



Brand Performance Check

Picture Organic Clothing

Publication date: August 2022

This report covers the evaluation period 01-04-2021 to 31-03-2022

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.

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

Brand Performance Check Overview

Picture Organic Clothing

Evaluation Period: 01-04-2021 to 31-03-2022

Member company information	
Headquarters:	Gerzat , France
Member since:	2017-05-31
Product types:	Outdoor products;Sports & activewear;Outdoorwear
Production in countries where Fair Wear is active:	China, India, Indonesia, Turkey, Viet Nam
Production in other countries:	France, Mauritius, Portugal, Taiwan
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	85%
Benchmarking score	48
Category	Needs Improvement

Summary:

Picture Organic Clothing has shown insufficient progress in performance indicators. With a score of 48 points, the member brand will be placed in "Needs improvement". The company received an insufficient score on indicators 1.9 and 2.7 for the second time in a row, which means repeated non-compliance. Picture Organic Clothing has monitored 85% of its total FOB.

Corona Addendum:

2021 was a challenging year for Picture Organic Clothing as sales decreased. Although it had to reduce orders, the brand did not cancel any orders. Picture Organic Clothing's supply chain consists of two main suppliers in China (53% FOB) and Turkey (21% FOB) and tail-end suppliers where the brand has only small leverage and turnover.

Picture Organic Clothing conducted a risk assessment of its sourcing countries and linked the risks to the suppliers. However, the brand did not follow up sufficiently on country-specific and supplier-specific risks. Therefore, high risks such as excessive overtime and payment of legal minimum wage at its Chinese, Indian and Vietnamese suppliers remained unaddressed.

One external audit report of 2020 at the Indonesian supplier found non-compliance regarding payment of legal minimum wages. Together with two other customers, Picture Organic Clothing actively started remediation and will introduce the payback to the factory and workers at its next visit in 2022.

Picture Organic Clothing could not show progress on living wages. Both main suppliers were unwilling to use Fair Wear's Fair Price App. Consequently, it is difficult for the member brand to learn how its pricing links to wages lower than living wages and to start improvement steps. In addition, the main Chinese supplier was not open to transparency, which has been a continuous situation for a couple of years. Although these findings have been discussed with the supplier several times by the brand's CEO and CSR team, wages and working hours still cannot be verified due to falsification or inconsistent records. Hence, improvements have not been made. Moreover, the supplier is unwilling to share the names and contact details of the subcontracting partners used to produce Picture Organic Clothing's articles. Despite the lack of progress and transparency, Picture Organic Clothing still trusts its supplier and prefers to continue business with this supplier.

Picture Organic Clothing's subcontracting partners did not sign de Code of Labour Practices questionnaire and did not post the worker information sheets.

The CSR team sent out two COVID-19 questionnaires to investigate the order situation of the suppliers, the health and safety measures taken to prevent further spreading of the virus, the status of vaccination of the workers and payment of legal minimum wages. The brand requested documents for verification; however, not all suppliers were willing to share these. Specific COVID-19-related risks such as payment of legal minimum wages and overtime was not sufficiently addressed.

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.	75%	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: Picture Organic Clothing has two main suppliers, one in China and one in Turkey. Combined, they are responsible for 75% of the production volume of Picture. In total, Picture Organic Clothing produces garments at 21 suppliers. The tail end is relatively large because all suppliers are specialised in one product category. The member brand started diversifying its collections and is looking for new suitable suppliers. As a result, a consolidation of the supplier base did not take place.

Recommendation: Fair Wear recommends Picture Organic Clothing to consolidate its supplier base where possible and increase leverage at main production locations to request improvements in working conditions effectively. Specifically, as 25% of the member brand's annual production volume comes from 19 supplies, with partially very low leverage, Fair Wear strongly recommends Picture Organic Clothing to significantly limit the number of production locations in its 'tail end'. Shortening the tail will reduce the social compliance risks the member is exposed to and allow the member to improve working conditions more efficiently and effectively. When the tail end cannot be reduced further because of the production of specific garments, Fair Wear recommends Picture Organic Clothing to increase its leverage by sourcing from factories where other Fair Wear members are active and/or increasing human rights due diligence at new suppliers to ensure that factories with few issues are selected.

It is advised to describe the consolidation process in a sourcing strategy agreed upon with top management/sourcing staff.

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.	8%	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.	3	4	0

Comment: 8% of Picture Organic Clothing's production volume comes from twelve suppliers where the brand buys less than 2% of its total FOB.

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.	94%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

Comment: Picture Organic Clothing values long-lasting relationships with its suppliers. For 94% of its production volume, the brand cooperates with its suppliers for more than five years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	No	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.	0	2	0

Comment: Picture Organic Clothing added two new production locations in India and Indonesia to its supplier base. The brand could show for both suppliers the signed Fair Wear Code of Labour Practices (CoLP). However, the Indian supplier indicated using two subcontracting partners for supportive production processes. The brand did not follow up on this information. Hence, both subcontracting partners were not added to Fair Wear's database, nor did they sign the CoLP. Further, for two long-lasting subcontracting partners in Turkey, the brand could also not show proof of the signed CoLP.

