



BRAND PERFORMANCE CHECK

SANDQVIST Bags and Items AB

PUBLICATION DATE: JUNE 2019

this report covers the evaluation period 01-01-2018 to 31-12-2018

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

SANDQVIST Bags and Items AB

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Stockholm, Sweden
Member since:	01-03-2016
Product types:	Fashion, Outdoor, Sportswear, Bags & Accessories
Production in countries where FWF is active:	India, Viet Nam
Production in other countries:	
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	73
Category	Good

Summary:

Sanqvist has shown progress and met most of FWFs' performance requirements. The brand monitored 96% of its production volume in 2018, which is well above the 80% requirement for the third year of membership. Sandqvist's benchmarking score is 73, placing the member in the Good category.

The brand has a small number of suppliers and only sources in India and Vietnam. Over the last two years, the brand has grown and expanded its product base. At the same time, the brand also increased its CSR and quality requirements. This meant that the brand had to stop working with two suppliers in India. In India, the brand is aware of the risks of young workers being employed in mills. The brand has visited its spinning mills in the last year and also moved production to mills where workers come from nearby residential areas, lowering the risk of young workers being employed through the Sumangali scheme. Aside from that, for its CMT factories in Kolkata the brand has engaged the supplier in addressing the culture of employing 'contract' workers.

In Vietnam, to mitigate risks, the brand sources from suppliers that work with big brands (who are members of FLA, BSCI etc.) and other FWF members. The brand has not yet been able to receive a commitment from suppliers to work on complex issues pertaining to overtime, worker representation and Living wage.

Audits in 2016 indicated issues related to minimum wage at a supplier in India. The brand completed a root cause analysis of this issue - linked to 'dearness allowance' - and has offered to contribute an additional amount. This is to ensure that a standard higher than prescribed 'dearness allowance' is always paid and so fluctuations do not lead to a situation where the allowance paid is lower than legally mandated.

For the Indian suppliers where the brand has good leverage, the brand is aware of the Labour Minute Values and Labour Costs for every style. Two suppliers also did an analysis to estimate a target living wage based on interaction with workers, food basket values and inflation. The brand also analysed the Anker estimates. The brand is yet to define and agree on a target wage and increase wages at the suppliers. As a next step, FWF encourages Sandqvist to engage in discussions with suppliers in India about different strategies to work towards higher wages. FWF also encourages the brand to involve worker representatives when defining a target wage and approach to 'getting the money to workers'. FWF recommends that Sandqvist expand its knowledge of cost breakdowns to suppliers in Vietnam and work closely with them to persuade them to work on issues pertaining to overtime, worker representation and Living Wage.

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.	60%	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: In 2018, Sandqvist bought 60% of its production from production locations where it buys at least 10% of production capacity. This is further lower from the last 2 years (which was at 96% and 76%) due to the addition of 4 new suppliers, to expand capacities and reduce dependencies on a few select suppliers.

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.	1%	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: Sandqvist is trying to maintain a consolidated supplier base and at two production locations, the brand buys less than 2% of its total FOB. One location does small runs. And at the other, the brand is phasing out production as part of its exit approach.

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.	61%	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: Over the last two years, the brand has grown and expanded its product base. At the same time, the brand has also increased its CSR and quality requirements. This required the brand to exit two suppliers in India where the brand had over 5 years of relationship, as they were not able to meet these requirements. Currently, the brand has one main supplier in India where the years' relationship exceeds five years.

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

Comment: Sandqvist collects signed questionnaires with the Code of Labour Practices in a systematic manner and could show them for the four new production locations during the brand performance check.

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

Comment: The brand has a small number of suppliers and only sources in India and Vietnam. For each potential supplier, the brand's Sustainability Manager (for locations in India) or the agent (for locations in Vietnam) first checks if the supplier is participating in the ILO Better Work programme and requests the supplier for recent third-party audit reports (if any). Sandqvist reviews the audit results and corrective action plans. This is followed by a visit to the factory and the supplier is selected only if there is a demonstrated effort to implement measures for improvement on the audit findings. In 2018, the brand refused to select a supplier in Vietnam after the factory visit highlighted Health & Safety risks and the unwillingness of the supplier to work on audit findings.

