



## BRAND PERFORMANCE CHECK

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Vaude Sport GmbH & Co. KG

PUBLICATION DATE: MARCH 2015

this report covers the evaluation period 01-01-2014 to 31-12-2014

## ABOUT THE BRAND PERFORMANCE CHECK

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

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's affiliate members. The Checks examine how affiliate management systems support FWF's Code of Labour Practices. They evaluate the parts of affiliate 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 factories, and most factories work for many different brands. This means that in most cases FWF affiliates have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of affiliates. Outcomes at the factory level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF affiliates cannot guarantee results.

Even if outcomes at the factory level cannot be guaranteed, the importance of good management practices by affiliates cannot be understated. Even one concerned customer at a factory 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 factory can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of FWF's work.

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

Vaude Sport GmbH & Co. KG

Evaluation Period: 01-01-2014 to 31-12-2014

AFFILIATE INFORMATION	
Headquarters:	Tettnang, Germany
Member since:	15-11-2010
Product types:	Sportswear, Outdoor
Production in countries where FWF is active:	Bulgaria, China, Tunisia, Turkey, Viet Nam
Production in other countries:	Austria, Croatia, Germany, Lithuania, Myanmar, Philippines
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
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	96%
Benchmarking score	83
Category	Leader

## Summary:

Vaude has implemented most of FWF's management system requirements and goes beyond some. A structured and detailed evaluation of suppliers forms a crucial basis for sourcing decisions. The company has consolidated its supplier base in the past 3 years, limiting itself to a selected number of nominated suppliers in China and Vietnam.

With audits conducted by FWF teams, Vaude has been able to bring its monitoring threshold to 96% which meets FWF requirements for brands at 3+ years of membership. Vaude has established strong, integrated systems at company level. Due to full-time staff in Asia and frequent travels from Vaude staff to the production sites, Vaude's CSR team has in-depth knowledge about its production sites. Monitoring and remediation of findings at the production sites is a joint effort of all staff in close contact with the production sites. In the follow up of CAPs Vaude local staff verify the feedback from factory managers by among others speaking to workers about the implementation.

Vaude has identified working hours, wages and freedom of association as the biggest challenges specific to their supply chain. In 2014 Vaude has conducted a wage and overtime analyses which enabled the company to set priorities and address the root causes of the findings. To address the challenge of freedom of association, Vaude has enrolled 18 of its suppliers in China and Vietnam in FWF's Workplace Education Programme.

All five complaints filed by workers were followed up on immediately and adequately; three have been resolved and two are still in process of remediation. Vaude has taken the lead in following up corrective actions and complaints at shared suppliers with other FWF affiliates.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for affiliates who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is FWF's belief that affiliates who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF affiliates—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 affiliates will receive a 'Good' rating.

**Needs Improvement:** Affiliates 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. Affiliates 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:** Affiliates 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. Affiliates 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
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	67%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Comment: Vaude is in process of consolidating its supplier base. The company's sourcing strategy includes limiting the number of active suppliers per product group. The decision to phase out suppliers is based on an extensive evaluation that includes the factories' progress to implement the Code of Labour Practices. (see also 1.5)

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	51%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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Comment: Vaude has changed its supplier base over the past three years which leads to 51% of the 2014 production volume comes from suppliers with a business relationship of at least five years. As part of consolidating the supplier base Vaude is gradually building up the longer term business relationships again.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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Comment: In 2014 Vaude has started placing orders at two new production sites of existing manufacturers. The mother companies of these factories were already known to Vaude; the production sites were new. From Vaude's experience the local management can mean a different level of working conditions. For this reason Vaude has put effort into explaining the CoLP to the new production sites and assessed the risks in terms of labour standards. See also 1.4.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Comment:** Vaude has a system to evaluate the risks related to labour standard violations when selecting a new supplier. Staff of Vaude always visits the locations first. The company collects existing audit reports and assesses the willingness of manufacturers to cooperate on implementing improvements. Vaude makes trial orders before start of a new season in developing the prototypes and salesman samples, after which Vaude sets up the general agreements with the supplier including the FWF questionnaire. During a meeting with new suppliers the CoLP is explained. Local Vaude staff gives a presentation of FWF and explain the FWF audit methodology in detail. This information is translated to local languages in China and Vietnam. Local staff of Vaude has a checklist that includes detailed questions on working conditions, for which they also gather input from workers when they visit the factory. A basic health and safety check is done using the FWF guidelines. This is repeated every year for every supplier, independently from the CAP follow up since health and safety issues can change rapidly.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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**Comment:** Suppliers are evaluated twice a year together with all Vaude staff involved with the manufacturers. This evaluation includes social standards and is shared with the supplier on a yearly basis when visiting the production site or on fairs when suppliers are in Europe. The evaluation uses a traffic light system in which follow up actions are prioritised. Evaluation of suppliers together with top management takes place once a year in addition to the other evaluation meetings.

