



## BRAND PERFORMANCE CHECK

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Jack Wolfskin

this report covers the evaluation period 01-10-2012 to 30-09-2013

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel factory workers requires change at multiple levels. Traditional efforts to improve conditions focus primarily on the factory. FWF, however, believes that the management decisions of the 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.

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.

Improvement of supply chains is a step-by-step process, through which affiliates must address many different issues. FWF affiliates vary greatly in management structures, and have different strengths. The Performance Benchmarking system is designed to reflect these differences, and the many different ways that a company can support better working conditions.

During the Brand Performance Check, FWF staff speak to various employees at the affiliate who have important roles to play in the management of supply chains. FWF verifies the actions of affiliates based on several sources including documentation of activities, financial records, the affiliate's supplier register and staff interviews. Following the Brand Performance Check, FWF summarizes findings in this report, which is made public via [www.fairwear.org](http://www.fairwear.org). The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

09-01-2014

Conducted by:

Margreet Vrieling, Ruth Vermeulen

Interviews with:

Melanie Kuntowitz, Kai-Ingela Gerasch (from Vendor Control)  
Franz-Peter Kaiser (Director Purchase), Nicole Sieverding (Manager Purchasing)  
Christian Brandt (Chief Operating Officer)  
Thomas Zimmerling (Head of Communications), Martin Troemer (Manager PR & Social Media)

Scoring:

Affiliate Benchmarking scores and Performance Benchmarking categories will be published starting in 2014. During 2013, FWF will be testing out the new system and evaluating the appropriate threshold levels for Benchmarking categories.

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. Future Brand Performance Checks will include improved usability and transparency for audit data.

AFFILIATE INFORMATION	
Headquarters:	Idstein/Ts.
Member since:	01-07-2010
Product types:	Sportswear and Outdoor
Production in countries where FWF is active:	Bangladesh, Bulgaria, China, India, Italy, Romania, Thailand, Turkey, Vietnam
Production in other countries:	Cambodia, Indonesia, Republic of Korea, Slovenia, Taiwan
BASIC REQUIREMENTS	
Workplan for this evaluation period was submitted?	Yes
Projected supplier register for this evaluation was submitted?	Yes
Actual supplier register for this evaluation period has been submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	100%

## Summary:

Jack Wolfskin meets the management system requirements. Although the company maintains business relations with a high number of suppliers, and each year there is some change in suppliers, there is a large degree of more sustainable, long term relations. Next to that with the majority of their suppliers there is a certain degree of influence as they buy more than 10% of the production capacity. The company works closely with an external auditing company and audits its suppliers frequently, for some this means yearly. Thanks to that, they have 100% of their supply chain integrated in the monitoring system and thus meet the FWF threshold and go even beyond. For some of their suppliers Jack Wolfskin offered additional trainings, to facilitate improving specific social compliance issues. The challenge for the coming years for Jack Wolfskin is to contribute to making steps in preventing and/or reducing overtime and making steps in increasing wage levels. Next to that there is a continuous challenge in keeping managers and workers informed and aware about the code and the existing complaints mechanisms.

# 1. PURCHASING PRACTICES

BASIC MEASUREMENTS	RESULT	COMMENTS
Percentage of production in low-risk countries	0%	Countries with relatively low risk of labour violations as defined by FWF.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	75%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier register provided by affiliate.

Comment: The percentage of production volume from suppliers where Jack Wolfskin buys at least 10% of production capacity is 75%.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	86%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier register provided by affiliate.
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Comment: At 86% of the production volume bought at suppliers, the business relations exists for at least 5 years.

1.3 Labour conditions are considered when selecting new suppliers	Yes	Including labour conditions considerations in selecting suppliers supports responsible business practices.	Documentation of decisionmaking process; e.g. checklists for buyers, emails, etc.
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Comment: Social compliance is one of the elements on which new suppliers are assessed. This is done in team with representatives of the different departments, including the CSR responsible.

1.4 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.
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Comment: Returning the FWF questionnaire is a condition for suppliers to be entered in the database system of affiliate.

1.5 Company conducts audits at all new suppliers before placing orders	Yes	An important due diligence step. Before placing production orders, affiliates should conduct an audit at all new suppliers to assess risks for CoLP violations.	Audit documentation; must meet FWF audit quality standards.
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Comment: First third party audits are done during the testing phase, before orders are placed.

