



BRAND PERFORMANCE CHECK

Takko Holding GmbH

PUBLICATION DATE: APRIL 2016

this report covers the evaluation period 01-05-2014 to 30-04-2015

ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of 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. They evaluate the parts of affiliate 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 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.

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

BRAND PERFORMANCE CHECK OVERVIEW

Takko Holding GmbH

Evaluation Period: 01-05-2014 to 30-04-2015

AFFILIATE INFORMATION	
Headquarters:	Friedrichsdorf, Germany
Member since:	01-10-2011
Product types:	Fashion
Production in countries where FWF is active:	Bangladesh, Bulgaria, China, India, Tunisia, Turkey, Viet Nam
Production in other countries:	Cambodia, Germany, Italy, Myanmar, Pakistan, Poland, Portugal, Serbia, Sri Lanka
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
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	91%
Benchmarking score	62
Category	Good

Summary:

Takko meets most of FWFs management system requirements. 91% of the production volume was actively included in the monitoring system, which is just above the required 90 % required of brands in 3+ years of membership. In light of the continuous audit programme that Takko develops yearly, together with further consolidating the supply base, and the benchmark score, FWF has awarded a good rating.

Takko has a wide range of suppliers, based in 16 different countries. With close to half of them there is a business relationship that lasted for at least five years, and at slightly more than 70% it buys at least 10% of the production capacity. There is however also a large group of over 100 suppliers where there is very little leverage. Takko is recommended to specifically reduce this group.

Thanks to its local offices, Takko is frequently visiting their suppliers in South East Asia, and can actively remediate complaints and audit findings. Together with an advanced supplier evaluation tool, information is available on their suppliers regarding social compliance, which is accessible throughout the company. Social performance is considered when placing orders. In its monitoring, Takko needs to pay more attention to address excessive overtime and it needs to develop a pricing policy where the company staff knows that their prices are allowing for the payment of at least legal minimum wages in production countries, which means labour costs per product should be known.

19 suppliers participated in WEP trainings, some of which showed a more active approach afterwards in resolving issues that workers raised. It is recommended to involve more suppliers in the WEP programme.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

Needs Improvement: Affiliates 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. Affiliates 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: Affiliates 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. Affiliates 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
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	73%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Recommendation: FWF recommends Takko to further consolidate its supplier base with a focus on reducing the 'tail' of production locations with low leverage.

Comment: Takko de-activated 383 suppliers the last financial year, and started with only 91 new ones. With this Takko is making steps towards further consolidation. When a buyer wants to add a new supplier, it is the rule to first check whether the existing suppliers could deliver and if not whether it is needed to and the relationship with an existing one before adding a new one, hence not raise the total number of suppliers. Those are good steps.

For a high percentage of their supplier base, Takko is a relevant customer, buying more than 10% of the production capacity (as measured with this indicator). However, in the supplier base of Takko, there is a quiet high number of less important suppliers, where Takko has very little leverage. At 139 of the production locations, leverage is below 2%.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	48%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	2	4	0
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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.

Comment: As the percentage shows, there is a large group of suppliers with which Takko maintains a longer business relationship. In the past year however we've observed also examples where intermediary partners would have the possibility to end relationships with suppliers, which makes it difficult for Takko to invest in the relationship.

1.3 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.	2	2	0
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Comment: During the performance check a sample check was done, for all randomly chosen suppliers Takko could show proof of the signed Code.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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Recommendation: Next to gathering information and discussing this with suppliers, Takko has actively supported new suppliers in Bangladesh to participate in the Fire and Building safety workshops for management. Likewise, Takko could be more active in mitigating other risks related to FWF CoLP violations, as for example the occurrence of excessive overtime.

Comment: New countries and new suppliers would always be visited first, and if a supplier would need to be added from a new country, this decision is taken at management level. Takko checks several sources to provide them with information for their due diligence; for new suppliers they check which other customers work with the location and which system they use regarding social compliance. Next to that Takko staff will gather other information from government sources and FWF policy documents and country reports. Specific information is discussed with the suppliers and suppliers are asked how they manage risks. For example regarding building and fire safety Takko has taken an internal decision not to work with production locations in multipurpose buildings.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	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
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Recommendation: Takko applies policies to reduce or put on hold orders for suppliers that are not performing well on social compliance. Hence, it is likely that suppliers who do perform well, receive more orders. It is recommended to also formalise a positive incentive to place orders at green dotted suppliers.

Comment: Takko worked on standardising audit evaluation forms and has grouped findings in major and minor issues. In case of major findings at a production location, the supplier receives a red dot. This temporarily blocks the supplier and all its production locations in the supplier evaluation system. No new orders can be placed during this period. In this supplier evaluation system social compliance is one of the categories, next to performance on quality and price for example.

1.6 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.	2	4	0
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Recommendation: FWF recommends Takko to extend learnings from production planning processes with denim suppliers to other production groups as well.

A good production planning system needs to be established based on the production capacity of the factory for regular working hours.

