



Brand Performance Check

SANDQVIST Bags and Items AB

Publication date: November 2021

This report covers the evaluation period 01-01-2020 to 31-12-2020

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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

This years' report covers the response of our members and the impact on their supply chain due to the Covid-19 pandemic which started in 2020. The outbreak of the Covid-19 pandemic limited the brands' ability to visit and audit factories. To ensure the monitoring of working conditions throughout the pandemic, Fair Wear and its member brands made use of additional monitoring tools, such as complaints reports, surveys, and the consultation of local stakeholders. These sources may not provide as detailed insights as audit reports. To assess outcomes at production location level, we have included all available types of evidence to provide an accurate overview of the brands' management systems and their efforts to improve working conditions. Nevertheless, brands should resume verifying working conditions through audits when the situation allows for.

Brand Performance Check Overview

SANDQVIST Bags and Items AB

Evaluation Period: 01-01-2020 to 31-12-2020

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	2016-02-29
Product types:	Outdoor products;Bags;Accessories;Luggage & other travel accessories
Production in countries where Fair Wear is active:	India, Viet Nam
Production in other countries:	NA
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	83%
Benchmarking score	50
Category	Good

Summary:

Sandqvist has shown good progress on performance indicators. With a benchmark score of 50 which meets the benchmark score required of brands in 3+ years of membership and a monitoring threshold of 83%, Sandqvist is placed in the "Good" category.

Corona Addendum:

The brand's business was severely impacted in March 2020 due to markets in Europe being affected by COVID-19, customers canceling orders. This meant that the brand had to work on cost-saving initiatives - let go of some staff, cancel 50% of its orders (both) that were planned and in production stages. From the start of the pandemic, Sandqvist contacted its suppliers every week to learn more about the situation at the factories, review job losses, wage payments, health & safety measures. At the same time, the brand's sustainability manager left the company, and the responsibilities of the position were partially managed by other internal teams. Hence, the brand's follow-up on working conditions at suppliers was minimal after June 2020.

The brand paid suppliers for costs incurred for procuring raw materials for orders canceled. But Sandqvist has not explicitly evaluated the impact of its order cancellation on suppliers and workers, which was also due to limited resources at the brand (with the sustainability manager position being vacant). At the same time, the brand's suppliers have in general indicated that reduced orders have impacted their business and requested improved orders (in email communication with the brand). Sandqvist has not done a systematic evaluation or had structured engagement with suppliers on COVID-19 impacts. Hence, the brand has also not identified areas that might have needed specific follow-up or remediation.

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.	17%	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.	1	4	0

Comment: In 2020, Sandqvist bought 17% of its production from production locations where it buys at least 10% of production capacity.

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.	0%	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.	4	4	0

Comment: Sandqvist maintains a consolidated supplier base and at one production location, the brand buys less than 2% of its total FOB. This is a new production location, where the brand intends to increase production in 2021.

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.	17%	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.	1	4	0

Comment: Over the last few years, the brand has grown and expanded its product base. At the same time, the brand has also increased its CSR and quality requirements. This required the brand to both exit and add new suppliers in the last few years. Currently, the brand has one main supplier in India where the years' relationship exceeds five years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: Sandqvist collects signed questionnaires with the Code of Labour Practices in a systematic manner. All new production locations have signed and returned the questionnaire.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Intermediate	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	2	4	0

Comment: The brand has a small number of suppliers and only sources in India and Vietnam. For each potential supplier, the brand's Sustainability Manager (for locations in India) or the agent (for locations in Vietnam) first checks if the supplier is participating in the ILO Better Work programme and requests the supplier for recent third-party audit reports (if any). Sandqvist reviews the audit results and corrective action plans. This is followed by a visit to the factory and the supplier is selected only if there is a demonstrated effort to implement measures for improvement on the audit findings. The Sustainability Manager is aware, stays updated on Country-specific risks (and documents them, at country and supplier level) and no orders can be placed at a new supplier without the approval of the Sustainability Manager. In 2020, the brand added one new production location in Vietnam, for which this process was followed.

