



BRAND PERFORMANCE CHECK

Schoffel Sportbekleidung GmbH

this report covers the evaluation period 01-01-2017 to 31-12-2017

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

Schoffel Sportbekleidung GmbH

Evaluation Period: 01-01-2017 to 31-12-2017

MEMBER COMPANY INFORMATION	
Headquarters:	Schwabmunchen, Germany
Member since:	08-02-2011
Product types:	Outdoor, Sportswear, Workwear
Production in countries where FWF is active:	Bulgaria, China, Indonesia, Myanmar, Romania, Turkey, Viet Nam
Production in other countries:	Ethiopia, Germany, Italy, Latvia, Lithuania, Republic of Moldova, Poland, Portugal, 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	99%
Benchmarking score	82
Category	Leader

Summary:

Schöffel has shown advanced results on FWF performance indicators. With a monitoring percentage of 99% and a benchmarking score of 82, it remains in the Leader category for the fourth year in a row.

In 2017, 21 production locations in Bulgaria, China, Indonesia, Myanmar, Turkey and Vietnam were audited. Schöffel ensured all production locations that are responsible for over 2% of total production and production locations where Schöffel is responsible for over 10% of the location's production capacity were audited. However, Schöffel should continue its efforts in monitoring its supply chain tail end.

Schöffel also improved on following up on corrective actions. The company opened a local office in Vietnam, its most important sourcing country. The local staff will enable Schöffel to support factories with social and safety compliance as well as capacity building.

FWF advises Schöffel to keep working on its due diligence process and exit strategy and communicate it transparently to suppliers, so that if they do not fulfil the brand's requirements, they understand that the business relationship may be terminated. Furthermore, FWF encourages Schöffel to continue its efforts towards mitigating root causes of overtime and try to demonstrate that the Schöffel's measures led to reducing overtime. FWF lastly recommends Schöffel to continue their work on living wages through the FWF incubator, and to start raising wage levels based on their work at its pilot factories.

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.	84%	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.	4	4	0

Comment: In 2017, 84% of Schöffel's production volume came from factories where they buy at least 10% of production capacity. This is almost the same percentage as the previous year.

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.	14%	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.	2	4	0

Comment: Schöffel sourced 14% of its products from production locations where it buys less than 2% of its FOB. This is a decrease by 8% compared to last year. The decrease was achieved by reducing the number of agents Schöffel is sourcing from, focusing on core styles, analysing the factories production portfolio and supporting suppliers to shift production in case of capacity issues at the factory.

Recommendation: FWF recommends Schöffel to keep consolidating its supply base by limiting the number of suppliers in its 'tail end'. 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. FWF advises to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

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.	40%	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: Schöffel aims to achieve long term, stable relationships with its suppliers. However the production volume coming from factories which Schöffel works with for at least five years dropped from 59% in 2015 to 40% in 2016. In 2017, Schöffel was able to maintain 40%. The main reasons for the stabilization were the onboarding of new suppliers and important suppliers using new production locations and some of the oldest suppliers received less orders.

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: Schöffel could show it collected all questionnaires from its new production locations in 2017.

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: In 2017, Schöffel has set up a new 'on-boarding' process for new production locations. Following the process is mandatory for all new production locations since last financial year.

The process is divided in 2 parts:

1. Contact with potentially new partners: Partners are usually main offices with production sites in one or more countries. All potentially new partners receive information regarding Schöffel's expectations concerning CSR, quality and procurement requirements. All documents need to be returned signed by the partner. In case the partner has production sites at different production countries, a decision whether to produce in a certain country considering labour standard risks (e.g. FWF country studies) is taken at this stage. Possible existing audit reports from possible new production sites are also requested with the partner.
2. Contact with the potentially new production sites: Factory information is sent with all technical details relevant to production for Schöffel. The production site needs to sign the FWF questionnaire and if done is visited by Schöffel staff who fills in the FWF Health and Safety checklist. Only when the visit report and information from the factory is checked and approved by the CSR team, test orders can be placed from a new production site at this stage. If the test order works out well, production is approved.

In 2017, Schöffel sourced at 17 new production sites. Sourcing first time in Myanmar was part of the reason to develop this systematic 'on-boarding' process. Except of one production site at which production started in early 2017, the other production sites followed the new procedure and hence proofed the system to function. To have the 'on-boarding' system included in the database / technical in-house systems at Schöffel is planned for 2018.

