



# BRAND PERFORMANCE CHECK

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Triaz GmbH

PUBLICATION DATE: SEPTEMBER 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

## 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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# BRAND PERFORMANCE CHECK OVERVIEW

Triaz GmbH

Evaluation Period: 01-01-2016 to 31-12-2016

| MEMBER COMPANY INFORMATION   |  |
|--|--|
| Headquarters:  | Freiburg im Breisgau, Germany  |
| Member since:  | 01-09-2011   |
| Product types:   | Fashion  |
| Production in countries where FWF is active:   | Bulgaria, China, India, Macedonia, Republic of, Tunisia, Turkey                    |
| Production in other countries:   | Bosnia and Herzegovina, Czech Republic, Germany, Lithuania, Poland, Spain, Ukraine |
| BASIC REQUIREMENTS   |  |
| Workplan and projected production location data for upcoming year have been submitted? | Yes  |
| Actual production location data for evaluation period was submitted?                   | Yes  |
| Membership fee has been paid?  | Yes  |
| SCORING OVERVIEW   |  |
| % of own production under monitoring   | 96%  |
| Benchmarking score   | 79   |
| Category   | Leader   |

## Summary:

Triaz has shown advanced results on performance indicators and has made exceptional progress. Triaz has monitored 96% of its own production locations, which meets FWF requirements – 80% for members in their 3rd+ year of membership.

Sustainability and social compliance are a core part of Triaz's work. When sourcing new suppliers and evaluating current ones, Triaz heavily weights their efforts towards social compliance as a key deciding factor. In a new supplier management system being developed by the member, sustainability is given the highest priority when evaluating a supplier and has veto power over all other aspects (price, quality, logistics etc). Triaz communicates with its suppliers regularly and discusses production planning and pricing in an open dialogue. In 2016 Triaz made improvements to its internal production planning system to spread orders out more evenly during the year for suppliers and put less pressure on suppliers to deliver at a specific time. Triaz has motivated six suppliers to join the Workplace Education Programme, for example in Turkey and Tunisia.

Triaz works with a large number of external producers, and makes additional efforts to monitor those suppliers above any FWF requirements. In addition to knowing all production locations, Triaz has planned audits at a number of locations and actively works with them on the Corrective Action Plans.

FWF encourages Triaz to continue its work on analysing the root causes of excessive overtime and scale the learnings it has from its two main suppliers to other suppliers in its supply chain. Additionally, Triaz is encouraged to continue working towards payment of a living wage with its suppliers, including detailed product costing calculations per garment and updating its pricing policy.

## 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. | 76%    | 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:** At all of its main suppliers, Triaz buys over 10% of the location's production capacity, which gives them an opportunity for higher influence in these locations. Triaz buys over 50% of its garments from three main suppliers, with which it buys high percentage of the location's 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. | 11%    | 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   |

**Recommendation:** FWF recommends Triaz to consolidate its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised 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. | 85%    | 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. | 4     | 4   | 0   |

Comment: Triaz values long-term relationships with its suppliers and has found that building up trust overtime has allowed them to work more closely and efficiently on improving working conditions.

| 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. | No new production locations added in past financial year | 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. | N/A   | 2   | 0   |

| 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. | No new production locations added in past financial year | Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers. | Documentation may include pre-audits, existing audits, other types of risk assessments. | N/A   | 4   | 0   |

| 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:** Triaz systematically and regularly evaluates its suppliers. During regular visits Triaz meets with supplier management and discusses what steps have been taken on remediation of audits and complaints and what challenges the supplier is facing. Following a clear written guideline, members of the sustainability and purchasing departments of Triaz determine if a supplier is still complying with the requirements they have put in place, both on social compliance and ecological standards. The sustainability department always have veto power to decide whether to continue working with a supplier, in such a case that a supplier is no longer adhering to or willing to work on the standards that Triaz has set. Triaz rewards suppliers who are complying with the CoLP by guaranteeing orders for a year in advance, offering pre-financing for materials if needed, and increasing orders.

| 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:** Through dialogue with each supplier and based on trends from the previous year, Triaz creates a yearly production forecast for each supplier based on the known capacity, peak order times, and holidays, trying to ensure consistent orders throughout the year. If there are months with lower orders, they supplement by ordering extra pieces of standard styles. They ensure they know the lead times throughout the supply-chain, including materials, dyeing/printing/washing, and transport, to take into account these elements. Triaz is in weekly communication with its suppliers to identify potential challenges meeting production deadlines, and adjusts delivery dates if necessary. There is no financial or other kind of penalty for suppliers for late delivery.

