



## **Brand Performance Check**

# **VAUDE Sport GmbH & Co. KG**

**Publication date: June 2020**

This report covers the evaluation period 01-01-2019 to 31-12-2019

## About the Brand Performance Check

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

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

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

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

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

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

# Brand Performance Check Overview

## VAUDE Sport GmbH & Co. KG

Evaluation Period: 01-01-2019 to 31-12-2019

Member company information	
Headquarters:	Tett nang , Germany.
Member since:	2010-11-15
Product types:	Outdoor Products; Sports & Active Wear; Outdoor Wear
Production in countries where Fair Wear is active:	China, Myanmar, Viet Nam
Production in other countries:	Austria, Belarus, Cambodia, Germany, Lithuania, Portugal, Republic of Korea, Taiwan, Ukraine
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	100%
Benchmarking score	88
Category	Leader

## **Disclaimer**

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

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

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

*Fair Wear's performance checks review the progress that was made in the previous financial year. In this case, the 2019 financial year. Thus, this report does not cover the member's response to COVID-19, which will be monitored during the year and evaluated in the next performance check.*

## Summary:

Vaude met most of Fair Wear's management system requirements to improve working conditions and goes beyond several of them. Vaude monitored 100% of its total 2019 purchasing volume, which is well above the 80% required of brands in 3+ years of membership. Combined with a benchmarking score of 88, Vaude maintains its 'Leader' status.

In recent years, Vaude took steps to consolidate its supplier base. At 78% of its suppliers, Vaude accounts for more than 10% of production capacity. 80% of Vaude's total FOB volume comes from suppliers with which Vaude enjoys a long-term business relation (exceeding five years).

Vaude has established strong, integrated systems at the company level. Due to the presence of full-time staff in Asia and frequent visits by Vaude staff to the production sites, Vaude possesses in-depth knowledge about its production sites. The monitoring and remediation of findings at production sites is a joint effort by all staff members in close contact with these sites.

17% of the almost 60 production sites are located in so-called low-risk countries where Vaude follows up Fair Wear requirements. Production in high-risk countries is mainly in China and Vietnam.

As (excessive) overtime remains a common labour violation, Fair Wear recommends cooperating with other customers when trying to mitigate excessive overtime hours. It is also recommended to regard excessive overtime - or Sunday work - as a critical non-compliance that warrants urgent follow-up.

Vaude analysed and compared all Fair Wear wage ladders from the audited factories. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Global Living Wage Coalition (also referred to as the Anker benchmark) and minimum wages set per law. Vaude's research found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark. Results of this wage calculation are published on Vaude's website to create transparency towards its stakeholders.

However, Vaude is not able to substantiate a clear link between the wages paid to workers and the FOB prices paid to factories. When Vaude is able to investigate further and determine the labour costs for its products more precisely, the company will reach a better understanding whether its FOB prices support payment of living wages. This could then form the basis for discussions around moving towards paying living wages with management at suppliers where Vaude has high leverage.

## Performance Category Overview

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

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

**Suspended:** Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

# 1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	78%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

**Comment:** Vaude is an important buyer (leverage above 10%) for suppliers that combined account for 78% of Vaude's total purchasing volume. This figure has been the same in the previous financial year when Vaude felt that it is not possible to consolidate further, as a certain degree of diversification is needed from a risk management perspective. Reaching the same percentage this year as previously reflects this.

Vaude has published a Vaude Guidebook which is used internally and externally and which includes Vaude's sourcing strategy that is agreed upon with top management and sourcing staff. The Vaude Guidebook was explicitly shared with suppliers and includes Vaude's sourcing strategy in detail..

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.	20%	FWF 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 FWF.	2	4	0

**Comment:** 20% of production volume from production locations comes from sites where Vaude buys less than 2% of its total FOB.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	80%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	4	4	0

**Comment:** The total FOB volume from suppliers with which Vaude enjoys a long-term business relationship exceeding five years is relatively high and has remained the same with 80% compared with the previous financial year.

Having a sourcing strategy built upon a long-term business relationship is well explained in the Vaude Guidebook. The Vaude Guidebook is binding internally and externally (e.g. for suppliers).

