



Brand Performance Check

Living Crafts GmbH

Publication date: July 2023

This report covers the evaluation period 01-01-2022 to 31-12-2022

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

Scoring overview

Total score: 42

Possible score: 208

Benchmarking Score: 20

Performance Benchmarking Category: Needs Improvement



Sourcing strategy

24%



Identifying continuous human rights risks

7%



Responsible purchasing practices

31%



Quality and coherence of prevention and remediation system

13%



Improvement and prevention

12%



Communication, transparency and evaluation

55%

Summary:

Living Crafts has shown insufficient progress on performance indicators. With a total benchmarking score of 20, the member is placed in the Needs Improvement category.

Living Crafts' sourcing strategy includes long-term relationships and consolidating its supplier base. The member brand added new suppliers for the launch of its new brand and followed only some Human Rights Due Diligence (HRDD) requirements for new suppliers. Living Crafts is a stock supplier and works besides seasonal with Never Out of Stock (NOS) products to support its suppliers and be more flexible.

Living Crafts developed a risk scoping on the country level; the member brand has not assessed the impact and prevalence of all risks correctly. The risk scoping did not include all sector risks and missed a gender lens. Living Crafts has still to create a factory risk analysis. This means the member brand has to work on a proper implementation and remediation system and improvement and prevention measures based on its risk assessment. The member brand has not adapted its monitoring approach to ensure thorough identification of potential non-compliance. Living Crafts has not followed up sufficiently on the enhanced monitoring policy for Türkiye.

Living Crafts could not show progress since the last performance check. Due to the short time between the previous performance check report and this check, some topics are still ongoing or must be implemented.

The member has scored insufficient on some repeated non-compliance indicators. These need to be resolved in the next performance check, or else Living Crafts will be automatically placed in Needs Improvement.

In 2023, Fair Wear implemented a new performance check methodology aligned with the OECD guidelines on HRDD. This new methodology raises the bar and includes some new indicators, which may result in a lower score for member brands. Because this is a transition year, Fair Wear lowered the scoring threshold for this year only.

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.

Company Profile Living Crafts GmbH

Member company information

Member since: 1 Jan 2016

Product types: Garments, clothing, fashion apparel, Workwear, Bags, Home textiles and Footwear

Percentage of CMT production versus support processes 78%

Percentage of FOB purchased through own or joint venture production 0%

Percentage of FOB purchased directly 74%

Percentage of FOB purchased through agents or intermediaries 29%

Percentage of turnover of external brands resold 0%

Are vertically integrated suppliers part of the supply chain? No

FLA Member No

Number of complaints received last financial year 2

Basic requirements

Definitive production location data has been submitted for the financial year under review? Yes

Work Plan and projected production location data have been submitted for the current financial year? Yes

Membership fee has been paid? Yes

Production countries, including number of production locations and total production volume.

| Production Country | Number of production locations | Percentage of production volume |
|------------------------|--------------------------------|---------------------------------|
| India | 7 | 49 |
| Türkiye | 8 | 26 |
| Lithuania | 2 | 15 |
| Bosnia and Herzegovina | 1 | 3 |
| Romania | 1 | 2 |
| Germany | 6 | 2 |
| Croatia | 1 | 2 |
| Greece | 1 | 1 |
| North Macedonia | 2 | 1 |
| Poland | 1 | 0 |
| Serbia | 1 | 0 |

Layer 1 Foundational system's criteria

1.1 Member company has a Responsible Business Conduct policy adopted by top management.: Yes

Comment: Living Crafts has a Responsible Business Conduct Policy, but some elements, such as focusing on gender and social dialogue, need improvement.

1.2 All member company staff are made aware of Fair Wear's membership requirements.: Yes

1.3 All staff who have direct contact with suppliers are trained to support the implementation of Fair Wear requirements.: Yes

1.4 A specific staff person(s) is designated to follow up on problems identified by the monitoring system, including complaints handling. The staff person(s) must have the necessary competence, knowledge, experience, and resources.: Yes

1.5 Member company has a system in place to identify all production locations, including a policy for unauthorised subcontracting.: No

Comment: Living Crafts created a purchasing policy and a code of conduct prohibiting using unauthorised subcontractors. Not all the suppliers have signed the code of conduct yet, Living Crafts is still following up. The member brand does not have a system yet to identify all production locations.

Requirement: Living Crafts needs to have a system to identify all production locations. The member brand needs to make sure that all of its suppliers sign the policy for unauthorised subcontracting.

1.6 Member company discloses internally through Fair Wear's information management system, in line with Fair Wear's Transparency Policy.: Yes

Comment: Living Crafts discloses 81% of production locations internally through Fair Wear's information management system.

1.7 Member company discloses externally on Fair Wear's transparency portal, in line with Fair Wear's Transparency Policy.: Yes

Comment: Living Crafts discloses 81% of production locations externally on Fair Wear's transparency portal.

1.8 Member complies with the basic requirements of Fair Wear's communication policy.: Yes

Layer 2 Human rights due diligence, including sourcing strategy and responsible purchasing practices.

Possible Points: 90

Earned Points: 18

Indicators on Sourcing strategy

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------|---|---|-------|-----|-----|
| 2.1 Member company's sourcing strategy is focused on increasing influence to meaningfully and effectively improve working conditions. | Basic | Fair Wear expects members to adjust their sourcing strategy to increase their influence over working conditions. Members should aim to keep the number of production locations at a level that allows for the effective implementation of responsible business practices. | Strategy document; consolidation plans, examples of implementation. | 2 | 6 | 0 |

Comment: Living Crafts's sourcing strategy focuses on increasing influence through consolidation. The sourcing strategy does not yet consider labour conditions. The member has 31 active suppliers. 30% of the production volume comes from suppliers where the member has at least 10% leverage at suppliers. 8% of the production volume comes from suppliers, where Living Crafts buys less than 2% of its total FOB. The member added 12 tail-end suppliers because it launched its new brand.

