



## BRAND PERFORMANCE CHECK

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SALEWA & DYNAFIT

PUBLICATION DATE: OCTOBER 2015

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

## ABOUT THE BRAND PERFORMANCE CHECK

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

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

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

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

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

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

## BRAND PERFORMANCE CHECK OVERVIEW

### SALEWA & DYNAFIT

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

AFFILIATE INFORMATION	
Headquarters:	Bolzano, Italy
Member since:	25-09-2013
Product types:	Outdoor
Production in countries where FWF is active:	Bangladesh, China, Romania, Turkey, Viet Nam
Production in other countries:	Austria, Cambodia, Croatia, Czech Republic, Germany, Hungary, Indonesia, Italy, Republic of Korea, Lithuania, Myanmar, Switzerland, Taiwan, United Kingdom, United States
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	78%
Benchmarking score	64
Category	Good

## Summary:

SALEWA & DYNAFIT meets most of FWFs management system requirements. In its second year of membership, it reached a monitoring percentage of 78%, which is well above the required 60% for a member affiliate in its first of FWF membership.

In 2014, SALEWA & DYNAFIT put significant effort into the remediation of audit findings. It also worked to improve its production planning system and started work on collecting wage data on a factory and style level.

In 2015, a 90% monitoring threshold must be achieved, and this requires effective planning. FWF encourages SALEWA & DYNAFIT to continue its efforts in CAP remediation and root cause analysis, especially for more difficult issues related to overtime and wage levels. SALEWA & DYNAFIT is also encouraged to enroll more of its suppliers in the WEP training programme.

## PERFORMANCE CATEGORY OVERVIEW

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

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

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

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

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

## 1. PURCHASING PRACTICES

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1 Percentage of production volume from suppliers where affiliate buys at least 10% of production capacity	58%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

**Recommendation:** FWF recommends SALEWA & DYNAFIT to continue to consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

**Comment:** At approximately 60% of SALEWA & DYNAFIT's suppliers, it has significant leverage. This is an increase from the previous year.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	70%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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**Recommendation:** FWF recommends SALEWA & DYNAFIT to carry on maintaining stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

**Comment:** SALEWA & DYNAFIT works to have a long-term business relationship with its suppliers. In 2014, about 70% of production was at suppliers with which it has a long-term relationship, a significant increase from the previous year.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	Yes	The CoLP is the foundation of all work between factories and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0
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Comment: SALEWA & DYNAFIT have the Code of Labour Practices on file for almost all suppliers and maintain an orderly system for storing this information. This includes new suppliers where production started in 2014.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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**Requirement:** A formal process should exist to evaluate the risks of labour violations in the production areas the affiliate is operating. This evaluation should influence the decision on whether to place orders, how to prevent and mitigate risks, and what remediation steps may be necessary.

**Comment:** SALEWA & DYNAFIT has its own so called 'supplier screening' which includes social standards and which was developed already before joining FWF in October 2013. Supplier screenings are conducted before production takes place at the production sites by the quality control and product managers in China, Vietnam, Bangladesh and Myanmar. This shows that there is a human rights due diligence system in place.

However, there has been no progress made since last year, when FWF required SALEWA & DYNAFIT to formalize the human rights due diligence system, and therefore the requirement from last year is repeated.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	1	2	0
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**Recommendation:** SALEWA & DYNAFIT is encouraged to develop an evaluation/grading system for suppliers where compliance with labor standards is a criterion for future order placement. Part of the system can be to create an incentive for rewarding suppliers for realized improvements in working conditions.

The decision-making based on the system to evaluate supplier can be formalized, including what possible consequences are of a poor evaluation.

**Comment:** SALEWA & DYNAFIT has an internal system to evaluate supplier compliance with the FWF Code of Labour Practices. Social standards are included besides price, delivery times, etc. and are weighted equally to the other indicators for evaluation. The supplier evaluation is done twice a year at the end of the summer/winter season.

There is an online tool which allows suppliers to track the actual production for SALEWA & DYNAFIT. This system is used for the bigger and main suppliers. With this system, SALEWA & DYNAFIT can act quickly in case of delays/problems together with the supplier.

1.6 The affiliate's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	4	4	0
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**Recommendation:** A good production planning system needs to be established based on the production capacity of the factory for regular working hours. This could be done by compiling working hours information from QCs present during production and evaluating lead times based on this.

FWF encourages SALEWA & DYNAFIT to continue the efforts it has commenced in 2014 and show results.

**Comment:** SALEWA & DYNAFIT asks suppliers to give a time frame in which they think that they can produce all goods requested and has an online system to follow production closely. It knows exactly when production is done or the goods are packed due to the presence of QC staff on-site. QCs know when overtime is taking place as they are at the production sites frequently.

