



BRAND PERFORMANCE CHECK

King Louie

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this report covers the evaluation period 01-06-2017 to 31-05-2018

ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

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

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of 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 member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

King Louie

Evaluation Period: 01-06-2017 to 31-05-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Amsterdam, Netherlands
Member since:	01-10-2015
Product types:	Fashion
Production in countries where FWF is active:	China, India, Turkey
Production in other countries:	Portugal
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	89%
Benchmarking score	61
Category	Good

Summary:

King Louie meets most of FWF's performance requirements. The company monitored 89% of its supply chain, meeting the threshold for third-year members. With a benchmark score of 61, FWF is placing King Louie in the Good category.

In the end of the 2017-2018 financial year, King Louie worked towards consolidating its supplier base by using suppliers from Turkey and China. FWF recommends King Louie to keep focus on monitoring subcontractors and to develop a clear due diligence policy for the (new) Turkish and Chinese suppliers.

In the past financial year, King Louie had four FWF audits conducted in Turkey and China. In some, payment of minimum wages was flagged as an issue and King Louie proactively started remediation. The brand has been discussing and preparing next steps with two suppliers (one in China and one in Turkey) and is sharing wage ladders with them as well. To prevent excessive overtime, FWF encourages King Louie to get suppliers to share their production capacity. During production, King Louie should receive regular updates regarding capacity from suppliers.

PERFORMANCE CATEGORY OVERVIEW

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

Good: It is FWF's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	73%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

Comment: King Louie has substantial leverage (buying at least 10% of the production capacity) at 73% of its supplier volume. This is an increase compared to the previous year and King Louie aims to further deepen the cooperation with selected key suppliers (including selected subcontractors) over the years.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	9%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	3	4	0

Comment: King Louie buys 9% of the production volume from production locations where the company buys less than 2% of its total FOB, mostly accessories, such as scarfs, gloves or suede.

Recommendation: FWF recommends King Louie to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	66%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

Comment: In this financial book year, 66% of King Louie's purchasing volume comes from factories they have worked with for more than 5 years. King Louie aims to increase the percentage of their products made from sustainable materials and therefore increased purchasing volume from production location capable to work with materials like organic cotton or recycled polyester.

Recommendation: It is advised to describe policies regarding maintaining long term business relationship in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: King Louie starts research about social compliance before sampling and requests available social audits and other information on how a supplier works. New suppliers are informed about the FWF Code of Labour Practices before sampling starts. The supplier is requested to complete the FWF questionnaire before orders are placed. In this financial year King Louie added one new supplier and could show the signed questionnaires and CoLP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: King Louie has a process in place before placing orders at a new production location. First, the Head of Design and Production discusses FWF membership and requirements before sampling is started at new production location. King Louie requests existing external audit reports before starting production. The CSR coordinator has instructed agents to do factory visits that check the production processes and facilities of the factories, prior to placing orders. In the sampling phase, the CSR coordinator informs the production location about commitment to Code of Labour Practices implementation and collects CSR information from the supplier. Orders are placed, only after receiving the signed questionnaire and evidence of a posted CoLP in the premises.

At the end of financial year 2017-2018 King Louie sources from two production countries, Turkey and China. The focus of the Due Diligence process in the last financial year has mainly been on Turkey; discussing the regional risks and relevance of social compliance for suppliers and their subcontractors.

King Louie relies on their main supplier for the selection of subcontractors. Since the start of FWF membership, King Louie has been able to gain more insight into the subcontracting structure at its Turkish suppliers. For each subcontractor discovered and its location confirmed, the company discussed the risks and importance of social compliance. The main supplier and King Louie agreed that King Louie will be informed beforehand which subcontractor is selected for production, in practice this is however not always happening. With the CSR manager of their main supplier the discussions about subcontractors and social compliance of subcontractors is more and more transparent. King Louie has not yet agreed upon a list of authorized subcontractors that can be used for production.

The one new supplier in financial year 2017-2018 is a supplier in China. The due diligence approach in Turkey and China before placing orders at (new) production locations is comparable. King Louie perceives it as more difficult to actually conduct human rights due diligence in China than in Turkey.

King Louie stays up to date about country specific risks in India, Turkey and China, using the FWF country studies and other documents. With regard to the current situation in Turkey the network of the sourcing staff is another important source of information.

Requirement: A formal process should exist to evaluate the risks of labour violations in the production areas the member is operating.

Recommendation: FWF recommends King Louie to identify how to improve the implementation of the due diligence process in China.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	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.	1	2	0

Comment: King Louie has consolidated the number of factories and the number of production countries. By the end of financial year King Louie stopped sourcing in Portugal and India, now only working in China and Turkey, increasing production at the selected locations. Production locations are evaluated in a systematic way: quality of the products, the sourcing process and CSR performance is evaluated by different staff members on a regular basis.