Requirement: Picture Organic Clothing needs to ensure that new production locations, including subcontracting partners, sign and return the questionnaire before first orders are placed.

Recommendation: When receiving the signed CoLP questionnaire, Picture Organic Clothing should check on the information given and follow up in case the use of subcontracting partners is indicated.

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

Comment: Picture Organic Clothing's due diligence process identifies human rights issues in the country and potential local garment supply chain risks based on FW country studies and indices such as World Bank Country Data, United Nations Human Development Index, United Nations Gender Development Index or Economist Intelligence Units. The CSR staff updates the risk assessment twice a year, including labour laws and applying a gender lens. A comprehensive overview for the CSR staff and a shortened version for the other brand's staff are available. The risks are rated. As a result, Picture Organic Clothing is well aware of the risks in its sourcing countries and links these to its suppliers. For its main sourcing countries, the brand identified a lack of transparency at its main supplier (China), non-payment of legal minimum wages (Indonesia and Viet Nam), occupational health and safety issues (India), Syrian refugees and freedom of association (Turkey) and other.

When selecting a new supplier, the brand takes several factors into account. It checks whether external audit reports are available and which other brands are also sourcing at this factory. Picture Organic Clothing favours factories from which other Fair Wear members or sustainable garment brands source and approaches these clients for more information. The brand also checks if potential new suppliers have policies on sexual harassment and social dialogue and if worker representatives are active. If these checks have been done, Picture Organic Clothing will send the supplier the Fair Wear Code of Labour questionnaire to sign and the worker information sheet to be posted. In addition, Picture Organic Clothing sent out basic health and safety checklists and followed up on any issues. For two suppliers, the brand conducted digital video tours to evaluate the health and safety situation at the production location. The final decision on whether to onboard a supplier results from a conversation between CSR and Purchasing. The CSR team has a final say on whether to onboard a supplier or not. This procedure is written down in a document and understood by the product manager and sourcing agents. These steps have been followed for the two new suppliers in Indonesia and India, added in 2021. The brand's intention for cooperation with the Indonesian supplier is only short-term. This has not been communicated to the supplier in a written contract.

COVID-19:

In the past year, the CSR team sent out two COVID-19 questionnaires to evaluate the situation at the suppliers. The brand asked for information about health and safety measures installed at the suppliers to prevent the spreading of the virus, the status of vaccinations, payment of legal minimum wages, the order situation at the suppliers and if suppliers were in lockdown. The brand asked for proof of evidence. However, only some suppliers were willing to share this. Few suppliers mentioned a decrease in orders, and Picture Organic Clothing offered support. The Indonesian supplier, who could not pay legal minimum wages, accepted this. For more information, see indicator 1.9. There were regular digital meetings with the main Chinese supplier. The brand's CEO joined these meetings. The CSR team mostly had contact with the other main suppliers via email. In the case of calls, the first minutes were always dedicated to investigating the COVID-19 situation at the supplier.

Recommendation: Fair Wear recommends to have a strategy in place in case the assessed risks can't be mitigated and remediated and to follow up on the defined actions.

Fair Wear strongly recommends to have written contracts with the suppliers on a long-term basis. In the case of short-term contracts, this should be precisely formulated in the contract.

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

Comment: In 2021, Picture Organic Clothing started its first supplier evaluation. The brand rates explicitly how much work needs to be done at the supplier based on the Corrective Action Plans (CAPs) status. However, as not all suppliers are audited, it is difficult for the brand to evaluate these suppliers. The CSR team included feedback from other departments in the evaluation. The brand does not officially inform its suppliers about the outcome of the evaluation, this is done more informally when talking with the suppliers or discussing the CAPs. Picture Organic Clothing does not have a strategy in place if a supplier does not perform well or does not improve on findings. The brand prefers long-lasting relationships with its production partners and continuous discussions rather than leaving the supplier. Unfortunately, several severe issues at the brand's Chinese main supplier did not lead to improvements. Even though this is reflected in the evaluation, the brand has not taken any consequences yet. Suppliers are not rewarded in case performing well.

In 2021, one supplier ended the relationship with Picture Organic Clothing. In addition, the brand terminated the cooperation via the agent for another supplier in India. According to the CSR team, the brand only had little leverage at this supplier. Although the brand has an exit strategy, the CSR team did not know if the supplier was informed on time to find new customers or if the exit affected the worker's wages.

Picture Organic Clothing did not cancel any orders, but according to the CSR team, orders were reduced. There are no monthly meetings between the brand's planning team and CSR staff, but some COVID-19-related issues such as order reductions have been discussed. The CSR team followed up on this in the COVID-19 survey by asking the suppliers if the brand's orders were enough to pay legal minimum wages to the workers.

Recommendation: Fair Wear encourages Picture Organic Clothing to develop an evaluation/grading system for suppliers where compliance with labour standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realised improvements in working conditions. Such a system can show whether and what information is missing per supplier and include outcomes of audits, trainings and/or complaints.

Picture Organic Clothing 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.