From the start of the pandemic, Sandqvist contacted its suppliers every week to learn more about the situation at the factories, review job losses, wage payments, Health & Safety measures. It is however important to note that the Sustainability Manager was only available until June of 2020. Thereafter, the responsibilities of the position were partially managed by other internal teams and follow-up on working conditions at suppliers was minimal. Although the brand is aware of guidance offered by Fair Wear yet could not actively use the information to engage with suppliers due to resource limitations.

The brand did not exit any suppliers in 2020 but moved production locations within the same suppliers/ a new factory setup but the same supplier in India.

Requirement: Members are required to conduct a risk assessment of the impact of COVID-19 on its suppliers, identifying the most urgent issues per supplier.

Recommendation: Over the years Sandqvist has set up a robust process and approach to work on Human Rights Due Diligence. With the Sustainability manager leaving, and the position not being replaced by a dedicated person/ team, the brand risks losing years of work and momentum on progress made. Fair Wear strongly encourages the brand to consolidate learning, and dedicate resources towards Human Rights Due Diligence in its supply chain.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0

Comment: Sandqvist has implemented a supplier evaluation and rating system where the suppliers are monitored on various parameters covering the size of orders, competence, quality, delivery, prices, reliability, communication, and working conditions. The scores range from 1 (lowest) to 5 (highest) with supporting descriptive performance-related information (score justification) documented by the concerned teams. The evaluation is done two times a year, after every season, in discussion with the CEO, buying, design, production, logistics teams. Clear action points are developed and the feedback is shared with suppliers, especially those who score less than 3, to work with them on steps for improvements. In 2020, this evaluation was done only one time, for the spring-summer collection. The brand is not able to reward suppliers with additional orders as the orders are defined by sales figures and each supplier works on specific and different styles. The brand uses the results of the evaluation system to engage and support suppliers with low scores to encourage them to address issues. If no change is seen in the long-term the brand works on a phase-out strategy, as a last resort.

The brand's business was severely impacted due to COVID-19 and had to cancel 50% of its orders, both that were planned and in production (raw materials procured by the supplier) stages. The brand engaged closely with suppliers to work out a solution - the brand paid suppliers for costs incurred for procuring raw materials for orders canceled. The brand has not explicitly evaluated the impact of its order cancellation on suppliers and workers, which was also due to limited resources at the brand (with the sustainability manager position being vacant). At the same time, the brand's suppliers have in general indicated that reduced orders have impacted their business and requested improved orders (in email communication with the brand).

Recommendation: Order cancellations should be treated as a last resort. In case of order cancellation, the member should take the necessary precautions to ensure it does not have an adverse impact on workers, following Fair Wears 'A quick reference tool'. The suppliers need to be fully compensated for the costs already made.

The brand could discuss innovative solutions with its suppliers to ensure stable employment, such as expanding the product range into health gear or focusing on styles that are bestsellers in the member's webshop.

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

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

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

The brand's suppliers in India faced lockdowns, at the same time the brand also had to reduce orders. The brand could not discuss the reduction of winter orders in advance (as they were already in production stages) but could inform suppliers in advance about reduced spring orders.

Recommendation: The member needs to actively inquire if and how COVID-19 has impacted the suppliers' production capacity and take this into account in its production planning.

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: Fair Wear audits conducted at two production locations, one in India and another in Vietnam did not indicate the presence of excessive overtime. The brand was in dialogue with the factory at all times regarding the status of orders, how the factory was responding to lockdowns related delays. The brand's suppliers in India informed that they received special government permits to partly open facilities and suppliers organized transport for workers. The brand faced significant production delays which did not impact the brand earlier in the year when their customers also canceled orders. But later in the year, the brand was not able to respond to customer demands due to a lack of stock. The brand has not explicitly checked with the supplier on the impact of lockdowns and if suppliers needed to work overtime.