Comment: Depending on the product category, forecasts are give 6, 12, 18 months in advance. Leadtimes vary between 3-7 months. In 2014 Takko implemented a lead time project and took several decisions to support reasonable working hours. For example no changes on style are possible after approval of sample. For denim producers, Takko organises twice a year the denim days, to discuss planning.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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Recommendation: Takko can develop further instruments or policies to avoid excessive overtime. Those instruments could include being flexible with delivery dates, prioritizing orders, offer support/flexibility for material delivery, ordering in low season, discuss more detailed the planning of an order related to production planning in general. The outcomes of the root cause analysis can be used for identifying strategies that are needed to reduce excessive overtime.

Comment: Takko indicates it always discussess with suppliers when excessive overtime is found and ask about reasons (root causes). Often the cause is overbooking by suppliers according to Takko. Takko is aware of total capacity, and will always discuss with a supplier when the order is higher than the former season. If a delay is caused by the supplier, there is a penalty. However, when the order is not urgent (Takko implements a buffer of 3 weeks), the penalty is waived if informed in advance.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level 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.	2	4	0
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Requirement: Takko needs to develop a pricing policy where the member company knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

Comment: Minimum wage is known when setting the price. Costing sheets are used, out of which it becomes clear what the CM price is. No separate information the share of only labour costs per product is available. Staff negotiating on prices, are aware of the legal minimum wage.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	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.	1	2	-2
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Comment: At one supplier in Bangladesh payment below minimum wage of cleaners in the production location was found. Representatives of Takko visited the supplier to discuss the issue and agreed on remediation. Verification by FWF is planned for beginning 2016.

1.10 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.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Basic approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Recommendation: FWF encourages Takko to discuss with suppliers about possibilities to work towards higher benchmarks. Takko could select some supplier with higher leverage to prepare a plan on steps that can be taken.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	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 affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 40

Earned Points: 23

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	91%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	0%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	91%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: In the year under assessment Takko extended staff capacity at the head office to follow up on CAPs and keep information regarding the suppliers updated in their information systems. Next to that Takko has local offices in Bangladesh, India and China to follow up on findings regarding social compliance.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	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.	4	8	-2
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Recommendation: It needs more attention to keep track of findings from FWF reports. Several follow up reports were available for several suppliers, but still it was difficult to trace remediation on specific findings from FWF audit reports for FWF staff during the performance check.

Analysis of audit reports and CAPs showed that more focus on investigating real working hours is needed. However, even if the real hours are not presented in the reports, for Bangladesh it is known that excessive overtime is a structural problem, hence a more pro-active remediation approach is needed.

Comment: Compliance staff of Takko does visit most of their suppliers frequently to audit or follow up on audits. The reports are very consistent. For the performance check the quality of Takko audit reports was compared with FWF audits at the same locations in the same period. It was found that generally the reports are of good quality, but often lack specific information regarding living wages (focus is on legal minimum wage) and information regarding excessive overtime is often not in line with the FWF audits. This gives the impression that Takko auditors for several locations, especially in Bangladesh, haven't been able to go beyond the official time registration documents, whereas there is often a double/triple system of records.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	78%	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.	4	4	0
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Recommendation: It is recommended to also have own Takko staff visit the locations in Turkey, as there are currently specific risks related to the Syrian refugee crisis, that need a good dialogue with the suppliers.

Comment: Suppliers accounting for 78% of Takko's production volume have been visited by Takko. Suppliers in Turkey are generally not visited by Takko staff, only by intermediaries. Low risk countries are also not all visited by Takko staff. All other suppliers are frequently visited by local staff and occasionally by headquarter staff.

2.4 Existing audit reports from other sources 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.	1	3	0
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Comment: When available, Takko does read BSCI or WRAP audits, but does not use them in their supplier evaluation system. Takko will only enter own audits or commission audits to their fixed partners Tuev or Sumations.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
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Recommendation: Takko is recommended to include more focus on reducing excessive overtime in its monitoring system for those countries where it is known to be a structural issue. Stimulating suppliers in India and Bangladesh is a good first step to address the issue of gender based violence at work, which is an important issue for those countries.

Comment: Staff at Takko is aware of some specific risks related to areas or products they source. They discuss those with suppliers and their local staff. For example a specific meeting was held with the India office on sumangali, a specific policy is available on avoiding the use of sandblasting, which is discussed with all denim suppliers.

2.6a High risk issues specific to Bangladesh are identified and adressed by the monitoring system and remediation activities.	Advanced Capacity	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	3	3	0
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Comment: Takko is a signatory of the Accord. It had 160 production locations active in Bangladesh. For 27 factories Takko is the lead brand for the Accord. Over 60 % of their production locations attended the FWF fire safety management workshops, as well as representatives of their intermediary business partners and local Takko compliance staff. 13 of their production locations in Bangladesh participate in the WEP trainings and have established anti harassment committees.