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:** All eight new production locations in 2019 signed and returned the questionnaire with the Code of Labour Practice before first bulk orders were placed.

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

**Comment:** Based on its vendor management system, Vaude conducts due diligence at new suppliers focusing on environmental, social and quality standards. As part of the assessment, local staff of Vaude visits all new production locations and conducts a detailed walk-through inspection to verify the health and safety conditions. Discussions with the management focus on the environment, social and quality standards in the factory. The Fair Wear Code of Labour Practices is presented in detail and the willingness of manufacturers to cooperate on implementing improvements is assessed.

Moreover, when considering a new production location, Vaude collects existing audit reports and inquires other clients sourcing at the factory. In case another Fair Wear member is working with the factory, it is a significant advantage for starting the business relationship. Vaude will then reach out to the other Fair Wear member and request it to share further information.

Vaude requires suppliers to be transparent on subcontractors; preferably all processes are done in-house, if not the subcontractors are included in the monitoring system for implementing the Code of Labor Practices. This is mainly checked by Vaude's local staff before the start of production. Fair Wear audits are not done prior to production as part of the due diligence process. Vaude, commissions audits after the start of production, including all subcontractors that sew. Existing social audit reports are collected and checked prior to production start.

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

**Comment:** Suppliers are evaluated once a year together with all Vaude staff involved with the manufacturers. Suppliers are evaluated based on a set of indicators related to six aspects: (1) sustainability; (2) innovation; (3) production; (4) purchasing and logistics; (5) quality and; (6) cooperation and communication. Tier 1 and tier 2 suppliers are treated the same in this appraisal process. Of course dependant on sales of products concerned, factories that did not demonstrate a willingness to improve on social issues will not receive more orders, while suppliers that perform well would be eligible to receive more orders. Best practices and lessons learned are shared with all suppliers during the annual vendor meeting which is held at Vaude's headquarters. During this meeting, the supplier evaluation and future business relation is discussed with each of the supplier. Suppliers are asked to evaluate and give feedback about the cooperation and business relationship with Vaude.

**Recommendation:** As an extra step to the existing supplier evaluation, Vaude could consider to give suppliers the possibility to provide input on how they are evaluating themselves.

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

**Comment:** Approximately nine months before delivery, Vaude and the supplier agree on order quantity per style and the delivery deadline. The forecast is agreed upon with the supplier according to their capacity. Vaude double checks its suppliers capacity in pieces per season. Vaude wants to know precisely how many of the to be ordered styles the suppliers can do per season and per month. The manufacturers indicate whether the proposed shipment date is feasible including time needed for fabric to arrive. If not, a new date is agreed upon. The communication with the factory is documented in the forecast sheet, where factories can reply and provide comment to the planners. Manufacturers are often asking for production in low season and Vaude tries to accommodate this as much as possible (especially with NOS products). In order to allow more maximum time for production, orders are often split between multiple delivery dates. When delivery is late, Vaude uses air freight.

**Recommendation:** Fair Wear recommends VAUDE 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.	Advanced 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.	6	6	0

**Comment:** According to Vaude, (excessive) overtime is a common non-compliance in the garment sector. Vaude indicates that the main cause is related to fabric delays and the fact that suppliers book their available production capacity based on sixty hours per week.

Vaude indicated that in the past overtime was also caused by a lack of internal coordination. This has been improved internally. At present, Vaude does not allow last-minute 'special orders' anymore. In addition, the sales department is no longer allowed to confirm dates to the customer without getting the prior green light from the production team.

At the five production locations that were audited in 2019, excessive overtime was found. 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, or split the delivery of orders. A last case scenario is air freight. Upon receipt of the audit reports, Vaude has discussed issues of why overtime keeps occurring at the production sites. In most cases it was because of unpredictable orders of other clients to the production sites.

Already in 2018, Vaude started an overtime project at some of their suppliers in China and Myanmar. Over a period of 1 year (hence including 2 peak seasons) the production site had to fill in hours worked on a very detailed level. Together with Vaude local staff, the data was analysed and corrective actions worked out. Some corrective actions were on Vaude to improve such as late delivery of fabrics. Other overtime issues came up because of organizational matters at the production site and other brands sourcing at the site. In 2019 a complaint was received on overtime in one of the participating factories and due to the analysis, Vaude was able to immediately prove that the complainant was correct and could take first steps to help solve the situation straight on.

