



**Brand Performance Check**  
**Living Crafts GmbH & Co. KG**

This report covers the evaluation period 01-01-2019 to 31-12-2019

## About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear'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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Brand Performance Check Overview

## Living Crafts GmbH & Co. KG

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Selbitz , Germany
Member since:	2016-01-14
Product types:	Garments, clothing, fashion apparel; Sports & activewear
Production in countries where Fair Wear is active:	India, Romania, Tunisia, Turkey
Production in other countries:	Bosnia and Herzegovina, Croatia, Germany, Lithuania, Serbia
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	84%
Benchmarking score	61
Category	Good

## **Disclaimer**

*This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.*

*While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.*

*This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.*

*Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.*

## Summary:

Living Crafts met most of Fair Wear's performance requirements in 2019. With a monitoring percentage of 84%, it meets the monitoring threshold required by members after three years of membership. The monitoring threshold consists of Fair Wear audits, external audits and fulfilling monitoring requirements for its low-risk production location. The monitoring percentage, combined with a benchmark score of 61, means that Fair Wear has awarded Living Crafts the 'Good' category.

In 2019, Living Crafts made progress in implementing Fair Wear requirements. Its supplier evaluation system has been further refined. The improvements were made in in better definition of the indicators and more frequent evaluations shared with suppliers. A better definition of each indicator has led to a more constructive dialogue enabling the sharing of not only positive but also negative feedback as well as discussions on potential improvements. Another improvement made is in the monitoring of the Code of Labour Practices through requesting the audits, following up on the audit findings and cooperating with other Fair Wear members on remediation to leverage the impact in factories. This way, the brand has achieved better transparency in its supply chain.

Although the brand started an open dialogue and shared the relevant documents on cost price and the labour minute calculator tools, little progress towards implementing living wages has been made.

The role of CSR and Head of Purchasing is still combined. In the past few years, Living Crafts' turnover has significantly increased, and there is an urgent need for additional support for sustainability efforts to drive all projects successfully. Fair Wear repeats its recommendation to allocate more manpower to the CSR department.

## 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 Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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.	28%	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.	2	4	0

**Comment:** In 2019, around 28% of Living Craft's production volume came from factories where the company buys at least 10% of production capacity. This is an increase of 23% in comparison to the previous financial year. It is an impact of the increase in orders volumes in line with the brand sourcing strategy. Further, the brand has improved collecting production volumes directly from its suppliers, whereas estimates were provided for some suppliers in the previous years.

**Recommendation:** Fair Wear recommends Living Crafts to consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions.

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.	5%	Fair Wear 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 Fair Wear.	3	4	0

**Comment:** In 2019, around 5% of the production volume came from locations where Living Crafts buys less than 2% of its total production volume. This slight decrease of 2% shows that there were no significant changes in purchasing practices in comparison to the previous financial year.

**Recommendation:** Fair Wear recommends Living Crafts to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Living Crafts should determine whether production locations 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.	49%	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.	2	4	0

**Comment:** In 2019, 49% of the brand's total purchase value came from production locations where a business relationship has existed for at least five years. Living Crafts values long-term business relationships and is aware of the importance to work with the supplier for a longer period of time in order to be able to improve the working conditions.

**Recommendation:** Fair Wear recommends Living Crafts to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions. It is advised to describe policies regarding maintaining long term business relationships 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:** Living Crafts established a business relationship with three new suppliers (2 Tunisia and 1 India) in 2019 and has collected questionnaires from all three suppliers before placing first orders. Also, the Code of Labour Practices is posted at all new suppliers. One of the two new suppliers in Tunisia is a replacement of the trouser producer in Poland, which made a decision to stop its business.

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:** Living Crafts is aware of high-risk country issues through Fair Wear country studies. The brand discusses them with suppliers and has developed a checklist of the process for onboarding new suppliers. Before starting working in a new country (no new country in 2019), the brand would conduct a country-risk analysis, check country studies and exchange information with other Fair Wear members. For a new factory onboarding in the active production country, the brand would check for the country-specific risks in cooperation with another Fair Wear members.