Recommendation: Fair Wear recommends Living Crafts to consider leverage when moving its production to new suppliers. The member should consider the risk of human rights violations at suppliers, the influence it has on bringing change and the impact it can have at a factory level. Fair Wear recommends Living Crafts to consolidate its supply base by limiting the number of production locations in its tail end. To achieve this, Living Crafts should determine whether suppliers, where it buys less than 2% of its FOB, are strategically relevant. Shortening the tail will allow the member to improve working conditions more efficiently and effectively. It is advised to describe the consolidation process in a sourcing strategy agreed upon with top management/sourcing staff. Living Crafts could include in its sourcing strategy a plan to increase influence on suppliers by cooperating with other buyers.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------|--|---|-------|-----|-----|
| 2.2 Member company's sourcing strategy is focused on building long-term relationships. | Basic | Stable business relationships underpin the implementation of the Code of Labour Practices and give factories a reason to invest in improving working conditions. | Strategy documents; % of FOB from suppliers where a business relationship has existed for more than five years; Examples of contracts outlining a commitment to long-term relationship; Evidence of shared forecasting. | 2 | 6 | 0 |

Comment: Living Crafts has a sourcing strategy that focuses on maintaining long-term relationships. 88% of the member's total FOB volume comes from 16 out of 31 suppliers with whom Living Crafts has a business relationship for at least five years. The member onboarded 12 new suppliers due to the launch of its new brand. The member does not commit to long-term contracts yet.

Recommendation: Fair Wear recommends Living Crafts to maintain stable business relationships with suppliers. Long-term relationships give factories a reason to invest in improving working conditions. It is advised to act upon the defined sourcing strategy in which long-term business relationships are regulated. Fair Wear recommends Living Crafts to commit to long-term contracts.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------|---|---|-------|-----|-----|
| 2.3 Member company conducts a risk scoping exercise as part of its sourcing strategy. | Basic | Human rights due diligence, according to the OECD guidelines, requires companies to undertake a scoping exercise to identify and mitigate potential human rights risks in supply chains of potential business partners. | HRDD policy; Sourcing strategy linked to results of scoping exercise; HRDD processes, including specific responsibilities of different departments; Use of country studies; Analysis of business and sourcing model risks; Use of licensees and/or design collaborations. | 2 | 6 | -2 |

Comment: Living Crafts conducted a risk scoping on sourcing country level and included all eight labour standards past financial year. The member has yet to include the risk factors of the sector, business model and sourcing model in its risk scoping. In its risk scoping, the member has not assessed the impact and prevalence of all risks correctly. Living Crafts assessed the impact/prevalence of freedom of association (FOA), child labour and forced labour low, while several sources indicate otherwise for respective countries, such as India, Türkiye and Romania.

The risk scoping misses a gender lens, and the risks of sexual harassment and gender-based violence are not included. Living Crafts has yet to include input from workers, suppliers and stakeholders.

To date, Living Crafts' sourcing strategy does not mention a preference for countries where workers can freely form or join a trade union and/or bargain collectively.

Requirement: Living Crafts must reconsider the impact and/or prevalence of the risks in its sourcing countries.

Recommendation: Fair Wear recommends Living Crafts to include all risk factors in its risk scoping. The member is recommended to include input from workers, suppliers, and other stakeholders in its risk-scoping exercise. Fair Wear strongly recommends Living Crafts to privilege countries where workers can freely form or join a trade union and/or bargain collectively and make this explicit in its sourcing strategy. Fair Wear strongly recommends the member brand to adjust its sourcing based on the results of its risk scoping.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|--|---|-------|-----|-----|
| 2.4 Member company engages in dialogue with factory management about Fair Wear membership requirements before finalising the first purchase order. | Intermediate | Sourcing dialogues aim to increase transparency between the member and the potential supplier, which can benefit improvements efforts going forward. | Process outline to select new factories; Material used in sourcing dialogue; Documents for sharing commitment towards social compliance; Meeting reports; On-site visits; Reviews of suppliers' policies. | 2 | 4 | 0 |

Comment: It is the standard process for Living Crafts to inform new suppliers about Fair Wear membership by sending the Code of Conduct, the Fair Wear questionnaire, the consent letter, the worker information sheet and the framework purchasing agreement. This process has been followed for all 12 suppliers added last year. However, the brand has not yet had a dialogue with all its suppliers about Fair Wear's requirements and how to cooperate in implementing them.

Recommendation: Living Crafts is recommended to engage in dialogue with all suppliers.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|--|---|-------|-----|-----|
| 2.5 Member company collects the necessary human rights information to inform sourcing decisions before finalising the first purchase order. | Insufficient | Human rights due diligence processes are necessary to identify and mitigate potential human rights risks in supply chains. Specific risks per factory need to be considered as part of the decision to start cooperation and/or place purchasing orders. | Questionnaire with CoLP, reviewing and collecting existing external information, evidence of investigating operational-level grievance system, union and independent worker committee presence, collective bargaining agreements, engaging in conversations with other customers and other stakeholders, including workers. | 0 | 6 | 0 |

Comment: Living Crafts sent out the questionnaire with the Code of Labour Practices but did not follow up for 8 new suppliers if the questionnaires returned or have been signed before placing the first order.

Living Crafts did not follow up on the requirement from the last performance check. The questionnaires of six existing suppliers are still not signed. The member did not adjust sourcing decisions based on this information.

The company does not collect information from workers or stakeholders to inform the sourcing decision. The member's sourcing strategy does not mention a preference for suppliers where workers are free to form or join a trade union and/or bargain collectively.

Requirement: Living Crafts needs to ensure that new production locations sign and return a questionnaire about the CoLP (Code of Labour Practices) before first orders are placed.

