



BRAND PERFORMANCE CHECK

LK International AG (Kjus)

PUBLICATION DATE: JUNE 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

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

LK International AG (Kjus)

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Hünenberg, Switzerland
Member since:	18-04-2012
Product types:	Outdoor, Sportswear
Production in countries where FWF is active:	China, Viet Nam
Production in other countries:	Belarus, Indonesia, Italy, Lithuania, Thailand
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	96%
Benchmarking score	79
Category	Leader

Summary:

Kjus meets most of FWF's management system requirements and goes beyond several. Kjus has monitored 96% of its production locations by conducting FWF audits, audits by other FWF members or external audits that met FWF's quality standards and by fulfilling monitoring requirements for low risk countries. Kjus' monitoring percentage exceeds the 90% monitoring threshold required for companies that have been a member for more than three years. A mostly stable supplier base built on long-term partnerships allows Kjus to work efficiently on improving labour conditions. During 2015, Kjus made considerable progress in increasing leverage at suppliers.

While challenges with excessive overtime findings remain, Kjus' production planning generally supports reasonable working hours at factory level. Kjus also has a thorough due diligence and risk management system in place.

Kjus achieved significant progress in motivating its suppliers to participate in FWF's Workplace Education Programme. 72% of all suppliers have now received a training during the last three years.

FWF recommends Kjus to work on structural solutions for more complex, systemic challenges like excessive overtime and low wage levels.

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	32%	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.	2	4	0

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

Comment: Kjus has made significant progress since the previous year in consolidating its supply chain. A third of its production volume in 2015 (compared to 1% in 2014) came from suppliers where Kjus bought at least 10% of production capacity.

To achieve this, Kjus terminated relationships with a number of smaller suppliers and subcontractors, where Kjus was not a strategic buyer. Kjus' exit policy includes to inform suppliers well in advance that orders will decrease or that the relationship will end altogether. Styles that have been developed with the supplier will always be finalised at the supplier and not shifted elsewhere. In one case in 2015, Kjus terminated a relationship with a supplier that was facing economic difficulties. Kjus provided the supplier a loan to ensure that wages of workers could be paid.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	68%	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.	3	4	0
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Comment: Kjus aims at long-term relationships with suppliers. In 2015, 68% of its production volume came from suppliers where a business relationship has existed for at least five years.

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: Requesting a signed FWF questionnaire before first orders are placed is part of Kjus' procedure, when selecting a new supplier. Kjus started sourcing at two new production locations in 2015 and could show the signed questionnaires for both.

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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Comment: Kjus is aware of common risk factors and takes those into consideration when selecting a new supplier. FWF's country study and other available information is taken into account. New production sites are visited before production started. This moment is used to check which systems the factory has in place to implement social standards. Existing audit reports are collected and quality assessed. There have been several cases in the past, where Kjus did not pursue a potential new supplier relationship, as they felt their level of social compliance and willingness to improve was not sufficient.

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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Comment: Kjus employs a supplier rating system taking into account various factors such as quality, reliability and compliance with the Code of Labour Practices as well as improvements after audits. All departments that are in contact with suppliers are included in the rating process. Suppliers, who achieve overall good results are favoured, when placing orders. The best ranked supplier is named "Kjus supplier of the year" at a yearly supplier meeting in Switzerland. If shortcomings are observed, it is discussed with the supplier to help them improve.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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Recommendation: FWF recommends Kjus to analyse whether the changes in its production planning had a positive impact on reducing delays and excessive overtime hours.

Comment: Kjus has a robust production planning system in place. Two years before products are planned to be sold, Kjus starts developing the product together with the supplier who will get the final order. Final orders and time tables for production are communicated to the factory six months (guaranteed in the supplier contract) to a year before the start of production. This is to give the opportunity for production in low season as well. Furthermore, Kjus in many cases orders fabrics and materials directly and well in advance to support a smooth production process. The CMT factory sets the lead time for fabric and material suppliers. Fabric suppliers are required to pay for airfreight in case of delays.

In 2015, Kjus analysed that delays often occur during the development process and when producing salesman samples. As a consequence Kjus integrated a specific timetable for product innovations in the production process to allow more time for prototyping and developing ideas together with the suppliers.

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: Kjus could consider reaching out to larger customers of the supplier in cases where Kjus only has little leverage.

Clear agreements specifying concrete steps and timelines for improvement should be made with suppliers to reduce excessive overtime hours.

Comment: All three audits conducted by FWF in 2015 included findings on excessive overtime, in some cases exceeding 80 hours per week during peak season. In all cases Kjus was only buying a small percentage of the factories overall production capacity and concluded that the overtime was caused by orders of other clients and/or overbooking by factory management.

