



# **Brand Performance Check**

## **King Louie**

This report covers the evaluation period 01-06-2019 to 31-05-2020

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

# Brand Performance Check Overview

## King Louie

**Evaluation Period: 01-06-2019 to 31-05-2020**

Member company information	
Headquarters:	Amsterdam , Netherlands
Member since:	2015-09-30
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	China, Turkey
Production in other countries:	
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	35%
Benchmarking score	57
Category	Good

## **Disclaimer**

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

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

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

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

## Summary:

King Louie has shown progress and met most of Fair Wear's performance requirements. King Louie did not meet the monitoring threshold in this financial year as several audits had to be postponed because of the COVID-19 crisis. Three audits were planned for suppliers in Turkey and one at a supplier in China. King Louie was able to show alternative ways of monitoring and the postponed audit was able to happen by the time this brand performance check took place. Therefore, Fair Wear decided to use its discretionary power. With a benchmarking score of 57 and a monitoring percentage of 35, King Louie is awarded the 'Good' category.

At the start of COVID-19, King Louie was proactive in approaching its suppliers, reaching out to investigate risks and establish highest priorities. The CSR coordinator kept an overview of all information regarding lockdown, factory closures and the risk of wage reduction. King Louie had to reduce several order volumes to cope with the drop on the wholesale side. Deciding which orders to reduce was a collective agreement between King Louie and suppliers, depending on order status and the specific situation on the supplier side. No orders were cancelled.

Furthermore, King Louie showed progress on formalising its sourcing process and performance evaluation. Proper CAP follow-up was shown, with a proactive role for several agents. Also, efforts to work towards living wages were made. However, King Louie is recommended to focus on the commitment of its main suppliers to move forward and determine clear target wages.

Fair Wear encourages King Louie to enrol more suppliers in training, both to raise awareness of the Fair Wear Code of Labour Practices as well as programmes that support factory-level transformation.

## 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.	80%	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:** A total of 80% of King Louie's production volume came from production locations where it buys at least 10% of the 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.	14%	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.	2	4	0

**Comment:** King Louie buys 14% of the production volume from production locations where the company buys less than 2% of its total FOB. Mostly accessories, such as scarfs and gloves, are produced at production locations where King Louie has small orders.

**Recommendation:** Fair Wear recommends King Louie to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, King Louie should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. 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.	64%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** In the past financial year, 64% of King Louie's purchasing volume comes from factories they have worked with for more than 5 years. The percentage slightly increased as King Louie's supply base has been stable this financial year.

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:** King Louie checks social compliance before sampling and requests available social audits and other information on how a supplier works. New suppliers are informed about the Fair Wear Code of Labour Practices before sampling starts. The supplier is requested to complete the Fair Wear questionnaire before orders are placed. In the past financial year King Louie added five new suppliers, it could show signed questionnaires and CoLP of each new production location.

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:** King Louie created a written due diligence guide, to be used internally and ensure consistency in onboarding new production locations. This guide outlines the process King Louie staff must follow in selecting new production locations, requirements and the steps of a responsible exit strategy.

This process has already been in place, but has now been formalised and shared internally. More about the steps in this process can be read in previous brand performance check reports.

The CSR coordinator has a veto right in case social compliance is felt insufficient. As the CSR coordinator is part of the production team, meetings take place frequently and potential new suppliers are discussed and evaluated in the onboarding process extensively.

King Louie is well aware of the main risks in its two production countries, Turkey and China. Through the longlasting relationship with its local agents and its main suppliers, updates on developments in the relevant regions are shared immediately. This was also the case during the outbreak of the COVID-19 crisis. King Louie's main supplier in China was one of the first factories in Fair Wear's supplier base being affected by the consequences of the outbreak as it is situated in the region where it all started.