Recommendation: Fair Wear recommends that the member discusses the content of the CoLP and requests evidence that confirms the supplier's support of the CoLP.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|--|-------|-----|-----|
| 2.6 Member actively ensures awareness of the Fair Wear CoLP, the complaints helpline, and social dialogue mechanisms within the first year of starting business. | Insufficient | This indicator focuses on the preliminary mitigation of risks by actively raising awareness about the Fair Wear Code of Labour Practices and complaints helpline. Discussing Fair Wear's CoLP with management and workers is a key step towards ensuring sustainable improvements in working conditions and developing social dialogue at the supplier level. | Evidence of social dialogue awareness raised through earlier training/onboarding programmes, onboarding materials, information sessions on the factory grievance system and complaints helpline, use of Fair Wear factory guide, awareness-raising videos, and the CoLP. | 0 | 6 | 0 |

Comment: Living Crafts has added 12 new suppliers. Living Crafts shared information about Fair Wear's CoLP and the complaints helpline within the first year of doing business with all new suppliers. The Worker Information Sheet has not been posted at one new supplier. Some Worker Information Sheets were in the wrong language. Living Crafts has not yet organised onboarding sessions for its new suppliers to raise awareness about the Fair Wear CoLP and the complaints helpline or the importance of social dialogue.

Requirement: Living Crafts must ensure that factory management is aware of the Fair Wear CoLP and the complaints helpline within the first year of starting business. The Worker Information Sheet needs to be posted at a place easily accessible for workers and needs to be provided in the correct language.

Recommendation: Living Crafts is recommended to organise onboarding sessions specifically focusing on the CoLP and the complaints mechanism within the first year of doing business.

Indicators on Identifying continuous human rights risks

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|--|---|-------|-----|-----|
| 2.7 Member company has a system to continuously monitor human rights risks in its supply chain. | Insufficient | Members are expected to regularly evaluate risk in a systematic manner. The system used to identify human rights risks determines the accuracy of the risks identified and, as such, the possibilities for mitigation and remediation. | Use of risk policies, country studies, audit reports, other sources used, how often information is updated. | 0 | 6 | 0 |

Comment: Living Crafts does not have a system to identify human rights risks in its supply chain. The member conducted the risk scoping on a country level but not yet on a factory level.

While the member monitors some locations, it has not sufficiently monitored suppliers in Türkiye, where Fair Wear has an enhanced monitoring policy. In the past financial year, Living Crafts developed a policy for migrant workers but did not enrol its suppliers in training focused on communication and did not visit them regularly.

For India, Living Crafts did not follow up if the anti-harassment committees are working correctly and did not consider enrolling the factories in training addressing gender-based violence, as recommended in the last performance check.

The member has not adapted its monitoring approach to ensure thorough identification of potential non-compliance. Monitoring tools do not explicitly include worker, stakeholder and/or supplier input.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance, members who receive an insufficient score on this indicator for the second year in a row will be placed in the 'needs improvement' category.

Living Crafts must have a monitoring system to identify risks in its supply chain. Living Crafts must include its sourcing countries with higher risks in its monitoring.

Recommendation: Fair Wear recommends Living Crafts to approach monitoring systematically, identifying the appropriate monitoring tool and frequency depending on the outcome of the risk scoping and risk assessment. The member brand could integrate worker, supplier, and stakeholder input in its monitoring tools.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 2.8 Member company's continuous monitoring of human rights risks includes an assessment of freedom of association (FoA). | Insufficient | Freedom of association and collective bargaining are 'enabling rights.' When these rights are respected, they pave the way for garment workers and their employers to address and implement the other standards in Fair Wear's Code of Labour Practices - often without brand intervention. | Use of supplier questionnaire to inform decision-making, collected country information, and analyses. | 0 | 6 | 0 |

Comment: Living Crafts has not yet mapped the risks to FoA for its sourcing countries. Living Crafts is not familiar with Tool 1 of the FoA Guide (or other tools to collect country-specific information) and is not aware of what the general risks to FoA are.

Requirement: Living Crafts must map the risks to FoA for the countries it sources from and understand if FoA is respected by its suppliers. The member should familiarise itself with Tool 1 of the FoA Guide (or other tools to collect country-specific information).

Recommendation: Living Crafts is strongly recommended to deepen its understanding of risks to FoA in its supply chain. The member brand is recommended to use the Supplier Questionnaire from Fair Wear's FoA Guide to assess and understand the risk regarding violation of FoA at its suppliers.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|--|--|-------|-----|-----|
| 2.9 Member company includes a gender analysis throughout their continuous monitoring of human rights risks, to foster a better understanding of gendered implications. | Insufficient | Investing in gender equality creates a ripple effect of positive societal outcomes. Members must apply gender analyses to their supply chain to better address inequalities, violence, and harassment. | Evidence of use of the gender mapping tools and knowledge of country-specific fact sheets. | 0 | 6 | 0 |

Comment: Living Crafts has not included gender in its risk scoping.

Requirement: Living Crafts must include gender in its risk scoping and assessment.

Recommendation: Fair Wear strongly recommends Living Crafts to enrol in the Introduction to Gender Equality programme on Fair Wear's learning platform.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|--|--|-------|-----|-----|
| 2.10 Member company considers a production location's human rights performance in its purchasing decisions. | Intermediate | Systematic evaluation is part of continuous human rights monitoring. A systematic approach to evaluating production location performance is necessary to integrate social compliance into normal business processes and to support good decision-making. | Supplier evaluation format, meeting notes on supplier evaluation shared with the factory, processes outlining purchasing decisions, link to responsible exit strategy. | 2 | 4 | 0 |

Comment: Suppliers' human rights performance is evaluated systematically every year. Living Crafts developed an evaluation system; different departments, such as product development, buying, CSR and quality, can score each supplier on its performance. This cross-department evaluation makes it easier to discuss the suppliers' performance objectively. The CSR/Head of Buying is responsible for this scoring system. A rating of the different labour practises is not included in the list, and the suppliers get a general rating about its Fair Wear compliance instead. Occasionally, the outcome of this evaluation influences purchasing decisions. In some cases, the suppliers with good performance are prioritised in the order placement. If suppliers score low in the evaluation, they are informed to improve; otherwise, the responsible exit strategy will come into action. Living Crafts shares the evaluation outcome with its suppliers and, in some cases, with their worker representatives.