Kjus addressed the issue on top management level with the suppliers. Discussions with other FWF members who were also sourcing from those suppliers were held, too. However, the other FWF members were also only buying small quantities. Kjus does not have access to main clients of those suppliers and feels they do not have the capacity to provide production planning training to suppliers.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-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.	4	4	0
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Recommendation: Kjus is encouraged to further analyse and verify the share of labour costs separate from factory overhead costs to determine the real share of wages for workers at a style level.

Comment: Kjus and its suppliers work on an open costing system using costing sheets to calculate costs for materials and CMT. Kjus is aware how many working minutes are needed per piece. While challenges remain to obtain full transparency of factory overhead costs, Kjus has close estimates which share of CMT costs needs to be accounted for labour costs. This information is cross-checked with FWF wage ladder information and taken into account during price calculations. While Kjus proposes a target price, feedback of suppliers is considered and final prices are set in a partnership approach.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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.	2	2	-2
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Comment: No minimum wage findings were determined during FWF audits in 2015.

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
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Comment: No instances of late payment by Kjus to its suppliers were reported during 2015.

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
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Recommendation: FWF encourages Kjus to discuss with suppliers about possibilities to work towards higher benchmarks and agree on actions to raise wage levels. An overview of studies, guidance documents and FWF member experiences in achieving higher wage benchmarks can be obtained on FWF's Living Wage portal. FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends members commit to a long term process that leads to sustainable implementation of living wages. In case FWF members are interested to develop a joint approach to improve wages at a shared supplier, FWF is in the position to give advice on measures that need to be taken by the members to ensure compliance with anti-trust/anti-competition legislation in relevant jurisdictions.

Comment: Kjus is eager to explore possible solutions to raise wages and has participated in various projects and studies on the topic of living wages in the past. Learnings from those studies as well as costing calculations conducted by Kjus are used to continuously discuss the issue with factory management. However, due to their low leverage, Kjus was unable to achieve significant progress on the matter.

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: 28

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	93%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	3%	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	96%	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: Staff at Swiss headquarters as well as in China are responsible to follow up on problems identified by the monitoring system.

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: FWF recommends Kjus to ensure findings are addressed in a structural, preventive way.

To facilitate remediation, Kjus could consider:

- Hire a 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.
- Provide financial support to the supplier for implementing improvements.

Comment: Kjus has a functioning system in place to follow up Corrective Action Plans (CAP). Quality control and local staff support check remediation during visits. More complex issues such as overtime or living wages are discussed regularly with factory management by Kjus' top management staff based in China.

In 2015, FWF conducted three audits at Kjus' suppliers (two in China, one in Thailand). Kjus could show that several findings had been resolved since the audits. Some findings related to e.g leave records and ergonomic work stations had not been addressed yet. Challenges remain to improve systemic problems like excessive overtime, freedom of association and low wages.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	96%	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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Comment: Production sites are visited by both quality control staff and top management frequently.

2.4 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0
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Comment: In 2015, Kjus commissioned two audits by an external organization at suppliers in Indonesia, where FWF did not have an audit team last year. The audit team had been trained by FWF and reported according to its standards. Kjus could show CAP follow-up. These audits account for 18% of Kjus' production volume and are counted towards the monitoring threshold.

Existing audit reports from other sources are occasionally collected and quality assessed, but Kjus found that the audit reports usually do not provide sufficient information for meaningful remediation activities.

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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Comment: Kjus shares audit reports with suppliers in a timely manner and agrees on timelines for improvement with factory management.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced 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.	6	6	0
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Recommendation: FWF recommends Kjus to further mitigate risks by structurally addressing them in the monitoring system and (where applicable) by adjusting their sourcing practices.

Comment: Kjus has a good understanding of high risk issues regarding their supply chain and actively seeks out information like FWF country studies to understand certain situations and risks.

For China and Vietnam, they identified excessive overtime and the lack of social dialogue as biggest challenges. To address those risks, their production planning is designed to support reasonable working hours (see indicators 1.6 and 1.7). Meanwhile, overtime was still found in all audits conducted in 2015. Also, an increasing number of suppliers participated in FWF's Workplace Education Programme, which enhances understanding of the importance of a good mechanism for communication between employers and workers. As FWF is not yet active in Indonesia, Kjus read information provided by the ILO Better Work programme and consulted local sources. For Thailand, Kjus is aware of possible risks related to exploitation of migrant workers. The issues has been addressed with suppliers and a FWF audit was conducted in 2015.

Kjus is raising awareness among other FWF brands regarding occupational health risks associated with duck down filling and have instructed their suppliers to follow low-risk procedures.

2.6a High risk issues specific to Bangladesh are identified and adressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	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.	N/A	3	0
2.6b High risk issues specific to Myanmar are identified and adressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	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.	N/A	3	0

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.	2	2	-1
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Comment: Kjus actively cooperates with other brands when possible and at times took the lead in resolving corrective actions.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	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.	2	2	0
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2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	100%	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.	3	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	100%	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.	3	3	0
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Comment: Kjus resells a small number of external brand items, which are bought from a FWF member.