2.6b High risk issues specific to Myanmar are identified and adressed by the monitoring system and remediation activities.	Intermediate Capacity	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	1	3	0
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Comment: Audit reports for the locations in Myanmar were shared with FWF. The reports included wage information. Next to that Takko has taken steps to prepare for a factory training. Those did not start yet in the financial year under assessment. The supplier list of locations in Myanmar is published on the FWF website.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	No CAPs active or no shared suppliers.	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.	N/A	2	-1
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Comment: Takko is open to share reports and CAPs. In the assessed financial year this hasn't happened. In the current year Takko has already engaged with suppliers of new FWF members.

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.	0	2	0
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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 annually by Takko representatives;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

Comment: Staff of Takko hasn't visited all locations in low risk countries. Most of these suppliers are locations used by partners through which they source. Some of the Italy based suppliers were deactivated.

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.	N/A	3	0
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.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 20

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	10	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	4	
Number of worker complaints resolved since last check	6	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	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.	2	2	0

Recommendation: The system is in place. It is however noticed that for example in Turkey the Information sheets were not always posted. This needs more attention.

Comment: Local staff frequently visits locations in their countries. Other locations are visited by their intermediaries.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	65%	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. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	3	4	-2
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Comment: 12 FWF audits were conducted. At one location at least half of the workers were aware of the FWF helpline. 19 factories (6 in China, 13 in Bangladesh) participated in the Workplace Education Programme during which workers are actively informed about the FWF worker helpline.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active 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.	2	2	-2
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Comment: For a complaint case in Pakistan Takko is actively in contact with several other brands to discuss the needed remediation.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 11

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff 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.	1	1	-1

Comment: The FWF video was shown to staff. Twice a year CSR updates are given to all staff. A group of high potential trainees was given a special assignment. They did a workshop on an audit and follow up of an audit. Sometimes information is included in the so called Friday message, shared with staff. And, the Sourcing (annual)report is available for staff.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: During (weekly) sourcing meetings updates, including on social compliance, are shared with the relevant staff. When a supplier visits the headquarters all relevant staff is informed. For Takko staff visiting suppliers, a template is used for reporting, in order to ensure that their visit can be used to provide updates and do visual checks. Takko staff participated in the German stakeholder meeting, FWF webinars and the Conference.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	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.	1	2	-2
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Recommendation: More involvement regarding remediation of non compliances of intermediaries is needed.

Comment: Takko organised an FWF training for staff of their intermediary partner from Pakistan. With their intermediaries active in Turkey they meet regularly in Germany to discuss and update on the business relations with suppliers. In the past year FWF has noticed that in some cases that the intermediary partners of Takko can decide on adding or de-activating suppliers. Adding a new supplier is only possible when all documents are signed and returned and hence the supplier is included in the information system of Takko. On de-activating suppliers Takko however has less involvement, which can lead to the situation that Takko can't follow up on issues found during audits or complaints.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	10%	Lack of knowledge and skills 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.	2	6	0
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Recommendation: It is recommended to involve more factories in the WEP programme, to enhance knowledge on social compliance and worker management communication.

Comment: 19 factories participated in WEP; 6 in China and 13 in Bangladesh

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 or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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Recommendation: 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 ensure suppliers participate in trainings. 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 participation should be balanced and representative.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	6	6	-2

Recommendation: Takko should get a better control over the use of subcontractors (mostly second or third tier suppliers used for embroidery, washing or printing). At this moment it is known which suppliers use which subcontractors, but this information is not known per order/product.

Comment: An order for CMT production can only be given in the IT system, when it is a production location that is checked by local teams and all signed documents (CoLP/questionnaire) are received. Takko gathered from all their suppliers information on which subcontractors they use (including embroidery, printing etc.) and shared that list with FWF. Takko does not have financial figures for the share of their orders which is processed at those subcontractors.

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.	1	1	-1
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Comment: Both purchasing and CSR staff have access to the supplier evaluation system. Also offices in Bangladesh, China and India have access to the same system for supplier evaluation.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
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.	1	1	-2

Comment: Information on the different websites of Takko on their FWF membership is done in correct wording.

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.	0	1	0
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Recommendation: FWF recommends Takko to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of Takko and FWF's work.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: The social report (called sourcing report) is published on the website of the company and available in different languages.

TRANSPARENCY

Possible Points: 4

Earned Points: 3

7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: CSR issues are regularly discussed at board level. Also in meetings with investors CSR issues and performance of Takko is discussed.

7.2 Changes from previous Brand Performance Check implemented by affiliate	40%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2
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Comment: Takko has invested in improving the information of the suppliers and has actively promoted the participation in the Workplace Education Programme. On several other requirements, regarding taking steps to analyse excessive overtime and living wages and to implement requirements for low risk countries no improvement has been made yet.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

Have a more clear subcontractor definition and policy

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	23	40
Monitoring and Remediation	20	33
Complaints Handling	11	15
Training and Capacity Building	6	15
Information Management	7	7
Transparency	3	4
Evaluation	4	6
Totals:	74	120

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

62

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

29-10-2015

Conducted by:

Margreet Vrieling and Lisa Suess

Interviews with:

Stephan Wilkes

Nadira Mujkic

Patricia Zuelch

Katrin Meindl

Alexander Mattschull

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.