Recommendation: Living Crafts is encouraged to clarify how human rights performance is weighted in its supplier evaluation system. Fair Wear recommends the member to ensure that the evaluation of human rights performance of its suppliers is systematically considered in purchasing decisions.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|--|---|-------|-----|-----|
| 2.11 Member company prevents and responds to unauthorised or unknown production and/or subcontracting. | Insufficient | Subcontracting can decrease transparency in the supply chain and has been demonstrated to increase the risk of human rights violations. Therefore, when operating in higher-risk contexts where it is likely subcontracting occurs, the member company should increase due diligence measures to mitigate these risks. | Production location data provided to Fair Wear, financial records from the previous financial year, evidence of member systems and efforts to identify all production locations (e.g., interviews with factory managers, factory audit data, web shop and catalogue products, etc.), licensee contracts and agreements with design collaborators. | 0 | 4 | 0 |

Comment: Living Crafts does not use the outcomes of its human rights monitoring to respond to unauthorised subcontracting. To date, the member has not yet taken active preventive measures. The member did not send out the subcontractor policy to all its suppliers.

Requirement: Living Crafts should use the outcome of its human rights monitoring to respond to unauthorised subcontracting.

Recommendation: Fair Wear recommends the member to periodically check with its intermediaries whether all known production locations are still up to date and use the information from questionnaires to update supplier data, including subcontractors. Living Crafts is recommended to consider working with its own Quality Controllers to monitor its production takes place in the factory.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|--|--|-------|-----|-----|
| 2.12 Member company extends its due diligence approach to homeworkers. | Insufficient | Homeworkers should be viewed as an intrinsic part of the workforce, entitled to receive equal treatment and have equal access to the same labour rights, and therefore should be formalised to achieve good employment terms and conditions. | Supplier policies, evidence of supplier and/or intermediaries' terms of employment, wage-slips from homeworkers. | 0 | 4 | 0 |

Comment: Living Crafts has not identified whether homework is prevalent in its sourcing countries.

Requirement: Living Crafts should identify whether homeworkers are used by its suppliers and assess if there is a risk of exploitation.

Recommendation: Fair Wear recommends Living Crafts to conduct a capacity analysis looking into specific production processes to validate the suppliers' statements that no homeworkers are used.

Indicators on Responsible purchasing practices

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 2.13 Member company's written contracts with suppliers support the implementation of Fair Wear's Code of Labour Practices and human rights due diligence, emphasising fair payment terms. | Insufficient | Written, binding agreements between brands and suppliers, which support the Fair Wears CoLP and human rights due diligence, are crucial to ensuring fairness in implementing decent work across the supply chain. | Suppliers' codes of conduct, contracts, agreements, purchasing terms and conditions, or supplier manuals. | 0 | 4 | 0 |

Comment: Living Crafts did not use contracts with its suppliers in the past financial year. The member has agreements in the form of purchase orders that stipulate payment terms, liability, penalties and force majeure; these terms are unfair, hinder human rights and place an unequal burden on the suppliers. The CoLP were not implemented.

Requirement: Living Crafts needs to use written contracts with all its suppliers that include shared responsibilities and support the implementation of human rights due diligence.

Recommendation: Fair Wear strongly recommends Living Crafts to include the shared responsibility of CoLP implementation in its contracts, including fair payment terms.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------|--|--|-------|-----|-----|
| 2.14 Member company has formally integrated responsible business practices and possible impacts on human rights violations in their decision-making processes. | Basic | Corporate Social Responsibility (CSR), purchasing, and other staff that interact with suppliers must be able to share information to establish a coherent and effective strategy for improvements. This indicator examines how this policy and Fair Wear membership requirements are embedded within the member company. | Internal information systems, status Corrective Action Plans, sourcing score- cards, KPIs listed for different departments that support CSR efforts, reports from meetings from purchasing and/or CSR staff, and a systematic manner of storing information. | 2 | 6 | 0 |

Comment: Living Crafts shares relevant CSR information with other departments. The member has not yet included responsible business practices in job role competencies, nor do sourcing and purchasing staff work with Key Performance Indicators (KPIs) supporting good sourcing and pricing strategies.

Recommendation: Fair Wear recommends that CSR and other relevant departments actively share information leading to coherent responsible business practices. Living Crafts could adopt KPIs that support good sourcing and pricing strategies within its sourcing, purchasing and design departments.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 2.15 Member company's purchasing practices support reasonable working hours. | Intermediate | Members' purchasing practices can significantly impact the levels of excessive overtime at factories. | Proof that planning systems have been shared with production locations, examples of production capacity knowledge that is integrated into planning, timely approval of samples, and proof that management oversight is in place to prevent late production changes. | 4 | 6 | 0 |

Comment: Living Crafts is a stock-service supplier, and its products are not produced for customer orders but are available for direct orders. Based on its business model, the brand has well-developed internal planning to minimise the risk of overproduction. Forecasts are only made with realistic volumes; most requested samples are eventually ordered.

Living Crafts offers Never Out of Stock (NOS) items, some of which have existed for several years. The suppliers have an overview of all NOS items, which helps them to plan their capacities and the needed raw materials in advance. The NOS items are more flexible and can be placed throughout the year, supporting a more balanced order volume at its suppliers. Changes in design or order volume, which impacts changes in colour, size, or labels, happen rarely.

The member brand also produces two seasonal collections and discusses lead times and capacities with its suppliers before placing orders. Living Crafts did not explore the production planning in minutes to assess better its suppliers production capacity. The production planning for seasonal products is lacking a systematic structure leading to ad hoc decisions, leading to overtime.

During the past financial year, Living Crafts accepted delays from its suppliers and exchanged with its customer to extend delivery times. The member brand does not yet evaluate the previous production planning with its suppliers.