**Recommendation:** Fair Wear recommends Vaude to cooperate with other customers to address excessive overtime.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

**Comment:** Vaude's product manager works with a technician and designer to establish a retail price and FOB price for a certain style (taking fabric costs into account). Once there is an internal agreement, the full package is shared with the manufacturer who is asked to agree to the FOB price. The manufacturer verifies whether it is possible to make the product for the proposed price point and suggests adjustments when needed. Adjustments can be either on the price itself or for the product. In case of disagreement, technicians have the possibility to make the design simpler in order to get closer to the target price. In case that is not possible, a decision needs to be taken internally whether or not to accept a higher price.

Agreed goal for 2019 with top management was to get more insight into how buying prices and wage levels at production sites link. During the annual vendor meeting in 2019, Vaude hold a workshop with all manufacturers to find out how and if open costing is possible for its suppliers. The plan was to ask all suppliers whether and how it would be possible to fill in the open costing sheet in 2019. While this is possible for some suppliers, others have different calculation schemes resulting in a significant amount of extra work for these suppliers. An additional obstacle comes with the production location of some Vaude products. It can be that the order of one and the same style is split over two different production sites. Such production sites can be located in different countries and use different calculation schemes internally while the FOB for Vaude is the same for both sites.

Additionally, Vaude agrees with some suppliers on package prices. Such packages include products with high margins as well as newly developed styles or kids wear where the margin is usually lower.

It soon became clear that it does not make sense to use the same developed open costing sheet at all suppliers. However, the developed labour minute costing sheet has been tried out at one production site in Myanmar in 2019. This is a production site which indicated during the vendor meeting that it is able to fill in the data without too much extra burden.

Vaude does not calculate labour minutes per style which would allow sufficient insight into the labour cost per product style (although this could vary in case one style is produced at different production sites). It, therefore, has no possibility of knowing exactly whether the prices they pay suffice for payment of legal minimum wages.

**Recommendation:** Increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. Fair Wear recommends Vaude to expand its knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF 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, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** Results from three audited production sites in 2019 indicate failure to pay legal minimum wages and/or to provide wage data to verify minimum wage is paid. Vaude has checked for records in detail with the production sites stressing that payment of legal minimum wage and being transparent about wage payments is key to ensure worker conditions at the production sites. Vaude has raised the topic of wages again with top management of the factories. Verification is pending for the upcoming audits.

In 2018, the audit team found that new workers were paid less salary during probation than legal minimum wage in Myanmar. While this is technically according to local law, Fair Wear wants its members to work with their suppliers and establish a reasonable time frame to ensure that all workers earn at least minimum wage. In 2019, Vaude rechecked with its suppliers in Myanmar knowing now that one of them pays probation salary for a maximum of three months and that the other production site employs experienced workers only (who receive the regular wages being issued at the factory).

**Recommendation:** Vaude is recommended to keep an eye on the practices and payments of workers under probation as required in Fair Wear's Enhanced Monitoring Programme for Myanmar.

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 evidence of late payments to suppliers by Vaude was found.

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:** Six audits conducted in 2019 show that the wage paid to most workers for a regular working week is below the living wage benchmarks Fair Wear collected from its local stakeholders.

To have a deeper understanding of wage levels, Vaude analyzed and compared all Fair Wear wage ladders from the audited factories over the past years. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Global Living Wage Coalition (also referred to as the Anker benchmark) and minimum wage per law. Vaude found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark.

Vaude is part of Fair Wear's Living Wage Incubator. The goal is to provide a platform for the member companies to exchange ideas on the subject and to learn from each other. Within that context, Vaude committed to a living wage pilot with a producer in Vietnam. As the factory has to compete for skilled labour it already offers wages well above legal minimum wages. The factory committed to improve wages further through the improvement of production performance and the introduction of a time-rated remuneration system.

Together with a production site in Vietnam Vaude tries to enable workers to receive a higher salary by providing extra training possibilities. The factory also offers additional health insurance for long-term employees. The payment to the additional health insurance can be seen as an indirect wage increase.