The supplier's performance on social standards is part of the decision making which leads to the consolidation plan of Vaude. Suppliers that were not performing well on implementing the Code of Labour Practices will not receive more orders. In at least two factories orders increased because of improved audit results. At one factory start of production has been postponed because of audit results.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Comment:** Vaude has a strong, integrated system in place. Approximately nine months before delivery, Vaude and the supplier agree on the production capacity and how many pieces of what style will be produced when. This forecast is agreed upon with the supplier according to their capacity. The manufacturers will indicate whether the proposed shipment date is feasible; if not a new date is agreed on. The communication with the factory is documented in the forecast sheet, where factories can reply and provide comment to the planners. Orders are often split between 3 different delivery dates. Final orders (which come straight after agreeing on the forecast) are binding. Vaude planners have joined CSR staff to Asia trips, visiting their supplier to create a better understanding of production. Vaude staff conducts in-line quality inspection and is always present during production time. Workers of the same production lines are trained to become familiar with Vaude quality.

Vaude always has on stock items and has carry over styles which attempts to cover the low season of factories.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	6	6	0
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**Recommendation:** Vaude is encouraged to assess the impact of its efforts on working hours in production locations. After knowing the root causes from the evaluation, next year effects should become visible in reduced numbers of excessive overtime found during audits. More specifically, the company can measure the impact of decreasing the fabric and trim delays on the working hours.

For next performance check, the instruments that Vaude has in place to mitigate the risk of excessive overtime (see comment) should be demonstrated during next performance check.

In addition Vaude is recommended to gather similar information of the remaining 4% suppliers that have not been audited to monitor and include those suppliers in the analysis.

**Comment:** Vaude has conducted an overtime analysis per year from 2012 to 2014, among others with the support of FWF's Chinese country representative. The analysis included an evaluation of all factories where overtime took place. First it was investigated whether Vaude orders contributed to overtime hours. Secondly, all overtime hours are listed in an excel per month to mark where the peaks and problems are, which enables Vaude to analyse if excessive overtime was structural and which forms the basis for investigating the root causes.

The analysis showed that excessive overtime is in most cases a result of fabric and trim delays. For that reason, Vaude involved its own material team more into the system to conduct root causes at the fabric suppliers and to handle delays in fabric and trim orders in cooperation with the suppliers. In 2013 the focus was on apparel following, in 2014 all other production groups followed.

what we did is to involve them more into the system and to make root casue at the fabric suppliers mostly. Even though less fabric delays have been reported by the suppliers and Vaude's purchasing team in 2014, still 14 out of 16 audit reports indicated excessive overtime at the production sites. To overcome the occurring overtime, Vaude has several instruments to mitigate the risk: a flexible planning system with their own warehouse that allows them to adjust the delivery dates to the retailer when needed; the option to prioritize orders, move orders from factory to factory, or split orders. A last case scenario is air freight.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0
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**Recommendation:** An increased insight in to the exact labour cost of products per style (the share that goes to workers' salaries) would give Vaude an improved basis for discussing living wage levels with their suppliers.

**Comment:** Vaude takes local minimum wages into account during product pricing. The company has a formal costing system per style. It includes the fabric and trim price, handling costs, profit and the CMT price, but not the exact share that goes to workers' wages. Based on the CMT calculations, Vaude can estimate the wage levels as input for their own price setting. After the first prototype, the manufacturer can indicate if the target price is not feasible. If not, Vaude changes the drawing, design considerations, the fabric, the own price calculations or the retail price.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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**Comment:** 3 out of the 16 factories that have been audited in 2014 showed findings regarding payment of minimum wage. Vaude has adequately responded to these cases. One factory has adjusted the payment of its packaging department to the law requirement which is verified by QC staff through documentation and speaking to workers. One factory production had not started yet and is now postponed until several matters are improved. The last case is not yet resolved since it was related to intransparent records which will be further discussed in a personal meeting with the supplier during the upcoming trip to Asia in March 2015.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories 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 factory and affiliate financial documents.	0	0	-1
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**Comment:** None of the 16 audits conducted by FWF teams in 2014 showed evidence of late payments to suppliers by Vaude.