Recommendation: Living Crafts could use the Fair Working Hours Guide to assess its purchasing practices and potential impact on working hours and discuss this with its suppliers. Fair Wear recommends the member to explore planning production in minutes instead of pieces to assess better its suppliers' production capacity (and wage levels). Furthermore, at suppliers where Living Crafts is not a large customer, Fair Wear recommends the member to learn more about their production planning, for example, about peak season. The member is encouraged to evaluate with the supplier the production process after each season and, where needed, adapt its future planning.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|--|-------|-----|-----|
| 2.16 Member company can demonstrate the link between its buying prices and wage levels at production locations. | Insufficient | Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages - and towards the implementation of living wages. | Interviews with production staff, documents related to member's pricing policy and system, buying contracts, cost sheets including labour minutes. | 0 | 6 | 0 |

Comment: Living Crafts has a basic understanding of the wage levels at its suppliers and knows labour minute values for some styles. However, the member brand does not yet connect this understanding to its own buying prices. Living Crafts has no insight into the labour component of its prices. Living Crafts does not know the number of actual sewing minutes needed for all styles. The member brand has yet to investigate why some suppliers are reluctant to work with Fair Price or any other form of fact-based costing.

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

Recommendation: Living Crafts is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown, for example, using the Fair Price app. The member brand is recommended to investigate wage levels in production countries and at its suppliers. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. Living Crafts is recommended to investigate why some suppliers are reluctant to work with Fair Price or any other form of fact-based costing, if needed, with the support of Fair Wear's local teams.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 2.17 All sourcing intermediaries play an active role in upholding Fair Wear's Code of Labour Practices and ensure transparency about where production takes place. | Intermediate | Intermediaries have the potential to either support or disrupt CoLP implementation. It is members' responsibility to ensure production relation intermediaries actively support the implementation of the CoLP. | Correspondence with intermediaries, trainings for intermediaries, communication on Fair Wear audit findings, etc. | 2 | 4 | 0 |

Comment: Living Crafts has informed its sourcing intermediaries of Fair Wear requirements and could show they informed production locations. The member is yet to require from its intermediaries that they uphold the purchasing practices as mentioned in the Common Framework of Responsible Purchasing Practices (CFRPP)

Recommendation: Fair Wear recommends Living Crafts to enable its intermediaries to support CoLP implementation actively. The member is recommended to check if the intermediary's purchasing practices are fair and if the intermediary has adequate systems to ensure payments are made on time. Living Crafts could require its intermediaries to uphold the purchasing practices mentioned in the CFRPP framework.

Layer 3 Remediation and impact

Possible Points: 96

Earned Points: 12

Indicators on Quality and coherence of prevention and remediation system

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|--|-------|-----|-----|
| 3.1 Member company integrates outcomes of human rights risk identification (layer 2) into prioritisation and follow-up programmes according to the risk profile. | Insufficient | Based on the risk assessment outcomes, a factory risk profile can be determined with accompanying intervention strategies, including improvement and prevention programmes. | Overview of supplier base with accompanying risk profile and follow-up programmes. | 0 | 6 | 0 |

Comment: Living Crafts has not made risk profiles per supplier and has not drafted follow-up plans.

Requirement: Living Crafts is required to ensure that prioritisation in follow-up matches the factory's risk profile.

Recommendation: Fair Wear recommends Living Crafts to ensure more factories have a follow-up plan that matches their risk profile.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 3.2 Member company's improvement and prevention programmes include a gender lens. | Insufficient | The prevention and improvement programmes should ensure equitable outcomes. Thus, a gender lens should be incorporated in all programmes regardless of whether or not the programme is specifically about gender. | Proof of incorporation of the gender lens in follow up programmes, including stakeholder input. | 0 | 6 | 0 |

Comment: Living Crafts has not yet included a gender lens in any of its improvement and prevention programmes. Living Crafts still needs to define improvement and prevention programmes.

Recommendation: The member is encouraged to include a gender lens in all its improvement and prevention actions.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 3.3 Member company's improvement and prevention programmes include steps to encourage freedom of association and effective social dialogue. | Insufficient | Freedom of Association and Collective Bargaining are enabling rights. Therefore, ensuring they are prioritised in improvement and prevention programmes can help support improvements in all other areas. | Available prevention and improvement programmes, including stakeholder input. | 0 | 6 | 0 |

Comment: Living Crafts has not yet included steps to encourage FoA and effective social dialogue in its improvement or prevention actions.

Recommendation: Living Crafts is encouraged to include steps to encourage FoA and effective social dialogue in all its improvement and prevention actions.

The member is strongly encouraged to ensure worker representatives are involved in the steps that the member takes to promote freedom of association and effective social dialogue.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|--|-------|-----|-----|
| 3.4 Member company actively supports operational-level internal grievance mechanism. | Insufficient | Fair Wear's complaints helpline is a safety net in case local grievance mechanisms do not provide access to remedy. Members are expected to actively support and monitor the effectiveness of operational-level grievance mechanisms as part of regular contact with their suppliers. | Communication with suppliers, responses to grievances, minutes of internal worker committees, evidence of democratically elected worker representation, evidence of handled grievance, review of factory policies, and proof of effective social dialogue. | 0 | 6 | 0 |

Comment: Living Crafts does not assess its suppliers' internal grievance mechanisms at the start of a business relationship. The member does not actively support and monitor the effectiveness of internal grievance mechanisms.

Requirement: Living Crafts needs to assess the existence and functioning of internal grievance mechanisms systematically; it also needs to support and monitor its functioning.

Recommendation: Fair Wear recommends Living Crafts to always involve suppliers and worker representatives in the assessment of the internal grievance mechanism and to share and discuss the outcome of the assessment with the above stakeholders, who should be encouraged to lead a discussion on how the mechanisms can be improved.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|--|-------|-----|-----|
| 3.5 Member company collaborates with other Fair Wear members or customers of the production location. | Intermediate | Cooperation between Fair Wear members increases leverage and the chances of successful outcomes. Cooperation also reduces the chances of a factory needing to conduct multiple improvement programmes about the same issue with multiple customers. | Communication between different companies. | 4 | 6 | 0 |

Comment: Living Crafts cooperates with other Fair Wear members at its shared suppliers, responding to CAPs and complaints. Living Crafts has not yet cooperated with customers that are not Fair Wear members. Next to that, the member also cooperates in taking more preventive measures, such as organising a FairPrice training at a shared supplier.

Recommendation: Even though Living Crafts already works together with other Fair Wear members, Fair Wear recommends also collaborating with other customers.