Triaz does not place rush orders with the suppliers. If a client wants an order sooner than the lead-times allow, Triaz informs them that it is not possible to rush production and does not ask suppliers to produce any quicker.



| PERFORMANCE INDICATORS  | RESULT           | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|---|------------------|--|--|-------|-----|-----|
| 1.7 Degree to which member company mitigates root causes of excessive overtime. | Advanced 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. | 6     | 6   | 0   |

**Comment:** In 2016, Triaz started a root cause analysis of excessive overtime in their supply chain. Working with one of their main suppliers in Bosnia, they looked further into the challenges that the supplier faces which can lead to overtime and/or delayed delivery of orders. The CEO of Triaz, along with two members of the sustainability department and the head of purchasing, visited the supplier and discussed the challenges it faced, including late delivery of accessories, no proper planning system to project and track production, exporting garments weekly, and regular changing of colours on the production line.

In response to these discussions, Triaz adjusted their internal deadlines so that the supplier only needed to export bi-weekly (although the supplier has not yet started this) and adjusting their orders to place garments of the same colour and material together so the supplier does not need to switch colours as regularly.

Additionally in 2016 Triaz ordered some of its special fabric earlier - for example 70% of its wool was ordered in January - to ensure that suppliers have the material well in advance of production beginning. Triaz does not place rush orders with suppliers. If a client wants an order sooner than the lead-times allow, Triaz informs them that it is not possible to rush production and does not ask suppliers to produce any quicker (but will discuss with them what is possible).

Despite these efforts, Triaz continues to receive orders consistently late and will continue working on ways to improve this without putting unnecessary pressure on its suppliers.

**Recommendation:** Triaz could continue to discuss with factory management on the causes of excessive overtime and provide support to manage overtime, including expanding the discussion to more factories. Triaz could start analysing/evaluating if the changes (such as adjusted internal deadlines) decreased overtime hours. It would be interesting to include also a wage analysis in the evaluation.

| PERFORMANCE INDICATORS  | RESULT               | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|---|----------------------|--|--|-------|-----|-----|
| 1.8 Member company's pricing policy allows for payment of at least the legal minimum wages in production countries. | Country-level policy | The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments. | Formal systems to calculate labour costs on per-product or country/city level. | 2     | 4   | 0   |

**Comment:** Triaz focuses on sustainable and stable financial growth, and does not prioritize increasing profit over its focus on sustainability. When setting prices with suppliers, Triaz discusses openly the costs with its supplier and considers price pressure a 'no-go'.

Triaz is aware of the minimum wages in its production countries and encourages suppliers to communicate with them if there are any changes or challenges with pricing. For some of their products Triaz is aware of the labour costs based on production time required.

**Recommendation:** FWF recommends Triaz to get more insight in the labour costs per product, to ensure enough is paid to cover at least minimum wage to workers and for making steps towards living wages.

| PERFORMANCE INDICATORS   | RESULT                            | RELEVANCE OF INDICATOR   | DOCUMENTATION   | SCORE | MAX | MIN |
|--|-----------------------------------|--|---|-------|-----|-----|
| 1.9 Member company actively responds if suppliers fail to pay legal minimum wages. | No minimum wage problems reported | 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. | 2     | 2   | -2  |

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

| PERFORMANCE INDICATORS   | RESULT                             | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|--|------------------------------------|---|--|-------|-----|-----|
| 1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages. | 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:** Triaz has worked on wage projects at its main suppliers in China and Bosnia where it has had 100% leverage, analysing the percentage of cost that goes to workers and comparing that to living wage estimates. Based on this information Triaz has increased the prices paid to these suppliers to increase wages. Triaz has also discussed living wage estimates with all of its suppliers and makes current and new information available to them via its online wiki (web portal available for internal staff and suppliers).