1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0
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**Recommendation:** As Vaude has made significant process to establish the root causes of payments below living wages, the next step is to support suppliers to close the gap to the first living wage benchmark. Looking into issues such as piece rate systems, productivity and training will support creating impact to increase wage levels.

Given the absence of a legal minimum wage in Myanmar, additional efforts are required to collect wage data and support living wages.

In all efforts, Vaude is encouraged to involve workers in the discussions on wage levels; an idea was shared to conduct a survey among workers at suppliers where the evaluation showed discrepancies and/or priorities.

**Comment:** Vaude has analysed and compared all FWF wage ladders from the audited factories in China and Vietnam. According to Vaude the manufacturer should be on board to increase wages and has therefore made considerable efforts to discuss wage levels with the suppliers. A detailed analysis has been made by listing all wages per factory in comparison with the local minimum wages, Asia Floor Wage benchmarks and Collective Bargaining A wages where applicable. This analysis showed that factories of Vaude pay on average 50% higher than minimum wage in China and 80% higher than minimum wage in Vietnam. In both countries wages were max. 20% lower than the Asia Floor Wage benchmarks. The analysis will enable Vaude to look at the lowest paid departments, find the discrepancies between different sources of information and forms a basis for discussing the root causes with suppliers. None of the 16 audits conducted in 2014 showed evidence of living wages paid. However several reports concluded that wages at the production sites are higher than minimum wages and making steps towards Asia Floor Wage.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
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1.13 Percentage of production volume from factories owned by the affiliate.	18%	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 affiliate's score.	Supplier information provided by affiliate.	1	2	0
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Comment: Vaude owns one factory in Germany. Another factory in Vietnam is owned by Vaude's founder and counsellor. FWF has decided to count both factories as "owned by Vaude". A third factory in China was owned by Vaude until 2014 and then sold to their Chinese partner.

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## PURCHASING PRACTICES

Possible Points: 42

Earned Points: 36

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	89%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	7%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	96%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

**Comment:** The responsibility to implement the Code of Labour Practices is integrated within the production department of Vaude. Vaude works with FWF trained teams in Vietnam and China to monitor working conditions in factories. The company has a designated person in Germany and another full time staff in China and part time in Vietnam to coordinate the CAP follow up process. In addition, Vaude QC staff frequently visits the production locations and have shared responsibility to follow up on problems identified by monitoring system.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	8	8	-2
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**Recommendation:** Vaude could conduct a brand level root cause analysis for the more challenging issues of CAPs. On top of the ongoing meaningful efforts to realise improvements, because of the high number of CAPs and ongoing efforts not all issues are addressed. It is recommended to continue measuring the impact of the CAP analyses on factory level remediation.

**Comment:** Vaude has a strong system to document and monitor improvements made after an audit. The company shows advanced evidence of understanding the relevant issues from FWF stakeholder information. Vaude requests feedback from factories on the status of implementation. The feedback from the factory management is cross-checked by Vaude's local QC staff who visits the productions sites regularly. Worker interviews are conducted to verify whether the statement of implementation from factory management is correct. In case the factory management response varies from the answers from the workers, Vaude CSR staff from Germany discusses this discrepancy during one of the visits to ensure CAP implementation. The process of implementation of all CAPs is analysed per factory on a yearly basis and progress is documented in a separate sheet by means of ranking the implementation; this forms the basis for prioritizing and marking which issues should be discussed with general management. This analysis is discussed with the factory management during factory visits. Meaningful efforts are shown to realise improvements, particularly in the area of health and safety which is checked on annual basis.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	96%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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**Recommendation:** Now that Vaude has passed the 90% monitoring threshold it is recommended to discuss and monitor labour conditions at the remaining suppliers that cover a lower percentage.

**Comment:** Production sites are visited each year several times by Vaude staff. This counts especially for all production sites in China, Vietnam and Myanmar.