King Louie could show good insight into the main risks its suppliers were facing during the first wave of COVID-19. The management of King Louie contacted each supplier separately to investigate risks and needs. King Louie shared its own situation and explained what the projected plan was. Both economic and health risks were shared by the suppliers as the main risks and King Louie responded by frequently checking in and collecting information regarding lockdown and factory closure, payments of workers, layoffs, etc. King Louie reached out to its main suppliers and agents to check the financial and health situation on subcontractor level as well. Overall, King Louie showed advanced efforts to link both the COVID-19 related risks and country-specific risks, by clear dialogue with agents and factory management and follow up with each supplier. King Louie did feel it was challenging to get a real insight into what was needed on factory level as suppliers kept the reports quite positive.

**Recommendation:** Good due diligence efforts were shown during COVID-19 crisis, yet the general due diligence should be further developed systematically. Conducting pre-audits or analysing existing audit reports can be a way to assess the level of working conditions before deciding to start or continue the business relationship. Existing audit reports are collected by King Louie, but analysing these before the first bulk orders is a good way to take due diligence to a next level.

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:** After each season, CSR coordinator and Head of Design and Production evaluate each supplier. This is done on fixed moments with an overview of all suppliers graded on CSR level. Performance decisions are discussed and in case social compliance behaviour is uncertain, the CSR coordinator immediately flags this within the production team. In case a supplier performs well on CSR, this will be shared and this supplier is favoured for next season's production. Audit reports and the main source of input for the evaluation of social compliance.

One production location is in the process of being phased out. King Louie defined a clear exit strategy that is being followed up to the current phase and shared internally with relevant staff.

As a result of COVID-19 related situations such as store closures, orders were only reduced in close communication and with the agreement of suppliers. The brand decided to adjust its planning and downsize the collection. King Louie's CEO contacted each supplier personally to inform them and to investigate the options. The impact on the supplier's side was explicitly mentioned as a focus and King Louie offered to make extra prepayment when needed. Based on the response of each supplier and on where in the process the order was, King Louie decided which orders to reduce. The response of the suppliers was shown during the performance check. If fabrics were already cut, orders were not changed. None of the orders placed were cancelled completely, only reduction of several orders. Payment of the workers was monitored, at the main supplier level and subcontractor level, for some of the locations with help of King Louie's local agents.

**Recommendation:** King Louie is encouraged to make more explicit how social compliance in the supplier rating system in which quality, relationship, price, and planning are assessed is weighted and how compliance with CoLP leads to production decisions.

As an additional step on top of the supplier evaluation, King Louie could consider giving suppliers the tools to conduct a self-evaluation. Furthermore, it could ask its suppliers to evaluate the purchasing practices of King Louie.

Where possible, the member could consider pre-ordering high runners or NOS items to make up for reduction in orders.

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:** King Louie works with two production phases per year for each supplier. King Louie has enlarged the production phase with two weeks to support reasonable working hours. King Louie is placing reoccurring styles at the same production locations to make production more efficient and predictable (around 70 per cent of the products are based on existing styles and 30 per cent are new). The size of the order is rather stable, only small changes can be made and based on the sales forecasting.

For complex, time-consuming designs, orders are placed first and suppliers are consulted in advance about the best timing for the production. King Louie has a small amount Never Out of Stock (NOS) items and several "classics", items on which only small changes are made, like for example colour. Production of the NOS-items and classics is planned in the low season.

In this financial year, King Louie gained more insight on capacity at subcontractors level, which enabled better planning and monitoring reasonable working hours. The Head of Design and Production is in close contact with the suppliers in case a reorder needs to be placed. King Louie could show good insight on capacity per supplier and

During the first COVID-19 outbreak, factory closures and lower capacity highly affected the production planning for AW20. King Louie was frequently in contact, in some cases on a daily basis, with its main suppliers to monitor the situation and the impact on fabric deliveries and production planning. The production planning was adjusted based on the input of the relevant suppliers. Delivery dates were pushed back by at least two weeks.

All reduced orders were eventually fulfilled, as sales dropped less heavily than expected. At the end of 2020 the reduced orders could still be made without evidence of excessive overtime.