Recommendation: With a high risk of excessive overtime in its supply chain due to the COVID-19 pandemic, the member needs to monitor suppliers more actively on excessive overtime. SANDQVIST should have collected information on whether the replacement of orders due to COVID-19 led to excessive overtime.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

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

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

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

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

Some scenarios where prices are renegotiated or changed are:

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

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

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

Fair Wear recommends Sandqvist to actively approach one or more suppliers to work with the available tools of the living wage toolkit. Fair Wear can support a supplier with a support visit if needed.

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.	No	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.	-2	0	-2

Comment: Over the last 2 years, complaints and audits at one supplier of the brand in India have indicated issues with the payment of legal minimum wages. The brand's production has moved to another unit of the same supplier company, which the supplier offered as a solution to ensure payment of legal minimum wages. At the same time, during the pandemic, specifically for suppliers in India who faced lockdowns, the brand did not verify if the legal minimum wage was paid with the necessary documentation and neither reviewed whether the governmental support (if any) added up to the legal minimum wage amount.

Requirement: In case the member cancels orders due to COVID-19, it needs to ensure minimum wages continue to be paid. Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

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: The member has made payments for invoices submitted within agreed timelines.

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

Comment: For the Indian suppliers where the brand has good leverage, the brand is aware of the Labour Minute Values and Labour Costs for every style. For two styles the brand has done a detailed analysis to understand price levels needed to pay a living wage.

In 2019, Sandqvist developed a 5-year plan to address living wages, as below:

2020: Conduct a feasibility study and initiate pilot project for living wage implementation at CMT level.

2021: Evaluate pilot project and set plan for upscaling efforts to increase wages at CMT level.

2025: The majority of products sold by Sandqvist should be produced in CMT factories where workers earn a living wage for making Sandqvist products.

The member's efforts to address living wages in 2020 were limited as issues pertaining to keeping the business afloat during the pandemic took priority. At the same, time the brand had to cancel and reduce orders, and suppliers indicated (in audits)that they were unable to engage on living wages unless stable orders are guaranteed.

Recommendation: Sandqvist must assess the root causes of wages that are lower than living wages, taking into account its leverage and the effect of its own pricing policy. The brand 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.

As a next step, Fair Wear encourages Sandqvist to discuss with suppliers in India where they have good leverage, about different strategies to work towards higher wages. Fair Wear encourages the brand to involve worker representatives when defining a target wage and approach to 'getting the money to workers'.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	None	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	0	6	0

Comment: Sandqvist has not decided on a specific living wage benchmark and is yet to define a target wage and increase wages at the suppliers.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	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

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

Purchasing Practices

Possible Points: 52

Earned Points: 20

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	83%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.		
Member meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total monitoring threshold:	83%	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 Sustainability Manager is responsible for following up on problems identified by the monitoring system. In the absence of the sustainability manager from July 2020, the responsibilities were managed by the product team.

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: 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: In 2020, Fair Wear audit was conducted at a supplier in India and Vietnam. The audit report and CAP were shared in a timely manner.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	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: In 2020, Fair Wear conducted audits at two supplier locations - in India and Vietnam. Both the audits were conducted at end of the year, offering limited time for the brand to demonstrate follow-up in 2020. At the same time, the brand was also struggling with limited resource capacity (without a dedicated sustainability manager in that period).

The brand could demonstrate some follow-up on COVID-19 risks related to job and wage losses, arrangements for safe work when factories reopened from lockdowns for the period until June 2020. But with the sustainability manager's role not fully covered, the brand did not take proactive measures to identify and address COVID-19 risks in the supply chain in the second half of the year.

Requirement: Resolving and remediating non-compliances is one of the most important criteria member companies can do towards improving working conditions. Fair Wear expects Sandqvist to examine and support remediation of any problem that they encounter. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

Issues related to COVID-19 should not be considered solved without adequate verification.