2.4 Existing audit reports from other sources are collected.	Yes and quality assessed	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.	2	3	0
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**Comment:** Vaude collects available audit reports from suppliers and conducts the FWF audit quality assessment tool. Results of this analysis are shared with FWF for preparation of audit teams before conducting a new audit. Audit reports from other sources are not followed up yet in an active manner; in most case Vaude schedules a FWF audit at those production sites as well.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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**Comment:** Audit reports and corrective action plan findings are shared with factory. Improvement timelines are established in a timely manner.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
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**Recommendation:** Vaude is recommended to specifically set up a remediation plan for those specific risks as identified the supplier evaluation. The remediation steps should address ways to prevent such findings from happening in the future both at the production sites where the problems occurred as well as prevent at production sites where those problems could occur. Verification at those locations will have to show progress on one or more of these risks next year.

**Comment:** Vaude has addressed specific risks by enrolling suppliers in China and Vietnam in FWF's Workplace Education Programme. The biggest challenge in China and Vietnam remains the absence of social dialogue structures, working hours, payment of overtime hours and social security coverage.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
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2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Intermediate Capacity	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	1	3	0
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**Recommendation:** FWF recommends Vaude to continue monitor the improvements made by the supplier in Myanmar. Additional effort is needed to collect data on wages.

**Comment:** Vaude complies with FWF's Myanmar policy. Vaude produces in Myanmar since they joined FWF membership and followed up production in this high risk country together with FWF closely. First audits at the factories in Myanmar have been conducted at the end of 2014. Serious findings were found in the area of health and safety, working hour sand wage records and the absence of legally binding employment contracts. Vaude has only received the report in January 2015 and is in process of following up on the findings and supporting the factory to set up a social compliance system.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes 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
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Comment: Vaude shares audits and CAPs with other customers of the production site. Vaude took the lead to follow up CAPs in many of the shared audits and took initiative in coordinating the CAP follow up process and keeping the others informed

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: Approximately 7% of Vaude's 2014 purchasing volume comes from areas that are classified by FWF as low risk. Monitoring requirements are fulfilled for production in low-risk countries.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
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## MONITORING AND REMEDIATION

Possible Points: 32

Earned Points: 26

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	5	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	2	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: Both CSR responsible at Vaude in Germany and Asia are responsible for handling complaints. Both travel to the production sites frequently and see addressing worker complaints as a shared responsibility which is best addressed face-to-face with the factory management. When the factory management was in Europe meetings together with FWF have been held to discuss follow up of complaints.

3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0
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Comment: Local Vaude staff visits the production sites regularly. Checking the posting of the worker information sheet is part of every visit.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	33%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	2	4	-2
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**Recommendation:** Given the close relationship of Vaude local staff and the suppliers, local staff could organise a training/presentation in cooperation with factory management for factory workers to increase awareness of the CoLP and FWF complaints procedure.

**Comment:** Only few of the audit reports showed that at least half of the workers are aware of the FWF worker helpline. Some factories of Vaude have participated in the FWF workplace education program. More factories are signed up for WEP trainings in 2015. Aside other topics, WEP trainings give input on the eight labour standards, grievance mechanisms including the FWF worker helpline.

3.4 All complaints received from factory 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. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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**Recommendation:** Vaude is recommended to take extra steps and efforts to prevent the problems from recurring at other factories with likely similar problems. FWF encourages affiliates to support establishing social dialogue structures to strengthen the factories' internal capacity to handle complaints.

Comment: All complaints received from factory workers were addressed in accordance with the FWF Complaints Procedure by the CSR staff in Germany and Asia. Vaude's standard complaints procedure includes a process to understand root causes of the complaints every time a new complaint is filed. Complaints are included in the follow up sheet and general evaluation of all factories.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	-2
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Comment: Three out of five complaints received have been at a shared production site with several other FWF affiliates. Vaude has actively cooperated with the other FWF affiliates in addressing the worker complaints at the shared suppliers.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 10

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## 4. TRAINING AND CAPACITY BUILDING

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

**Comment:** FWF information can be found online, all staff at Vaude has access to the FWF documents on the company's server.

Staff at Vaude is made aware of FWF membership in several ways:

The Vaude Academy offers a session about social standards and Fair Wear Foundation every year. All employees of Vaude are free to join Vaude's Academy program. The program is mandatory for new staff.

Vaude conducted a survey among all company employees on the importances of Vaude improving working conditions.

Every summer there is a sales meeting where sales staff is trained. FWF membership is always on the agenda.