Indicators on Improvement and prevention

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------|---|---|-------|-----|-----|
| 3.6 Degree of progress towards implementation of improvement programme per relevant factory. | 22% | Fair Wear expects members to show progress towards the implementation of improvement programmes. Members are expected to be actively involved in the examination and remediation of any factory-specific problem. | Progress reports on improvement programmes. | 2 | 6 | -2 |

Comment: In the past financial year, Living Crafts has received four audit reports. During the performance check, the member could demonstrate with a sample that up to a third of the Corrective Action Plan (CAP) issues requiring improvement actions have been followed up. Examples of improvement actions that were taken include health & safety, legal employment and factory communication. The CAP issues that require improvement actions and are still open are, in some cases, more complex or structural issues and therefore need more time to be remediated.

Living Crafts has yet to develop a system to follow up on CAPs regularly and on time. The member brand needs to check the proof of evidence sufficiently before closing a finding. Living Crafts' supply chain size and its available resources to actively follow up on CAP issues are not coinciding.

Recommendation: Fair Wear strongly recommends ensuring that the size of the supply chain and the available resources of Living Crafts to actively follow up on CAP issues are coinciding. Possible solutions could be to decrease the number of suppliers or increase the resources needed to be able to work on improvement actions. Living Crafts could create a master file for all suppliers in which suppliers and CAPs findings are prioritised, and the status of findings and actions are documented. Fair Wear recommends the member brand to use the HRDD facilitation tool.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|-----------------------|---|----------------------------------|-------|-----|-----|
| 3.7 Degree of progress towards implementation of prevention programme. | Insufficient progress | Fair Wear expects members to show progress towards the implementation of prevention programmes. With this indicator, Fair Wear assesses the degree of progress based on the percentage of actions addressed within the set timeframe. | Update on prevention programmes. | -2 | 6 | -2 |

Comment: Living Crafts has not yet identified the root causes of the CAP findings (other than excessive overtime assessed under indicator 3.9 or living wage assessed under indicator 3.11).

Requirement: Please note that following Fair Wear's policy for repeated non-compliance, members that receive an insufficient score on this indicator for the second year will be placed in the 'needs improvement' category.

Living Crafts should identify the root causes of CAP issues and discuss these with its suppliers. The member needs to start developing preventive actions to address these root causes.

Recommendation: Fair Wear strongly recommends that the size of the supply chain and the available resources of Living Crafts to follow up on CAP issues actively coincide. Possible solutions could be to decrease the number of suppliers or increase the resources needed to work on preventive actions.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------|---|---|-------|-----|-----|
| 3.8 Member company validates risk profile and maintains regular dialogue with factories where no improvement or prevention programme is needed. | Basic | When no improvement or prevention programme is needed, Fair Wear expect its member companies to actively monitor the risk profile and continue to mitigate risks and prevent human rights abuses. | Use of Fair Wear workers awareness digital tool to promote access to remedy. Evidence of data collected, worker interviews, monitoring documentation tracking status quo. | 2 | 6 | 0 |

Comment: Living Crafts has some suppliers where improvement or prevention steps are not needed. These cover 19% of the member's total FOB. The member does not have a system to ensure possible human rights risks are regularly discussed with these suppliers. Living Crafts irregularly reviews changes to the risk situation. The member has yet to include worker representatives/local unions in discussions with factory management on possible human rights risks.

Recommendation: Living Crafts is recommended to create a systematic plan which details at which interval the member will discuss possible human rights risks at its suppliers and which human rights risks should be discussed. Living Crafts is recommended to ensure worker representation/local unions (when appropriate) are included in discussions with factory management on possible human rights risks.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 3.9 Degree to which member company mitigates root causes of excessive overtime. | Insufficient | Member companies should identify excessive overtime caused by the internal processes and take preventive measures. In addition, members should assess ways to reduce the risk of external delays. | This indicator rewards self-identification of efforts to prevent excessive overtime. Therefore, member companies may present a wide range of evidence of production delays and how the risk of excessive overtime was addressed, such as: reports, correspondence with factories, collaboration with other customers of the factory, use of Fair Wear tools, etc. | 0 | 6 | 0 |

Comment: In the previous year, one audit report of the total of four audits mentions excessive overtime. Living Crafts has not analysed or addressed the root causes of these findings. In case of delay in delivery, the member is flexible with the delivery dates, prioritises orders, uses NOS to balance peak seasons, keeps stock and is in exchange with its customers. Some of Living Crafts's suppliers remain reluctant to be open about working hours. The member has not addressed this sufficiently yet.

Requirement: Living Crafts should investigate to what extent its current buying practices affect the working hours at the supplier level. A root cause analysis of excessive overtime should be done to investigate the most effective steps to reduce overtime. The Fair Working Hours Guide can be used as a resource.

Recommendation: Fair Wear strongly recommends Living Crafts to address suppliers' reluctance to be transparent about working hours. With its suppliers where excessive overtime occurs, Fair Wear recommends Living Crafts to verify whether production is planned with overtime. If production is planned with overtime, the brand should ensure that its products can be produced during regular working hours. Fair Wear advises Living Crafts to discuss with its supplier which solutions included in the Fair Working Hours Guide are applicable.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 3.10 Member company adequately responds if production locations fail to pay legal wage requirements and/or fail to provide wage data to verify that legal wage requirements are paid. | Insufficient | Fair Wear members are expected to actively verify that all workers receive legal minimum wage. If a supplier does not meet the legal wage requirements or is unable to show they do, Fair Wear member companies are expected to hold the management at the production location accountable for respecting local labour law. | Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show the legal wage issue is reported/resolved. | -2 | 4 | -2 |

Comment: In the previous year, two out of four audits included findings regarding non-payment of legally required wage elements. The findings showed that ESI (private insurance scheme) was not paid according to the earned wages, and overtime premium was not paid as legally required. In the previous year, two out of four audits included findings regarding failure to provide wage data. The member has not addressed this sufficiently yet.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance, members that receive an insufficient score on this indicator for the second year will be placed in the 'needs improvement' category.