Fair Wear recommends Picture Organic Clothing to follow the steps of its exit strategy. Close cooperation between the purchasing, planning and CSR team is highly recommended. It should be clear if a supplier receives information about termination of cooperation on time and whether this step does have an influence on the workers' wages. All steps taken need to be properly documented. In the case of using an agent, close cooperation and communication are advised.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: Picture Organic Clothing has two seasons a year; Spring-Summer (SS) and Fall-Winter (FW). It takes 1.5 years to develop a new collection until the delivery of products. The production of the SS items takes about 4.5 months, whereas the FW products demand six months because of their complexity. The orders are planned based on forecasting and divided into two or three drops within a time frame of two months. This enables suppliers to produce in the low season. In this way, air freight can also be avoided. Internally, the brand agreed that the final order placement could not exceed the forecast that was given before. With its two main suppliers, the brand discusses delivery dates and plans back to when the final order needs to be confirmed. It has stock in France where the products are sent.

The brand knows the production capacities of its two main suppliers due to close cooperation in the production planning. However, the production capacities at the other production sites, counting for 27% of the member brand's FOB, are not known yet. All suppliers request Picture Organic Clothing to plan minimum order quantities (MOQ), providing them more stability. Only in exceptional cases the brand asks to order below the MOQ.

At its tail-end suppliers, the brand discusses with the agent what low seasons are for the suppliers and what the best moment would be to place orders.

During production, the planning team receives information about the order status. The brand is lenient with order delays. In the past financial year, the brand had no issues with material delays as these were pre-ordered in an early stage. In response to factory closures and reduced capacity during the pandemic, Picture Organic Clothing prioritised orders, made partial shipments, and accepted production delays without conditions.

Suppliers in Viet Nam were in lockdown due to COVID-19 and after restarting the production faced a lack of capacity. As a consequence, orders were delayed. The brand was flexible with the delivery times, however, did not follow up if overtime was excessive to cover the brand's orders. In 2021, Chinese suppliers faced power cuts, and production time was restricted. Picture Organic Clothing queried its agent on how these power cuts influenced the working conditions and wages at its Chinese suppliers. However, due to the agent's workload, no answers were provided. Hence, neither the brand nor the agent followed up on whether and how its suppliers were affected by these power cuts and if this has led to (excessive) overtime.

Picture Organic Clothing created an annual supplier survey to learn more about the supplier's capacities and to gain feedback on the brand's order planning and how it contributes to (excessive) overtime. This survey will be sent out in the next financial year, and the outcome will therefore be assessed in the next Brand Performance Check.

Recommendation: Fair Wear recommends Picture Organic Clothing to learn more about the standard minute per style and how the production of its products impacts the factory's total production capacity.

Fair Wear recommends Picture Organic Clothing to follow up on information and risks such as power cuts in China or lack of capacity in Viet Nam and how these issues could contribute to excessive overtime. The brand could then discuss with the supplier how to adapt production planning to prevent excessive overtime.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Insufficient 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.	0	6	0

Comment: The external audit of October 2021 at the Turkish supplier indicated excessive overtime. Picture Organic Clothing only received the audit report in February 2022; hence the follow-up on this finding only started at the end of the financial year. The brand analysed how its purchasing practices contributed to this finding and discussed possible root causes. The analysis showed that the brand knew the supplier's capacity but did not link this to its order planning. This has now been considered instead of just sending the forecast and the orders. Additionally, the member followed up on the findings during a visit to this supplier in spring 2022. The supplier has a strong incentive to keep the overtime low to avoid extra costs such as providing meals in the canteen or transport and does have an overview about the overtime made during production.

A Fair Wear audit of March 2021 shows that Picture's main Chinese supplier falsified records. As a result, the audit team could not fully verify the situation on hours of work for workers serving at this factory. The findings were similar to the previous audit of 2019. Although the CEO of Picture Organic Clothing joined every digital meeting, the remediation of falsified documents remained an issue also in the past financial year. No improvements could be shown during the Brand Performance Check.

External audits at two Vietnamese suppliers indicated excessive overtime. During the Brand Performance Check, the brand could not show proof of preventive measures or remediation.

Requirement: Picture Organic Clothing 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.

With a high risk of excessive overtime in its supply chain due to the COVID-19 pandemic, the member needs to monitor suppliers more actively on excessive overtime.

Recommendation: Besides discussing it with the supplier and assessing root causes, Fair Wear strongly recommends Picture Organic Clothing to actively take measures when excessive overtime is found. Taking measures to ensure that Picture Organic Clothing knows and shows whether excessive overtime occurs at a supplier is key in resolving the issue. Measures such as regular checks by the local technician, document checking and interviewing workers help assess whether excessive overtime takes place.

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.	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.	0	4	0

Comment: Picture Organic Clothing negotiates prices through a top-down model. It defines the retail price per product and then calculates back to what the maximum price of the supplier can be. In case the supplier cannot meet the price, the brand discusses with the supplier how it can lower the costs by substituting zippers, pockets, etc.

