



BRAND PERFORMANCE CHECK

Takko Holding GmbH

this report covers the evaluation period 01-05-2012 to 30-04-2013

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices.

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

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via www.fairwear.org. The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

31-10-2013

Conducted by:

Margreet Vrieling

Interviews with:

Alexander Mattschull, Managing Director; Inga Schuerhoerster, CSR; Birthe Mattschull, General manager purchase department; Stephan Wilkes, General Manager purchase department; Jutta Melchers, Communication; Stephanie Bendlin, Sales; Matthias Kraus, Head of purchasing

Scoring:

Affiliate Benchmarking scores and Performance Benchmarking categories will be published starting in 2014. During 2013, FWF will be testing out the new system and evaluating the appropriate threshold levels for Benchmarking categories.

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data. Future Brand Performance Checks will include improved usability and transparency for audit data.

AFFILIATE INFORMATION	
Headquarters:	Friedrichsdorf
Member since:	01-10-2011
Product types:	Fashion
Production in countries where FWF is active:	China, India, Bangladesh, Turkey
Production in other countries:	Sri Lanka, Pakistan, Ethiopia, Lao PDR, Egypt, Cambodia, Myanmar.
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Projected supplier register for this evaluation was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	44%

Summary:

Takko meets FWF basic requirements. Affiliate has made good progress in getting insight in all production locations and collecting relevant information. A system is in place to ensure all production locations are informed about the FWF code and affiliates membership of FWF. Thanks to the own staff based in production countries and strict audit planning, affiliate is able to frequently visit and audit locations. However, the number of production locations producing only small percentages of the total spend of affiliate is very high, and, especially there where agents or buying houses are intermediary, relations with suppliers are not always stable. Challenge for affiliate is to consolidate their supply base and move towards more stable and where needed more direct contact with suppliers, to ensure more sustainable business relations with production locations. Progress on corrective actions needed after audits was shown. Challenges for affiliate for the coming period will be to make steps on the more difficult non compliances as payment below living wage levels and excessive overtime. Takko has shared information on social standards with other affiliates and brands.

1. PURCHASING PRACTICES

BASIC MEASUREMENTS	RESULT	COMMENTS
Percentage of production in low-risk countries		Countries with relatively low risk of labour violations as defined by FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	66%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier register provided by affiliate.

Requirement: The affiliate needs to have available this figure for all production locations. In this calculation subcontractors and production locations of the so called vertical suppliers were not included.

Recommendation: FWF recommends the affiliate to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

Comment: There is a group of suppliers (so called vertical suppliers) that are not included in the overall supplier register yet. Takko does have a list of production locations of those specific suppliers. Takko was able to show all questionnaires were returned and undersigned.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	80%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier register provided by affiliate.
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Requirement: The affiliate needs to have this figure available for all production locations. In this calculation subcontractors and production locations of the so called vertical suppliers were not included.

Recommendation: FWF recommends Takko to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions. There where Takko works via agents or other intermediaries, Takko has to ensure that the agents maintain similarly a stable factory base.

1.3 Labour conditions are considered when selecting new suppliers	Yes	Including labour conditions considerations in selecting suppliers supports responsible business practices.	Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc.
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Recommendation: FWF recommends Takko to use available country information from FWF and cooperate with local stakeholders in other countries to further investigate the situation in a specific country, particularly with regards to the new sourcing countries, like Myanmar. A risk analysis as part of the decision-making process of selecting new suppliers in high risk countries is an important step to mitigate risk and prevent potential problems.

Comment: Takko developed a controlling system. Before an orders is placed at a factory, every factory will get a pre-audit. The results of the audit will influence the decision on wether to place orders.

1.4 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.
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Comment: All the new suppliers receive and need to sign and return the Code of Labour Practices to Takko, before the purchasing department is able to place an order.

1.5 Company conducts audits at all new suppliers before placing orders	Yes	An important due diligence step. Before placing production orders, affiliates should conduct an audit at all new suppliers to assess risks for CoLP violations.	Audit documentation; must meet FWF audit quality standards.
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Comment: Before Takko places an order at a new factory, Takko conducts a pre-audit at new factories. The results of the audit are decisive for the purchasing department.

1.6 Affiliate sources from an FWF factory member	No	When possible, FWF encourages affiliates to source from FWF factory members. The small number of factories in the programme means sourcing from FWF factory members cannot be a requirement.	Supplier register provided by affiliate.
1.7 Percentage of production volume from factories owned by the affiliate	0%	Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.	Supplier register provided by affiliate.
1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner	Yes	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.

Recommendation: When consolidating the suppliers, affiliate should ensure efforts to improve compliance at suppliers is taken into consideration.

Comment: The new database system of Takko supports the integration of labour practices in business processes of Takko. The system will create more support within the organisation. Takko just started to work with this system so the integration of the system in good decisionmaking has to be evaluated.

1.9 The affiliate's production planning systems support reasonable working hours	General or ad-hoc system	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.
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Requirement: A production planning system can have a significant impact on the levels of excessive overtime at factories. The affiliate should maintain a forecasting system and production planning system that enables good planning at production level and avoids late design or quality changes, as well as help to limit the effects of peaks in demand.

