



BRAND PERFORMANCE CHECK

SALEWA & DYNAFIT

PUBLICATION DATE: SEPTEMBER 2014

this report covers the evaluation period 01-01-2013 to 31-12-2013

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. The [Brand Performance Check Guide](#) provides more information about the indicators and is available for download.

BRAND PERFORMANCE CHECK OVERVIEW

SALEWA & DYNAFIT

Evaluation Period: 01-01-2013 to 31-12-2013

AFFILIATE INFORMATION	
Headquarters:	Bolzano, Italy
Member since:	25-09-2013
Product types:	Outdoor
Production in countries where FWF is active:	Bangladesh, China, Italy, Lithuania, Romania, Turkey, Viet Nam
Production in other countries:	Austria, Czech Republic, Germany, Greece, Indonesia, Korea, Switzerland, Taiwan, United Kingdom, United States
BASIC REQUIREMENTS	
Workplan for this evaluation period 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?	No
SCORING OVERVIEW	
% of own production under monitoring	55%
Benchmarking score	59
Category	Good

Summary:

SALEWA & DYNAFIT meets most of FWFs management system requirements. In its first year of membership, it reached a monitoring percentage of 55%, which is well above the required 40% for a member affiliate in its first of FWF membership.

Since joining FWF in September of 2013, SALEWA & DYNAFIT has made a great effort to make all its employees and suppliers aware of FWF membership and its requirements. It also laid the basis for further implementation of social compliance into all aspects of its business.

FWF encourages SALEWA & DYNAFIT to build on this basis and continue its efforts put into the integration of social compliance in the purchasing practices, CAP remediation and factory training.

PERFORMANCE CATEGORY OVERVIEW

Leader: This category is for affiliates who are doing exceptionally well, and are operating at an advanced level.

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	50%	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 consolidate its supplier base where possible, and increase leverage at main supplier(s) to effectively request improvements of working conditions.

Comment: The percentage of production volume from suppliers where SALEWA & DYNAFIT buys at least 10% of production capacity is 50%. SALEWA & DYNAFIT started to consolidate its supplier register already in 2013 and will do so further in 2014.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	57%	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 maintain 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: It is a goal of SALEWA & DYNAFIT to have long-lasting supplier relationships.

1.3 All new suppliers are required to sign and return the Code of Labour Practices before first orders are placed.	No new suppliers	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.	N/A	2	0
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Requirement: SALEWA & DYNAFIT needs to ensure that all and new production sites sign and return the questionnaire before first orders are placed.

Comment: SALEWA & DYNAFIT joined FWF in the autumn of 2013. SALEWA & DYNAFIT undertook great efforts to send the Code of Labour Practice to all its suppliers and to have it signed in time. At this stage, all intermediaries (which SALEWA & DYNAFIT calls 'suppliers') have signed the Code of Labour Practice but not in all cases the production site itself yet.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	No new suppliers	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.	N/A	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. In 2013, SALEWA & DYNAFIT did not yet have a formal system to have staff responsible for implementation of human rights due diligence evaluate the supplier screenings before production starts taking place.

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: Affiliates are 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 Practice. 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. Until now there is no meeting after evaluation to discuss the outcome of the supplier evaluation.

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.	General or ad-hoc system.	Affiliate production planning systems can have a significant impact on the levels of excessive overtime at factories.	Documentation of robust planning systems.	2	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.

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. The FWF affiliate 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 in the production sites frequently. This knowledge is not yet shared with SALEWA & DYNAFIT to track overtime findings.

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 instruments or policies to deal with possible delays to avoid excessive overtime. The outcomes of the root cause analysis can be used for identifying strategies that minimize the impact of its sourcing practice on working hours at other factories.

Comment: Late delivery dates are accepted. Goods are usually delivered per ship but in case of delay, goods are flown in. Extra costs are often shared between SALEWA & DYNAFIT and the supplier.

For material and trim suppliers, SALEWA & DYNAFIT nominates for the production site where to order the material and trims, and analyses how long material and trims need to get to the production site. This is not the case for footwear, where suppliers source material and trims themselves due to the technical nature of the products.

Three FWF audits were conducted in 2013 at production locations of SALEWA & DYNAFIT. All audit reports indicated excessive overtime at the sites. Two sites were shared with other FWF affiliates where the other FWF affiliate took the lead. At one production site, local SALEWA & DYNAFIT staff has helped to follow up all findings and also to explicitly address overtime at the factory. Space and capacity was increased at a building in the factory to hire more workers, working hour sheets were accessed by SALEWA & DYNAFIT which showed a decrease of working hours.

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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Requirement: SALEWA & DYNAFIT needs to develop a pricing policy where the affiliate knows the labour cost of garments and which allows the payment of at least legal minimum wages in production countries.

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

The next step for SALEWA & DYNAFIT is to work towards linking the negotiated working minute price to the required pricing level in order to pay legal minimum wages.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No	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.	-2	2	-2
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Requirement: If a supplier fails to pay minimum wages or if factory is not transparent in showing wage records, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law and require a time bound action plan to ensure adequate payment.