Recommendation: The member should take steps to remediate CAP findings and regularly check in with suppliers on the status and developments.

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.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2020 for all Fair Wear members.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	No existing reports/all audits by FWF or FWF member company	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	N/A	3	0

Comment: While the brand does collect existing audit reports from suppliers, mainly uses Fair Wear audits for monitoring.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average insufficient result on relevant policies	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.	-2	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Insufficient			-2	6	-2

Comment: For India, the brand is aware of the risks of young workers being employed in mills. The brand has visited its spinning mills in the last 3 years and also moved production to mills where workers come from nearby residential areas lowering the risk of young workers being employed through the 'sumangali' scheme. That apart the brand has been engaging with its CMT suppliers to address issues of minimum wage, and management systems.

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

These initiatives have been taken over the last few years by the sustainability manager to address risks in the supply chain, until June 2020. At the same time with the sustainability manager leaving and the position not being replaced, the brand was not able to demonstrate the continuation of these efforts for the second half of the year.

COVID- 19

Suppliers informed the brand about Health & Safety measures at factories, but the brand has not verified them. While the brand has been in frequent contact with its suppliers in relation to COVID-19, Sandqvist has not done a systematic evaluation or had structured engagement with suppliers - on Health & Safety risks and the impact of order cancellations on the workers. Hence, the brand has also not identified areas that might have needed specific follow-up or remediation.

Requirement: The brand's monitoring system should identify and address high-risk issues that are specific to the member's sourcing practices. Fair Wear provides policies and country-specific requirements to member companies. Priorities in remediation efforts are guided by these policies. The member must verify what OHS measures its suppliers took in response to COVID-19.

Recommendation: Knowing the country-specific risks facilitates the starting point for discussing this with suppliers. Member companies can agree on additional commitments that are required to mitigate risks. Over the years the brand has achieved good progress. Fair Wear strongly encourages the member to ensure that it allocates necessary resources to continue working on addressing supply chain risks.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Sandqvist is engaging with another Fair Wear member on the 2020 audit at one supplier in Vietnam. The brand also collaborates with a non-Fair Wear member to support remediation efforts at one supplier in India. With the sustainability manager leaving and the position not being filled, these activities have been paused after June 2020.

Recommendation: Fair Wear recommends Sandqvist actively participate in joint follow-up actions. Even though one brand commonly takes the lead it is important to be kept informed of the status in order to be aware of required implementation steps before communication with or visits to the factory.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	No production in low-risk countries	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. 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.	N/A	2	0

Member undertakes additional activities to monitor suppliers.: N/A (N/A)

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

Comment: One supplier in Vietnam which is a tail-end supplier for the brand has not been audited in the last three years.

Recommendation: Fair Wear encourages members to go beyond the minimum required monitoring threshold and rewards members who audit production locations in the tail end as well to mitigate potential social compliance risks.

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

Monitoring and Remediation

Possible Points: 20

Earned Points: 10

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.	5	
Number of worker complaints resolved since last check.	3	

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 Sustainability Manager is responsible for following up on complaints. In the absence of the sustainability manager from July 2020, the responsibilities were managed by the product team.

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: During the factory visits (generally at least once a year) the Sustainability Manager checks if the Worker Information Sheets is posted, and documents them.

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.	0%	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.	0	6	0

Requirement: Fair Wear requires members to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline. Sandqvist should ensure good quality systematic training of workers and management on these topics. To this end, members can either use Fair Wear's Workplace Education Programme (WEP) basic module, or implement training related to the Fair Wear CoLP and complaint hotline through service providers or brand staff. Fair Wear's guidance on training quality standards is available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: In 2020, four complaints were received on the Fair Wear complaints hotline, pertaining to one supplier in India, relating to Living wage and legally binding employment relationship. The brand could demonstrate follow-up on these complaints. All four complaints have been closed due to either worker indicating they did not want to pursue the complaint in worry of retaliation or the brand's production moving to another unit of the same supplier. At the same time, the brand has not been able to demonstrate any mitigation and preventive measures relating to supplier-specific risk factors (in this case, implementation of CoLP).