**Recommendation:** FWF encourages Triaz to continue discuss with suppliers about possibilities to work towards higher benchmarks.

| 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). | 13%    | 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. | 1     | 2   | 0   |

**Comment:** In 2016 Triaz became part owner of one of their main suppliers in China. This decision was made in order to support a long-term supplier who was struggling to continue operating and to ensure that Triaz could continue to produce garments using a specific fabric only made and used by this supplier. In 2016 Triaz conducted an analysis of wages at this supplier and is working on an innovative project to develop fabric here, supported by the Chinese government.

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## PURCHASING PRACTICES

Possible Points: 40

Earned Points: 31

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## 2. MONITORING AND REMEDIATION

| BASIC MEASUREMENTS  | RESULT | COMMENTS   |
|---|--------|--|
| % of own production under standard monitoring (excluding low-risk countries)              | 80%    |  |
| % of production volume where monitoring requirements for low-risk countries are fulfilled | 16%    | 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.                          | No     | Implementation will be assessed next Brand Performance Check   |
| Total of own production under monitoring  | 96%    | 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  |

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

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

Comment: Following an audit, Triaz follows up by sharing the report and CAP with the supplier and discussing the plan and timeline for remediation with them. Together they set realistic timelines and priorities.

| 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: Triaz could show progress on all open CAPs of its main suppliers, as well as CAPs for many of its external producers. Representatives from Triaz regularly visit the suppliers and discuss the follow up on CAPs, and Triaz collects photos and other evidence of remediation both in person and via email.

Recommendation: Triaz could consider building local capacity to follow up with suppliers regularly and verify improvements.

FWF also recommends Triaz to define a strategy for suppliers where Triaz has limited leverage to ensure relevant improvements are being implemented.

| 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. | 67%    | Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices. | Member companies should document all production location visits with at least the date and name of the visitor. | 3     | 4   | 0   |

Recommendation: Annual visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide the opportunities to discuss problems and corrective actions in the time period between formal audits.

| 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   |

**Recommendation:** Recommendation: Triaz could use the FWF audit quality checklist to assess the quality of audit reports done by other initiatives. In order to avoid duplicate audits, FWF recognises audits by other initiatives as long as the following requirements are met:

- The audit report was conducted within the last three years.
- The member company could demonstrate that the workers information sheet is posted at the factory.
- The member company has collected the full audit report and assessed the report based on the audit quality checklist. The assessment shows that the report meets FWF's requirements.
- The member company could show that the company has follow up on the corrective action plans of the audit.



| PERFORMANCE INDICATORS                                       | RESULT  | RELEVANCE OF INDICATOR  | DOCUMENTATION   | SCORE | MAX | MIN |
|--|---|---|---|-------|-----|-----|
| 2.7 Compliance with FWF risk policies.                       | Advanced result on all relevant policies                | 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. | 6     | 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            | Advanced  |   |   | 6     | 6   | -2  |

Comment: Triaz produced denim products and has a written policy for suppliers on the use of sandblasting. Before Triaz starts producing denim products with a supplier they discuss with them their no tolerance policy on sandblasting and then have the supplier sign a document saying they do not use sandblasting. No evidence of sandblasting was found at Triaz's suppliers.

| 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: Triaz shares suppliers with a few other FWF members. Triaz is in active communication with these brands and they share CAPs and updates. With one brand in particular, Triaz meets regularly at their headquarters and discusses how they can collaborate on remediation and increase leverage.

| 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. | 0-49%  | 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. | 0     | 2   | 0   |

Comment: Approximately 19% of Triaz's production is conducted in low-risk countries, and 16% is monitored. The suppliers for which the monitoring requirements have not been met have not yet been visited by Triaz, but have signed and returned the CoLP questionnaire and posted the WIS at their locations. Triaz plans to visit the remaining suppliers in the coming year.