**Recommendation:** Fair Wear encourages Vaude to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and enjoys a long-term business relationship.

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

With regard to the wage data and comparison done in 2019, Fair Wear recommends linking the wage level at production sites to their leverage at the production site. This could give a first indicator knowing whether the prices they pay suffice for payment of legal minimum wages.

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).	13%	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.	1	2	0

**Comment:** Vaude has its own production location at its headoffice in Tettang. The facility provides local employment for several refugees.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	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.	2	6	0

**Comment:** Vaude has analysed how the current wages paid in its factories in Vietnam relate to the living wage benchmark put forward by the Global Living Wage Coalition (also known as the Anker benchmark). It concluded that several suppliers already pay close or above this benchmark. This is partly due to Vaude's selection of suppliers in Vietnam (factories are of a relatively high standard) and also due to worker shortages in Vietnam (factories have to offer competitive wages in order to attract workers). As the wages in Vietnam were already considered high, Vaude has therefore not financed additional wage increases as such.

Having the information about wage levels of its suppliers in hand, Vaude tried to compare the data with wage estimates in the respective production countries. Biggest obstacle was missing country and regional information about wage levels with which the wages paid at the production sites could be compared to.

**Recommendation:** Vaude should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases. To support companies in analysing the wage gap, Fair Wear has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models. It is furthermore advised that the strategy for how to finance wage increases is agreed upon by top management.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	20%	FWF 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.	2	6	0

**Comment:** In 2018/19 Vaude did a comparison between the mode regular wage for sewing operators paid in its factories with the prevailing minimum wage levels and, where available, a living wage benchmark. Its analysis found that, at factories that combined account for 20% of it Vaude's 2018 FOB value, the regular mode wage for sewing operators exceeded the living wage benchmark of the Global Living Wage Coalition (Anker benchmark).

**Recommendation:** Fair Wear encourages Vaude to show that discussions and plans for wage increases have resulted in the payment of a target wage.

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 39**

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## 2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.	0%	
% of production volume where approved external audits took place.	25%	
% of production volume where Fair Wear audits took place.	58%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	17%	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.)
% of production volume where an audit took place.	83%	
Member meets monitoring requirements for tail-end production locations.	Yes	
Total monitoring threshold:	100%	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 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 (COLP) is integrated within the Vendor Management of Vaude. The company has designated staff in Germany and full time staff in both China and Vietnam to coordinate the CAP follow up process. In addition, Vaude QC staff frequently visit the production locations and have shared responsibility to follow up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF 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: 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

**Comment:** Audit Reports and Corrective Action Plan findings are shared with factory and worker representation where applicable. Improvement timelines are established. In the follow up of corrective actions, Vaude includes local staff and has a clear protocol determining what kind of findings are discussed and to be resolved in what time.

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.	Advanced	FWF 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.	8	8	-2

**Comment:** Vaude has a strong system to document and monitor improvements made after an audit. Already in 2015/16 Vaude introduced a new system that explains how CAPs should be followed up by relevant Vaude staff from headquarters and locally based. The system categorizes findings with the required follow up actions within a clear time-frame. Critical findings for instance require immediate response (within three weeks) from factory by email and are followed by two on-site visits. The Vaude top management is involved in case an audit reveals critical problems. Non-critical findings can be handled through desktop follow up, and a yearly visit by local staff. Furthermore, feedback from the factory management on the implementation status of improvements, is cross-checked by Vaude's local staff who visits the production 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 takes up the topic again with factory management to see how to ensure full CAP implementation. Dependent on the audit findings, Vaude will arrange training at the factory concerned in order to address issues concerned. Any CAP status update, or new findings, identified during the training, will be immediately integrated in the CAP and followed up through the system.

The process of implementation of all CAPs is analyzed 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 (documents, pictures, on site visit and meeting reports) are shown to realize improvements, particularly in the area of health and safety which is checked on an annual basis. To this end, a yearly Basic Health and Safety Check is done at all of Vaude's 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.	97%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

**Comment:** All suppliers are frequently visited by local staff of Vaude and occasionally by headquarter staff. In 2019, 97% of the production sites were visited. One production site in Korea is not visited but the production site has produced only one style which was shifted to an existing production site in Vietnam in 2019. Furthermore, Vaude has a policy to visit suppliers in low risk countries every three years.