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: Schöffel has developed an elaborate system in 2014 to evaluate supplier performance regarding aspects such as quality, pricing and CSR. This tool has helped Schöffel to increase meaningful discussions among different departments concerning the performance of their suppliers. The evaluation of suppliers takes place twice a year and leads to awarding the best rated supplier. Suppliers are informed about their rating (also compared to other suppliers Schöffel's production sites) and encouraged to improve on their performance. In comparison to previous years, the share of importance of CSR in comparison to the total calculation of the supplier performance was raised from 15% to 20% in 2017. This gives CSR issues more weight in comparison to quality and pricing.

In case the supplier receives a low rate in the supplier performance, the production site is informed and visited to discuss how the production location can improve its performance, if production can go on and whether there is a future in cooperation. Schöffel informs suppliers long before phasing out or ending the relationship giving detailed information of reasons why to reduce and eventually stop production.

Recommendation: FWF advises Schöffel to define its due diligence and exit procedure and communicate transparently to suppliers about these processes. FWF has published responsible exit guidelines beginning of 2018.

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: Production time is calculated together with the supplier including extra time for e.g. development of the product, delivery time for fabric, production and transportation time. Starting in 2016, there was an initial production planning per style which the factory received and had to give feedback on. Discussions then took place until reaching an agreement with a final planning. Schöffel analyses peak and low seasons of its suppliers and places orders for never-out-of-stock articles partly during low production season.

Schöffel works continuously on possibilities to decrease production pressure on the factory and shares forecasts and orders as soon as possible. This ideally enables the supplier to produce in lower season. Most productions sites are regularly visited by a Schöffel technician during production for quality control and to coordinate smooth production processes. When sharing forecasts, the supplier is explicitly notified that production planning and final production and delivery agreements need be reachable in regular working hours (without overtime hours).

Internal delivery analysis shows that up to 50% of the products are delivered late (up to 2.5 months). In such cases delivery of agreed production is split and whatever is possible sent early and/or different transport means are used. Depending on who (production site or Schöffel) is the main cause for changing the transport means, the responsible covers the cost.

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: Almost all audits conducted in 2017 included findings on excessive overtime. The internal delivery analysis (described in indicator 1.6) is used in case audit reports show that excessive overtime was found. Schöffel closely monitors the issue and researches root causes of overtime, by talking to each factory. Schöffel tries to support factories in doing a better production planning even though some suppliers are not open to discussion. In general, Schöffel is flexible with delivery dates and also allows suppliers to deliver and invoice goods earlier. Schöffel noticed that in comparison to several years back, the lead time for production is much longer nowadays.

Recommendation: FWF encourages Schöffel to continue its efforts towards mitigating root causes of overtime and try to monitor working hours. If necessary, Schöffel could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier.

FWF also 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's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0

Comment: Schöffel started to use costing sheets approximately 4 years ago. Schöffel uses costing sheets for all products showing costs for material, labour and factory profit margin as well as working minute per piece. Even though it is hard to know the detailed cost break-down of CMT, it already provides indications that the company can use to pay prices that support the payment of better wages. Since last year finally all suppliers shared their cost split in detail. According to Schöffel it needs time to convince suppliers to be open about the cost.

One challenge that remains is the elaboration of labour cost per minute for all production sites in order to understand the efficiency of the factory and also to be able to increase the knowledge on labour cost per product without overhead labour costs. For some factories Schöffel is under the impression that the factory management themselves don't know.

To ensure that workers receive at least minimum wages, labour costs are cross-checked with wage ladders of FWF audits.

Recommendation: FWF recommends Schöffel to keep its efforts to increase knowledge on labour costs per product without overhead labour costs.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

Comment: In several production locations audited in 2017, failure to pay legal minimum wage was found. Based on these outcomes Schöffel followed up with these suppliers to discuss the issue of minimum wage. In some cases, this was resolved successfully, but a challenge for Schöffel remains that FWF recommends to pay minimum wage where sometimes the law allows payment below minimum wage e.g. during probation time.

In case the CSR staff travels, pay slips are asked for to encourage exchange with the supplier on wages on a constant basis.

Recommendation: FWF recommends collecting information of workers which are paid below minimum wage because of in-country laws. FWF advises Schöffel to regularly check with workers in order to make sure that the system is not exploited by continuously hiring new staff or keeping staff under probation period longer than legally allowed.