The brand keeps an overview of the legal minimum wages and living wages per country. Although the brand knows the price of the fabric, it does not know the labour cost per product. Neither does it estimate how the suppliers' prices are built up and whether its prices cover a legal minimum wage. When suppliers face increased costs, they will inform Picture Organic Clothing why they cannot accept a requested price. The brand assumes they would do the same for costs incurred to implement COVID-19 measures.

The Turkish main supplier joined the Fair Price App seminar in December 2021 but is unwilling to use it. Also, the brand's Chinese main supplier is not willing to use the Fair Price App and to cooperate and share more insight into its price set-up. This issue has been discussed with the supplier multiple times. The CSR manager started to collect wage information directly from the supplier. However, the assessment of the collected wage data revealed that the supplier had handed in falsified documents, which was another step back for the brand. The whole situation was discussed with Fair Wear and additionally with the supplier again. Separately, Picture Organic Clothing cooperated with another customer to investigate the cost breakdown at this supplier. The brand decided that it first needs to work on trust-building measures to improve transparency and be able to collect further wage information.

Requirement: Picture Organic Clothing needs to demonstrate an understanding of the link between buying prices and wage levels, to ensure their pricing allows for the payment of the legal minimum wage.

Recommendation: Fair Wear recommends Picture to expand their knowledge of cost breakdowns of all product groups. Picture Organic Clothing could at least estimate the relationship between wages and their prices. Fair Wear advises the CSR and buying departments to share more information so that staff involved in pricing is informed about increases in legal minimum wages in its production countries.

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. Fair Wear's labour minute value and product costing calculator enable suppliers to include any COVID-19-related costs. As Picture Organic Clothing's two main suppliers are not willing to cooperate in open costing, neither by using the Fair Price up nor by being honest and transparent, Fair Wear highly recommends the brand to develop a strategy on how to gain the needed knowledge. Trust-building measures at its suppliers are essential as a first step. The brand could consider hiring (local) experts to support the brand and the supplier in this process and to gain more knowledge about a base-to-top price system that could work for the supplier and the brand. For this the involvement of worker representatives is crucial.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	No	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	-2	0	-2

Comment: Last year Picture Organic Clothing scored insufficient on this indicator as the 2019 audit at its main Chinese supplier showed falsification of wage records. Unfortunately, a new scheduled verification audit for March 2021 again showed the falsification of wage records. The CSR team requested wage information for verification, but again, the supplier only handed in falsified documents. As a result, it cannot be verified whether the workers are earning legal minimum wage. A new monitoring audit is planned for the next financial year. For the other Chinese suppliers, the brand did not follow up on how long its suppliers were in lockdown and if workers earned legal minimum wages during this time (Shanghai area) or if production stoppage due to power cuts led to payment below legal minimum wages.

An external audit at an Indian supplier revealed the non-payment of legal minimum wages. As a follow-up, the brand requested pay slips and asked Fair Wear to verify these documents. Fair Wear's local team still noticed findings regarding incorrect payment of wages, and for the pay slips handed in, the legal minimum wage was not paid. According to the brand's investigation, wages were paid correctly, but the workers received wrong payslips due to a technical error. However, the brand did not further investigate with worker representatives if the information given by the supplier was correct and whether or not the workers received legal minimum wages. Also, no further verification audit was organized to get more clarity on this issue.

All three suppliers in Viet Nam were in lockdown during the summer of 2021. One supplier worked with the 3-on-site scheme, by which the government allowed factories to continue operations while workers would not leave the premises. In October 2021, Picture Organic Clothing investigated whether the suppliers paid legal minimum wages during the lockdown, which the suppliers confirmed. All three suppliers were (virtually) audited after the lock-down phase, and no findings concerning payment below legal minimum wages were reported.

One external audit report of 2020 at the Indonesian supplier found non-compliance regarding payment of legal minimum wages. In Indonesia, legal minimum wages differ per area. The legal minimum wage is higher in this supplier's area than in other regions. The Indonesian government allows payment below the legal minimum wage as an exception to support the textile industry. Together with two other customers, Picture Organic Clothing actively started remediation and will introduce the payback to the factory and workers at its next visit in 2022. Also, during this visit, the brand's CEO is planning to meet the trade union to discuss wages, the brand's purchasing practices and if prices can be increased to support the supplier.

Due to the lack of follow-up on (possible) payment below legal minimum wages at its Chinese and Indian suppliers, Picture Organic Clothing receives an insufficient score for this indicator. As the brand scored insufficiently on this indicator in the last Brand Performance Check, it will automatically be placed in the "Needs Improvement" category.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

If a supplier is not transparent about wages, Picture Organic Clothing is expected to respond as if minimum wages have not been paid. Picture Organic Clothing is required to start an investigation into the causes of the incomplete data, discuss this with the supplier and collect evidence of payment of legal minimum wage. Factory visits with a documents check or additional verification by Fair Wear may be needed to verify remediation.

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

Recommendation: Fair Wear strongly recommends Picture Organic Clothing to always verify whether legal minimum wage issues have actually been resolved in case factory management claims so. Picture Organic Clothing could hire a local consultant or plan a monitoring visit of one of Fair Wear's auditors to check whether the issue has actually been resolved.