In 2014, SALEWA & DYNAFIT undertook a number of efforts to improve its production planning system. It increased the number of forecasts that it provides to its fabric and CMT suppliers to allow these suppliers more time to (re)arrange production where necessary. It also started a process of reducing the number of styles and is working to standardize fitting. This allows the factory to produce more efficiently.



When discussing with its suppliers on pricing, SALEWA & DYNAFIT has also started to include production planning and order quantities into these discussions, allowing the supplier more time to plan production. According to SALEWA & DYNAFIT, these efforts have led to a reduction in air freight from 8% to 1% in 2015.

The processes listed above were commenced in 2014, and were fully implemented in 2015.

1.7 Degree to which affiliate mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of affiliates; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Documentation of root cause analysis and positive steps taken to manage production delays or improve factory processes.	3	6	0
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**Recommendation:** SALEWA & DYNAFIT should investigate to what extent its current buying practices have an effect on the working hours at supplier level. A root cause analysis for suppliers of excessive overtime should be done to investigate which steps can be most effective to reduce overtime.

FWF recommends SALEWA & DYNAFIT to develop a system for analysing the root causes of excessive overtime at its suppliers where excessive overtime was found and develop a plan to address these root causes where it has the ability to do so.

**Comment:** Similar to 2013, most audits in 2014 showed excessive overtime taking place at its suppliers.

In 2014, SALEWA & DYNAFIT started working towards gaining information on the root causes of overtime, but progress on this topic was difficult due to the complexity of the subject matter and capacity. It did, however, work to include the QC personnel in the audit CAP follow-up process, also specifically related to overtime. This was hard to do, however, as QC personnel often do not have contact with the right people within the supplying organization to have a useful discussion on this topic.

At its most important footwear supplier, there were significant efforts made to address the root causes of overtime. A second production facility has been built, and the supplier has indicated that this has led to a reduction in overtime. FWF wants to independently verify this during an audit in 2016.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
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**Recommendation:** FWF encourages SALEWA & DYNAFIT to continue its work on collecting wage data on a style level and take steps to work towards establishing a link between pricing and wage levels, ultimately allowing for the increase of wages based on this information.

**Comment:** SALEWA & DYNAFIT has a buying conditions document named 'conditions of purchase' that includes legal requirements on the payment of legal minimum wages, therefore the production locations need to sign and agree that they are paying legal minimum wage.

At the end of 2014, SALEWA & DYNAFIT began a process of collecting wage data and costing information on a style level. Due to the number of styles, this is quite large project and continued well into 2015. This has also meant that pricing discussions have started to include information related to wages, making use of the FWF Wage Ladder where possible. FWF will monitor and evaluate the outcome during the next performance check in order to allocate full scoring.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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**Recommendation:** In case wages below minimum wage are found again at one of SALEWA & DYNAFIT's suppliers, in addition to remediating the issue as soon as possible, FWF recommends to conduct a root cause analysis checking in detail the cause of wages paid below minimum wage levels. Possible causes could be the company's price not allowing for higher wages or it could be a problem at the factory level (eg. no transparency in documents, awareness of local laws, etc.).

**Comment:** In 2014, SALEWA & DYNAFIT had two production locations where workers were paid below legal minimum wage levels based on a regular working week. Both audits were shared with another FWF member.

For the one production location, it was very difficult to have a meaningful discussion with management on this topic due to a lack of leverage and the unwillingness of management to budge on this issue. In the end, SALEWA & DYNAFIT ensured that future production would take place at another production location for the same supplier.

At the second production location, SALEWA & DYNAFIT immediately addressed the finding with management, and the supplier indicated that wages were increased in the following months. This has not yet been independently verified by a FWF audit.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

**Recommendation:** FWF encourages SALEWA & DYNAFIT to continue its wage analysis work, track progress and start making implementation plans. This can lead to more points being awarded in future Brand Performance Checks.

**Comment:** Most audit reports in 2014 indicated wages lower than living wages. SALEWA & DYNAFIT has used the wage ladders of the reports to discuss wages and also included wage levels as point of discussion during price negotiations with the suppliers.

In addition, as mentioned at an earlier indicator, SALEWA & DYNAFIT has started collecting wage data on a style level, based on an open-costing type model. In 2014 and into 2015, this has allowed it to gain insight into the labour costs for each style. This information is currently being analyzed, and can in the future be used to assess root causes of wage levels being lower than living wage levels. Furthermore, it can also lead towards the implementation of living wages.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
1.13 Percentage of production volume from factories owned by the affiliate.	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	2	0

## PURCHASING PRACTICES

Possible Points: 40

Earned Points: 27

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	54%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	24%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Total of own production under monitoring	78%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	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.	4	8	-2

**Recommendation:** FWF recommends SALEWA & DYNAFIT to continue its work in CAP remediation, making a special effort to track and show progress on the more difficult labour standards.