The Sustainability Manager is aware, stays updated of Country specific risks (and documents them, at country and supplier level) and no orders can be placed at a new supplier without the approval of the Sustainability Manager. With the new supplier in Kolkata, India, the brand was aware of risks pertaining to 'contract workers'. The brand already discussed this with the supplier and placed orders only after the supplier committed to implementing a 'line' system in the factory supporting regular worker employment.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: Sandqvist has implemented a supplier evaluation and rating system where the suppliers are monitored on various parameters covering size of orders, competence, quality, delivery, prices, reliability, communication and working conditions. The scores range from 1 (lowest) to 5 (highest) and are assigned based on descriptive performance information documented by the concerned teams. The evaluation is done two times a year, after every season, in discussion with the CEO, buying, design, production, logistics teams. The feedback is shared with suppliers, especially those who score less than 3, to work with them on steps for improvements.

The brand is not able to reward suppliers with additional orders as the orders are defined by sales figures and each supplier works on specific and different styles. But at the same time, the brand uses the results of the evaluation system to engage and support suppliers who score low to encourage them to address issues. If no change is seen in the long-term the brand works on a phase-out strategy, as a last resort.

The brand exited a supplier in India with last orders in 2018 due to both quality issues and unwillingness to cooperate on CSR requirements. The phase-out was over a year and the brand also had to financially support the supplier in paying off pending invoices to material suppliers.

Recommendation: The current scoring approach of the supplier evaluation is perceptive based on information documented. To further strengthen the system and ensure consistency, FWF recommends that Sandqvist define guidelines for assigning scores.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: Sandqvist has a general production planning system in place. The company is aware of each supplier's production capacity which is provided by the supplier but the brand cross-checks this based on order history, number of workers and during factory visits. Due to a changed internal structure, the brand now has one team which is involved from development to production, hence has a good oversight through the entire process. The brand also back calculates from the time of delivery and plans production timelines for various other stages accordingly.

Material delays have been a reason in the past contributing to overtime. The brand now directly orders materials as soon as it is aware of the quantities. This also means that the material suppliers get bulk orders for dyeing and other processes. This additionally ensures that these orders get priority rather than the situation in the past when individual suppliers were placing small orders at different times hence experiencing delays as small orders often don't get priority.

Sandqvist books capacity at its suppliers in advance and offers 6 months lead time. Through the period the brand keeps the suppliers informed of additional information, like specifications, colours etc. to support their planning.

That apart where the brand feels that a supplier capacity might not be sufficient for the order size the brand pro-actively moves orders to other suppliers.

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

Comment: In general, production delays and overtime has been an issue and Sandqvist engages concerned suppliers on a case by case basis. The brand has tried to address delays pertaining to materials through its efforts in improving production planning explained in 1.6.

With suppliers in Vietnam, the brand is limited by its leverage and also the unwillingness of the suppliers to work on overtime as an issue when it is within allowed legal limits.

Recommendation: FWF recommends that Sandqvist evaluate the impact of its efforts to reduce overtime and production delays and adjust its approach accordingly. The brand should continue to discuss with factory management on the causes of excessive overtime and provide support to manage overtime.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: The suppliers share the price and provide a detailed cost calculation sheet for each style after receiving the specifications from the brand. This is updated after every prototype and salesman sample run based on changes to the specifications.

For India, the cost sheets provide the brand detailed information on labour costs and labour minute values for every style.

For Vietnam, the cost sheets provide the brand information on labour minute values for every style and an overall CMT cost, but not the labour costs.

Cost sheets also indicate price specific to the order quantity, with lower prices for higher quantity. Sample orders are generally priced higher, some suppliers would include them at the standard price provided the samples are selected for production.

Some scenarios where prices are renegotiated or changed are:

- change in minimum wages
- production delays (fines are applied as per contract)
- quality issues

The brand uses information from audit reports to ensure that minimum wages are paid at all supplier locations (including sub-contractors).

Recommendation: FWF recommends Sandqvist to expand their knowledge of cost break downs to suppliers in Vietnam. A next step would be to use the information on labour minutes and exact labour costs and actively link this to their own buying prices. The first priority would be to make sure this level of transparency can be achieved consistently with all their suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: Audits in 2016 and 2019 indicate issues pertaining to minimum wage at a supplier in India. The brand has addressed the 2016 finding pertaining to 'dearness allowance' and has offered to contribute to an additional amount to ensure that a standard higher than prescribed 'dearness allowance' is always paid and fluctuations do not lead to the situation where the allowance paid is lower than legally mandated. The finding pertaining to 2019 will be checked in the next performance check.