Currently good performance on CoLP has not yet been rewarded. It is on the agenda of King Louie to take that next step, as the CSR coordinator has flagged the compliance behaviour of one specific supplier for the internal evaluation and included the question if, and if yes, how to continue the relationship with this supplier.

Suppliers that were phased out, were timely informed and agreed about the phase out process. Main reason to phase out was consolidation and limit the amount of suppliers with a smaller range of products.

King Louie has developed a contract in which the suppliers explicitly state that they want to cooperate to improve working conditions, based on the standards in the FWF CoLP.

King Louie works with several agents in the production countries. They have a role in monitoring supplier compliance for King Louie and report back about progress that is made. Quality, CSR commitment and communication are assessed. The link to production decision-making procedures is not (yet) explicitly made, but it is on the agenda of King Louie how to approach this.

Recommendation: King Louie is encouraged to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Such a system can create an incentive for rewarding suppliers for realised improvements in working conditions. Part of the system can show whether and what information is missing per supplier and can include outcomes of audits, training and/or complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: King Louie works with four delivery blocks per year for each supplier, which gives the suppliers more space to plan ahead and move around or switch orders in case needed.

For complex, time-consuming designs, orders are placed first and suppliers are consulted in advance about the best timing for the production. Delays are discussed and generally accepted by King Louie. King Louie is generally also flexible when the item after production differs from the item after sample, trying to avoid last minute changes.

King Louie has a small amount Never Out of Stock (NOS) items and several "classics", items on which only small changes are made, like for example colour. Production of the NOS-items and classics is planned in the low season.

As a result of the implementation of a more efficient ERP system in 2015 fabrics can be ordered earlier in the process, and consequently King Louie's long term suppliers receive the orders two weeks earlier than before.

King Louie reduced its style framework in order to increase quantities for less styles and make production more efficient and predictable; more variation of fabrics and small cut adjustments, rather than many different styles that require new production line setup for each new order. The style framework has been reduced by 25%, with new styles being used for more than one season.

King Louie is not aware of the production capacity of the suppliers based on regular working hours.

Recommendation: A good production planning system needs to be established based on the production capacity of the factory for regular working hours. It is advised to establish a system for sharing and updating forecasts with suppliers to facilitate their planning. The system may include assurance of early delivery of materials and trimmings to suppliers, ensuring samples are approved in time and that late changes are discussed with the supplier.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: FWF conducted six audits at factories where King Louie is sourcing; four Chinese suppliers, one Turkish supplier and one Indian supplier (this audit was conducted for another member brand after King Louie stopped production there).

In the four FWF audits in China and the FWF audit in Turkey excessive overtime was reported in peak season. The CSR coordinator mentioned the timing of the fabric delivery as a delay. As a response, King Louie is ordering fabrics sooner in the process. In addition to this, King Louie started to place re-orders in low season as a way to mitigate overtime.

One of the Chinese suppliers, where King Louie has an estimated leverage of 5%, mentioned that the orders of King Louie are a cause for overtime. King Louie discussed the results of the audit with the supplier. King Louie is now improving the forecasting system to place orders earlier than before. The CSR manager of King Louie is actively monitoring this production location assessing whether the production is possible without excessive overtime before agreeing on a delivery date. King Louie discussed the possibilities to accept late deliveries, however did not yet specifically investigate the production capacity of the factory.

Requirement: A root cause analysis of excessive overtime should be done for all suppliers to investigate which steps can be most effective to reduce overtime.

Recommendation: FWF recommends King Louie to gain more insight into the production capacity of suppliers, starting with the Chinese supplier that indicated excessive overtime caused by King Louie.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company'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

Comment: Basic models are used to establish prices and these are compared with prices that are paid in other seasons. King Louie is aware of general level of production costs, cost of material and minimum wages per country. In case of minimum wage increase, King Louie takes this into account during price negotiations.

King Louie started discussions about wages and planning at one location in Turkey and one location in China to take further steps towards working to a living wage.

With the choice of King Louie for FWF audits only, it has currently some insight into labour costs per production location at first tier supplier and subcontractor level. These insights are not yet actively used in price setting discussions.

Recommendation: At a minimum, member companies are recommended to investigate wages levels in production countries, among others by making use of FWFs Wage Ladder and country studies. As an advanced step, increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies 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

Comment: Three audits disclosed failure to pay minimum wage: two in China and one in Turkey. In one audit there was prove of falsified records: King Louie discussed this with the factory, emphasised that wages should be paid according to local law, that overtime percentages should be paid and started discussions about how to increase wages. The factory shared documents like wage slips with King Louie, which are shared with FWF as part of CAP follow up.