In addition news on current happenings (such as the new FWF policy to source in Myanmar) are shared through internal mailings and intranet.

Updates on social standards are part of the monthly meetings with the head of the product departments.

Vaude's top management is informed and updated on a yearly basis.

Vaude's social media team received a briefing after the webinar on complaints handling organised by FWF.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: No additional training is needed aside Vaude Academy. All staff in direct contact with suppliers are involved in the follow up of FWF's monitoring systems. Weekly meetings take place to ensure that everybody is aware of current happenings. Local staff is trained on health and safety issues to better enable them to detect health and safety violation. The training is expanded by making 2 local staff accredited auditors.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Affiliate does not use agents	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	N/A	2	-2
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Comment: Vaude keeps direct contact with its suppliers.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	48%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	4	6	0
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Comment: 18 factories have participated in FWF's Workplace Education Programme in 2014. All factories were open for the training and reported that the training was useful. Some of the trainings have been conducted to verify or remediate complaints at the production sites. Management of some sites wished for more follow up possibilities after the training and trainings which go beyond labour standards and grievance mechanisms addressing factory specific needs. Vaude participated in the pilot trainings of FWF's Workplace Education Programme in Vietnam.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	N/A	4	0
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**Recommendation:** Even though this is not required under FWF membership, if production continues to in Croatia and Bulgaria training options can be considered for suppliers in those countries.

**Comment:** All suppliers that are not located in areas where WEP is offered produce below 2% of Vaude's purchasing volume or are in countries located in low risk areas.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 7

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Advanced	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	6	6	-2

**Recommendation:** With the subcontractor list including washing and embroidery production, it is advised to verify which subcontractors will be used for Vaude orders. All production locations of sewing is monitored; this can be expanded to washing and embroidery.

**Comment:** Vaude staff is regularly at the production sites. Especially Asian QC staff is at the factories during production frequently. None of the audit reports indicated subcontractors were used for Vaude production. Purchasing volumes at suppliers could be verified by checking financial accounts.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	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
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Comment: Everybody at Vaude, including local staff, has access to the server where all information with regard to labour conditions at the production sites is filed. Information is shared explicitly with staff in contact with production sites and communication is documented. Local staff are mostly working and living around the factory locations, but are own Vaude staff. The QC team is now also part of the product development phase to better understand comments from the factory.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2

**Comment:** Communication about FWF membership adheres to the FWF communication policy. FWF membership is communicated through the company's website, on catalogues, on social media and through company presentations. Video's are produced at factories in China and Vietnam including interviews with FWF's Chinese audit supervisor, factory management, Vaude's CEO and FWF staff. This seven minute video has been broadcasted during fairs, at the Vaude headquarter, online and during several meetings/trainings.

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
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**Comment:** Vaude includes the results of the brand performance check in its sustainability report which is shared in printing and online. The sustainability report is according to GRI standards.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: The social report of Vaude is submitted and published on Vaude's website as part of the sustainability report.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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## 7. EVALUATION

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

Comment: Top management is involved to systematically evaluate FWF membership on a yearly basis. FWF is regularly discussed during production meetings. The performance check results are shared with the local QC staff to see where improvements can be made.

7.2 Changes from previous Brand Performance Check implemented by affiliate	No requirements were included in previous Check	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	N/A	4	-2
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## EVALUATION

Possible Points: 2

Earned Points: 2

## RECOMMENDATIONS TO FWF

The time in between the audit and receiving the audit reports remains too long. This makes it difficult for Vaude to immediately follow up on the most pressing issues. In addition, late invoices at the end of a book year creates many problems for Vaude's financing system.

Vaude feels guidance from FWF is needed to ensure structured and active participation from all affiliates in case of shared suppliers.

Vaude shared several options to improve the online supplier management system and would appreciate more insight into subcontractor relations in the online management system.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	36	42
Monitoring and Remediation	26	32
Complaints Handling	10	15
Training and Capacity Building	7	9
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	92	111

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

83

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

26-02-2015

Conducted by:

Annabel Meurs

Interviews with:

Antje von Dewitz (CEO)

Jan Lorch (International sales manager)

Susanne Medesi (Head of production management & CSR)

Ralf Geiger (Marketing manager)

Maike Bierwirth (GRI)

Audit Summary:

Publication of the audit summary section previously included in Brand Performance Checks has been suspended while Fair Wear Foundation develops a new information system to manage and summarize the data.