Comment: Takko does share forecasts with some suppliers and agents, but it is not clear how this impacts a more realistic production planning at factory level, and whether production capacity of factories is taken into account.

1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF	100%	Excessive overtime is one of the most common labour rights violations in high-risk production countries. It is often caused by poor production planning by brands.	Audits conducted by FWF auditors; Complaints filed via the FWF worker helpline.
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Requirement: The affiliate should ensure all its suppliers be transparent with FWF auditors on its OT records. The affiliate should have knowledge on which of the brand's sourcing practice is/are risk factor for excessive overtime. The affiliate should manage those factors and actively contribute to reduce excessive overtime at its suppliers.

Comment: Excessive overtime is found at all FWF audits done in the assessed period.

1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime	Reactive approach	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Examples of root cause analyses and resulting changes in production planning/policy.
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Requirement: The affiliate should investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

Comment: Takko explained that they are trying to improve their planning system, which can have influence on the excessive overtime found in their factories.

1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries	No policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.
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Requirement: The affiliate needs to develop a pricing policy where the affiliate knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

Comment: Takko has established a costing sheet and does open costing with some of the suppliers. There's no common policy however.

1.13 Affiliate actively responds if suppliers fail to pay legal minimum wages	No failures by suppliers to pay minimum wage were reported during the past year	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.
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Comment: N/A

1.14 Evidence of late payments to suppliers by affiliate	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.
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1.15 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers	Basic approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Wage ladders, correspondance with supplier, other relevant documentation.
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Requirement: Takko has to take adequate steps to move towards living wages as estimated by local stakeholders. The wage ladders can be used to get aware of the position of their factories. Takko produces especially in high risk countries, where wages of workers are not supporting the living costs of the workers.

Recommendation: Takko can start stimulating paying higher wages (next benchmark) in a factory where they have a bigger leverage and longstanding business relationship.

Comment: The auditors of Takko are aware of the living wage standard. Most auditors work with the wage ladders. The auditors in India and Bangladesh should put the wage ladders of each factory in the audit reports.

Additional comments on Purchasing Practices:

The new database system of Takko, supports the integration of labour practices in Takko's purchasing practices. The system is relative new, so the influence of the purchasing practices on the labour conditions in the factories need further investigation.

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
Total % of own production under monitoring	44%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership (Threshold is 40% first year, 60% second year of membership and 90% thereafter)	Does meet threshold	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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.

Comment: The CSR person at Takko has made a lot of effort to set up a new purchasing process of Takko.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Moderate efforts have been made to address most CAPs	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.
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Recommendation: Besides doing audits once in 3 years, the affiliate could consider:

- Hire local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organise supplier seminars
- Provide factory training.
- Share knowledge/material

Comment: Takko was able to show efforts have been made towards resolution of findings in existing Corrective Action plans.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	80%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.
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Recommendation: Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.

Comment: As not all production locations were integrated in the main supplier register, the exact figure could not be calculated. The affiliate has own staff based in Bangladesh, India, China and HongKong, who visit frequently production locations in those countries and in some other ones in Asia. The purchasing staff of Takko started to use FWF's Health and Safety checklist when they are visting the factories.

2.4 Existing audit reports are collected	Yes	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.
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Recommendation: Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

Comment: Takko collected existing audit reports, but the quality of the reports were not assessed. The reports did not included worker interviews and were not comprehensive.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.
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Comment: Takko shares their audit reports on a systematic manner with their suppliers.

2.6 A structured approach is used to address issues that occur at multiple suppliers	No	Issues that occur in multiple factories often need to be addressed in a systemic manner, especially when the root causes are located in brand management choices or from regionally specific issues (e.g. fire safety, gender discrimination and harassment).	Documentation of a systemic approach: root cause analyses, productivity assessments, guidance documents, internal system changes, etc.
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Recommendation: FWF suggests that Takko analyses whether findings from a factory audit could occur at other suppliers as well. This will lead to a preventive approach where issues are addressed in a systematic manner. The analysis should focus on own brand practices as well as regional or country specific issues (such as fire safety or gender discrimination).

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes 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.
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Recommendation: Cooperation among costumers increases leverage, the chances of successful outcomes and long term improvements. A first step can be identifying other clients and their commitment to improving working conditions.

Comment: A start has been made with cooperation on the follow up of an audit in Bangladesh together with another FWF affiliate

2.8 Monitoring requirements are fulfilled for production in low-risk countries	No	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.
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Requirement: Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Be visited at least annually by affiliate representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Post the FWF Worker Information Sheet in local languages.

Comment: All so called vertical partners were informed about the membership and all documents exists, but Takko needs to include the production locations of the so called vertical suppliers in the general supplier register/database for FWF.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	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.
2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; Documentation of sales volumes of products made by FWF or FLA members.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	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	1	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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.
3.2 System exists to check that the Worker Information Sheet is posted in factories	No	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.

Requirement: The affiliate must ensure that the Code of Labour Practices, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to workers. Affiliate should check by means of a visit whether the CoLP is posted in the factories.