**Comment:** SALEWA & DYNAFIT have put significant effort into CAP remediation. It was able to show a system of tracking progress for each audit, with comments, pictures and information shown in the CAP updates. May findings related to Occupational Health & Safety, awareness of workers' rights, and required documentation were remediated.

In addition to this, SALEWA & DYNAFIT has started utilizing its QC staff located in production countries to follow up on CAPs and track improvements. As mentioned earlier, this is not always possible for more difficult findings related to OT and/or wage levels, but it does help keep the pressure on the supplier to work towards improvements, even when staff from its European offices are not present at the production location.

However, at this point in time, SALEWA & DYNAFIT are still working towards making significant progress related to the more difficult issues related to OT, wage levels and/or freedom of association. For this reason, full points cannot yet be awarded.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	96%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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Comment: SALEWA & DYNAFIT visited the vast majority of its production locations in 2014.

2.4 Existing audit reports from other sources are collected.	Yes and quality assessed	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	2	3	0
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Recommendation: Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

Comment: SALEWA & DYNAFIT collect existing audit report where necessary (ie. no FWF audit coming up) and assess the quality. There was, however, no tangible implementation of corrective action plans.

2.5 Audit Report and Corrective Action Plan (CAP) findings are shared with factory. Improvement timelines are established in a timely manner	Yes	2 part indicator: FWF audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1
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Comment: Audit reports and CAPs are shared in a timely manner, and SALEWA & DYNAFIT staff also aim to have a meeting with management soon after the audit.

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Intermediate Capacity	Different countries and products have different risks associated with them; monitoring systems should be adapted to allow appropriate human rights due diligence for the specific risks in each affiliates' supply chain.	Documentation may take many forms; additional research, specific FWF project participation; extra monitoring activities, extra mitigation activities, etc.	3	6	0
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Recommendation: A structured approach is needed, as SALEWA & DYNAFIT produce in a wide range of countries with specific social compliance risks. A system to investigate and address all suppliers that are subject to specific risks in a certain country or region is recommended, such as Freedom of Association in China and/or Turkey.

Comment: In 2014, whenever FWF communicated specific country risks and/or updated its country reports, this information was shared with relevant staff. Other than this, no other activities related to specific high-risk issues were completed.

FWF was unable to verify if SALEWA & DYNAFIT had taken steps to mitigate risks related to factories located in China, Turkey or Italy, for example.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Intermediate Capacity	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	1	3	0
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**Recommendation:** FWF recommends SALEWA & DYNAFIT to follow up on the Accord Building & Fire Safety inspection reports.

SALEWA & DYNAFIT could also consider taking more explicit steps to deal with harassment at the work floor in Bangladesh, for example by stimulating production locations to take part in the WEP programme and facilitate the establishment of Anti Harassment Committees.

**Comment:** In 2013 and 2014, SALEWA & DYNAFIT conducted its own audits to assess risks and changed its production policy to only source at Accord-inspected factories. In addition to this, it also ensured that all managers attended the FWF Building & Fire Safety training sessions.

Its production locations were duly inspected by the Accord auditors, but there was no follow-up given to these audit reports.

2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Intermediate Capacity	Myanmar is still in the process of establishing the legal and civil society infrastructure needed to ensure compliance with labour rights. Extra care must be taken when doing business in Myanmar.	Shared CAPs, Wage Ladders per factory.	1	3	0
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**Requirement:** FWF requires that SALEWA & DYNAFIT take more steps to identify, address and mitigate risks related to sourcing in Myanmar. These steps are outlined in FWF's country policy for Myanmar found on its website.



Comment: SALEWA & DYNAFIT had production at one production facility located in Myanmar. It worked to conduct an audit there, but production was stopped at this facility before the audit could take place. For this reason, it chose to audit another production facility along with another FWF member where production would take place in the future.

For this reason, and due to the fact that FWF's Myanmar Policy update was published later in 2014, mitigation of high-risk issues were limited.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1
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Comment: SALEWA & DYNAFIT actively cooperates with other FWF members.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0
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## MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 23

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	3	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	3	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of 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
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0
3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	10%	The FWF complaints procedure is a crucial element of verification. If factory-based complaint systems do not exist or do not work, the FWF worker helpline allows workers to ask questions about their rights and file complaints. Factory participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited factories where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of factories in WEP programme.	1	4	-2

**Recommendation:** SALEWA & DYNAFIT can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, affiliates can use the worker information cards available for download on FWF's website.

