



Brand Performance Check

Deerberg GmbH

Publication date: May 2023

This report covers the evaluation period 01-12-2021 to 30-11-2022

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

Deerberg GmbH

Evaluation Period: 01-12-2021 to 30-11-2022

Member company information	
Headquarters:	Hanstedt , Germany
Member since:	2021-10-01
Product types:	Garments, clothing, fashion apparel;Bags;Accessories;Home textiles;Footwear
Production in countries where Fair Wear is active:	Bangladesh, Bulgaria, China, India, Romania, Turkey
Production in other countries:	Austria, Germany, Hungary, Lithuania, Nepal, Peru, Portugal, Spain, Ukraine
Basic requirements	
Scoring overview	
% of own production under monitoring	27%
Benchmarking score	54
Category	Good

Summary:

As a new member, Deerberg has shown progress and met most of Fair Wears' performance requirements. With a total benchmarking score of 54, the member is placed in the Good category.

Corona Addendum:

Deerberg joined Fair Wear at the end of 2021 when the pandemic was behind us. Most disruptions at that time were due to the limited availability of vessels. To ensure deliveries, Deerberg paid for airfreight in some cases. The member has an extensive supply chain with 132 suppliers and a presence in 15 countries.

In its first year of membership, Deerberg focused on implementing appropriate Human Rights Due Diligence systems. It mapped out much of its supply chain and started with risk scoping identifying the most prevalent risks in its sourcing countries. Deerberg also created a systemic evaluation where progress on CSR-related topics is evaluated next to non-CSR topics. The member realises more knowledge on labour minute costing is needed to be able to use open costing. Therefore, it has included training for staff and suppliers on open costing in its living wage strategy.

During the onboarding of suppliers, Deerberg requests existing external audit reports. The company finds it important that its textile suppliers are certified by GOTS or other certifications. Unfortunately, most external audit reports that were collected are summary reports, and these reports do not show information on all eight labour standards. Certification does not provide insight into working conditions. Therefore, the member is strongly recommended to enrol more suppliers in full audits or modular assessments and rely less on certification. Only when Deerberg has detailed information on working conditions at suppliers can it define appropriate monitoring and prevention actions.

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.

0. 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.	30%	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.	2	4	0

Comment: Deerberg has 132 active suppliers. It sources in 15 countries, with the most volume in Turkey, India and Spain. 30% of the total production volume comes from locations where Deerberg buys at least 10% of the production capacity. To manage risks, Deerberg does not want to have much leverage at its production locations, and it spreads its styles over different suppliers. The member does evaluate if there are not too many suppliers per product group.

38 New suppliers were added in the past financial year, mostly for home textiles and the new underwear collection.

Recommendation: Fair Wear recommends Deerberg to consolidate its supplier base where possible, and increase leverage at main production locations to effectively request improvements of working conditions. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	51%	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.	0	4	0

Comment: 51% of Deerberg's production volume comes from production locations where it buys less than 2% of its total FOB.

Recommendation: Fair Wear recommends Deerberg to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, Deerberg should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	43%	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.	2	4	0

Comment: 43% of Deerberg's total production volume is placed at suppliers with which the member has been in business for at least five years.

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

Comment: The member could show it has collected signed questionnaires about the Code of Labour Practices for all its suppliers.

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

Comment: During the onboarding process for new suppliers, Deerberg does a sustainability check based on the risk scoping of the production country. An important selection criterion is that factories, including subcontractors, must be GOTS certified. However, a certification does not provide detailed data on working conditions. Therefore, the member collects external audit reports. Yet, these are often summary reports that do not provide sufficient detailed information. Deerberg visits the factory or instructs its agents to do so, using the Health and Safety checklist that Fair Wear provides. The collected information is used as input for the factory risk assessment. The Head of Sourcing has the final say on whether a supplier is added after this onboarding process.

Deerberg conducts a SWOT analysis for each production country and could show it has done so for Hungary, a new country in the past financial year. The member identified corruption and discrimination against minorities and women among the highest risks. For all countries, Deerberg marks the most prevalent risks in a country risk scoping. As a new member, it has yet to define standard improvement and prevention steps based on this scoping.

Based on the risk scoping, Deerberg decided to exit Bangladesh, where the member has three production locations. More information can be found under indicator 2.7.