Comment: Takko received two complaints, which is a sign that the workers can access the FWF's complaints hotline. Takko can confirm the Code is shared with all suppliers. Takko cannot confirm however that the sheet is posted in all, including low risk, locations.

3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline	40%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism.
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Requirement: It is important that Takko informs the factory managers about the existence of the hotline. The factory managers are the key actors in informing workers about their rights and the existence of the worker helpline.

Comment: In four out of 7 audited factories workers were not aware of the FWF Code and worker helpline.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier.	Documentation that affiliate has completed all required steps in the complaints handling process.
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Comment: Quick action is most of the time needed to make sure that the safety of the workers is ensured. Takko was willing to bring management and workers together to mediate between these two parties in one of the complaints. For the other complaint there was no other solution than to leave the production location as no remediation could be done.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.
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Comment: There were no other FWF affiliates sourcing in these factories. No action taken towards other brands.

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
4.1 Staff at affiliate is made aware of FWF membership requirements	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.

Recommendation: To keep knowledge and involvement with FWF updated, it is recommended to share FWF newsletters with all relevant staff, and to use also internal communication tools (as intranet) to inform staff on progress realised in implementing social compliance at the supply chain.

Comment: The affiliate has set up a widespread programme to ensure all sales staff will be informed. The sessions have started and roll out of the activities will be done further in 2013.

4.2 Advanced training is provided to staff in direct contact with suppliers on CoLP 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.
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Recommendation: . It is recommended that new staff involved in sourcing and or monitoring activities will also participate in similar seminars.

Comment: Staff participated in the FWF seminar for affiliates in Amsterdam. It is recommended that new staff involved in sourcing and or monitoring activities will also participate in similar seminars. Local staff of the offices in Dhaka and India also participated in a training session. Takko should monitor that new staff involved in those countries will also get proper training. Takko has taken action that the new staff recruited in the second half year of 2013 also will get training.

4.3 Agents are informed of CoLP requirements and act to support their implementation	Yes	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.
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Requirement: Takko needs to ensure agents actively support the implementation of the CoLP requirements. Special attention is needed to ensure agents do not quickly change their supply base

Comment: All agents receive FWF's CoLP. In Takko's offices in China and India FWF membership is discussed during annual meetings with the relevant agents and bying houses.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	Lack of knowledge on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.
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Requirement: Whenever the FWF affiliate contacts a new supplier, this new supplier must also be informed on the implications of FWF membership. All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace, FWF developed the Workplace Education Programme in 4 priority countries. The affiliate should motivate its main supplier(s) to join WEP trainings.

Comment: 20 factories in Bangladesh were nominated to participate. They were all invited for an induction seminar. The topmanagement training was done in BLD feb 2013, after which supervisor and worker training are being planned. These trainings started after the period under current assessment.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.
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Requirement: Whenever the FWF affiliate contacts a new supplier, this new supplier must also be informed on the implications of FWF membership. Next to that all factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends affiliates to arrange trainings on their own in areas where the Workplace Education Programme is not yet offered.

Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
5.1 Supplier register for the previous financial year is verified as being complete and accurate	Yes	Any improvements to supply chains require affiliates to first know all of their suppliers.	Completed supplier register; Financial records of previous financial year.

Requirement: All production locations, from the main supplier register, subcontractor list, and list of so called vertical supplies, should be integrated in one system, with the required data:(name, address, contact data and production volume purchased per financial year, as a percentage compared to overall spend on suppliers.)

Comment: A big step was made by the affiliate in including information on start of business year and production volume bought in their supplier register. Next to that an additional list of subcontractors was handed in, and names of production locations of the so called vertical suppliers were shared. When comparing payment overviews and the supplier register 1% difference was found (four records not found).

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	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.
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Comment: Purchasing staff has access to the same system where the CSR department maintains relevant information on suppliers up to date.

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.

Comment: Information on FWF is included on the Takko corporate website in correct wording. This is however done on the german website, and not easily accessible via other countries as visitors are then directed to a website in the local language.

6.2 Affiliate engages in advanced reporting activities	No	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.
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Recommendation: Good reporting by members helps to ensure the transparency of the affiliate and FWF's work. The affiliate can consider to publish one or more of the following reports on its website: Brand performance check, Audit Reports, suppliers register to further increase transparency.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Yes	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.
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Requirement: For visitors from the website in different countries, it should be possible to find the social report on the site.

Comment: Same comment as under 6.1; it is published on the German and English website only.

Additional comments on Transparency:

On the corporate website affiliate communicates correctly. FWF has requested affiliate to update the brandnames produced by Takko, on the FWF website.

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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.

Comment: At least twice a year at management level progress in implementing FWF membership requirements is evaluated at management level.

7.2 Percentage of required changes from previous Brand Performance Check implemented by affiliate	86%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.
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Comment: 6 out of 7 requirements have been given follow up. More has to be done to ensure the FWF Code is posted at all production locations.

RECOMMENDATIONS TO FWF

Provide clearer information on when providing additional services (for example training of staff in production countries) can be delivered in order to manage expectations.

Please always first inform related affiliates before information is published on the FWF website and or in press releases.