**Requirement:** Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- o Be visited regularly by Member company representatives;
- o Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- o Be aware of specific risks identified by FWF;
- o Have the FWF Worker Information Sheet posted in local languages.

| 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. | None   | 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. | N/A   | 3   | 0   |

**Comment:** Although Triaz monitors over 90% of their own suppliers, because they have not met the tail-end requirements for monitoring, no bonus points can be awarded.

**Recommendation:** In the tail end of Triaz's supplier base, FWF requires Triaz to ensure it audits all production locations that are responsible for over 2% of Triaz's production volume and production locations where Triaz is responsible for over 10% of the location's production capacity.

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

**Comment:** A large portion of Triaz's FOB comes from external suppliers, and therefore they believe the monitoring and remediation of these should be treated in the same manner as their own production. Because of this Triaz ensures that all external producers have received and returned the questionnaire and have posted the CoLP and WIS in their factories. Additionally, Triaz conducts audits at some of its external producers each year and actively works with them on the CAPs.

| 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). | 5%     | FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods. | External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members. | 1     | 3   | 0   |

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

## MONITORING AND REMEDIATION

Possible Points: 31

Earned Points: 24

## Additional comments on Monitoring and Remediation:

In the tail end of Triaz's supplier base, FWF requires Triaz to ensure it audits all production locations that are responsible for over 2% of Triaz's production volume and production locations where Triaz is responsible for over 10% of the location's production capacity. Triaz should complete this in 2017, however where planning in 2017 is not possible (ex - three German suppliers), it will be completed in 2018.

Additionally, Triaz should use the FWF audit quality checklist to assess the quality of audit reports done by other initiatives. In order to avoid duplicate audits, FWF recognises audits by other initiatives as long as the following requirements are met:

- The audit report was conducted within the last three years.
- The member company could demonstrate that the workers information sheet is posted at the factory.
- The member company has collected the full audit report and assessed the report based on the audit quality checklist. The assessment shows that the report meets FWF's requirements.
- The member company could show that the company has follow up on the corrective action plans of the audit.

### 3. COMPLAINTS HANDLING

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

| PERFORMANCE INDICATORS   | RESULT | RELEVANCE OF INDICATOR   | DOCUMENTATION  | SCORE | MAX | MIN |
|--|--------|--|--|-------|-----|-----|
| 3.1 A specific employee has been designated to address worker complaints | Yes    | Followup is a serious part of 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  |

| 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: Triaz regularly visits its main suppliers and as part of these visits ensures that the Worker Information Sheet is posted. Additionally it asks suppliers to provide photographic evidence of the Worker Information Sheet on a regular basis.

| 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. | 89%    | 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. | 4     | 4   | 0   |

Comment: At the audited sites counting to this evaluation period, the majority of workers was aware of the FWF CoLP and the hotline. Additionally, Triaz has motivated six of its suppliers to participate in FWF's Worker Education Programme.

| 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 2016 there was one complaint received at a supplier in Turkey. Triaz actively worked with the supplier and another FWF member sourcing there to investigate and resolve the problem(s). Additionally Triaz, along with the other FWF brand, encouraged the factory to participate in a WEP training to improve communication between the workers and management, as this was deemed as one of the main root causes of the complaint. While the complaint was still open Triaz decided to stop sourcing at this supplier due to quality issues with the products which they had been experiencing and trying to improve for some time. Although they are no longer sourcing there, Triaz continues to support the other FWF member to resolve this complaint as much as possible.

| 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: As previously mentioned, Triaz collaborated with another FWF member on the complaint received in 2016, and continues to do so although they are no longer sourcing there.

## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 12



## 4. TRAINING AND CAPACITY BUILDING

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

Comment: Sustainability, and the FWF membership, is a core part of Triaz's work. Because of this it is regularly discussed with all staff, and new staffed are trained on what this means. Additionally, Triaz regularly posts information and updates on FWF membership on their internal wiki and in their monthly internal newsletter.