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 evidence of late payments to suppliers by Schöffel was found during the last financial year.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

Comment: Schöffel continuously analyses wage levels of their suppliers based on the FWF wage ladders and their own costing sheets. Within the living wage incubator, Schöffel together with 2 other FWF member brands analyzed wages at 2 factories in Vietnam owned by the same partner. In 2016, living wages studies and an evaluation of living costs in Vietnam were made. Schöffel created a benchmark of factories in each production country; it compared figures of the FWF wage ladders and wages paid without overtime found in audit findings of the respective production locations.

Based on the work in 2016, Schöffel helped the production sites to establish worker representation, analysed average cost of workers and their families per month, defined a target wage, analysed the current wage levels and calculated the difference between the current and target wage in 2017. Schöffel now knows by how much it should raise the wage for all workers and discussing this with the management of the pilot factories. Schöffel has also invested into analysing efficiency in production comparing different countries with each other.

In general, Schöffel considers the analysis of wage levels during price negotiations, but does not systematically use it to work towards higher wage benchmarks and could not show that they have revised its pricing policy to support living wages yet.

Recommendation: FWF recommends Schöffel to continue their work on living wages through the FWF incubator, and to start raising wage levels based on their work at its pilot factories. Schöffel should also revise its pricing policy systematically in order to move to a higher benchmark.

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

PURCHASING PRACTICES

Possible Points: 44

Earned Points: 32

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	95%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	4%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	Yes	
Total of own production under monitoring	99%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% Measured as a percentage of turnover.

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

Comment: Schöffel has staff designated to follow up on problems identified in the monitoring system at the head quarter. Schöffel has an office in Vietnam since 2017 and has hired two local staff to support quality control and social compliance.

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: Schöffel used audit reports that are results of "own audits" of another FWF member. Those were counted as "external audits" which are assessed in the indicator 2.6.

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: Before sharing the audit results, the CSR manager adds comments and improvement timelines in the Corrective Action Plans. Audit reports and Corrective Action Plan findings are then shared with factory. In most cases the FWF audit team time frame is used but sometimes the factories suggest deadlines that seem more realistic to them. Corrective Action Plans are not yet shared with worker representatives in detail, but Schöffel staff talks to worker representatives if possible when visiting production sites.

Recommendation: In case worker representation is present, FWF recommends Schöffel to share the CAP in detail with worker representatives and involve them in setting the timeframe for realising improvements.

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: Schöffel has a robust system in place to follow up on Corrective Action Plans. Schöffel asks their suppliers to send pictures or documents to confirm improvements; quality control staff checks improvements on site, where possible. More complex and structural findings are discussed when suppliers are in Europe or during factory visits. Next to CSR staff, top management is frequently involved in discussions. Schöffel also actively asks their suppliers to involve worker representatives where possible.

In 2017, Schöffel followed up on CAPs and could show FWF improvements made by some factories on several issues where verification audits took place. The growing team in Vietnam also supports the follow up of CAPs. A bachelor thesis student was hired at head quarter to prepare a handbook for local staff (with technical product quality background) to learn how to work on social standards including the soft skills needed in communication.

Recommendation: To facilitate remediation, Schöffel could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organize supplier seminars.
- Provide factory training.
- Share knowledge/material.
- Providing financial support to the supplier for implementing improvements.

Involving worker representatives remains a challenge and is recommended to work more actively on in the coming years.

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.	81%	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: In 2017, 81 percent of production volume from production locations has been visited by Schöffel which is a decrease in comparison to last year (89%).

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Schöffel collects existing audit reports or commissions audits where FWF does not have audit teams, assesses the audit quality and supports remediation. These audits account for 19% of Schöffel's monitoring threshold.

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.	5	6	0
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	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: Schöffel analyses common risks for their sourcing countries and products using information provided by FWF (country studies, stakeholder information) as well as other NGOs.

Myanmar:

Schöffel's 'on-boarding' process (described in indicator 1.4) was established because of Schöffel's start of production in Myanmar in 2017. Since then, new production sites in Myanmar have stricter requirements according to FWF's extra requirements for the country. Schöffel could show that each production site in Myanmar was checked against the FWF requirements for sourcing in the country. Country studies from FWF and other organizations were studied in detail. Thinking of production in Myanmar, Schöffel has explicitly checked with other FWF members and their production locations in that country seeking for cooperation on social standards.

Turkey:

Suppliers in Turkey have been informed about FWF's guidance on risks related to Turkish garment factories employing Syrian refugees. One supplier participated in FWF's supplier seminar.