**Recommendation:** Fair Wear recommends King Louie to discuss with the factories how to deal with planning of production during peak season to prevent excessive overtime and also the impact of COVID-19 on capacity and the risk of excessive overtime.

Once root causes of excessive overtime are known, the member can use the Fair Wear guidance on addressing excessive overtime and check what solutions, processes and tools are linked to a particular root cause. The member can then discuss with suppliers what solutions need to be implemented.

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 conducted no audits at King Louie's suppliers, however, six audits were planned initially. These were all postponed due to COVID-19. King Louie did show follow up of audit findings from the previous financial year, especially one re-audit that was done at a supplier in China. While document inspection showed falsification of hour registration, the worker interviews indicated that overtime took place. King Louie showed good efforts to understand the root cause of this discrepancy and the possible overtime issues. The CSR coordinator contacted Fair Wear and to verify actual hours worked. However, the factory seemed unwilling to cooperate in solving the issue, neither was it open to organising WEP training. Eventually, King Louie decided to start phasing out this supplier, as a GOTS certification process was not possible for this production location. Therefore, no further follow was done.

Overall, King Louie tries to mitigate the risk of excessive overtime, by integrating extra production time to absorb any delays; airfreight can be used or products can be sold in their shop. There is also some flexibility in the delivery date, as King Louie agrees upon delivery months. King Louie has gained more insight in production capacity for its main suppliers in Turkey and several of the subcontractors.

**Requirement:** As most of the audits had to be postponed, Fair Wear continues to encourage King Louie to investigate to what extent its current buying practices has an effect on the working hours at supplier level. A root cause analysis of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

**Recommendation:** Fair Wear recommends King Louie to continue gaining more insight into the production capacity of suppliers.

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:** King Louie has started working on calculation of wages and the link to buying prices with three of its main suppliers; one in China and two in Turkey.

During the first phase of the project, it was found that the hour registration of the supplier in China was falsified, which unfortunately stifled the project.

With the two Turkish suppliers, positive steps were taken. Both of the suppliers joined a living wage meeting with the local Fair Wear team, as did the CSR coordinator. The built-up of the prices was calculated and the link between buying prices and wages was investigated. Positive steps were taken, but then COVID-19 hit and King Louie's priorities changed.

Incorporating the extra costs as a result of the COVID-19 crisis into the buying prices, has yet to be discussed with the suppliers.

**Recommendation:** Fair Wear recommends King Louie to continue expanding their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any COVID-19 related costs.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** In the previous financial year, one audit in China reported falsification of wage records and therefore verification of wage levels could not be done. King Louie could show advanced efforts to remediate this issue, consulting Fair Wear team on next steps and repeatedly discussing the matter with factory management. The factory management did not seem to cooperate and as this supplier will be phased out due to earlier mentioned reasons, further follow up could not be done by King Louie.

During COVID-19, King Louie checked in with its main suppliers to discuss whether there were any payment issues. Through Fair Wear's factory survey, one supplier indicated that some workers could not be paid after they had been laid off. King Louie contacted this supplier immediately and ensured remediation.

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:** King Louie paid its invoices within agreed terms and during COVID-19 all ordered goods were paid for right away.

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:** As mentioned under indicator 1.8, King Louie started calculating product costs as a step to better understand the link between buying prices and wage levels. The Fair Wear calculator was used and a first meeting regarding living wages with the participating suppliers was initiated.

These steps have deepened the discussion on root causes of wages lower than living wage, however due to COVID-19 this was stalled.

With one of the main supplier in Turkey, King Louie has a dialogue on wages for several years already. This supplier argues that the living wage estimates are far too high and that it would be impossible to maintain these levels in relation to other factories in the same region. The discussion has been ongoing and King Louie believes to take next steps through the earlier initiated meeting (which had to be pushed back due to COVID-19).

**Recommendation:** Fair Wear encourages King Louie to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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:** King Louie made a start with analysing wage increase and discussing the financial consequence to cover the costs of wage increases. However, no specific determination could be shown yet.