In the interim, the brand has identified the root cause of repeat issues on this indicator linked to the weak management systems and processes at the supplier.

Recommendation: FWF recommends that the brand support the supplier in setting up robust systems to support the implementation of COLP.

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 and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: For the Indian suppliers where the brand has good leverage, the brand is aware of the Labour Minute Values and Labour Costs for every style. Two suppliers also did an analysis to estimate a target wage based on interaction with workers, food basket values and inflation. The brand also analysed the Anker estimates. The brand is yet to define and agree on a target wage and increase wages at the suppliers.

Recommendation: As a next step, FWF encourages Sandqvist to discuss with suppliers in India where they have good leverage, about different strategies to work towards higher wages.

FWF encourages the brand to involve worker representatives when defining a target wage and approach to 'getting the money to workers'.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	4	0

Comment: The brand is yet to define and agree on a target wage and increase wages at the suppliers.

Requirement: Sandqvist should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	0%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	3	0

Requirement: Sandqvist is expected to begin setting a target wage for its production locations.

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 30

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	64%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	0%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	96%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of 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 Sustainability Manager is responsible for following up on social compliance related matters.

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

Comment: The brand uses FWF audits and affiliate (summations) audits where the audit team has been trained by FWF.

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: In 2018, FWF audit was conducted at one supplier in Vietnam. The audit report and CAP were shared in a timely manner. The progress on the CAP was checked during the brand's visit to the supplier in November. Worker representatives have not been involved in the discussions.

Recommendation: Before an audit takes place, Sandqvist is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	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.	6	8	-2

Comment: The brand has been able to discuss and achieve progress on most issues highlighted in the CAP. In 2018, while the brand had only one FWF audit the brand continued to work on complex issues from 2016 audits at an Indian supplier and a shared audit at a supplier in Vietnam. The brand has been working closely with suppliers on understanding the root causes of excessive overtime and how they could work together to address it. That apart, the other issues pertaining to health & safety, payment of wages, contracts have also been addressed.

The brand tracks the progress made on CAPs through email and telephone interactions with suppliers. In most cases, the brand does not close the issue until after a factory visit when the brand can in-person review and verify the status of the audit finding.

Recommendation: FWF recommends Sandqvist to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	99.9%	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.	4	4	0

Comment: Almost all production locations have been visited by the brand in 2018. During the visit,

1. Pending CAPs are discussed and updated;
2. Meeting minutes are documented;
3. Meeting minutes are used to make action points with timelines which are shared with the supplier. All this information is further documented in the supplier folder which can be accessed by all concerned Sandqvist staff.

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

Comment: The brand does collect existing audit reports from suppliers, though mainly uses FWF audits.

Recommendation: Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces double work. Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

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	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: For India, the brand is aware of the risks of young workers being employed in mills. The brand has visited its spinning mills in the last year and also moved production to mills where workers come from nearby residential areas lowering the risk of young workers being employed through the 'sumangali' scheme. That apart, for its CMT factories in Kolkata the brand has engaged the supplier in addressing the culture of employing 'contract' workers.

For Vietnam, to mitigate risks the brand sources from suppliers who work with big brands (who are members of FLA, BSCI etc.) and other FWF members. The brand is yet to be able to receive a commitment from suppliers to work on complex issues pertaining to overtime, worker representation, and Living wage.

Recommendation: FWF recommends that Sandqvist take measures to monitor and address issues pertaining to gender discrimination and violence against women in its supply chains.

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: Sandqvist is actively engaging with another FWF member on pending CAP from a 2016 audit at one supplier in Vietnam. That apart, for another supplier in Vietnam which is shared with multiple FWF members the brand supports with follow-up and verification.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	FWF encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	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.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	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: 24

Earned Points: 19

Additional comments on Monitoring and Remediation:

Tail-end has been included for monitoring threshold as a FWF audit was done previously by another member at a tail- end supplier.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	1	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
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 Sustainability Manager has been designated to address worker complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: During the factory visits (generally at least once a year) the Sustainability Manager checks if the Worker Information Sheets is posted, but does not necessarily document this.