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: There is no evidence of late payments. Picture Organic Clothing pays within 30 days upon receiving the letter of credit and this has not changed during the pandemic.

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: Picture Organic Clothing has a spreadsheet with legal minimum wages, living wages per country and wages paid by all suppliers. The living wage benchmarks are according to Fair Wear's wage ladder. The member brand drafted a living wage strategy to analyse the root causes of payment below living wages. Picture Organic Clothing still needs to define where the money for increased wages would come from.

First discussions with the main Turkish supplier and its Portuguese and Indian suppliers have started. However, root causes could not be identified yet. For the brand's Chinese main supplier the dialogue about the root causes of wages lower than living wage remains complicated due to a lack of trust and transparency. The brand assumes that one reason could be that there is an incentive to keep business within the country and therefore keep the wage in China at a lower level compared to other countries.

Recommendation: Picture Organic Clothing is recommended to complete the outstanding questions defined in the living wage strategy, especially considering where the money for increased wages should come from. First challenge that needs to be tackled is the reluctance of the main Chinese supplier to share its bookkeeping and ensure all workers in the factory receive the legal minimum wage.

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

Comment: Picture Organic Clothing does not own any production locations.

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: The member has not set any target wage with its factories yet.

Requirement: Picture Organic Clothing 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. It is advised that the plan to finance increased wages is approved and supported by top management.

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: As the member has not yet set a target wage, Picture Organic Clothing could not show payment of its share of the target wage.

Requirement: Picture Organic Clothing is expected to set a target wage for its production locations.

Recommendation: Picture Organic Clothing is recommended to further develop its living wage strategy by setting target wages and cooperating with its main suppliers to increase wages. The brand should calculate its share in paying target wages.

Purchasing Practices

Possible Points: 52

Earned Points: 22

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	84%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	1%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	85%	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 team is responsible for following up on issues identified by the monitoring system.

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: Picture Organic Clothing does not use an own auditing system.

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.	No Corrective Action Plans were active during the previous year	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.	N/A	2	-1

Comment: No Fair Wear audit was conducted in the financial year 2021/2022; therefore, this indicator is not applicable. The CSR team does not have an overview of all Fair Wear and external audit dates and hence, does not request external audit reports and CAPs once available. The brand does not actively share the audit results with the worker representatives. According to some audit reports, worker representatives were present at the opening/exit meetings when the audit took place and therefore are aware of the results, according to the brand.

Recommendation: Picture Organic Clothes is recommended to have an overview of all Fair Wear and external audits. Once a new external audit is conducted, the brand should request the report and CAP as soon as possible to start an immediate CAP follow-up. In addition, the brand is strongly recommended to more actively involve worker representatives. 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.	Basic	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.	4	8	-2

Comment: Picture Organic Clothing keeps track of the suppliers' performance on improving working conditions in an excel overview. When improvements are made, this will be updated in the overview. Picture checks this overview regularly. For the suppliers with direct contact, the CSR team has direct contact with the factory to work on remediation of the CAP findings. When an agent is used, there is less contact, and the CAP follow-up is less intensive. The findings are prioritized, but the overview does not have a calculation about the percentage of findings being resolved as documented feedback for the supplier evaluation. Picture Organic Clothing leaves the main responsibility for resolving the CAP findings with its suppliers and has no budget defined to support corrective measures. However, when needed the brand finds money for support, like at the Indonesian supplier. For more information, see indicator 1.9. The member brand does not involve worker representatives in the CAP follow-up.

The brand could only show little progress for the CAP follow-up of the Chinese main supplier. Repeated findings with high urgencies, such as falsified documents and coaching workers for onsite interviews, remain unresolved. Internal training was given according to the supplier but could not be verified yet. Most of the occupational health and safety issues were resolved. Only for some findings proof of evidence was shown. The supplier does not want to share the subcontracting partners used for the production and is not open to social dialogue. Also, the factory falsified some proof of evidence related to wage verification. Picture Organic Clothing's CEO is part of all digital meetings with this supplier and is the voice of influence and power. Despite all issues and lack of progress, the CEO still trusts the supplier, its practices and the relationship and wants to continue to work on the issues.

For the Indonesian supplier, some of the last external audit's occupational health and safety findings were resolved. In the past year, the member brand focused more on remediation of payments below legal minimum wages. See also indicator 1.9.

Picture Organic Clothing could show proof of CAP follow-up for an audit of 2019 for one Vietnamese supplier. Most findings were resolved and proofed by photo verification. The remediation of CAP findings of the audit of January 2022 has not started yet, this also includes excessive overtime. For another Vietnamese supplier, CAP follow-up was done with another Fair Wear member brand (see indicator 2.8). For the third Vietnamese supplier, no strong CAP follow-up could be shown.

The external audit at the Turkish supplier indicated excessive overtime. Picture Organic Clothing followed up on this and addressed most of the other CAP findings. Proof of evidence was shown.