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

**Recommendation:** In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	0%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	0	6	0

**Comment:** King Louie does not pay its a share of the target wage.

**Requirement:** King Louie is expected to begin setting a target wage for its production locations.

## Purchasing Practices

**Possible Points: 52**

**Earned Points: 26**

## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	10%	
% of production volume where Fair Wear audits took place.	25%	
% of production volume where an audit took place.	35%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.		
Member meets monitoring requirements for tail-end production locations.	No (implementation will be assessed next performance check)	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	During factory visits, labour conditions and the use of subcontractors must be discussed, outcomes of the discussion must be documented, and the Fair Wear health and safety check-list must be completed and filed for Fair Wear to assess during a Brand Performance Check. King Louie can collect existing audit reports from the production sites in order to ensure most up to date information on working conditions.	
Total monitoring threshold:	35%	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 CSR coordinator is responsible for monitoring and when absent the Head of Design & Buying is available.

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:** King Louie makes use of Fair Wear audits and external audits only.

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:** The CSR coordinator is keeping an overview of the status of all CAPs and these are discussed with the Head of Design and Production. Regularly King Louie requests updates on improvements and proof, both from the supplier directly or via the production agent. King Louie could show that improvements were made at several suppliers.

**Recommendation:** Before an audit takes place, King Louie 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:** King Louie could show efforts in follow up with all audited suppliers. No audits were conducted in this financial year, however several CAPs were active.

As part of the follow up process, one of King Louie's main agent participated in the WEP Basic training. A significant improvement in terms of commitment was noticed by King Louie after the training. Follow up on CAPs was done more proactively and several improvements could be shown. The agent has played a significant role in the follow up and provided evidence of the measures taken.

Progress on the CAP of a supplier in China was minimal. Transparency on wage records and working hours is lacking at this supplier, which complicated follow up on the more difficult issues. King Louie showed good efforts to solve this issue, consulting with Fair Wear to discuss how to best approach this. Unfortunately, the supplier was not willing to cooperate properly and King Louie is phasing out this supplier for the next season (due to reasons mentioned in chapter 1).

For the external audit reports collected by King Louie, no CAPs are available and follow up has been basic.

During COVID-19, communication regarding follow up was mostly done via email and phone calls. Depending on the input of its suppliers, King Louie offered support to its suppliers. However, apart from the request to be flexible on delivery dates, no specific COVID-19 related issues were mentioned by the suppliers for which they requested support from King Louie.

**Recommendation:** King Louie could consider organizing training/seminar for their suppliers in Turkey on overtime, to ensure more commitment from the suppliers to remediate these more structural issues and facilitate peer to peer learning. King Louie could also organise a supplier meeting at its own offices.

Fair Wear encourages King Louie to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices. Furthermore, Fair Wear recommends continuing to focus on training and dialogue with its suppliers in Turkey.

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.	14%	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.	1	4	0

**Comment:** Agents often visit the production locations and check if the CoLP is placed at a visible spot for workers. The corrective action plan is discussed with agents. The Head of Production and Design visits mainly the production locations in Turkey. Members of the Design team visits the suppliers in China, yet these trips were cancelled due to COVID-19.

During COVID-19, several local agents could still travel to the facilities and checked the locations with the Health and Safety checklist. Photographic evidence was provided and in some cases, a report was written and presented to King Louie.

**Recommendation:** Regular visits should be made for production sites (including subcontractors and in particular the Chinese locations) with a focus on social compliance, at least as agenda point. Regular visits provide opportunities to discuss problems and corrective actions in the time period between formal audits. Fair Wear has developed a Health & Safety Guide that can be used during these visits.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes	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.	1	3	0

**Comment:** The CSR coordinator has collected several external audit reports. A general check of the content was done, but not yet sufficient for proper analysis.