The brand tries to stay on top of urgent developments. Via its agent, Deerberg stays in contact with its Ukrainian supplier. This supplier is located in an area that has not been under siege. The factory desired to continue production as long as possible, and Deerberg stayed. In Turkey, suppliers brought up the massive inflation and subsequent Legal Minimum Wage increases when discussing pricing.

Recommendation: When collecting external audit reports, Fair Wear advises Deerberg to check if the report includes sufficient information and request additional information from the supplier to compensate for possible lack of detail. Conducting pre-audits can also be a way to assess the level of working conditions. The member could also check the follow-up status of the issues mentioned in the report to get an idea about the suppliers' commitment to remediate CAP findings.

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: Deerberg has developed a comprehensive supplier evaluation system in its first year of membership. The methodology contains indicators for CSR and other topics, such as quality, logistics, and design. With 25%, CSR is given the highest weight in the overall score. Included CSR indicators are transparency, cooperative and proactive attitude, awareness of the CoLP, etc. This evaluation system has not been used for all suppliers yet and is currently in a trial phase. Therefore it is too early to have led to sourcing decisions.

The brand has exited a Peruvian supplier that was not upfront about using homeworkers for its production. Next to that, Deerberg is also phasing out of Bangladesh (more information under 2.7). The importer was informed about this decision during a meeting in September. Since the leverage at the production locations is negligible, the exit strategy focused on ensuring no planned orders were cancelled.

Recommendation: Fair Wear recommends Deerberg further rolls out its supplier evaluation and share and discuss the outcome of the supplier evaluation with all its suppliers. As it is not always possible to reward suppliers that score well in the evaluation with more volumes, Deerberg could look into other incentives that reward suppliers' commitment towards the CoLP. An example would be to offer training for skill building/capacity development, placing more NOS styles. Furthermore, Fair Wear recommends that Deerberg consider how it can stimulate progress on social issues, for example, by offering price increases, bonuses or financial support to resolve issues.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	General or ad-hoc system.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	2	4	0

Comment: Deerberg takes six months from design to production, and lead times vary between three and six months. 15% of Deerberg's textile assortment is basic carry-over styles that suppliers can plan outside peak season. The member asks its suppliers for the delivery times (via its intermediaries) and uses this information to plan backwards and determine all in-between deadlines in its go-to-market plan. Depending on supply chain issues, the intermediaries may push Deerberg even to plan further ahead. Though the member does a capacity check, it still needs to learn the labour minutes. It does not know the capacity suppliers have available during a particular time and depends on the judgement of the intermediaries.

Deerberg tried to work with forecasting in the past, but because of the limited quantities, it concluded forecasting did not make sense; factories would not block capacity. Instead, it tries to offer stability to factories with its early collection planning. Because a large part of Deerberg's business is mail order, its tech packs must be accurate to minimise returns. This also helps smoothen the production process.

In Turkey and Spain, Quality Control of the agent is present during production, and therefore potential hiccups can be quickly solved. When there are production hiccups in other countries, agents contact Deerberg to discuss the options and lead time extensions needed.

Delays in this financial year were caused not by production processes but by long vessel waiting times. In those cases, Deerberg decided to pay for air freight.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

Comment: Deerberg looked at which external audit reports mentioned excessive overtime findings. For these factories, the member identified root causes, ranging from the proper usage of the timekeeping system, double bookkeeping, lead times of other buyers and peak season. Deerberg followed up with other brands, but since this is in an early stage, it has yet to reduce excessive overtime.

Recommendation: In cases where suppliers mention excessive overtime in peak season is not caused by Deerberg, the brand could consider alleviating the pressure of peak season by planning its order in such a way it does not add to peak season.

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: Deerbergs prices are based on quotations from suppliers. The member checks if the quoted prices are not higher than those of other suppliers for the same product. If the price is too high, sourcing and supplier negotiate how to lower the costs. Sourcing does not know the exact minutes that go into each style or the labour minute costs. There is no process where Deerberg checks if the quoted price is feasible related to legal minimum wage and material costs. For now, the member relies on GOTS certification, as all GOTS-certified locations need to pay at least the legal minimum wage. In case of significant wage increases, such as in Turkey, suppliers inform Deerberg that prices will be higher to absorb the increase.

As part of its living wage plan, Deerberg has included plans to train its buyers on labour minute costs and open costing and start requesting open costing from its suppliers.