When looking for a new supplier, the brand approaches other Fair Wear members to consult and prefers to work with the already existed suppliers to increase its leverage when working on improvements on Code of Labour Practices. It is important for Living Crafts that the supplier is committed to Fair Wear Code of Labour Practices and willing to work on improving working conditions. The part of the selection process of the new supplier is a check whether the supplier is part of BSCI, SAI, GOTS with preference being a current supplier of a Fair Wear member. Living Crafts will visit the supplier together with its agent (if applicable) before placing the first order. When visiting the supplier, Fair Wear membership is discussed, presented, and the Health and Safety Checklist is used. For the two new suppliers in Tunisia, the brand has collected and reviewed the existing CAP(s) from the Fair Wear members already sourcing and discussed the current situation with its intermediary/agent located in Germany. The new supplier in India is a subsidiary of the already existed long-term business partner of Living Crafts. This new supplier has provided BSCI audit report, and topics like minimum wage, information system and transport of workers were discussed in addition to the CAP. The brand is creating a CAP and will follow up on the findings.

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:** The supplier evaluation system developed in 2017 has been further refined in 2019. The improvement is in the description of the indicators and evaluation feedback is shared with the suppliers twice a year instead of once a year. A better definition of each indicator has led to a more constructive dialogue enabling sharing not only positive but also negative feedbacks and potential improvements. As a result, production decisions are made based on supplier evaluation results and related meetings.

In 2019, one supplier in India exited, according to the exit strategy. The main reason for the exit was that the supplier was unable to deliver the quality product of the natural colour dying process. The brand provided its support by allocating other work to support the supplier and its exit process.

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:** Living Crafts is a stock-service supplier, and its products are not produced to customer order but are instead available for direct order, ex-warehouse. Living Crafts offers two seasonal collections, has Never Out of Stock (NOS) items and provides corporate workwear clothing to the mother group company. Based on its business model, the brand has very well developed internal planning from design brief to order placement. Also, the seasonal collections are very well planned and discussed with its suppliers. The NOS items are more flexible for placing the orders throughout the year. Because of the nature of this business, it's difficult to make a more accurate production forecast and planning, usually built on the historical data. Although the production planning is not always systematic, the brand collects the capacity of its suppliers, checks on the lead times and discuss with its suppliers their capacity prior orders placement. As a final resort, a style will be removed from the planned collection if the self-imposed deadlines cannot be met.

**Recommendation:** Fair Wear recommends Living Crafts to learn more about the standard minute per style and how the production of its products impacts the total production capacity of the factory.

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 2019, four Fair Wear audits were conducted at the suppliers in countries India and Romania. The audit at one of the suppliers in India indicated that the working hours of specific workers could not be verified due to inconsistent or incomplete records. The brand has followed up with the factory and urged the factory to implement systems to track the accurate overtime hours. Related and further described in 1.g.

**Recommendation:** Living Crafts could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, Living Crafts could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. Fair Wear could recommend qualified persons upon request.

Fair Wear recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours.

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.	Insufficient	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.	0	4	0

**Comment:** Living Crafts continued dialogue on the product costing structure with its suppliers also in 2019. Through this dialogue, the brand has created an awareness of the importance of knowing the production labour minutes and its cost related to wages. In order to receive this information from its suppliers, Living Crafts communicates this in an open dialogue and provides insights into its own price calculation and clarifies its own approach to determine prices.

Previously, the brand has shared a questionnaire including a question on sewing minutes but the factories were not very cooperative in providing these data. In addition, the brand has shared the Fair Wear labour minutes calculating tool with its suppliers, however, no data returned yet. The prices are negotiated with suppliers in an open dialogue but the connection between paid wages and purchasing prices is the step still to be made.

One supplier in India has been selected and agreed to work with the brand on a living wage project.