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

**Comment:** Vaude has purchased audit reports for three suppliers that are part of the Better Work programme in Vietnam. In addition, third party audit reports are collected by Vaude from a number of suppliers. The Fair Wear audit quality assessment tool was used to assess these external audit reports. Vaude could show proof of diligent follow-up on the CAPs, also in cooperation with other (Fair Wear and non-Fair Wear) brands.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	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.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Advanced			6	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	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

**Comment: Myanmar:**

Vaude sources at one factory in Myanmar since 2003, starting a relationship long before the suspension of economic sanctions by the EU. As Fair Wear was not active in Myanmar, together with other Fair Wear brands it arranged a training in 2015 on the Code of Labour Practices with SMART Myanmar. The factory was also enrolled in the social compliance programme of SMART. Vaude enrolled the factory in a social dialogue training with SMART in 2018. The production site has been audited by Fair Wear several times; last time in 2018. The audit revealed various non-compliances, which are being followed up diligently by Vaude.

During last years Brand Performance Check it was noticed, that Vaude did not yet follow all Fair Wear requirements related to the Enhanced Monitoring Programme for Myanmar.

(i) It was noted that the process to ensure Freedom of Association and enhance social dialogue at suppliers was not yet meaningful promoted. In 2019 Vaude has followed up the SMART training and ensured that Myanmar suppliers attended the Vendor Club Meeting where an expert on social dialogue was invited to give a workshop.

(ii) It was noted that Vaude should work more with their suppliers to establish reasonable timeframes to ensure that all workers earn at least minimum wage. In 2019 Vaude has used Fair Wears labour minute costing sheet and analyzed payment at the factory in Myanmar. Regarding probation period regulations Vaude found out that one factory has workers under probation for three months when they get the full wage. Another production site employs experienced sewers only and pays at least minimum wage.

(iii) It was noted that Vaude should work with their suppliers to ensure they follow Fair Wear's guidance on age verification and enroll factories in Fair Wear's training on age verification. In 2019 Vaude has discussed Fair Wear's age verification guide with the HR management at the production site. Vaude factories did not participate in Fair Wear's training on how to build a more robust age verification system in November 2019.

**Turkey:**

In 2019 Vaude no longer had any positive FOB in Turkey.

**Other Risks:**

Vaude has no production in Bangladesh. Its assortment does not contain products where abrasive blasting could be a risk.

Main production for Vaude is done in China and Vietnam. In Vietnam Vaude considers the lack of (social) dialogue between management and workers to be among the key risk areas. In order to understand workers' concerns better, Vaude initiated a 6-months survey among workers. It is also working together with Better Work in Vietnam in order to train factory management and workers on country-specific risks.

Besides the absence of workers' right on Freedom of Association and limited social dialogue, Vaude considers that the main risk in China is related to overtime, which is mostly caused by a shortage of workers. Vaude local staff in China has been trained to train more workers at the production sites on country-specific risks. A root cause analysis has also been conducted by Vaude local staff, which identified steps for remediation.

In 2019, Vaude has initiated a Vendor Club meeting in Asia inviting staff of suppliers to exchange among each other and to learn from each other. Vaude has presented the company strategy for the coming years. Fair Wear criteria have been part of the content. In 2019 an expert on social dialogue has been invited to give in-depth input. This is because Vaude sees social dialogue as key to overcome issues on any non-compliance with labour standards. Vaude club meetings are planned on a yearly basis now. The meeting was perceived very well as the suppliers realized how similar the day-to-day challenges are. Being connected they have better chances to learn from each other now.

**Recommendation: Myanmar:**

Fair Wear recommends participation of Vaude factories in Fair Wear trainings on how to build a more robust age verification system in Myanmar.

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:** Vaude is actively working together with several other Fair Wear member companies in resolving corrective actions at shared suppliers.