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 31

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	0	
Number of worker complaints resolved since last check	2	

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

Comment: Staff at the headquarter and in the production country China take shared responsibility to solve worker complaints.

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
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Comment: Kjus asks factory management to send pictures of posted worker information sheets. Kjus staff checks the posting during every factory visit.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	50%	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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Recommendation: Kjus can continue to stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, Kjus can use the worker information cards available for download on FWF's website.

Comment: At all three FWF audits conducted in 2015, the majority of interviewed workers was not aware of the FWF complaint hotline. At the same time three production locations received a WEP training in 2015 to increase worker's awareness on their rights and grievance mechanisms. This is also counted towards this indicator.

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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Recommendation: FWF recommends Kjus to ensure that suppliers implement long-term and structural remediation measures to prevent future complaints.

Comment: In 2015, FWF received one complaint of a worker at a supplier of Kjus and another FWF member in Vietnam. The complaint concerned excessive overtime hours and low wage levels. The complaint was addressed in accordance with FWF's complaint procedure. While challenges remain, FWF could verify that excessive working hours had been reduced and the factory participated in a Workplace Education Programme. Three workers submitted a complaint concerning a production location in China that is shared by several FWF members. The complaint concerned excessive and unpaid overtime hours as well as being coached to give favorable answers during audits. Kjus, together with the other FWF members, has analysed how their orders might contribute to production pressure and has raised the issue with the supplier. At the same, given that the leverage of all FWF members combined is less than 6%, challenges remain to achieve significant improvements.

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: Kjus actively cooperates with other FWF and has also taken the lead in discussing remediation with the supplier on behalf of other FWF members involved in the complaint.

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: All new employees are informed about FWF membership by CSR staff. CSR staff updates employees about the FWF membership regularly in coffee & learn sessions.

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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Recommendation: Kjus could consider providing training to newly hired local staff.

Comment: Kjus invited their local Chinese quality control staff to participate in a FWF training in Switzerland in 2013. Quality control staff attended WEP trainings and audits to better understand FWF procedures. Staff in direct contact with suppliers are briefed regularly on news about social standards per supplier.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Affiliate does not use agents	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.	N/A	2	-2
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4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	72%	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.	6	6	0
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Comment: Kjus achieved considerable improvements in motivating its suppliers to participate in WEP trainings. At the previous performance check, only 15% of all suppliers (by production volume) had participated in a WEP in the last three years. This percentage has now been raised to 72%.

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 Kjus 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 participations should be balanced and representative.

Comment: Kjus has not organised training sessions for its suppliers in Thailand and Indonesia. FWF will begin to offer WEP trainings in Indonesia in 2016. Kjus has expressed interest to participate in pilot trainings.

TRAINING AND CAPACITY BUILDING

Possible Points: 13

Earned Points: 9

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: Kjus could consider training their main suppliers on actively informing subcontractors about the FWF CoLP and ensure that the Worker Information Sheet is also posted at subcontracting sites.

Comment: Kjus has a clear understanding of where production takes place. The level of effort to identify all production locations and the update of supplier information can be considered advanced. Kjus has a policy to avoid subcontracting for CMT processes. On-site quality inspections during production ensure a certain level of control of this policy. Subcontractors for printing processes are known to Kjus. Printing and embroidery processes are often conducted in-house. Several subcontracting sites have been visited in 2015.

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: All staff with contact to suppliers have access to and regularly share information on social standards at the production sites. CSR staff works closely together with Kjus staff in direct contact with suppliers. Local staff is briefed in detail before going to the production site and works together with CSR staff on the implementation of findings.

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: Communication about FWF membership adheres to the FWF communication policy. As a FWF leader, Kjus uses the FWF logo for on-garment communication. Retailers, sales staff as well journalists are actively informed about Kjus' FWF membership.

6.2 Affiliate engages in advanced reporting activities	Yes	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.	1	1	0
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Comment: Kjus has posted the Brand Performance Check report on its website.

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 has been submitted in time and published on the website of Kjus.

TRANSPARENCY

Possible Points: 4

Earned Points: 4

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: Top management is actively involved in the implementation of FWF membership. Kjus' board discusses FWF membership several times a year. Audit reports, Brand Performance Check etc. are discussed during such meetings.

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

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

Kjus would like to receive more concrete guidance and examples by FWF on living wages.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	28	40
Monitoring and Remediation	31	35
Complaints Handling	11	15
Training and Capacity Building	9	13
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	92	116

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

79

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

20-05-2016

Conducted by:

Lisa Suess

Interviews with:

Sven Serena, Executive Vice President, Production & Quality

Sandro Zimmermann, Production Coordinator

Silvio Tencic, Quality Control

Katharina Böhringer, Content Creation & PR Manager

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.