At the other Chinese factory, remediation discussions initiated by King Louie focus on payment of local minimum wage, payment of leaves and benefits and payment of overtime and how to increase wages.

In the Turkish factory, one unregistered Syrian worker received payment below legal minimum wage. King Louie discussed this with the factory management. King Louie showed documents that proved that after this discussion the supplier started to pay the minimum wage (see indicator 2.7).

Requirement: If a supplier fails to pay minimum wages, King Louie is expected to hold management of the supplier accountable for respecting local labour law and require a time bound action plan to ensure adequate payment. Factory visits with a documents check or additional verification by FWF may be needed verify remediation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses 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 member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0

Comment: King Louie has identified one supplier in Turkey and one in China with whom they discuss living wages, the wage ladder and plan to work on a step-by step approach towards living wage. However, it remains a challenge to move forward. The Turkish supplier and King Louie agreed that the results of the 2018 audit will be a start for a more systematic approach towards living wage.

Recommendation: FWF encourages King Louie to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 24

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	85%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	4%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly, N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	89%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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: The CSR coordinator is responsible for monitoring and when absent the Head of Design & Buying is available.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: King Louie reviews an audit report soon after receiving. King Louie passes it on to the supplier involved and schedules a call or visit by its agents immediately to discuss the findings and agree on timelines. King Louie keeps track of the process and timelines by weekly updating the CAPs.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Basic	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	4	8	-2

Comment: The CSR coordinator is keeping overview of status of all CAPs and discussed with the Head of Design and Production. On a regular basis King Louie requests updates on improvements and proof, both from the supplier directly or via the production agent. King Louie could show that improvements were made at several suppliers.

Timely follow up remains difficult with some suppliers. Complex issues such as overtime and living wage have not yet been addressed. One of the suppliers does not seem to respond on CAP follow up at all. King Louie is now considering how to continue with this supplier to achieve urgency and a sense of shared responsibility.

A WEP training was planned at one factory in Turkey, however rescheduled due to Ramadan. The Turkish agent of King Louie provides training and explanation for the supplier to improve on CAP follow up, such as explanation of the FWF CoLP or how to comply within the time frame that is agreed upon with King Louie.

Recommendation: To facilitate remediation, King Louie 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.
- providing financial support to the supplier for implementing improvements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	54%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	3	4	0

Comment: Agents often visit the suppliers and that workers rights in the CoLP and the CAP follow up is discussed.

Recommendation: FWF recommends to document the outcome of their own visits and visits of agents where the CoLP and CAP follow up is discussed. Reporting back to the whole team on the discussions and follow up of CAPs with the supplier will help towards setting up an integrated system for improving working conditions. FWF has developed a Health & safety Guide that can be used during these visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

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

Comment: The due diligence process was applied and FWF country studies were used with regard to the factory in India, where production was stopped during 2017.

With its Turkish suppliers, King Louie discussed the risks related to employing Syrian refugees, based on the information shared in the FWF webinar about this topic. In one of the suppliers an illegal Syrian worker that lived in the factory was discovered. The factory management started to improve payment and legalise the status of this worker after King Louie shared the information provided by FWF.

An important Turkish supplier of King Louie has difficulties to find skilled workers and is trying to find a way to work with the skilled Syrian refugees.

Recommendation: FWF recommends King Louie to gain more information about the exact area in Istanbul in which the factory is situated as some areas have more Syrian refugees employed and are higher risk areas.

As one of their Turkish supplier in Izmir is interested to find Syrian workers, they can discuss with their supplier to cooperate with United Work, a NGO that collects the CVs of Syrian refugees in Turkey. King Louie could discuss what support they can offer when Syrian workers are employed. This support could consist of covering the costs of work permits and supporting HR where needed. Please note that the Syrian refugee guidance will be updated later this year. FWF will provide King Louie with extra information about this possibility.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: King Louie shares a supplier with two other FWF member brands and is actively approaching them. With one other brand there was active cooperation, however the other brand is no longer active at this supplier. The other FWF member did not respond to King Louie, hence King Louie requested FWF to connect them.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	1	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	80-90%	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	1	3	0

Comment: Full audits are conducted at 85% of the suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	7%	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	1	3	0

Comment: 7% of external sales volume of the brands resold by King Louie is member of a credible initiative.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 34

Earned Points: 20

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

Comment: The CSR coordinator and Head of Design and Production are designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place 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 production location visits, etc.	2	2	0

Comment: King Louie keeps track of evidence of Worker Information Sheets posted. The collection of evidence is done by both King Louie and by the agents. During visits the agents are requested to check whether the Worker Information Sheet is posted on an accessible spot in the factory.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	60%	The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	3	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	6	6	-2

Comment: Two complaints were received. A complaint from India was received after King Louie stopped production at that factory.