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.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

**Comment:** Approximately 17% of Vaude's 2019 purchasing volume comes from areas that are classified by Fair Wear as low risk. Monitoring requirements are fulfilled for production in low-risk countries. Except for two production sites in Portugal (with a total of 0,52% FOB), all suppliers in low-risk countries have been visited in the past three years. Those two production sites in Portugal have technically not been visited by CSR staff in 2019 as they were planned in to be visited beginning of 2020 (in a tour with all other low-risk suppliers). Colleagues from the technical department have checked health and safety issues during their visits.

Factory visits and meetings with management follow a certain protocol and are documented. A walk through inspection including a health and safety check is part of the protocol.

Vaude also checks whether the COLP is posted. Signed questionnaires are on file for all supplier. This also counts for the three production sites which have not been visited in 2019.

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).	Yes	FWF 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 FWF and recent Audit Reports.	2	2	0

**Comment:** Vaude conducts audits at all their sewing production sites - no matter how small or big of value to the company.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	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	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF 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 FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	Yes, and member has information of production locations	FWF 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.	1	1	0

**Comment:** Vaude works together with one licensee who produces some of Vaude's apparel collection and sells these products in the Chinese market. The contract between the licensee and Vaude has been signed long before Vaude joined Fair Wear. Adding social standards to the contract means changing the overall contract with the licensee which Vaude finds difficult. Vaude is aware of all six production sites which have completed and signed the Vaude/Fair Wear supplier questionnaire. Nevertheless, Vaude is not monitoring the working conditions at these factories, which could carry a reputational risk.

**Recommendation:** Fair Wear recommends Vaude to continuously work together with the licensee on social standards. It is suggested to have social standards included in the licensee's contract and to include its production sites in the monitoring of social standards.

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## Monitoring and Remediation

**Possible Points: 31**

**Earned Points: 32**

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### 3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check	7	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	2	
Number of worker complaints resolved since last check	11	

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 staff at Vaude in Germany and Asia are responsible for handling complaints, which takes place through desktop communication as well as on-site. Addressing worker complaints is seen as a shared responsibility which is best addressed face-to-face with the factory management. Whenever the factory management is in Europe, meetings take place to discuss follow up of complaints (and audits).

In addition, local staff which is trained on social standards is involved in the daily business following up on corrective actions and handling of 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 FWF 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:** Local Vaude staff visits the production sites regularly. Checking the posting of the Worker Information Sheet is part of every visit. Vaude visitors make a call to the phone number on posted Worker Information Sheets during every visit. This is to verify that the correct number was posted. In addition Vaude asks all suppliers to take pictures of the posted Code of Labour Practice and send it as proof. With this, the requirement from the performance check in 2019 is well solved.

At all production sites audited in 2019 the audit team found the Fair Wear Code of Labour Practice posted.

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.	67%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Vaude is actively working to raise awareness of workers on the Fair Wear Code of Labour Practices and complaints helpline. Vaude's policy is to arrange Workplace Education Programme (WEP) training for all its main suppliers every three years. In 2017, 2018 and 2019, at the request of Vaude, Fair Wear implemented WEP training at 19 factories.

In addition, Vaude's local staff based in China, who is trained as a WEP trainer, has implemented training sessions at two factories in China in 2018. Vaude plans to build the capacity of Vaude's local staff in Vietnam to do the same. A factory in Cambodia arranged training and a quiz on the Fair Wear Code of Labour Practices for its workers in 2018.

**Recommendation:** The member could consider implementing additional activities to raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint hotline next to providing good quality training. This could include providing the Fair Wear worker information cards to workers during visits or when handing out pay slips, making use of Fair Wear's Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

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 + Preventive steps taken	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.	6	6	-2

**Comment:** In 2019 Vaude has received a total of seven complaints coming from production sites located in Myanmar and Vietnam. The complaints raised concerned the labour standards 'reasonable hours of work', 'safe & healthy working conditions', 'living wage', 'employment is freely chosen', 'no discrimination' and 'legally binding employment relationship'. Most complaints related to several labour standards at the same time; most often the labour standard 'legally binding employment relationship'.

Vaude always takes immediate action when complaints come in. Vaude shares information about complaints and remediation steps taken with Vaude staff and with other factories in order to prevent similar problems occurring at different factories.