**Comment:** Approximately 10% of FWF-audited factories in 2014 showed workers were aware of the FWF worker helpline or received a WEP training session.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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**Comment:** SALEWA & DYNAFIT had three complaints filed in its production locations in 2014. Two were at one factory located in China and were closed together with other FWF members. A third complaint was filed by a worker in another production location, but this complaint was deemed ungrounded and no remediation was necessary.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	-2
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**Comment:** SALEWA & DYNAFIT cooperated where possible with other FWF members for complaints received in 2014.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 9

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## 4. TRAINING AND CAPACITY BUILDING

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

Comment: SALEWA & DYNAFIT staff are kept regularly up to date on FWF information through presentations, newsletters and mailings.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: A member of the Equipment team attended the FWF Affiliates Seminar in 2014 in preparation of upcoming audits.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of affiliate to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	-2
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Comment: All intermediaries have been informed about FWF membership. As intermediaries are the primary contact to SALEWA & DYNAFIT, they are actively involved in supporting the Code of Labour Practice, also for new suppliers.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	9%	Lack of knowledge and skills on best practices related to labour standards is a common issue in factories. Good quality training of workers and managers is a key step towards sustainable improvements.	Documentation of relevant trainings; participation in Workplace Education Programme.	1	6	0
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**Recommendation:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. This programme is offered in the 4 priority countries. SALEWA & DYNAFIT should motivate its main supplier(s) to join WEP trainings.

**Comment:** SALEWA & DYNAFIT have enrolled 9% of its production locations (3 training sessions) located in WEP countries in FWF's WEP training program.

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 or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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**Recommendation:** 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 ensure suppliers participate in trainings. 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.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	Intermediate	Any improvements to supply chains require affiliates to first know all of their production locations.	Supplier information provided by affiliate. Financial records of previous financial year. Documented efforts by affiliate to update supplier information from its monitoring activities.	3	6	-2

**Comment:** SALEWA & DYNAFIT continue to put significant effort into identifying all production locations. By involving its local QC staff in the social compliance process, it has identified a number of subcontracting locations that it was unaware of before.

In addition to this, FWF audits continue to identify possible subcontracting locations. Once all possible subcontracting locations have been identified as best as possible, full points can be awarded.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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**Comment:** As mentioned earlier, SALEWA & DYNAFIT have a well-organized system in place to ensure that everyone has access to the relevant social compliance information. It has plans in place to expand its current supplier database system to also include social compliance information as well.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Communication about FWF membership adheres to the FWF communications policy	Yes	FWF membership should be communicated in a clear and accurate manner. FWF guidelines are designed to prevent misleading claims.	Logo is placed on website; other communications in line with policy. Affiliates may lose points if there is evidence that they did not comply with the communications policy.	1	1	-2
6.2 Affiliate engages in advanced reporting activities	No	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.	0	1	0
6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2

**Recommendation:** FWF recommends SALEWA & DYNAFIT to publish one or more of the following reports on its website: brand performance check, audit reports, supplier information. Good reporting by members helps to ensure the transparency of the affiliate and FWF's work.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 3

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## 7. EVALUATION

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

Comment: SALEWA & DYNAFIT's top management is well aware of FWF and the social compliance process in general.

7.2 Changes from previous Brand Performance Check implemented by affiliate	80%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2
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Comment: In its previous Brand Performance Check, SALEWA & DYNAFIT had five requirements. It followed up on three of those requirements:

- working to establish a link between pricing and wage levels;
- following up on factories not paying legal minimum wage levels in a timely manner;
- enrolling more of its suppliers in FWF's WEP training program.

It did not, however, follow up on two other requirements:

- establishing a formal procedure for conducting due diligence for new suppliers;
- Publishing FWF information on all brand websites (this was due to a technical issue).

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

N/A

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	27	40
Monitoring and Remediation	23	35
Complaints Handling	9	15
Training and Capacity Building	6	15
Information Management	4	7
Transparency	3	4
Evaluation	6	6
Totals:	78	122

### BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

64

### PERFORMANCE BENCHMARKING CATEGORY

Good



## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-09-2015

Conducted by:

Kees Gootjes

Interviews with:

Alberto Ciet, Footwear Division

Alexandra Letts, CSR Manager

Ariane Maria Malfertheiner, PR Manager International

Clemens Possenig, Quality Management Equipment

Kai Blessenohl, Costing Manager

Massimo Baratto, CEO

Michael Levi, General Manager Apparel Division

Sara Montagner, Supply Chain Footwear

Stefan Rainer, Sales Manager SALEWA

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.