**Requirement:** Living Crafts needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

**Recommendation:** At a minimum, members are recommended to investigate wage levels in production countries, among others by making use of Fair Wear's 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 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, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** In 2019, four Fair Wear audits were conducted in countries India and Romania. One of the audited suppliers in India shows a failure in verifying payment of the minimum wage for the piece workers occasionally engaged. Living Crafts approached this supplier and ask for clarification. According to the supplier response, the piece workers mentioned in the audit are paid at a higher and better rate than the permanent workers per hour. Those workers are highly skilled and therefore better paid. Also, a separate register for the temporary workers who are deployed for more than a week shall be maintained. Workers' In time/Out Time shall also be recorded during their presence in the facility.

Another audit finding at different supplier shows that the factory does not pay leaves and benefits to workers according to legal requirements. Living Crafts followed up with the factory.

**Recommendation:** Fair Wear strongly recommends Living Crafts to always verify whether legal minimum wage issues have actually been resolved in case factory management claims so. Living Crafts could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check whether the issue has actually been resolved.

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

**Comment:** No late payments report in Fair Wear audits.

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.	Insufficient	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	6	0

**Comment:** Living Crafts tries to actively involve its Indian suppliers into the process of working towards living wages. The brand has collected information on average wages and discussed this with its suppliers. However, no further analysis of wages is made yet.

**Requirement:** Living Crafts must assess the root causes of wages that are lower than living wages, taking into account its leverage and effect of its own pricing policy. Living Crafts is expected to take an active role in discussing living wages with its suppliers. The Fair Wear wage ladder can be used as a tool to implement living wages, to document, monitor, negotiate and evaluate the improvements at its suppliers.

**Recommendation:** Fair Wear encourages Living Crafts to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and long term business relationship.

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	6	0

**Comment:** Living Crafts has not determined and financed wage increases yet.

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%	Fair Wear 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	6	0

**Comment:** Living Crafts has not yet agreed on target wages with suppliers.

**Recommendation:** Living Crafts is expected to begin setting a target wage for its suppliers based on its analyses and financing strategy.

## Purchasing Practices

**Possible Points: 52**

**Earned Points: 20**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	0%	
% of production volume where Fair Wear audits took place.	61%	
% of production volume where an audit took place.	61%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	23%	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.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	84%	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 Fair Wear 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 Head of Purchasing/CSR is responsible for following up on problems identified by the monitoring system.

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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear 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: Fair Wear 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:** Living Crafts has a procedure and shares the audit reports and Corrective Action Plans (CAP) with factories in a timely manner. In 2019, four FWF audits were conducted, and reports were shared with the factories. The brand requests its suppliers to share the updates on CAP(s) every three months.

**Recommendation:** Before an audit takes place, Living Crafts 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	Fair Wear 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:** Living Crafts systematically addresses CAP follow up with its suppliers. The Head of Purchasing/CSR keeps track of the remediation of the CAP findings. CAP findings are prioritized by Living Crafts and follow-up is discussed with suppliers via email. Additionally, the Head of Purchasing/CSR and Director discuss the follow-up of CAPs with their suppliers during on-site visits. Moreover, Living Crafts is actively cooperating with other FWF members on CAP implementations where possible.

In 2019, the brand followed up on four CAP(s). CAP factory 1; shows that most (12) of the findings (factory internal policies, payment of wages and wage records) were solved. Minor and Other issues are still pending. CAP factory 2; 4 issues closed and 9 to be discussed since the factory provided its feedback. CAP factory 3 and 4; another Fair Wear brand has taken lead on remediation, and Living Crafts is informed on the progress.

**Recommendation:** The feedback and supportive evidence that is sent by suppliers can be complex and difficult to interpret when unfamiliar with the local laws and expertise. Living Crafts can use Fair Wear's local team to verify the supportive evidence in case that is desirable.

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.	75%	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:** 75% of the production volume has been visited by the staff of Living Crafts in the past three years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0

**Comment:** Living Crafts collected and checked the audits by BSCI and EFTA. No CAP(s) were created since the audit results were really good and showed no findings to follow up.

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 Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	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

**Comment:** Living Crafts is aware of the risk of gender-based violence in India and discussed this issue with all its suppliers located in India. All suppliers located in India were visited in 2019 by the CSR manager and topics like living wages were discussed.