The other complaint was filed by workers from a subcontractor of King Louie's main supplier in Turkey. King Louie contacted the main supplier and with the help of the main supplier also the subcontractor. According to the statements of the complainant, the factory management dismiss workers when they receive a doctor report. The complainant mentioned that, during the last 5 months minimum 7 workers were dismissed due to the paid or unpaid leaves.

The complaint was investigated and followed by a FWF audit at the production location. King Louie, the main supplier and subcontractor agreed that it will be repeatedly communicated that there is an internal procedure for complaints and that workers can contact the CSR manager of the main supplier. King Louie showed proof of complaints reports received through the internal complaint mechanism from the main contractor.

Recommendation: Where applicable, worker representation should be involved in agreeing to the Corrective Action Plan.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

Comment: The complaint in India was filed after King Louie stopped producing at that production location. In the Turkish factory where a complaint was filed, there is no other FWF member active.

COMPLAINTS HANDLING

Possible Points: 13

Earned Points: 12

4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of FWF membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	-1

Comment: FWF membership is discussed in weekly team meeting. In 2017 the sales team learned more about FWF. Every season King Louie informs their sales agents about FWF updates on their sales agent days.

Recommendation: It is advised to develop a standard procedure for all new employees to get familiar with FWF membership. FWF has material available that can be used to inform (sales) staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: In weekly meeting the CSR coordinator updates relevant staff on current issues and activities. The Head of Design and Production and CSR coordinator are closely working together which enables the information and input to run smoothly to the relevant staff. Management is informed on a monthly basis by the CSR coordinator.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

Comment: King Louie works with agents for most suppliers and the agents are involved in monitoring and remediation efforts. Knowledge and capabilities of agents increased in the past three years: One of King Louie's agents in Turkey is now training subcontractors herself about FWF.

Recommendation: FWF recommends King Louie to actively train their sourcing contractors/agents on monitoring and remediating of the more complex issues like overtime, minimum and living wage and enable them to support the implementation of the CoLP.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	0	6	0

Comment: One training was planned, however rescheduled till next financial year.

Recommendation: In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. FWF currently offers the following training modules for the WEP: Basic, Communication, Gender Based Violence, Supervisor and the Factory Guide. More info on availability in countries can be found on the FWF website. The member company should motivate its main supplier(s) to join WEP trainings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, member companies 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.	N/A	4	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 5

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

Comment: King Louie has been active to identify all production locations and several subcontractors where King Louie has a direct relationship are included in the company's supplier list. King Louie requested the main supplier to choose from subcontractors that already have a relationship with King Louie and inform them before the production starts.

In two of the FWF audits in last financial year, more subcontractors are mentioned than are included in the database.

Requirement: Production staff and CSR manager must ensure all active production locations are included in the database for the financial year under review. Correct FOB percentages should be given per supplier including subcontracted sites to show the relevance of each supplier in relation to the member's total purchasing volume.

Recommendation: King Louie is advised to develop a systematic approach to complete the supplier list. Part of the approach can be:

1. Automatically include information from audit reports and complaints
2. Business relationships with agents include transparency of production locations.
3. Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: The Production department and Design & Sourcing department regularly have team meetings in which the progress of factories in improving to comply with the CoLP and FWF developments are on the agenda. These departments have full access to information about working conditions at suppliers.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: King Louie communicates about FWF on its website. In April, King Louie have presented a mini collection with products that are produced in a more sustainable way. The CSR manager has checked the communication about FWF for this mini collection. The CSR manager checks the shops regularly on communication according to FWF's communication policy.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Performance Checks, Audits, and other efforts lead to increased transparency	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report published on member's website	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

Comment: King Louie submitted a social report for the previous year, which is assessed in this performance check, which can be found on the King Louie website as well.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

7. EVALUATION

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

Comment: FWF membership updates are part of the agenda of the meeting between management and CSR twice a month. An annual evaluation of FWF membership is done by the directors after the Brand Performance Check and in this meeting strategy for next year is discussed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	49%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	2	4	-2

Comment: King Louie received 4 requirements during its last Brand Performance Check: The requirement related to due diligence (1.4) and listing of subcontractors (5.1) are in this Brand Performance Check as actions points for next year.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

FWF is sometimes slow in sending reports and complaint handling. King Louie would prefer processes to be more in time.

It is preferable to receive more information about a complaint.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	24	44
Monitoring and Remediation	20	34
Complaints Handling	12	13
Training and Capacity Building	5	11
Information Management	4	7
Transparency	5	6
Evaluation	4	6
Totals:	74	121

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

61

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

11-10-2018

Conducted by:

Mariette van Amstel

Interviews with:

Laura Tol - CSR coordinator

Jeroen Dijkema - Sales Director

Gael Brutin - Head of Design, Production and Buying
Marketing