If a supplier fails to comply with legal wage regulations, members are expected to respond in time, identify root causes with factory management, and resolve that local labour laws are respected. Evidence of remediation must be collected.

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

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------|---|---|-------|-----|-----|
| 3.11 Degree to which member company assesses and responds to root causes of wages lower than living wages in production locations. | Basic | 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. | Member companies may present a wide range of evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, wage data/wage ladders, gap analysis, correspondence with factories, etc. | 2 | 6 | 0 |

Comment: Living Crafts did not discuss the topic of living wages with its suppliers. The member brand has yet to create an overview of the wage levels at its suppliers and the gap towards the estimated living wage. Living Crafts has collected wage data from some of its suppliers in India. The member brand has done a basic root-cause analysis to find out why wages at suppliers are generally below the living wage. Living Crafts has yet to develop a systemic and time-bound approach to get wages increased towards a living wage.

Recommendation: Fair Wear recommends Living Crafts to enrol in the Living Wage programme on Fair Wear's learning platform. Fair Wear advises the member brand to expand its wage data collection and root cause analysis to other suppliers.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 3.12 Member company determines and finances wage increases. | Insufficient | Member companies should have strategies in place to contribute to and finance wage increases in their production locations. | Analysis of wage gap, strategy on paper, demonstrated roll out process. | 0 | 6 | 0 |

Comment: Living Crafts does not have an overview of wages paid in production locations. Only wage information for some of its Indian suppliers is available. The member has not discussed wage increases with its factories. Living Crafts does not have a strategy on how to finance wage increases at its suppliers.

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

Recommendation: It is advised that the strategy for how to finance wage increases is agreed upon by top management.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------|--|--|-------|-----|-----|
| 3.13 Percentage of production volume where the member company pays its share of the living wage estimate. | 0% | Fair Wear requires its member companies to act to ensure a living wage is paid in their production locations to each worker. | Member company's own documentation such as reports, factory documentation, evidence of Collective Bargaining Agreement (CBA) payment, communication with factories, etc. | 0 | 6 | 0 |

Comment: Living Crafts does not contribute to higher wages at any of its production locations.

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

Recommendation: We encourage Living Crafts to show that discussions and plans for wage increases have resulted in the payment of a target wage.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|--|-------|-----|-----|
| 3.14 Member addresses grievances received through Fair Wear's helpline in accordance with the Fair Wear Complaints Procedure. | Intermediate | Members are expected to actively support the operational-level grievance mechanisms as part of regular contact with their suppliers. The complaints procedure provides a framework for member brands, emphasising the responsibility towards workers within their supply chain. | Overview of supporting activities, overview of grievances received and addressed, etc. | 2 | 4 | -2 |

Comment: Living Crafts received two complaints in the past financial year about safe & healthy working conditions, legally binding employment relationships and living wages at its suppliers in Türkiye. The member actively responded to these complaints as per Fair Wear's Complaints Procedure, in collaboration with other Fair Wear members.

Another Fair Wear member brand had the lead for the first complaint. The member brand visited the factory and discussed the complaint in detail with the factory management on behalf of all active Fair Wear member brands. Since the factory made proper remediations, this complaint was resolved.

The second complaint stated that the monthly wage of the workers was currently slightly higher than the legal minimum wage, which is insufficient to make a living. Living Crafts contacted its agent, and the agent held a meeting with the factory management. However, as the member brand informed the factory before the complaint about its plans to stop collaboration, the factory was not willing anymore to share further information, and the complaint could not be solved.

Living Crafts did not yet include the outcome of these complaints to decide on follow-up in its human rights improvement and prevention plans.

Recommendation: Living Crafts could use the outcome of complaints to determine follow-up actions in its broader improvement and prevention plans. The member is recommended to take steps to prevent similar complaints from occurring in its supply chain.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------|--|---|-------|-----|-----|
| 3.15 Degree to which member company implements training appropriate to the improvement or prevention programme. | Basic | Training programmes can play an important role in improving working conditions, especially for more complex issues, such as freedom of association or gender-based violence, where factory-level transformation is needed. | Links between the risk profile and training programme, documentation from discussions with management and workers on training needs, etc. | 2 | 6 | 0 |

Comment: Living Crafts has some CAP findings where training is a recommended follow-up action. The member has not yet enrolled its suppliers with findings on no awareness about CoLP in training modules. Even though it is not part of a CAP, Living Crafts has implemented the training modules WEP Factory Dialogue and Fair price introduction at one supplier in Türkiye and WEP Violence & Harassment Prevention at one supplier in India.

Requirement: Living Crafts needs to follow up on CAP findings that show workers are not aware of the Code of Labour Practices by enrolling those suppliers in an appropriate training module.

Recommendation: Living Crafts is recommended to implement training for all factories where this is part of its improvement and/or prevention programme.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 3.16 Degree to which member company follows up after a training programme. | Insufficient | Training is a crucial tool to support transformative processes but complementary activities such as remediation and changes at the brand level are needed to achieve lasting impact | Evidence of engagement with factory management regarding training outcomes, documentation on follow-up activities, and proof of integration into further monitoring and risk profiling efforts. | 0 | 6 | 0 |

Comment: Living Crafts did not follow up actively with its supplier upon those training modules. The member has not yet used the training results as input for its human rights risk monitoring.

Requirement: Fair Wear requires Living Crafts to discuss the outcome of training with its suppliers and agree on the next steps.

Recommendation: Fair Wear recommends Living Crafts to use the training results as input for Living Crafts's human rights risk monitoring.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|---|--|-------|-----|-----|
| 3.17 The member company's human rights risk monitoring system includes a responsible exit strategy. | Intermediate | Withdrawing from a non-compliant supplier should only be the last resort when no more impact can be gained from other strategies. Fair Wear members must follow the steps as laid out in the responsible exit strategy. | Exit strategy policy, examples of supplier communications. | 2 | 4 | 0 |

Comment: Living Crafts's human rights risk monitoring includes a responsible exit strategy. In the past financial year, the member stopped with five suppliers. The member followed the steps in the responsible exit strategy. Living Crafts did not discuss the responsible exit strategy with its suppliers as part of the supplier evaluation.