In 2017, a WEP violence prevention training was conducted at its biggest supplier.

Living Crafts has identified all suppliers and subcontractors in Turkey. All suppliers were visited in 2019 by the brand's managing director. The brand remains to source from six factories and is aware of the risks related to Turkish garment factories employing Syrian refugees and unauthorized subcontracting. It discusses these risks with all its suppliers during the production sites visits. The main four suppliers of Living Crafts in Turkey are shared with other Fair Wear members. The policy on Syrian refugees has been shared with those suppliers. There is close cooperation between Fair Wear members working on CAP(s) implementations and policies at all shared production sites.

The information related to a supplier in Tunisia is shared with Living Crafts by another two Fair Wear brands (lead on CAP remediation) sourcing from the same factory. The brand is aware of the country endemic issues, and the agent is involved in remediation.

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:** At several suppliers, Living Crafts is aware of other Fair Wear members and they inform each other on labour conditions. In 2019, the brand had active cooperation with another four Fair Wear members.

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.	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. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

**Member undertakes additional activities to monitor suppliers.:** No (o)

**Comment:** In 2019, Living Crafts sourced from five suppliers located in countries Germany, Lithuania and Croatia. It fulfilled monitoring requirements for low-risk countries. The new supplier visit in Romania has been postponed. No audits were commissioned at those suppliers.

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	Fair Wear 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 Fair Wear 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	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear 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	Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear 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	Fair Wear 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

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## Monitoring and Remediation

**Possible Points: 30**

**Earned Points: 23**

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### 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.	0	

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 Fair Wear 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 Head of Purchasing/CSR is responsible for resolving worker complaints. The Managing Director supports in resolving 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 Fair Wear 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:** Through on-site visits Living Crafts checks whether the Worker Information Sheet is posted. It also asks suppliers to send pictures of the posted Worker Information Sheet.

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.	36%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** WEP Basic training(s) were conducted at its suppliers located in India, Turkey and Tunisia accounting for 36% of its total production volume in high-risk countries.

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:** Living Crafts received one complaint in 2019 from a factory located in India. According to the complainant, the factory management fired 30 workers who worked at the factory for more than 12 years. The brand followed up with the factory. According to the factory's statement, no workers were fired, and salary statements are transparent and show no variations in workers records.

Since the complainant was not reachable anymore, and also the previous audit report conducted in February 2019 did not indicate any issues on the nature of the complaints raised, this complaint was considered as not grounded and therefore closed.

Although the preventive steps could not be taken in this case, the brand has shown a very proactive attitude in the process and willingness to solve this complaint by taking some follow-up steps even after this complaint was closed.

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 Fair Wear 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:** No other Fair Wear member was sourcing from a factory involved in the received complaint.

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## Complaints Handling

**Possible Points: 15**

**Earned Points: 13**

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## 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 Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

**Comment:** Living Crafts discusses internally Fair Wear membership and all related updates. In 2019, three round tables were organized, and a newly hired and existed staff joined to listen to a presentation given by the CSR manager. Further, two meetings were organized during which company's performance and the milestones reached on Fair Wear's requirements were shared with its employees.

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 Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** The Managing Director and Head of Purchasing/CSR are staff in direct contact with suppliers who are also working on the Fair Wear membership requirements.

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, Fair Wear audit findings.	2	2	0

**Comment:** Living Crafts mainly works with two agents in Turkey and one in Tunisia. Also, the agent located in Germany is trained and fully supporting the Fair Wear Code of Labour Practices. The agents have been provided with an orientation on the Fair Wear Code of Labour Practices.

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.	26%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** In 2019, Workplace Education training on violence prevention was conducted at one supplier located in India, accounting for 26% of the production volume in high-risk countries.