**Recommendation:** Fair Wear recommends King Louie to assess the quality of the external audit report and immediately discuss with the supplier what information is missing and how to collect that information.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	3	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

**Comment:** Turkey: King Louie has put effort to identify its subcontractor locations in Turkey thoroughly and has discussed the risks related to employing Syrian refugees, based on the information shared by Fair Wear about this topic with the agents and suppliers. One of the main agents in Turkey is committed to the implementation of the Code, as well as the guidance on risks related to Syrian refugees and subcontracting. The agents visit each location and a WEP training was organized. Not all Turkish production locations have been audited yet.

China: King Louie is struggling with more structural issues in China, related to freedom of association (FoA) and overtime. A first attempt to start an FoA project did not lead to concrete steps yet, as it has been challenging to get the commitment of suppliers. Discussion with Fair Wear has been ongoing to see what is possible as a next step forward. Also, the agents in China have been included in the discussion by King Louie.

Compliance with COVID-19 guidance: One of King Louie's main Chinese suppliers was the first factory in Fair Wear's supplier base to be hit by COVID-19. King Louie was in close contact with this supplier and its agent in China. Fair Wear was contacted to discuss the situation and the necessary steps to be taken. Later, when all countries were hit by COVID-19, King Louie contacted all its suppliers to investigate the financial and health risks due to the pandemic. This information was collected and monitored throughout the crisis. King Louie checked in with its supplier on a regular basis to discuss capacity, wages and the specific circumstances in the factory. Both its main suppliers and the agents gave updates on the situation with photographic evidence in order to keep track of the measurements taken. King Louie did not receive concrete requests to support any kind of measure, apart from the flexibility in terms of production and delivery.

**Recommendation:** In both China and Turkey Fair Wear recommends King Louie to start organising training programmes about country-specific topics (such as overtime, freedom of association and for Turkey risks related to Syrian refugee workers). This to get more understanding of the root causes of recurring issues and to be able to discuss possible solutions with production locations.

We ask King Louie to make a clear statement to its suppliers that, as a brand, it does not want to be involved with any forced labour in its supply chains, including subcontractors. We advise King Louie to add the risk of Uyghur forced labour to its risk assessments.

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.	No CAPs active, no shared production locations or refusal of other company to cooperate	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.	N/A	2	-1

**Comment:** There were no shared production locations in this financial year.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	Yes	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.	1	2	0

**Comment:** King Louie resells one external brand. This brand works with a Code of Conduct, which is signed by King Louie. The questionnaire was not uploaded.

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).	0%	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.	0	3	0

**Comment:** The external brand resold by King Louie is not a member of Fair Wear or another credible initiative.

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: 31**

**Earned Points: 16**

### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	0	
Number of worker complaints resolved since last check.	0	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

**Comment:** The CSR coordinator and Head of Design and Production are designated to address worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the 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:** King Louie keeps track of evidence of posted Worker Information Sheets. The collection of evidence is done by both King Louie and by the agents. During visits, the agents are requested to check whether the Worker Information Sheet is posted on an accessible spot for workers.

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

**Comment:** In the past three years, King Louie actively raised awareness of the Fair Wear CoLP and complaints hotline at one production location in Turkey.

**Recommendation:** Fair Wear recommends King Louie to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. King Louie should ensure good quality systematic training of workers and management on these topics. To this end, King Louie can either use Fair Wear's WEP Basic module, or implement training related to the Fair Wear CoLP and complaint helpline through third-party training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	No complaints received	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.	N/A	6	-2

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

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 7**

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## 4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

**Comment:** Fair Wear membership is on the agenda of the monthly team meetings, at least twice per year. Updates on progress and highlights are shared with the staff. In its brand book, King Louie shares about membership with its new staff members. The CSR coordinator occasionally shares specific cases, to bring Fair Wear membership closer to the team. King Louie's sales agents are updated on Fair Wear membership every season. Furthermore, King Louie participated in several Fair Wear events, such as the Pop Up in The Hague and the Black Friday event.