Recommendation: Fair Wear recommends Deerberg to expand its knowledge of cost breakdowns of all product groups. The 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 its own buying prices, for example, by using the FairPrice app.

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 problems reported/no audits	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.	N/A	0	-2

Comment: In the past financial year, there were no audits that showed legal minimum wage was not paid.

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: No audits showed late payments. The member generally uses payment terms of 30 days after delivery, though it may vary per supplier.

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: Deerberg started discussing living wages with mostly Turkish suppliers and identified the following root causes: lack of transparency regarding working hours, piece rate system, low understanding of how wages are composed, wages set without the involvement of worker representation, and legal wage exceptions for vulnerable groups.

The member has just started to collect data to identify the gap between paid wages and living wage estimates and suspects the highest gap is in Nepal and Bulgaria. Deerberg has developed a strategy for living wage and plans to collect more wage information from suppliers, more information about living wage estimates in countries where Fair Wear is not active, and select suppliers for training on open costing and use of the fair price app. The member recognises that strengthening Freedom of Association at its suppliers is an essential step as well.

Recommendation: Fair Wear encourages Deerberg to involve worker representatives and local organisations in assessing the root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management to form a basis for an embedded strategy. Fair Wear encourages Deerberg to discuss with suppliers about different strategies to work towards higher wages and its own role in this. It is advised to start with suppliers where the member is responsible for a large percentage of production and long-term business relationship.

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

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

Comment: As a new member, Deerberg has yet to define a strategy to determine and finance wage increases at its suppliers.

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: Deerberg did not pay its share of target wages, as no target wages were agreed upon.

Purchasing Practices

Possible Points: 52

Earned Points: 18

1. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where an audit took place.	13%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	14%	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.	First or second year member and tail-end monitoring requirements do not apply	1st or 2nd year member and tail-end monitoring requirements do not apply.
Requirement(s) for next performance check		
Total monitoring threshold:	27%	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: Deerberg has a dedicated CSR team and divided responsibilities for follow-up on monitoring.

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

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: Deerberg has audits that are shared with other Fair Wear members. Though another member was in the lead, Deerberg later found out that the supplier did not receive the audit reports on time. Therefore, Deerberg took over the lead and ensured the suppliers still received the audit reports.

Recommendation: Before an audit, Deerberg is recommended to check with the supplier whether worker representatives are active. This way, they can be involved from the start of an audit and invited to the opening and exit meetings. Including workers when following up on audit reports allows them to be informed of issues in the factory and have a voice in prioritising 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: In the past financial year, two Romanian suppliers have had a Fair Wear audit. The two Romanian audits showed mostly health and safety findings, and Deerberg showed that they either have been remediated or are in the process of remediation. The external audit reports that Deerberg collected did not identify many other non-compliances than excessive overtime (see for more information indicator 1.7 and 2.6).

Recommendation: Fair Wear recommends Deerberg to ensure that its monitoring is based on the outcome of the risk scoping and risk assessment. Certification does not provide the member with a detailed picture of working conditions at suppliers, which is needed to define the appropriate improvement and prevention actions. Therefore, Fair Wear strongly encourages Deerberg to organise more audits and modular assessments for its suppliers.

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. However, Deerberg still visited production locations that in total cover 35% of the total FOB.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	1	3	0

Comment: Deerberg has collected many audit reports, but because these are mostly short summary reports they contain insufficient information about working conditions. Deerberg concluded that the reports pass its quality assessment based on the methodology, yet Fair Wear's standard requires more detailed information about all eight labour standards.

Recommendation: Fair Wear recommends that Deerberg assesses the quality of the external audit report by checking if sufficient detailed information is included about all labour standards and if the findings align with the outcome of the country risk scoping. If information is missing, the member could request this from the supplier. When Deerberg finds that external reports often do not identify non-compliances with prevalent risks in a country, it could consider using other monitoring instruments that are more appropriate.

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

Comment: Bangladesh:

Deerberg sources from three factories in Bangladesh and has not signed the International Accord. Only one factory is covered under the Accord. Deerberg placed an order for fleece at one of its importers, assuming it would be placed in China. Instead, two production locations in Bangladesh that do not fall under the Accord or the RMG Sustainability Council (RSC) were used. The factory covered under the Accord stopped with Deerberg. As a result of its risk scoping, Deerberg concluded sourcing in Bangladesh brings too many risks. Therefore the member is exiting, and after the planned orders are produced will not produce in Bangladesh.