All complaints are filed in a separate complaints document which Vaude analyses yearly to double check whether certain complaints double or to draw conclusions on possible root causes.

In 2019 Vaude noticed that social dialogue is key to many issues raised at the production sites. That is why a factory in Myanmar was signed up to the social dialogue project. Additionally social dialogue was key topic at the Vendor Club meeting which all suppliers attend on a yearly basis.

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 FWF 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:** In 2019 one of the complaints received was at a shared supplier. Vaude cooperated well with the other Fair Wear member in resolving the complaint.

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## Complaints Handling

**Possible Points: 17**

**Earned Points: 15**

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## 4. Training and Capacity Building

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

**Comment:** New staff at Vaude receive an orientation training which includes Fair Wear membership requirements. Information is furthermore shared through the Intranet and Internet. Once a year a training is organized for sales staff. Top management discusses Fair Wear membership requirements at least twice a year, but also on an ad-hoc basis whenever needed. Furthermore, the CEO of Vaude speaks very often about Fair Wear through participation in panels and interviews. This is also shared with all employees at Vaude headquarters.

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 FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

**Comment:** Every two weeks, the CSR team, consisting of relevant staff responsible for sales, QC, innovation, marketing and materials come together to discuss new developments. Such meetings include audit results, complaints, information from the Textilbuendnis or Fair Wear. In addition, all staff that visit factories have a responsibility to follow up on specific CAP findings.

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.	Member does not use agents/contractors	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, FWF audit findings.	N/A	2	0

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.	27%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** In 2018, three of Vaude's suppliers in Vietnam were enrolled in the ILO Better Work programme, which are automatically counted towards this indicator.

A factory in Myanmar has been enrolled in training offered by the SMART programme in 2018. Training aims at building capacity on social compliance, Human Resources management and cultural differences between (foreign) management and workers. The factory was also enrolled in a FWF training on age verification.

No further trainings that support transformative processes related to human rights have been conducted in 2019 which is why the percentage remains the same as in 2018 for this indicator.

**Recommendation:** Fair Wear recommends Vaude 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 behavioral change and long-term structures to improve working conditions. To this end, Vaude can make use of Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. Fair Wear guidance on good quality training is 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.	Active follow-up	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.	2	2	0

**Comment:** Whenever there are non-compliances mentioned in a training report, Vaude would immediately integrate it into existing CAPs and follow up as part of normal CAP follow-up towards remediation.

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## Training and Capacity Building

**Possible Points: 11**

**Earned Points: 9**

## 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 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.	6	6	-2

**Comment:** Vaude local staff conducts regular in-line inspections at all of its suppliers. Frequent presence in factories makes it possible to closely monitor where production takes place.

Twice a year suppliers are asked to indicate whether any subcontractors are being used. If so, subcontractors concerned are required to sign the questionnaire and post the Fair Wear Code of Labour Practices.

Vaude requires suppliers to be transparent on subcontractors; preferably all processes are done in-house, if not the subcontractors are included in the monitoring system for implementing the Code of Labor Practices.

Before an audit takes place, Vaude actively discusses the potential use of subcontractors with management and analyses production capacity and workforce during visits. In case an audit shows that the manufacturer uses subcontractors, Vaude investigates whether they are used for Vaude orders. Subcontractors are also visited by CSR staff in case they are located on-site and are part of the QC visits if they have an essential role in product quality.

CMT suppliers are part of the regular monitoring of Vaude, including audits and CAP follow-up. Vaude is now expanding this to also include subcontractors engaged in embroidery and printing. A complete list with all the subcontractors was available and has been shared with Fair Wear for uploading into the database.

The factories used by Vaude's licensee are all known. However, these factories do not fall under Vaude's monitoring system and are not visited by Vaude staff. This carries a certain risk (see also indicator 2.13).

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:** Everybody at Vaude, including local staff, has access to the server where all information with regard to labor conditions at the production sites is kept. Information is shared proactively with staff in contact with production sites and communication is documented.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

## 6. Transparency

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

**Comment:** Communication about Fair Wear membership and the leader status adheres to the Fair Wear communication policy. Fair Wear membership is communicated through the company's website, on catalogs, on social media, youtube and through company presentations. Fair Wear is actively communicated within the dealers network through a dealers newsletter and workbook. The Leader status is part of the company's PR strategy and mentioned in several press clippings.