**Recommendation:** Besides mentioning it in the brand book, King Louie could develop a standard procedure for its new employees to get familiar with membership. Material is available in the Fair Wear Member Hub.

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

**Comment:** The CSR coordinator works closely together with the Head of Design and Production, who has frequent contact with production locations. In this way, Fair Wear related information such as CAP status is easily shared with factory management or relevant staff. Management is informed about Fair Wear developments every 3rd week of the month by the CSR coordinator.

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:** Both agents in Turkey and China have been actively involved in monitoring and remediation efforts. Involving agents in specific training has been discussed, however, this was postponed due to COVID-19.

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.	0%	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.	0	6	0

**Comment:** None of the production locations participated in training programmes supporting transformative processes related to human rights.

**Recommendation:** Fair Wear recommends King Louie to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. To this end, King Louie can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

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## **Training and Capacity Building**

**Possible Points: 11**

**Earned Points: 5**

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## 5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Intermediate	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	3	6	-2

**Comment:** King Louie showed efforts to identify and register all production locations. No evidence of missing information on first-tier locations was found. Knowing each production location is discussed with each supplier. King Louie allows suppliers to use subcontractors, yet only if transparency is given on the locations of subcontractors.

In practice, the main suppliers inform King Louie of the location that are used in production. In some cases this is still done only during or after production, instead of prior to production. King Louie agreed with its suppliers that only known and authorized subcontractors can be used.

**Recommendation:** Fair Wear recommends King Louie to take additional efforts to ensure that the brand is always informed beforehand about the placement of production at production locations.

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:** The CSR coordinator and the Production and Design department have regular meetings in which the performance of factories in social compliance is on the agenda. The departments have full access to information about working conditions at production locations.

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## **Information Management**

**Possible Points: 7**

**Earned Points: 4**

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## 6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

**Comment:** King Louie shares about Fair Wear on its website. The CSR coordinator regularly checks whether the shops' communications are in line with Fair Wear's communication policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Supplier list is disclosed to the public.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	2	2	0

**Comment:** King Louie has published the most recent Brand Performance Check on the company website. Is also published its main suppliers on the website and has opted in for Fair Wear's transparency policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

**Comment:** A complete and accurate report was submitted to Fair Wear and was published on King Louie's website.

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## **Transparency**

**Possible Points: 6**

**Earned Points: 6**

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## 7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

**Comment:** Fair Wear membership updates are part of the agenda of the meeting between management, head of Design and Production and the CSR coordinator, held every three weeks. Annual evaluation of Fair Wear membership is done after the Brand Performance Check and forms a basis for the strategy for next year.

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.	50%	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.	4	4	-2

**Comment:** King Louie was given eight requirements in its last Brand Performance Check. It has shown significant progress on requirements related to due diligence (1.4), evaluation (1.5) and response to failure of LMW payment (1.9). The requirements related to living wage (1.13 and 1.14) as well as tail-end monitoring requirements remain valid.

## Evaluation

**Possible Points: 6**

**Earned Points: 6**

## Recommendations to Fair Wear

- follow up from Fair Team tends to take quite long, especially in complaints handling. The monthly calls with Brand Liaison are appreciated.
- COVID19 guidance has been very helpful, proactive and extremely useful.
- The support from Fair Wear around the living wage project in Turkey was very helpful, the country coordinator has been very proactive in guidance.
- The preparation of the online Brand Performance Check was done well by the brand liaison, which helped the CSR coordinator to properly prepare as well.
- The development around logo use is great, especially for the German market this was very helpful for King Louie.
- The integration of Fairforce is perceived as a great improvement and works well.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	26	52
Monitoring and Remediation	16	31
Complaints Handling	7	9
Training and Capacity Building	5	11
Information Management	4	7
Transparency	6	6
Evaluation	6	6
Totals:	70	122

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

57

### Performance Benchmarking Category

Good

## Brand Performance Check details

Date of Brand Performance Check:

27-01-2021

Conducted by:

Hendrine Stelwagen

Interviews with:

Laura Tol - CSR