Turkey:

Turkey is Deerberg's preferred production country, and half of Deerberg's total FOB is placed there. The member is aware that unauthorised subcontracting is a high risk. Its agent visits the factories often and checks whether all production steps needed for the order are done in-house. Deerberg also sends a subcontractor survey, asking factories to fill in which subcontractors it plans to use. At the end of the year, the member sends the same survey, to check if these subcontractors were indeed used, or if other locations come up.

The member identified that only two factories are located in an area where Syrian migrant workers may be working and discussed Fair Wear's requirements for proper registration with them. Deerberg has primarily worked with external audit reports so far; most do not include sufficient detailed information (see 2.6). The member enrolled one Turkish supplier in Fair Wear's Workplace Education Programme in response to a complaint. However, Fair Wear could only organise this training in the current financial year due to capacity issues.

Other risks:

Deerberg is aware of the most prevalent risks in its sourcing countries, including Peru and Nepal, where Fair Wear is not active.

India:

Deerberg placed 12% of its total FOB in India. It is aware that the sumangali system is a high risk, especially for its factory in Tamil Nadu. The member organised onboarding training for the factory, conducted in the current financial year.

China:

Deerberg sources from ten factories in China, covering 8% of Deerberg's total FOB together. The brand has collected summary audit reports for all (see indicator 2.6). Regarding the risk of bonded labour, Deerberg does not accept cotton or linen from China. The new member has yet to take follow-up steps. The member is aware of the strict limitations on Freedom of Association but has not developed corresponding actions.

Recommendation: Bangladesh:

Deerberg is strongly recommended to inform importers about preferred sourcing countries and countries that should be excluded from sourcing.

Turkey:

Fair Wear recommends Deerberg start organising audits for more production locations, including CMT subcontractors in Turkey, to check more thoroughly on potential unauthorised subcontracting and get a detailed overview of the working conditions.

India:

The member is recommended to include gender-based violence as a prevalent risk in the country and include appropriate preventive actions in its human rights due diligence.

China:

Fair Wear advises Deerberg to create a process to identify and mitigate forced labour in its supply chain. A first step would be to identify migrant workers in its supply chain.

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: Deerberg has cooperated with other Fair Wear members on follow-up of CAPs and took the lead in some cases.

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.	91%	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: Deerberg ensured that all locations in low-risk countries sent back a signed questionnaire and posted the Worker Information Sheet. The member visited 17 production locations in Spain and Portugal in the past two years and collected external existing audit reports.

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

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

Comment: Deerberg resells 46 brands. Though Deerberg has sent all of them the questionnaire, a few brands did not send it back. These brands stopped working with Deerberg because they were unwilling to fill in the questionnaire or respond to other questions about their supply chain. Deerberg knows where its external brands are sourcing.

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).	9%	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.	1	3	0

Comment: One of the brands that Deerberg resells is member of Fair Wear.

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

Monitoring and Remediation

Possible Points: 31

Earned Points: 19

2. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	3	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.	3	
Number of worker complaints resolved since last check.	3	

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

Comment: Deerberg has a dedicated CSR team and divided responsibilities for addressing worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Deerberg ensured all production locations posted the Worker Information Sheet, including the local complaints helpline number.

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 travel restrictions in 2021 that limited the possibility of conducting training, this indicator is not applicable. Deerberg planned to enrol three suppliers in Fair Wear Workplace Education Programme, but these were only conducted in the current financial year due to limited availability.

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

Comment: Deerberg received three complaints in the past financial year, all from Turkish suppliers, and all were resolved. One complaint was about foreign workers not being properly registered and coaching workers. Another Fair Wear member was in the lead of follow-up. During the investigation of Fair Wear, it was found workers were not coached, and all Syrian workers had been correctly registered while one worker was in the process of registration. The factory solved other issues that were mentioned by the complainant, such as food quality and the cleanliness of bathrooms.

Another complaint was filed about increased and compulsory overtime. Deerberg followed up to ensure overtime was reduced, and the factory organised training for line supervisors. Deerberg organised a Workplace Education Programme for factory management and production workers.

The third complaint that Deerberg resolved was about cold commuter buses.