Vaude is actively involved in the German Textilbuendnis and other stakeholder platforms where it regularly informs public and stakeholders about Fair Wear membership. The CEO of Vaude also frequently shares information about Fair Wear membership during panels and interviews.

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

**Comment:** Vaude publishes its supplier list on its website since a few years. It has also started a pilot with Trustrace. Through a link information about the materials used, location of the production site and audit status is given. In 2019 Vaude has implemented this system for its 30 best selling products. Plan is to include all products step by step.

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 FWF's communication policy.	Social report that is in line with FWF's communication policy.	2	2	-1

**Comment:** The social report of Vaude is submitted to Fair Wear and published on Vaude's website as part of the sustainability report based on the Global Reporting Initiative (GRI standards).

## Transparency

**Possible Points: 6**

**Earned Points: 6**

## 7. Evaluation

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

**Comment:** Vaude set out to be the most sustainable outdoor company. Vaude is of the view that Fair Wear membership offers the most fair and objective standard, and mechanisms, to support Vaude in realizing this ambition. Its ambition is also reflected through other initiatives, e.g. Vaude played a strong role in developing the sustainability charter and council at the European Outdoor Group (EOG).

Fair Wear membership is well integrated within Vaude. It has dedicated staff at the headquarters and in Asia and memberships requirements are responsibilities are integrated throughout the organization.

Top management is involved to systematically evaluate Fair Wear membership on a bi-yearly basis. Fair Wear and audit results are regularly discussed during production meetings. The CSR project team includes production and management staff to ensure an integrated approach. The performance check results are shared with management and sales staff as well as with the local staff to see where improvements can be made.

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.	100%	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

**Comment:** Vaude had two requirements to work on in last year's Brand Performance Check. They related to indicator 3.2 'Member company has informed factory management and workers about the FWF CoLP and complaints hotline.' and indicator 2.7 'Compliance with FWF risk policies.'. Both requirements have been worked on and are now seen as resolved (see details in the comment box of the respective indicator).

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## Evaluation

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

1. To ensure good budget planning at Vaude any information from Fair Wear which is budget related needs being sent latest by summer.
2. Vaude has one production site in Korea which is shared with another Fair Wear member. Vaude would appreciate if Fair Wear could accept shared efforts with the other Fair Wear member related to visits. Vaude and the other member would agree on annual visits but instead of Vaude and the other member going on a yearly basis only one of the brands would visit the production site. It is self speaking that the brands would agree on a meeting agenda and also follow up together in case of non-compliances found. Annual visits at factories with small amount of orders in countries which are far off from usual travel cycles are hardly possible due to time and budget constraints.
3. Points for indicator 4.4 about factory participation in training programmes that support transformative processes related to human rights are calculated per FOB of factories trained. Vaude sees it more important to make a root cause analysis of what kind of training is needed at factories and then to decide whether such a training is useful or should focus on certain aspects only. In Vaude's point of view, an evaluation of brands efforts related to FOB does not necessarily show the usefulness for such trainings at production sites.
4. In cases where a complaint is received about an issue of an individual worker and that worker agrees to have his/her name shared, Vaude would appreciate knowing the name to be able to better follow up on the issue concerned.
5. Receiving a complaint, Vaude would appreciate knowing whether the complainant has used internal grievance mechanisms already or not. In case the complainant has tried using internal grievance mechanisms it would be good knowing why the complaint could not be solved internally. Knowing why, Vaude could follow up to improve the internal grievance mechanism aside the actual complaint.

## Scoring Overview

Category	Earned	Possible
Purchasing Practices	39	52
Monitoring and Remediation	32	31
Complaints Handling	15	17
Training and Capacity Building	9	11
Information Management	7	7
Transparency	6	6
Evaluation	6	6
Totals:	114	130

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

88

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

02-04-2020

Conducted by:

Stefanie Santila Krause

Interviews with:

Pascal Erath (Vendor Management)

Anika Mauz (Vendor Management)

Sven König (Vendor Management)