Recommendation: Fair Wear strongly recommends Picture Organic Clothing to discuss with its Chinese main supplier how to improve the working conditions at the factory. The brand should be clear that there are zero tolerance findings such as non-disclosure of subcontracting partners, falsified documents and coached workers for interviews. Fair Wear expects that Picture Organic Clothing does have a strategy in place on how much time the suppliers will have to resolve the issues and what the final consequence is in case not done. This should be clearly expressed in writing to the supplier and thoroughly monitored.

Fair Wear recommends Picture Organic Clothing to involve worker representatives in the CAP follow-up.

Fair Wear strongly recommends Picture Organic Clothing to follow up on ALL CAPs of its suppliers, based on the risk assessment and the prioritization of findings. No finding should be closed without proof of evidence.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	not applicable	Due to the Covid-19 pandemic, brands could often not visit their suppliers from March - December 2020. For consistency purposes, we therefore decided to score all our member brands N/A on visiting suppliers over the year 2020.	Member companies should document all production location visits with at least the date and name of the visitor.	N/A	4	0

Comment: As travel was restricted due to the COVID-19 pandemic, this indicator is not applicable in 2021.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Picture Organic Clothes verifies the quality of the external audits and creates CAPs for further follow-up. The brand could only show remediation of basic findings (see indicator 2.4).

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.	1	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	Insufficient			-2	6	-2

Comment: Turkey

Picture Organic Clothing created and shared its policy on Syrian refugees' employment with the main Turkish supplier and in conversations, stays updated about the local situation. The supplier shared Picture's Organic Clothing's policy with its two subcontractors. The external audit report did not contain detailed information on hiring Syrian refugees. The two subcontractors for printing and embroidery have not been audited yet. The brand did not provide training on hiring Syrian refugees for its suppliers. Picture Organic Clothing does have an agreement with its main supplier that it needs to be informed in advance when a new subcontractor is used.

Other Risks:**China:**

Picture Organic Clothing knows the country-specific risks of its sourcing countries. Identified risks such as lack of transparency and trust, falsified documents and coached worker interviews at the main Chinese supplier have not been remediated yet. Moreover, the risk of non-payment of legal minimum wages remains high. In 2021, Chinese suppliers faced power cuts, and production was not possible in these times. The brand did not follow up on whether and how its suppliers were affected by these power cuts and if this has led to (excessive) overtime. Picture Organic Clothing released a no-tolerance policy for forced labour and shared it with its suppliers. The brand did not take the opportunity to participate in a screening of bonded labour in its supply chain, organised by a third party.

India:

Picture Organic Clothing did not follow up on country-specific risks such as overtime, informal employment arrangements, low wages, gender inequality, sexual harassment or sumangali.

Indonesia:

Picture Organic Clothing shared a sexual harassment prevention policy with its Indonesian suppliers and at one supplier followed up on payment below legal minimum wages.

Vietnam:

Freedom of association is limited in Vietnam and seen as a country-specific risk. Picture Organic Clothing has not yet onboarded its Vietnamese suppliers to a Workplace Education Program (WEP) communication to improve social dialogue within the factories.

Other risks: COVID

In the past financial year, the member brand sent out two COVID-19 questionnaires and followed up on issues in case needed. In addition, the member brand kept track of which supplier was in lockdown and investigated the payment of legal minimum wages. For more information, see indicators 1.9 and 2.4.

Due to a new COVID-19 wave, Shanghai went on lockdown in Spring 2022. Picture Organic Clothing queried its agent about the situation at its suppliers. However, due to the agent's workload, no answers were provided. Hence, neither the brand nor the agent followed up on how the lockdown affected its supplier and workers.

For Vietnam, the CSR staff identified the risk payment below legal minimum wages and verified these through audits and payslips in the case provided. Suppliers in Viet Nam faced a lack of capacity when restarting the production after lockdown time. As a consequence, orders were delayed. The brand was flexible with the delivery times; however, it did not follow up if overtime was excessive to cover the brand's orders.

Due to the lack of follow-up on identified risks described in the comment, Picture Organic Clothing receives an insufficient score for this indicator. As the brand scored insufficiently on this indicator in the last Brand Performance Check, it will automatically be placed in the "Needs Improvement" category.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

Picture Organic Clothing's monitoring system should identify and address high risk issues that are specific to the member's sourcing practices. Fair Wear provides policies and country-specific requirements to member companies. Priorities in remediation efforts are guided by these policies.

Recommendation: For its Turkish supplier and subcontractors, Fair Wear recommends Picture Organic Clothing to conduct additional monitoring efforts and organise audits and provide training in line with the Fair Wear guidance on Turkey.

Other:

Fair Wear recommends Picture Organic Clothing to incentivise mitigating country-specific and supplier-specific risks in its supply chain. Picture Organic must assess how possible risk affects workers and suppliers. Risks need to be addressed, mitigated and remediated. Especially for China, Picture Organic Clothing is strongly advised to act on the risks assessed such as the lack of transparency at its Chinese supplier. Fair Wear encourages Picture Organic Clothing to involve worker representatives in the remediation of findings and include a gender lens and social dialogue in its risk assessment and follow-up.

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

Comment: Picture Organic Clothing cooperates with Fair Wear and non-Fair Wear clients of shared suppliers, sharing information and CAP follow-up.