**Recommendation:** Fair Wear recommends Living Crafts to follow up on the initial training by establishing functional worker committees with a step-by-step approach and organise multiple follow-up sessions spread over several months and strengthen herewith internal grievance mechanisms. The training outline should have a worker-centered approach and focus on behavioural and structural change to improve working conditions for the long term, such as gender based violence and worker-management dialogue. To this end, Living Crafts can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No follow-up	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.	0	2	0

**Comment:** Living Crafts received training documents sent by the supplier but no active follow-up actions took place.

**Recommendation:** Fair Wear recommends Living Crafts to check whether their supplier conducts regular anti-harassment committee meetings, whether an external expert attends these meetings and whether complaints are reported to the committee. Living Crafts should also communicate to suppliers that reported incidents will not result in negative consequences (such as withdrawing orders) as long as the factory investigates and remediates them accordingly. Living Crafts could also check whether committee members and management are organizing awareness raising activities about sexual harassment and whether re-elections of the committee and/or re-training are needed, e.g. due to worker turnover.

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## **Training and Capacity Building**

**Possible Points: 13**

**Earned Points: 9**

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## 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:** Living Crafts knows all its production locations with whom it has a direct relationship or through an agent. Living Crafts has a policy in place which requires transparency and disclosures from suppliers on subcontracting and checks this during its factory visits. According to this policy, no subcontracting is allowed without the approval of the brand. Since the brand focused on transparency in 2019, this process has improved in comparison to the previous financial year. To gain full transparency in its supply chain, all suppliers should be visited by the brand. In addition, in-line checks of the production could be done by the local team, agent and any brands' staff to ensure that all suppliers adhere to the signed subcontracting policy.

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:** Living Crafts is a small organization and information can be shared in an efficient and fast way. The Head of Purchasing/CSR regularly updates the Managing Director and staff from the design department about working conditions at production locations. CAP(s) and audit reports available for most of the staff members. Additionally, post supplier visits, tours to the premises of suppliers are documented, photographs and significant feedbacks are made available to all members of staff by sharing the minutes of the meeting with suppliers.

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## Information Management

**Possible Points: 7**

**Earned Points: 4**

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## 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	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

**Comment:** Living Crafts communicates about Fair Wear membership on its website, through social media, informs consumers through brochures and on-site displays at Denn'sA stores. Communication about Fair Wear membership is in line with the Fair Wear Communications Policy.

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 Fair Wear'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:** Living Crafts publishes Brand Performance Check reports on its website, and the brand signed Fair Wear transparency policy.

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 Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

**Comment:** Living Crafts shared its social report with Fair Wear and posted it on its website.

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## **Transparency**

**Possible Points: 6**

**Earned Points: 6**

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## 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 Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** The Director and head of Purchasing/CSR are actively involved with Living Crafts' Fair Wear membership and evaluate regularly in monthly meetings. Suppliers' feedbacks are also taken into account in these evaluations. The Brand Performance Check report is used to set priorities, as well as for input to the sourcing strategy and the Fair Wear workplan.

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.	10%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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:** Living Crafts received four requirements from the previous performance check, where only one was addressed to a certain extent in the financial year 2019:

1.8: Living Crafts needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

The requirements pertaining to developing a pricing policy and living wage are still pending.

**Requirement:** It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements 1.8; 1.11; 1.13; and 1.14 as mentioned in the last Brand Performance Check.

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## Evaluation

**Possible Points: 6**

**Earned Points: 4**

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## Recommendations to Fair Wear

Positive feedback regarding FairForce and Fair Wear member hub. The brand would appreciate sharing any seminar announcements and cancellation of the German stakeholder event in timely manner. Regarding communication, Fair Wear can learn from Green Button in Germany and focus also on international stakeholders.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	20	52
Monitoring and Remediation	23	30
Complaints Handling	13	15
Training and Capacity Building	9	13
Information Management	4	7
Transparency	6	6
Evaluation	4	6
Totals:	79	129

### Benchmarking Score (earned points divided by possible points)

61

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

25-06-2020

Conducted by:

Terezia Haselhoff

Interviews with:

Frank Schell - Managing Director

Ulrike Andersson - Head of Purchasing Department

Andreas Rust - Marketing Manager offline

Sonja Wolfrum - Accounting