Recommendation: It is suggested to ask production locations to submit a photo of the posted Worker Information Sheet and to ask staff visiting a supplier to check if the documents are still posted as indicated on the obtained photo.

That apart, FWF recommends that the brand share FWF's Worker Information Card or other basic information material with workers and management during factory visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	93%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	6	6	0

Comment: In all, four production locations (three in Vietnam and one in India) have participated in WEP training in 2017.

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	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.	3	6	-2

Comment: In 2018, one complaint was received from a worker at an Indian factory, related to wage discrimination. The brand actively worked with the factory to follow-up on the complaint and both the brand and the factory cooperated in the investigation process. FWF could not confirm any wage discrimination based on the review of wage and skill assessment documents. FWF did, however, acknowledge a lack of communication, which could have led to a perceived discrimination in a workplace with migrant workers from diverse backgrounds and language barriers. The brand also identifies this as the root cause of the issue and has proposed that the factory communicates clearly with workers on processes, wages and benefits, worker rights to avoid such issues in the future.

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

COMPLAINTS HANDLING

Possible Points: 15

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	0

Comment: Sandqvist holds monthly meetings with the entire team where important topics pertaining to FWF membership are discussed, such as performance check results, factory training etc.

That apart, every new employee receives a 30 minutes orientation on the company's sustainability approach and initiatives which includes FWF membership.

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: During weekly team meetings relevant information is brought up by the Sustainability Manager. That apart, when travelling together with the sustainability manager, product teams/ buyers join discussions with the supplier on FWF requirements. Twice a year a supplier evaluation is done and shared with the team.

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: Sandqvist works with one agent in Vietnam who has participated in supplier seminars and joined a FWF audit. The agent plays an important role in sourcing and is involved in CAP follow up.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	1%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	1	6	0

Comment: The brand engaged with FWF to conduct a pilot of the WEP communication module at a supplier in Vietnam, but the training was delayed and could not be conducted in 2018. As the delays were beyond the control of the brand, as an exception, FWF is awarding points for this indicator.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 6

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require 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.	6	6	-2

Comment: Sandqvist reiterates both in the contract and during supplier visits that no production can take place at locations which have not been approved by the brand. In Vietnam, this is checked by in-line inspections for all productions. In India, the brand has production throughout the year, hence while in-line inspections are not always possible, the brand visits every supplier at least twice a year and also conducts third-party quality inspections to check production at the specified production location. The brand tries to invest a lot of time and effort in production line inspections to catch irregularities which can indicate subcontracting.

Since 2017, the brand is taking efforts to get detailed clarity of its supply chain. The brand visited spinning, dyeing units and tanneries.

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: Information pertaining to working conditions at production locations is shared with relevant staff in the weekly meetings by the sustainability manager.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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: The brand communicates about FWF membership through different channels like - Instagram, facebook, in stores, press releases etc. The brand's communication team was not aware of the FWF communication guidelines.

Recommendation: FWF recommends that Sandqvist ensure their teams involved with communicating FWF membership are aware of the FWF communication guidelines.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of 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.	2	2	0

Comment: The main suppliers the brand works with and details on the working conditions is disclosed on their website and in the sustainability report.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report submitted to FWF AND 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

TRANSPARENCY

Possible Points: 6

Earned Points: 6

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: The sustainability manager keeps the top management aware of developments and issues as when they happen through meetings and discussions.

Recommendation: FWF advises the member to do a more in-depth evaluation of membership with management and sourcing staff to discuss the outcomes of this performance check and use those to formulate future plans.

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.	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

- 1) Sandqvist recommends FWF to relook at the purpose and structure of worker interviews conducted as part of the audit, the brand has received feedback from their suppliers that at some level these interviews seem to leave a message among workers that there are issues in the factory and there is some investigation happening hence they are being interviewed.
- 2) Sandqvist would prefer having the performance check earlier in the year.
- 3) The brand would like to recommend that FWF provide or suggest legal expertise for complaints and issues in India which currently involve a lot of back and forth communication on email and calls.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	30	47
Monitoring and Remediation	19	24
Complaints Handling	12	15
Training and Capacity Building	6	11
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	82	112

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

73

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

04-06-2019

Conducted by:

Supraja Suresh

Interviews with:

Henrik Lindholm, Sustainability manager

Caroline Andersson, CEO

Sanna Bergqvist, Head of product and production

Felicia Thomas, Finance Assistant