Italy:

One production site of Schöffel is in Italy. The risk of migrant workers employed at this production site was checked. As the production site is small and employs 26 employees only. Products are high-tech and the location is outside of areas known for hiring migrant workers.

Vietnam:

As almost 60% of its production is sourced from Vietnam, Schöffel invested in a local office to track and follow-up on risks of their Vietnamese production locations. Schöffel specifically mentioned the risk of reduced capacity at their current suppliers due to an influx of Korean orders.

China:

Approximately 10% of Schöffel's production in 2017 comes from China. Amounts have been reduced due to relatively high costs in China nowadays. Schöffel faced subcontracting issues in China and hence increased its travels to the country to double check on the ground.

Recommendation: FWF recommends Schöffel to keep track of the risks resulting from reduced capacity at their main suppliers in Vietnam and how this could affect their current sourcing strategies.

FWF advises Schöffel to inform and monitor their Turkish suppliers on the topic of employing Syrian refugees.

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: Whenever possible, Schöffel actively shares audits and CAPs follow-up with FWF members and other customers.

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.	Member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

Comment: Approximately 4% of Schöffel's production sites are in low-risk countries. One new production site in Germany was not visited yet in 2017 but is on the plan to be visited in the coming financial year. Apart from that all other FWF low-risk requirements were followed up including signing FWF's questionnaire and posting FWF's CoLP.

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

Comment: For its three licensees (in Japan, Taiwan and UK; UK being the biggest), Schöffel could show the collected signed questionnaires. The licensees also sent audit reports concerning production of their other brands and shared the production locations with Schöffel. They must fulfil Schöffel's requirements which apply to their own production and closer monitoring will be implemented in the future. Until now licensee production sites are not in the FWF supplier database and not visited by Schöffel staff.

MONITORING AND REMEDIATION

Possible Points: 33

Earned Points: 30

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	4	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	2	
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: Schöffel has a designated person to follow up complaints. It has a policy describing the procedure to follow up complaints.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place to check that the Worker Information Sheet is posted in factories.	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	0

Comment: Schöffel collects and files pictures of the posted Worker Information Sheet in a systematic manner. Additionally, the posting of the CoLP is always checked during factory visits.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	50%	The FWF complaints procedure is a crucial element of verification. If production location based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	3	4	0

Comment: Schöffel has involved more of its production sites in Workplace Education Training (12 in total). Audits findings and trainings showed that at 50% of FWF audited production locations, at least half of workers were aware of the worker helpline.

To ensure each worker reads the CoLP, Schöffel recommends to its suppliers to provide the worker information sheet to each worker and have them sign that they read the document. Schöffel experienced that workers often still don't know of FWF grievance mechanism and worker helpline even after the training. Therefore, CSR is a constant discussion point when visiting the production sites. If possible, worker representation is included in such meetings.

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: Schöffel received four complaints in 2017 and followed-up according to the FWF Complaints Procedure. Three additional complaints came from a production site at which Schöffel started production only after the complaints had been received. These complaints were already handled by another FWF member.

Schöffel cooperates with factories' managements to discuss the ongoing complaints and remediation. Visits have been made at the production site and the content of the complaint discussed. If needed, production locations were enrolled in training activities.

Recommendation: FWF encourages Schöffel to continue its root cause analysis of complaints and prevention of these causes in a systematic manner.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	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.	2	2	0

Comment: Schöffel actively cooperated with other FWF members at shared factories.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 11

4. TRAINING AND CAPACITY BUILDING

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

Comment: Schöffel has an intranet where the company continuously informs all staff about FWF membership where updates on CSR are shared. Furthermore, Schöffel makes use of press releases, social media and its blog to inform its staff. New staff is trained on FWF membership when they start to work at Schöffel.

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: The CSR person has regularly participated in FWF-seminars, e.g. annual conferences, living wage incubator meetings and webinars. Once a month the Head of Production and the Head of Quality/CSR meet to discuss the main updates regarding FWF and its requirements.

Furthermore, purchasing and quality assurance staff in particular got internal training on the FWF requirements and the FWF CoLP. All staff from Schöffel travelling to suppliers have meetings with QA and CSR department prior to the visits and have to use Schöffel's CSR evaluation. Mainly technicians from QA department, local staff, CSR and Schöffel's procurement staff are visiting the factories and therefore informed about the FWF requirements. They have to fill out a special CSR-questionnaire. In addition, every internal person who visits production facilities has to fill out and return the FWF health and safety sheet.