Recommendation: In case wages below minimum wage are found again at one of SALEWA & DYNAFIT's suppliers, FWF recommends to conduct a root cause analysis checking in detail the cause of wages paid below minimum. 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: At one production site shared with another FWF affiliate, intransparent wage documents were found, leading to the audit team doubting whether the legal minimum wage was paid. SALEWA & DYNAFIT did not follow up findings at this production site adequately and also did not engage actively with factory or other FWF affiliate to find out more about this situation. The factory was informed about the finding and requested to pay minimum wages immediately. No other actions were taken.

1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
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Comment: None of the audit reports indicated evidence of late payments to suppliers by SALEWA & DYNAFIT.

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.	Basic approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	2	8	0
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Recommendation: FWF encourages SALEWA & DYNAFIT to discuss with suppliers about possibilities to work towards higher benchmarks. FWF has developed experience with approaches that ensure that production workers in the selected facility take full benefit from the additional amounts that are committed to wage increases. FWF could give companies specific guidance on process rollout on request.

FWF encourages SALEWA & DYNAFIT 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.

FWF advises companies to avoid the concept of a one-time charitable contribution, and strongly recommends affiliates commit to a long term process that leads to sustainable implementation of living wages.

Comment: All audit reports 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.

1.12 Affiliate sources from an FWF factory member.	No	When possible, FWF encourages affiliates to source from FWF factory members. On account of the small number of factories this is a 'bonus' indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	N/A	1	0
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1.13 Percentage of production volume from factories owned by the affiliate.	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
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PURCHASING PRACTICES

Possible Points: 34

Earned Points: 14

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	22%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	32%	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	55%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

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

Comment: SALEWA & DYNAFIT has two persons designated to work on FWF and supply chain social compliance.

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
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Recommendation: To facilitate remediation, the affiliate could consider:

- Hire a local consultant to assist factory in developing an action plan and to assist factory management in investigating root causes.
- Organize supplier seminars focusing on in-country problems and how to improve.
- Provide factory training.
- Share knowledge/material.
- Providing financial support to the supplier for implementing improvements

Comment: There were three audits conducted by FWF during the three months of membership in 2013. SALEWA & DYNAFIT started to work with suppliers on the implementation of corrective actions straight after having received the audit report. Two of the audits were shared with other FWF affiliates who took the lead to follow up implementation.

Local SALEWA & DYNAFIT staff is included to follow up on findings with the production sites.

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: All production locations visits were done by office staff or local QC staff.

2.4 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
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Comment: Existing audit reports were collected right from the beginning of SALEWA & DYNAFIT's FWF membership. The audit quality was checked and implementation of corrective actions followed up.

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.	2	2	-1
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Comment: The moment audit reports are received, the audit report and corrective action plan are shared with the factory.

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: Knowing the country specific risks facilitates the starting point for discussing this with suppliers. Affiliates can agree on additional commitments that are required to mitigate risks. The affiliate can provide additional measures for support and integrate that in the monitoring system.

SALEWA & DYNAFIT must implement the enhanced monitoring programme for Bangladesh for Building and Fire Safety and conform with FWF's updated Myanmar policy.

Comment: Suppliers in Bangladesh have been visited and the 'supplier screening' conducted in 2013 to ensure that obvious forms of violations of the Code of Labour Practices are not happening at the production sites.

One production site of SALEWA & DYNAFIT is located in Myanmar. The factory was visited but as SALEWA & DYNAFIT only joined FWF in October 2013 the high risks to this production country have not yet been addressed in 2013.

The use of the sandblasting technique has been checked with the denim supplier and found not to be in practice.

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: Two out of the three audits in 2013 have been shared with other FWF affiliates. In those factories SALEWA & DYNAFIT actively followed up with the lead affiliate on the implementation of corrective actions.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: SALEWA & DYNAFIT can show that all documents and monitoring requirements were fulfilled for production in low-risk countries.

2.9 External brands resold by the affiliate who have completed and returned the external brand questionnaire. (% of external sales volume)	No external brands resold	FWF believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of FWF or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	3	0
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2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	Supplier register; 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: 29

Earned Points: 22

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	2	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	1	

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: The CSR people are designated to address worker complaints in cooperation with the relevant production staff.

3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0
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Comment: The Worker Information Sheet is shared with the production locations and they are asked to send a picture proving that the sheet including the worker helpline is posted at the production site.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	95%	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.	4	4	-2
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Comment: One of the three audit reports indicated that workers are aware of the Code of Labour Practice and the FWF worker helpline. In comparison to the other two factories, this site is producing a high share for SALEWA & DYNAFIT.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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Recommendation: SALEWA & DYNAFIT is recommended to take extra steps and efforts to prevent the problems from recurring at other factories with likely similar problems.

Comment: FWF has received two complaints from factories of SALEWA & DYNAFIT in 2013. One was about overtime and not being able to resign. The other was about overtime and low piece price paid by the management to the workers.