1.6 Affiliate sources from an FWF factory member	No	When possible, FWF encourages affiliates to source from FWF factory members. The small number of factories in the programme means sourcing from FWF factory members cannot be a requirement.	Supplier register provided by affiliate.
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Recommendation: When possible, FWF encourages affiliates to source from FWF factory members. FWF factory members have committed to implementing the CoLP and are frequently audited by FWF

Comment: Affiliate has had contact with a FWF factory member, but did not continue the business relation after the first order.

1.7 Percentage of production volume from factories owned by the affiliate	0%	Owning a supplier provides clear accountability for and direct influence over working conditions. It reduces the risk of unexpected CoLP violations.	Supplier register provided by affiliate.
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Recommendation: FWF supports direct ownership of suppliers. Owning a supplier provides clear accountability for and direct influence over working conditions. It can reduce the risk of unexpected CoLP violations.

1.8 Supplier compliance with Code of Labour Practices is evaluated in a systemic manner	Yes, and 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.
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Comment: Supplier compliance is evaluated and appreciated. Documents showed increase in orders at some suppliers frequently audited with good results.

1.9 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.
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Recommendation: A production planning system can have a significant impact on the levels of excessive overtime at factories. The affiliate should maintain a forecasting system and production planning system that enables good planning at production level and avoids late design or quality changes, as well as help to limit the effects of peaks in demand.

Comment: Jack Wolfskin has an elaborate planning system, with order forecasting per season.

1.10 Percentage of production volume from suppliers where excessive overtime is found by FWF	100%	Excessive overtime is one of the most common labour rights violations in high-risk production countries. It is often caused by poor production planning by brands.	Audits conducted by FWF auditors; Complaints filed via the FWF worker helpline.
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Recommendation: The affiliate is recommended to continue the dialogue with suppliers on the causes of excessive overtime.

Comment: In all FWF audits done in the assessed period excessive overtime was found

1.11 Degree to which affiliate analyses and mitigates root causes of excessive overtime	Preventive approach	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Examples of root cause analyses and resulting changes in production planning/policy.
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Recommendation: The affiliate could further discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, the affiliate could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request.

Comment: Jack Wolfskin did support a number of individual factories where overtime was a problem. In one case a productivity training was offered by JW, in another case the opportunity was given to factory to hire a consultant.

1.12 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries	Policy at a country level	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.
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Requirement: The affiliate needs to develop a pricing policy where the affiliate knows the labour cost of garments (per product) and which allows the payment of at least legal minimum wages in production countries.

Comment: The vendor control department provides information on minimum wage levels.

1.13 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.
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Comment: Jack Wolfskin could show proof that the problem of payment below legal minimum wage was solved.

1.14 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.
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1.15 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers	Factory level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Wage ladders, correspondance with supplier, other relevant documentation.
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**Recommendation:** FWF encourages the affiliate to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. To support companies in this process FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
Total % of own production under monitoring	100%	Measured as a percentage of turnover.
Minimum monitoring threshold based on years of membership (Threshold is 40% first year, 60% second year of membership and 90% thereafter)	Does meet threshold	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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 Degree of progress towards resolution of existing Corrective Action Plans	An in-depth effort has been made to address most or all CAPs	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.

**Recommendation:** Besides doing audits at least once in 3 years, affiliates could consider providing additional support with a local consultant, organise supplier seminars in production countries or at headquarterlevel, and provide factory training. In any case it is recommended to document communication with suppliers on these issues in between audits.

**Comment:** Affiliate conducts audits more frequent than only once in three years. This provides an opportunity to closely follow up. For specific manufactureres Jack Wolfskin has provided additional support with consultants and trainings.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	95%	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.
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Comment: Suppliers that together represent 95% of the production volume have been visited by the affiliate.

2.4 Existing audit reports 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.
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Comment: Jack Wolfskin does collect other audit reports, but also frequently audits themselves. Follow up is in most cases based on the own audits.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	FWF audit reports should be shared and discussed with suppliers within two months of audit receipt. Timely sharing of information and agreement on corrective actions is essential for improvement. A reasonable time frame should be specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.
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Comment: Proof was shown that corrective action plans are signed by the supplier representatives.