Recommendation: Since excessive overtime often comes back in complaints and audits of the factory, Deerberg is advised to keep a close eye on this and check if the implemented measures are sufficient or if more is needed to make lasting change. Deerberg could consider enrolling Turkish suppliers in Fair Wear's training ' Migrant Refugee Module'.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the 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.	2	2	0

Comment: Deerberg cooperated with other members on addressing complaints and for some took the lead.

Complaints Handling

Possible Points: 11

Earned Points: 8

3. 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: All Deerberg employees received a short introduction to Fair Wear at a staff meeting and training on Fair Wear membership and the requirements. Next to that, employee meetings are used to explain more about Fair Wear membership and Deerbergs risk scoping and prioritisation.

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: Deerberg organised special training for the purchasing department, which dealt with procurement practices and the requirements of Fair Wear. Deerberg also organised training for management on Fair Wear requirements.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	2	2	0

Comment: For most of its production locations, Deerberg works with intermediaries. Deerberg has not given its intermediaries responsibility in CAP follow-up; that is something that the member does directly with the factories, with the intermediaries' role being limited to translation. The intermediaries help with checking documents, checking and sending pictures of the posted Worker Information Sheet, and using the Health and Safety checklist during visits.

Deerberg could show it organised training for its agencies and importers on the Code of Labour Practices and the Fair Wear requirements. Deerberg informs its sourcing agents about its selection criteria for suppliers. Despite working via importers, Deerberg always has direct contact with the factories.

Recommendation: 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. Deerberg could require its intermediaries to uphold the purchasing practices mentioned in the Common Framework of Responsible Purchasing Practices.

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 of conducting training, this indicator is not applicable.

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

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

Training and Capacity Building

Possible Points: 5

Earned Points: 5

4. Information Management

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

Comment: During the onboarding of new suppliers, Deerberg asks them which subcontractors they use. Next to that, the member sends a yearly subcontractor query; see for more information indicator 2.7. Deerberg also sends suppliers an annual supply chain query to identify tiers further down the supply chain, including (raw) material and trims.

Deerberg's agent is often present at its Turkish production locations and can check if all required production steps are done in-house. In other countries, these physical checks are less common.

As described under indicator 2.7, one of Deerberg's importers used Bangladeshi production locations for its order. Deerberg only found out after, and since then, clarified Bangladesh should not be used for its production.

Recommendation: Fair Wear recommends Deerberg to periodically check with its sourcing agents whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors. Fair Wear recommends the member to require agents to be informed about the production location before the order starts and agree on which countries can be used. Additionally, Fair Wear recommends Deerberg to integrate systematic periodical checks with its agents to determine whether all known production locations are still up to date and use the information coming from questionnaires to update supplier data, including subcontractors.

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: CSR is part of the purchasing team, and shares the same office space. In this way, information is easily shared.

Information Management

Possible Points: 7

Earned Points: 4

5. 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: Deerberg communicates about Fair Wear membership on its website, following the Fair Wear Communications Policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	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.	1	2	0

Comment: Deerberg disclosed 74% of its suppliers to other members on Fair Wear's internal system and website.

Recommendation: Fair Wear recommends Deerberg to publish one or more of the following reports on its website: the Brand Performance Check report, audit reports, and supplier information.

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: Deerberg submitted the social report and published it on its website.

Transparency

Possible Points: 6

Earned Points: 5

6. 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: As a new member, Deerberg has not had a systemic annual evaluation yet of its membership. The CSR department shares sustainability updates with its CEO, and CSR is a regular topic during management meetings.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	No requirements were included in previous Check	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2

Comment: This is Deerberg's first performance check.

Evaluation

Possible Points: 2

Earned Points: 2

Recommendations to Fair Wear

Deerberg would like to get earlier information about the performance check. Deerberg likes to hear back about planned audits and training sessions sooner and receive updates during the planning phase.

Scoring Overview

Category	Earned	Possible
Totals:	61	114

Benchmarking Score (earned points divided by possible points)

54

Performance Benchmarking Category

Good

Brand Performance Check details

Date of Brand Performance Check:

04-04-2023

Conducted by:

Niki Janssen

Interviews with:

Johanna Winterhalder - Team Lead Environmental Social Responsibility (ESR)

Katrin Kinza - Chief Category Management & ESR Officer; Head of Purchasing

Gertrud Brunotte-Schütte - ESR Team

Franziska Pabel - ESR Team

Lars Buschbom - CEO