All complaints received from factory workers were addressed in accordance with the FWF Complaints Procedure.

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: The complaints received were from factories which were shared with other FWF affiliates. Follow up of one complaint was undertaken by the other FWF affiliate, the other complaint was actively followed up by SALEWA & DYNAFIT.

COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 12

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: A newsletter was sent to all head office staff and all subsidiaries right after joining FWF in October 2013. Management of stores also receive FWF information and are responsible to share this with the sales people in the store.

A long presentation and the FWF online video was shown to everybody at the annual employee meeting (in Italy, Germany, Austria) and seasonal international sales meeting in Italy.

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: FWF provided a two-day training session to SALEWA & DYNAFIT staff in direct contact with suppliers in which the FWF methodology, requirements and tips were shared.

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 in an email about FWF membership. SALEWA & DYNAFIT has invites all suppliers every so often 'supplier convention'. FWF membership and FWF requirements were communicated to all of them during the convention in 2013 in Hong Kong.

As intermediaries are the primary contact to SALEWA & DYNAFIT, they are actively involved in supporting the Code of Labour Practice.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	3%	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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Requirement: Manufacturers and their workers should be systematically informed about FWF and the implementation of the Code of Labour Practices. All factory management and workers should be informed and aware about the relevant labour standards and grievance mechanisms.

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. The affiliate should motivate its main supplier(s) to join WEP trainings.

Comment: In 2013, 1 factory had a WEP training session.

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.

TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 6

5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations and update supplier information.	Intermediate	Any improvements to supply chains require affiliates to first know all of their suppliers and 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

Recommendation: SALEWA & DYNAFIT is advised to develop a systematic approach to complete the supplier list. Part of the approach can be:

- 1) Automatically include information from audit reports and complaints.
- 2) Business relationships with intermediaries include transparency of production locations.
- 3) Agreements with factories on the use of subcontractors stating clearly that when subcontractors are used, they are included in the monitoring system and information is shared on the subcontracted production process.

Comment: SALEWA & DYNAFIT has put high level of effort to identify all production locations and to update the supplier information. Since joining, however, SALEWA & DYNAFIT discovered that there were more production locations than originally known due to its dealing mostly with intermediates. To facilitate the inclusion of more suppliers and their FOB, SALEWA & DYNAFIT has had to update its data system so that all orders and invoices are categorized according to production location and not on an intermediate level.

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: All information about the status of compliance of suppliers is filed on the company server where all purchasing, CSR and other relevant staff have access to.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4

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

Requirement: FWF requires the FWF affiliate to add the link to the FWF website on both SALEWA's and DYNAFIT's websites (in all the languages available).

Comment: FWF membership was announced with news items and press release. FWF membership is also communicated on social media and in the company's sales staff workbook. FWF information is on the FWF website in correct wording. The link to the FWF website is missing on the Salewa and Dynafit websites.

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
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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.

Comment: In 2013, SALEWA & DYNAFIT did not engage in advance reporting activities (yet).

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 brands to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: In 2013, SALEWA & DYNAFIT did not yet need to submit a Social Report due to it joining in the second half of the year.

TRANSPARENCY

Possible Points: 4

Earned Points: 3

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: The decision to become a FWF member was taken by the top management team. Since the start of the FWF membership, a meeting with the top management takes place on a monthly basis and a meeting with the board every two months. FWF requirements and social compliance are part of the agenda.

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.	N/A	8	-4
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EVALUATION

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

SALEWA & DYNAFIT recommends that FWF works towards showing how efforts put into social compliance and improvement of labour conditions have a measurable, quantifiable impact. This will make it easier to track and trace progress, and make it easier to involve more staff at brands.

SALEWA & DYNAFIT also encourages FWF to publish more practical examples on how to deal with social compliance. Storytelling makes the work the CSR team at SALEWA & DYNAFIT does more understandable to colleagues and customers.

SALEWA & DYNAFIT asks FWF to look carefully at the 40/60/90% monitoring requirement for the first three years of membership and beyond. Attaining and maintaining 90% can be quite a challenge for brands.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	14	34
Monitoring and Remediation	22	29
Complaints Handling	12	15
Training and Capacity Building	6	15
Information Management	4	7
Transparency	3	4
Evaluation	2	2
Totals:	63	106

BENCHMARKING SCORE (EARNED POINTS ÷ POSSIBLE POINTS)

59

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

03-09-2014

Conducted by:

Kees Gootjes, Stefanie Santila Karl

Interviews with:

Massimo Baratto, CEO

Kai Blessenohl, Costing Manager

Laura D'Andrea, Office Assistant Apparel

Alex Falser, Business Development Director

Alexandra Gaudermann, CSR

Ariane Maria Malfertheiner, PR Manager International

Marie Mâwe, CSR

Gabriella Melis, Quality Control & Technical Manager Apparel

Sara Montagner, Supply Chain Footwear

Stefan Rainer, Sales Manager SALEWA

Kerstin Rupsch, Purchasing Equipment

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.