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

Comment: In addition to the training that all staff receive, those staff in direct contact with suppliers are given extended training on FWF and its requirements.

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

**Comment:** Triaz uses agents for many of its suppliers, and these agents are trained on FWF CoLP and requirements. Previously they have attended a supplier seminar that Triaz held, and work closely with Triaz staff on the updating and remediation of the CAPs. Support to implement the CoLPs is part of the responsibility of the agents contracted by Triaz.

| 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) | 69%    | 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:** In 2016, two WEP trainings were held at Triaz's suppliers, and a total of six suppliers have participated in the WEP trainings previously.

| 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%     | 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   |

**Recommendation:** All factory workers and management should be informed about FWF, labour standards and grievance mechanisms. In order to further improve communication between employers and workers in the workplace FWF recommends Triaz 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.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 11

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## 5. INFORMATION MANAGEMENT

| PERFORMANCE INDICATORS                                   | RESULT   | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|--|----------|---|--|-------|-----|-----|
| 5.1 Level of effort to identify all production locations | 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:** Triaz has demonstrated efforts to identify all production locations of its own production. All suppliers have to fill in the questionnaire and report to Triaz if there are subcontractors. Triaz allows for subcontracting but requires suppliers to be transparent and provide Triaz with details of all production locations, such as factory names, addresses, production process, etc.

In addition, Triaz requests external suppliers to share all their production locations. This goes beyond FWF's requirement.

| 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:** There is a system to share information between the sustainability department and purchasing department. The purchasing department gathers information on compliance during their visits to factories and shares this information with the sustainability department. The departments discuss performances of individual factories regularly to keep each other updated.

Additionally, as part of an ongoing Supplier Management project, approximately six members of staff who are in regular contact with suppliers meet weekly, which includes discussion of FWF and updates.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

| PERFORMANCE INDICATORS  | RESULT  | RELEVANCE OF INDICATOR  | DOCUMENTATION  | SCORE | MAX | MIN |
|---|---|---|--|-------|-----|-----|
| 6.1 Degree of member company compliance with FWF Communications Policy. | Minimum communications requirements are met AND no significant problems found | 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: Triaz communicates about its FWF membership according to FWF Communications Policy. In addition to information on its website and in catalogues, Triaz has just launched an online magazine that includes articles and information about their sustainability work, including their work with FWF.

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

Comment: Triaz publishes its Brand Performance Checks on its website.

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

## TRANSPARENCY

Possible Points: 6

Earned Points: 5

## 7. EVALUATION

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

Comment: The CEO is regularly involved in discussions about FWF membership and evaluates it with the Sustainability team.

| PERFORMANCE INDICATORS   | RESULT  | RELEVANCE OF INDICATOR  | DOCUMENTATION   | SCORE | MAX | MIN |
|--|---|---|---|-------|-----|-----|
| 7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company. | No requirements were included in previous Check | In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach. | Member company should show documentation related to the specific requirements made in the previous Brand Performance Check. | N/A   | 4   | -2  |

## EVALUATION

Possible Points: 2

Earned Points: 2



## RECOMMENDATIONS TO FWF

1. Triaz would like to have consistency with case managers for at least 2-3 years.
2. Triaz would like FWF to work closer with member brands on how to simply communicate about FWF and the complexity of the supply chain to consumers.

## SCORING OVERVIEW

| CATEGORY                       | EARNED | POSSIBLE |
|--------------------------------|--------|----------|
| Purchasing Practices           | 31     | 40       |
| Monitoring and Remediation     | 24     | 31       |
| Complaints Handling            | 12     | 15       |
| Training and Capacity Building | 11     | 15       |
| Information Management         | 7      | 7        |
| Transparency                   | 5      | 6        |
| Evaluation                     | 2      | 2        |
| Totals:                        | 92     | 116      |

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

79

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

18-07-2017

Conducted by:

Tina Rogers

Interviews with:

Hannah Leicht, Sustainability

Barbara Engel, Head of Sustainability

Martina Becker, Head of Planning and Supplier Management

Christian Lukas, Teamleader Planning

Katharina Hupfer, CEO