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.	100%	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.	2	2	0

Member undertakes additional activities to monitor suppliers.: No (o)

Comment: Picture Organic Clothing sources at production locations in France and in Portugal. Due to the pandemic, both suppliers were not visited in the past financial year. For the Portuguese supplier, a virtual onsite video tour was conducted and the occupational health and safety checklist was completed. For the French supplier, no occupational health and safety check was conducted. Both suppliers signed the Code of Labour practices questionnaire and posted the Worker Information sheet. In addition, the brand monitored these suppliers by sending out a COVID-19 questionnaire twice last year. Also, Picture Organic Clothing investigated the influence of the extreme drought and wages at its Portuguese supplier.

Recommendation: Picture Organic Clothing is recommended to visit its Portuguese and French suppliers as soon as the situation allows. Occupational health and safety check at the French supplier should be included.

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.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 24

Earned Points: 14

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 team follows up on any complaint raised through the Fair Wear complaints handling system.

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.	No	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: In the past year, Picture Organic Clothing made the effort to check whether all suppliers had posted the Fair Wear worker information sheets and whether the phone number of the complaints hotline is up to date. From 2022, the brand will have a more systematic process for checking the worker information sheets with the newly developed supplier survey, which will be sent out annually. Proof of evidence is then requested.

However, during the Brand Performance Check, issues were found that the brand has not shared the worker information sheets with new subcontracting partners in India and the existing subcontracting partners in Turkey. In addition, some posted worker information sheets were not up to date.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

Picture Organic Clothing must ensure that the Worker Information Sheet, including contact information of the local complaints handler of Fair Wear, is posted in factories, in a location that is accessible to all workers. Picture Organic Clothing should check by means of a visit whether the Worker Information Sheet is posted in the factories.

Recommendation: Fair Wear recommends to ensure that all worker information sheets are up to date.

Picture Organic Clothing should ensure that all workers, including the subcontracting partners, have access to Fair Wear's complaint mechanism and are aware of Fair Wear's Code of Labour Practices.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of COVID-19 restrictions in 2021 that limited the possibility to conduct training, this indicator is considered not applicable in this check.

In January 2021, one Workplace Education Program (WEP) basic training was rolled out that the brand's main supplier in China, counting for 53% of the production volume.

Recommendation: Fair Wear recommends Picture Organic Clothing to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Picture Organic Clothing should ensure good quality systematic training of workers and management on these topics. To this end, Picture Organic Clothing 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

Complaints Handling

Possible Points: 3

Earned Points: -1

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: Picture Organic Clothing's new staff and sales force (agents & distributors) are trained on the environmental and social commitments of the company. Such trainings or workshops happen during the brand's sales meetings that occur twice a year or when a new employee is hired.

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: Through meetings, Picture Organic Clothing's staff is informed about the new due diligence process, corrective action plans, and factory follow-up. Additionally, different departments talked with suppliers and explained how Fair Wear relates to their work. However, the CSR team felt that in most cases, they have to approach their colleagues in specific departments with issues related to Fair Wear instead of proactive information exchange between all colleagues. The fact that the company has less structured meetings and more spontaneous exchange from desk to desk might not be helpful.

Recommendation: Although having a low hierarchy and flexible meeting systems, Fair Wear encourages Picture Organic Clothing to establish a proactive and fluent information exchange about the Fair Wear requirements and the working conditions of its suppliers between all departments (and agents) involved.

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: Picture Organic Clothing works with two agents. One of them is an agency they have worked with since the business was launched and has an office in the same building as the brand. This agent is in charge of relationships with the Chinese suppliers. Another agent is the main contact point with smaller suppliers (tail end).

Both agents are trained and regularly meet Picture Organic Clothing's CSR team. The CSR team made effort to explain the brand's due diligence process and how it is implemented when looking for new suppliers. The contract allows the brand to contact the suppliers for one agent directly. Therefore, the remediation of CAP findings is mainly done by the brand itself, supported by the agent. The contract with the other agents only allows direct communication between the agent and the factories. This agent is actively involved in following up CAPs of audit reports and informs the member brand. Both agents support identifying subcontractors, identifying other clients, sharing questionnaires, sharing specific Fair Wear news to factories and collecting existing audits.

Picture Organic Clothing values its agents as these allow to facilitate the discussion between the factory and the brand and supports keeping up a good relationship. Regular calls and visits ensure that both parties are up to date on all topics. However, sometimes - due to the workload of one agent - the information sharing is not always on time.

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.	All production in low-risk countries/training not possible	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.	N/A	6	0

Comment: Because of travel restrictions in 2021 that limited the possibility to conduct training, this indicator is not applicable in 2021.

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

Training and Capacity Building

Possible Points: 5

Earned Points: 5

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Insufficient	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.	-2	6	-2

Comment: In the past years, Picture Organic Clothing did not systematically check the use of (unauthorised) subcontracting at its suppliers.