Recommendation: Fair Wear recommends that the brand assess supplier-specific risk factors, uncover the root causes of complaints and take necessary mitigation and prevention measures.

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

Complaints Handling

Possible Points: 15

Earned Points: 6

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

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: During weekly team meetings, relevant information is brought up by the Sustainability Manager. That apart, when traveling together with the sustainability manager, product teams/ buyers join discussions with the supplier on Fair Wear requirements. In general, twice a year (every season) a supplier evaluation is done by the team and the results are discussed.

Much of the above activities were impacted due to limited resources at the brand with the sustainability manager only being available till June 2020.

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: Sandqvist works with one agent in Vietnam who has participated in a Fair Wear audit in the past. The agent plays an important role in sourcing and is involved in CAP follow up, joins the Sustainability manager for meetings to review the CAPs and conducts the Health & Safety Checks at production locations.

Recommendation: Fair Wear encourages that the brand informs agents about the FW COVID-19 guidance and ensure agents are enabled to monitor the impact of COVID-19 on suppliers.

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.	4%	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.	1	6	0

Comment: One supplier of the brand in Vietnam participated in Fair Wear WEP communication training in 2019.

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: The brand has not discussed the outcomes of the communication training sessions with the supplier.

Requirement: Fair Wear requires Sandqvist to discuss the outcome of advanced training with their supplier and agree on the next steps such as regular dialogue or committee meetings.

Training and Capacity Building

Possible Points: 13

Earned Points: 6

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: Sandqvist reiterates both in the contract and during supplier visits that no production can take place at locations that have not been approved by the brand. In Vietnam, this is checked by in-line inspections for all production by the agent. In India, the brand has production throughout the year, hence while in-line inspections are not always possible, the brand visits every supplier at least 3-4 times a year and also conducts third-party quality inspections to check production at the specified production location. The brand tries to invest a lot of time and effort in production line inspections to catch irregularities that can indicate subcontracting.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: Information pertaining to working conditions at production locations is shared with relevant staff in the weekly meetings by the sustainability manager till June 2020. Later this role was managed by the product team in coordination with the CEO.

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	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: The brand communicates about FWF membership through different channels like - Instagram, facebook, in stores, press releases etc.

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: The brand has disclosed 100% of factories to other Fair Wear members in FairForce and on the Fair Wear website.

Recommendation: Fair Wear recommends Sandqvist publish one or more of the following reports on its website: the Brand Performance Check report, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the member and Fair Wear's work.

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: The brand has submitted and published a complete and accurate sustainability report on its website.

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

Comment: The CEO kept aware of developments and issues as when they happen through meetings and discussions.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, 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.	N/A	4	-2

Comment: The brand had two requirements in the last check pertaining to setting, financing, and paying living wages at supplier locations. No progress has been made on these requirements due to limited resources and the impact of COVID-19 on the business. This indicator is not applicable in 2020 for requirements on 1.13 and 1.14, hence has been marked N/A.

Recommendation: 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 mentioned in the last Brand Performance Check.

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

- 1) Offer guidance on holistic remediation to complaints
- 2) COVID-19 guidance and documentation was overwhelming, brands found it hard to locate relevant information.
- 3) Incorporating COVID-19 within the existing indicator is good.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	20	52
Monitoring and Remediation	10	20
Complaints Handling	6	15
Training and Capacity Building	6	13
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	57	115

Benchmarking Score (earned points divided by possible points)

50

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

18-10-2021

Conducted by:

Supraja Suresh

Interviews with:

Caroline Andersson, CEO

Emma Guttormsen, Product Manager

Karin Iseman, Consultant