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: In 2017, Schöffel sourced with the help of one agent from Turkey. Although Schöffel sources via the factory itself and also pays the factory for the orders directly, the agent helps Schöffel with its communication with the factory. The agent has been informed about FWF membership requirements. The agent has signed the Code of Labour Practices. The agent is also travelling to the production sites and supports the CoLP implementation.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	66%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	6	6	0

Comment: 66% of the production locations by production volume in countries where FWF offers its Workplace Education Programme participated in the training.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location participation in trainings (where WEP is not offered; by production volume)	0.04%	In areas where the Workplace Education Programme is not yet offered, member companies may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0

Comment: In 2016 and 2017, Schöffel offered a training with several series to its Ethiopian factory but the supplier felt that the production location should focus on improving production and quality processes in the new factory and not best practices related to labour standards. Therefore, FWF cannot count the trainings from these locations.

In 2017, two suppliers from Myanmar participated in the SMART compliance Academy. Since they relate to best practices of labour standards this training is accepted by FWF. However, these production locations account for only 0.04% of total production volume in 2017.

Recommendation: All factory workers and management should be informed about FWF, labour standards and grievance mechanisms. In order to improve further communication between employers and workers in the workplace FWF recommends Member companies to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participation should be balanced and representative.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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: Schöffel staff visits the production locations regularly. The staff also does a systematic double check of documents like the FWF questionnaire, supplier register, financial records and inspection reports from different departments like purchasing, logistics, quality and CSR. This helps to reduce the risk of unknown subcontracting.

In addition, Schöffel exchanges experience on subcontracting with other FWF members on subcontracting issues. If needed, local staff in Vietnam is sent to possible subcontracting sites to double check on the ground. This also allows German QA staff to focus more on double checking in other countries.

As of 2017, Schöffel's framework contracts with suppliers prohibits subcontracting without prior agreement and could lead to termination of the contract.

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: All staff in direct contact with suppliers can access information and files (such as questionnaires) about the production locations, on the company's server or in their information system. The production team can thus check if all requirements are met before they can place new orders at one production location. Twice a week there is a meeting with Production, Quality and CSR teams to share production locations' orders and social compliance updates.

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: Aside from information on Schöffel's social media channels, brochures / look books / press releases, external representations and consumer events, the company communicates about FWF membership on its garments, thanks to its Leader status.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Production locations are 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 link to Schöffel's Brand Performance Check is on its website. Schöffel's list of production locations is released in the company's Social Report (printed and online in both German and English).

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

Comment: Schöffel published its Social Report, in English and German, in printing, on its website and social media channels after submitting it on time to FWF.

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 Head of Logistics and Production, which responsibilities include Quality/CSR, is member of Schöffel's board. Once a month a meeting between the board and all departments' directors takes place and includes FWF membership requirements. The outcomes are then shared within all departments. FWF requirements are seen as most important when looking at sustainable efforts at the company.

Twice a year the CSR strategy is updated in special board meetings. In addition, top level management travels to all suppliers once a year to discuss, amongst others, FWF topics.

One of Schöffel's strategic goals is to maintain FWF leader status in order to differentiate and perform better than its competitors on the market. Schöffel considers activities within FWF membership as part of the so-called 'Schöffel DNA'.

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.	100%	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.	4	4	-2

Comment: Last year, Schöffel had one requirement related to chapter 2 in general. In the tail end of Schöffel's supplier base, FWF required Schöffel to ensure it audits all production locations that are responsible for over 2% of production and production locations where Schöffel is responsible for over 10% of the location's production capacity. This has been successfully done in 2017.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

Following up printing and embroidery sites in the database is difficult due to the structure of the database. Schöffel asks FWF to ensure a clear overview is given if printing and embroidery sites are additionally included.

Schöffel is highly interested in having audit reports and especially Corrective Action Plans in a database to allow smoother follow up of corrective actions especially at shared production locations.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	32	44
Monitoring and Remediation	30	33
Complaints Handling	11	15
Training and Capacity Building	11	15
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	103	126

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

82

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

05-06-2018

Conducted by:

Jesse Bloemendaal, Stefanie Santila Karl

Interviews with:

Peter Schöffel (CEO)

Georg Kaiser (Division Manager Procurement & Logistics)

Martina Beckmann (Head of Purchasing)

Gabi Gorkos (Team Leader Purchasing)

Marco Tenace (Head of Quality Assurance / CR)

Adele Kolos (Corporate Responsibility Manager)

Barbara Gundling (Bachelor)

Karoline Rettig (Head of Marketing)