The member brand has an agreement with its main Turkish supplier to be informed about the use of subcontracting partners. However, the member brand does not have the right to accept or deny using (specific) subcontracting partners. The main Chinese supplier also uses subcontracting partners for supportive production processes such as embroidery, finishing or printing and has shown agreements with these partners to Picture Organic Clothing. However, the supplier is unwilling to share the production facilities' names and addresses. As a result, the brand does not know in which kind of factories its goods are finished, embroidered or printed and can not monitor these suppliers. Two subcontracting partners in Turkey did not sign the Fair Wear Code of Labour Practices (CoLP) and are not monitored.

One new supplier in India indicated in the Fair Wear Code of Labour Practices the use of subcontracting partners for embroidery and printing. The brand did not follow up on this information. Hence, both suppliers did not sign the CoLP, are not added to Fair Wear's database and are not monitored.

Requirement: Please note that following Fair Wear's policy for repeated non-compliance in Fair Wear's Brand Performance Checks, members that receive an insufficient or -2 score on this indicator for the second year in a row, will be placed in the 'Needs Improvement' category.

After the end of each financial year, Picture Organic Clothing must confirm its list of production locations and provide relevant financial data. A complete list means ALL production locations are included of all production processes the member uses in the stages after fabric production.

Recommendation: Fair Wear recommends Picture Organic Clothing to integrate systematic periodical checks with its agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

Picture Organic Clothing is strongly advised to agree with its main Chinese supplier that all details of subcontractors for Picture's production should be shared with the brand.

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: In meetings, Picture Organic Clothing's staff is informed about the new due diligence process, corrective action plans, and factory follow-up. When colleagues travel to factories, the CSR team updates the supplier and specific issues to ensure that these topics are discussed during the factory visit. Generally, the brand works more informal, meaning less organised meetings and more spontaneous conversation if needed. There are also no regular meetings with the CEO and CSR department. However, due to low hierarchy, the CEO is well informed about the most severe issues and uses his power to escalate the situation at suppliers whenever necessary.

Information Management

Possible Points: 7

Earned Points: -1

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: Picture Organic Clothing's communication complies with the Fair Wear Communications Policy. The brand's sales go via stores and retailers. To ensure correct communication about Fair Wear, Picture Organic Clothing provides a workbook containing all relevant information about Fair Wear. In addition, the CSR manager herself did some training in Dutch stores. During sales meetings, presentations about Fair Wear are given. The CSR managers always try to create a story to ensure the information is easily understandable and remembered. However, the member brand does not track retailers' websites to check about the correct communication of Fair Wear. The brand does not use on-garment communication. Picture Organic Clothing participated in the Black Friday Campaign.

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: Picture Organic Clothing has disclosed production locations. 98% of production volume is disclosed to other members in the internal Fair Wear system and on the Fair Wear website. The Brand Performance Check report and the supplier list are published on the brand's website.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report 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: Picture Organic Clothing has submitted a social report and published it on the website.

Transparency

Possible Points: 6

Earned Points: 6

7. Evaluation

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

Comment: Picture Organic Clothing's CSR staff and the CEO annually evaluate the Fair Wear membership. In the past year, the CSR managers also evaluated other organisations and Multi-Stakeholder Initiatives (MSIs) and compared these with the Fair Wear membership. The evaluation showed that the membership still fits best to the brand to ensure improvements in the working conditions at all factories. The past year's Brand Performance Check itself was also evaluated. Priorities were set for the indicators with the most important issues.

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.	38%	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.	2	4	-2

Comment: From last year's requirements, those for indicator 1.8, 1.9, 1.13 and 2.7 are still outstanding. The tail-end requirements have been followed up. Picture Organic Clothing did follow up on the requirements for 1.4, 1.5 and 2.5; hence the percentage of resolved requirements is 38%.

Requirement: It is required to work towards remediation of previous requirements from the last Brand Performance Check. Further engagement needs to be taken with regard to the following requirements mentioned in the last Brand Performance Check.

Evaluation

Possible Points: 6

Earned Points: 4

Recommendations to Fair Wear

Picture Organic Clothing realised that without 100% capacity it is difficult to cope with all requirements of Fair Wear.

Therefore, the hours for CSR staff have been increased, and progress has been made. However, the brand feels that the amount of work requested is unusual.

The brand was very happy with the interims Brand Liaison, as there was a gap in Brand Liaising and no meetings took place.

However, the brand felt surprised about the questions being asked during the Brand Performance Check and felt less prepared as it had hoped for. Also, the Brand Performance Check felt less consistent as the questions being asked during this Brand Performance Check were different from those of the Brand Performance Checker of last year.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	22	52
Monitoring and Remediation	14	24
Complaints Handling	-1	3
Training and Capacity Building	5	5
Information Management	-1	7
Transparency	6	6
Evaluation	4	6
Totals:	49	103

Benchmarking Score (earned points divided by possible points)
48

Performance Benchmarking Category
Needs Improvement

Brand Performance Check details

Date of Brand Performance Check:

14-06-2022

Conducted by:

Annet Baldus

Interviews with:

Julien Durant - Co-founder, and sourcing manager

Adeline Leservoisier - Demand supply planner

Gillian Rosh - CSR manager

Forian Palluel - CSR manager