2.6 A structured approach is used to address issues that occur at multiple suppliers	Yes	Issues that occur in multiple factories often need to be addressed in a systemic manner, especially when the root causes are located in brand management choices or from regionally specific issues (e.g. fire safety, gender discrimination and harassment).	Documentation of a systemic approach: root cause analyses, productivity assessments, guidance documents, internal system changes, etc.
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Comment: At their own initiative Jack Wolfskin set up specific OHS trainings for their footwear suppliers, as knowledge was found to be insufficient to work with the needed chemicals and glues. In Bangladesh a specific focus in the dialogue with suppliers has been shown on fire and building safety.

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.
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Comment: Jack Wolfskin has shared own audit reports, and has participated in shared FWF audits with other customers.

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.
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Comment: Jack Wolfskin has 0,4% production in low risk countries. Jack Wolfskin has ensured with an audit that the code is posted in Italy. It states that code in Italy is also asked to be posted in Chinese.

<p>2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)</p>	<p>No external brands resold</p>	<p>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.</p>	<p>Questionnaires are on file.</p>
<p>2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)</p>	<p>No external brands resold</p>	<p>FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.</p>	<p>Supplier register; Documentation of sales volumes of products made by FWF or FLA members.</p>

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	1	
Number of worker complaints resolved since last check	0	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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.
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.
3.3 Percentage of audited factories where at least half of workers are aware of the FWF worker helpline	75%	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.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism.

**Recommendation:** The affiliate can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Involvement by the FWF affiliate is crucial in resolving a complaint at a supplier.	Documentation that affiliate has completed all required steps in the complaints handling process.
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.

Comment: For the specific complaint Jack Wolfskin worked on during the assessed period, a lot of effort was put into work together with other brands, unfortunately without success.

## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
4.1 Staff at affiliate 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.

**Recommendation:** In general it is recommended to inform employees several times a year on issues related to the FWF membership, to keep them committed.

**Comment:** New production employees get a training by vendor control  
Next to that employees can find information on share point.

4.2 Advanced training is provided to staff in direct contact with suppliers on CoLP 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.
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**Comment:** Next to general information, travelling technicians were also trained on the OHS guide, to perform checks on obvious issues.

4.3 Agents are informed of CoLP requirements and act to support their implementation	Yes, and agents actively support implementation of the CoLP	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.
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**Comment:** In the footwear department agents are used. They are actively informed and participated also in the training provided to factories.



4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	0%	Lack of knowledge 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.
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**Recommendation:** The affiliate is recommended to enrol a greater number of its suppliers in FWFs Workplace Education Programme (WEP), which offers trainings to factories producing for FWF members. WEP trainings contribute to social dialogue between workers and management. The introductory training of WEP builds awareness of labour standards and strengthens dispute handling mechanisms. It is made available to FWF members free of charge.

**Comment:** Jack Wolfskin did not have factories participating in WEP this financial year. They did provide other trainings to factories, such as OHS training to all footwear factories.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.
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**Recommendation:** Whenever the FWF affiliate contacts a new supplier, this new supplier must also be informed on the implications of FWF membership. Next to that all factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends affiliates to arrange trainings on their own in areas where the Workplace Education Programme is not yet offered. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings, separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.

## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
5.1 Supplier register for the previous financial year is verified as being complete and accurate	Yes	Any improvements to supply chains require affiliates to first know all of their suppliers.	Completed supplier register; Financial records of previous financial year.
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.

Comment: Different departments have access to suppliers information.

## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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.

Comment: Information on FWF membership is placed on the website in correct wording and use of on product communication is according to FWFs communication policy.

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.
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Comment: Jack Wolfskin published the last brand performance check on its website, and published its supplier list.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Yes	The Social Report is an important tool for brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.
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## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION
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.
7.2 Percentage of required 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. Adherence to these requirements is an important part of FWF membership.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.

## RECOMMENDATIONS TO FWF

- Provide WEP also in other countries like Vietnam or Indonesia
- Improve coordination of communication on issues related to a factory who is supplying multiple FWF affiliates
- Audit reports are too long and not easy to read. Use a kind of scoring system that makes it easier to understand.