach challenging and not always realistic. Sometimes there is only less progress, which leads to lower scorings in the Brand Performance Checks.

King Louie is happy to be part of the RVO project Turkey.

When following up on complaints and during the investigation phase, King Louie experienced a lack of objectivity shown toward its agents and suppliers.

King Louie would like to receive more feedback on its progress throughout the year. The brand suggests to have a reevaluation six months after the last Brand Performance Check.

# **Scoring Overview**

Category	Earned	Possible
Purchasing Practices	29	52
Monitoring and Remediation	17	23
Complaints Handling	9	9
Training and Capacity Building	5	5
Information Management	4	7
Transparency	5	6
Evaluation	6	6
Totals:	75	108

Benchmarking Score (earned points divided by possible points)

69

Performance Benchmarking Category

Good

## **Brand Performance Check details**

Data	of Brand	Performano	o Chack
Date	OI BIANG	Periornano	e thete.

24-11-2022

Conducted by:

Annet Baldus

Interviews with:

Mr. Jeroen Dijkema - CEO

Mrs. Gael Brutin - Head of Design and Production

Mrs. Laura Tol - CSR Coordinator