Recommendation: Living Crafts could discuss the responsible exit strategy with its suppliers, for instance, as part of its supplier evaluation.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|---|--|---|-------|-----|-----|
| 3.18 Member company's measures, business practices and/or improvement programmes go beyond the indicators or scope. | Member company's activities do not go beyond the indicators or scope. | Fair Wear would like to reward and encourage members who go beyond the Fair Wear policy or scope requirements. For example, innovative projects that result in advanced remediation strategies, pilot participation, and/or going beyond tier 2. | Overview of Human Right risk monitoring, remediation and prevention activities and processes. | N/A | 6 | 0 |

Comment: Living Crafts does not undertake activities related to human rights that go beyond Fair Wear's scope.

Layer 4 External communication, outreach, learning, and evaluation

Possible Points: 22

Earned Points: 12

Indicators on Communication, transparency and evaluation

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|----------|--|---|-------|-----|-----|
| 4.1 Member company actively communicates about Fair Wear membership and its human rights due diligence efforts. | Advanced | Fair Wear membership includes the need for a brand to show its efforts, progress, and results. Fair Wear members have the tools and targeted content to showcase accountability and inform customers, consumers, and retailers. The more brands communicate about their sustainability work, the greater the overall impact of the work of the Fair Wear member community. | Member website, sales brochures, and other communication materials. | 4 | 4 | 0 |

Comment: Living Crafts communicates accurately about Fair Wear membership on its website. The member also uses other channels to inform customers and stakeholders about Fair Wear membership. By using social media and printed brochures for its customers Living Crafts actively spreads the Fair Wear message.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|---------------------------------|--|--|-------|-----|-----|
| 4.2 Member company sells external brands with a Human Rights Due Diligence system (if applicable). | No reselling of external brands | Some member companies resell other brands, which Fair Wear refers to as 'external production'. These members are expected to investigate the Human Rights Due Diligence system of these other brands, including production locations and the availability of monitoring information. | External production data in Fair Wear's information management system, collected information about other brands' human rights due diligence systems, and evidence of external brands being part of other multi-stakeholder initiatives that verify their responsible business conduct. | N/A | 4 | 0 |

Comment: Living Crafts does not sell external brands.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|----------|---|----------------|-------|-----|-----|
| 4.3 Social report is submitted to Fair Wear and is published on the member company's website. | Advanced | The social report is an important tool for member companies to share their efforts with stakeholders transparently. The social report explicitly refers to the workplan and the yearly progress related to the brands goals identified in the workplan. | Social report. | 4 | 4 | 0 |

Comment: Living Crafts has submitted its social report, which Fair Wear approved. Living Crafts has also published the report on its website.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 4.4 Member company engages in advanced reporting activities. | Intermediate | Good reporting by members helps ensure the transparency of Fair Wear's work and helps share best practices within the industry. This indicator reviews transparency efforts reported beyond (or included in) the social report. | Brand Performance Check, audit reports, information about innovative projects, specific factory compliance data, disclosed production locations (list tier 2 and beyond), disclosure of production locations, alignment with the Transparency Pledge. | 2 | 4 | 0 |

Comment: Living Crafts published its social report, which includes some factory-level data and remediation results, on its website. Living Crafts disclosed 81% of its suppliers but has yet to disclose its time-bound improvement plans.

Recommendation: Living Crafts is recommended to include more factory-level data in its reporting and to publish time-bound plans for its suppliers.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|---|--------------|--|--|-------|-----|-----|
| 4.5 Member company has a system to track implementation and validate results. | Intermediate | Progress must be checked against goals. Members are expected to have a system in place to track implementation and validate the progress made. | Documentation of top management involvement in systematic annual evaluation includes meeting minutes, verbal reporting, PowerPoint presentations, etc. Evidence of worker/supplier feedback. | 4 | 6 | 0 |

Comment: Living Crafts has a general system to track progress and check if implemented measures have been effective in preventing and remediating human rights violations. The internal evaluation system involves top management. In its evaluation system, the member does not yet include triangulated information from external sources, such as worker feedback.

Recommendation: The member is advised to include feedback from workers and suppliers in its evaluation system.

| Performance indicators | Result | Relevance of Indicator | Documentation | Score | Max | Min |
|--|--------------|---|---|-------|-----|-----|
| 4.6 Level of action/progress made on requirements from previous Brand Performance Check. | Insufficient | 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 should show documentation related to the specific requirements made in the previous Brand Performance Check. | -2 | 4 | -2 |

Comment: The previous performance check included six requirements related to onboarding new suppliers, the link between buying prices and wage levels, working on living wages, following up after training and working on remediation of previous requirements.

Living Crafts did not follow up on any requirements.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance, members that receive an insufficient score on this indicator for the second year will be placed in the 'needs improvement' category.

It is required to work towards remediation of previous requirements from the last Brand Performance. The requirements included in this check need to be addressed.

Recommendation: Living Crafts is strongly recommended to address the requirements that are still outstanding.

5 Appreciation chapter

5.1 Member company publicly responded to problems/allegations raised by consumers, the media, or NGOs.: Not applicable

5.2 Member company actively participated in lobby and advocacy efforts to facilitate an enabling environment in production clusters.: Not applicable

5.3 Member company actively contributed to industry outreach, visibility, and learning in its main selling markets.: Not applicable

Recommendations to Fair Wear

Less administration would be appreciated. It would be good to have more best practice examples, like in the past, and the possibility of exchanging with other brands is also very important. The communication for consumers to improve their understanding of Fair Wear should be extended. (e.g. like, GOTS is doing in public work and case studies). The new memberhub is a good improvement and tool which will help us more in the future. A communication guideline for suppliers would be good to explain better the higher requirements (e.g. from the OECD alignment, German Supply Chain Act.)

Brand Performance Check details

Date of Brand Performance Check: 20-06-2023

Conducted by: Adele Kolos

Interviews with: - Frank Schell (CEO)

- Ulrike Andersson (CSR)