



BRAND PERFORMANCE CHECK

Vaude Sport GmbH & Co. KG

PUBLICATION DATE: JUNE 2016

this report covers the evaluation period 01-01-2015 to 31-12-2015

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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Vaude Sport GmbH & Co. KG

Evaluation Period: 01-01-2015 to 31-12-2015

AFFILIATE INFORMATION	
Headquarters:	Tettnang, Germany
Member since:	15-11-2010
Product types:	Sportswear, Outdoor
Production in countries where FWF is active:	Bulgaria, China, India, Romania, Turkey, Viet Nam, Myanmar
Production in other countries:	Austria, Croatia, Germany, Lithuania, Philippines
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	99%
Benchmarking score	94
Category	Leader

Summary:

VAUDE has implemented most of FWF's management system requirements and goes beyond some. The company has consolidated its supplier base in the past 3 years, limiting itself to a selected number of nominated suppliers in China and Vietnam.

A structured and detailed evaluation of suppliers forms a crucial basis for sourcing decisions. With audits conducted by FWF teams, meeting monitoring requirements for production sites in low risk countries, and conducting audits in countries where FWF is not active, VAUDE has been able to bring its monitoring threshold to 99% of its 2015 production volume, which meets FWF requirements for brands at 3+ years of membership. VAUDE has established strong, integrated systems at company level. Due to full-time staff in Asia and frequent travels from VAUDE staff to the production sites, VAUDE's CSR team has in-depth knowledge about its production sites. Monitoring and remediation of findings at the production sites is a joint effort of all staff in close contact with the production sites.

VAUDE has identified working hours, wages and freedom of association as the biggest challenges specific to their supply chain. In 2015 VAUDE has conducted a wage and overtime analyses which enabled the company to set priorities and address the root causes of the findings. To address the challenge of freedom of association, VAUDE has enrolled 15 of its suppliers in China and Vietnam in FWF's Workplace Education Programme.

VAUDE adequately responded to complaints filed by workers and has particularly been active in remediating problems found at a Turkish supplier. In Myanmar, VAUDE implemented the EU SMART project that included factory training programmes. In addition, VAUDE found a temporary local complaints handler and collected and analysed wage data of their supplier.

VAUDE reports comprehensively about their sustainability efforts through the Global Reporting Initiative (GRI) framework.

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	68%	Affiliates with less than 10% of a factories' production capacity generally have limited influence on factory managers to make changes.	Supplier information provided by affiliate.	3	4	0

Comment: 68% of VAUDE's supplier volume is bought from factories where the company has substantial leverage (at least 10% of the factory production capacity). VAUDE has been in process of consolidating its supplier base the past 3 years. The company works with approximately 45 first tier suppliers of which the majority have been long term partners where VAUDE has substantial leverage. The company's sourcing strategy includes limiting the number of active suppliers per product group. In 2015 consolidation took place mostly in the shoe product group. The decision to phase out suppliers is based on an extensive evaluation that includes the factories' progress to implement the Code of Labour Practices. (see also 1.5)

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	53%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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Comment: Over half of the 2015 production volume comes from suppliers with a business relationship of at least five years. Several suppliers changed locations and a few new suppliers were selected.

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: Signed Code of Labour Practices of new suppliers are reviewed on file.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	Yes	Due diligence helps to identify, prevent and mitigate potential human rights problems at new suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0
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Comment: VAUDE has a system to evaluate the risks related to labour standard violations when selecting a new supplier. Staff of VAUDE always visits the locations first. The company collects existing audit reports and researches other clients sourcing at the factory. In case another FWF member is working with the factory, it is a significant advantage for starting the business relationship. VAUDE requires suppliers to be transparent on subcontractors; preferably all processes are done in house, if not the subcontractors are included in the monitoring system for implementing the Code of Labour Practices Full audits are conducted at sewing subcontractors. VAUDE assesses the willingness of manufacturers to cooperate on implementing improvements during a meeting when the CoLP is explained. Local VAUDE staff gives a presentation of FWF and explains the FWF audit methodology in detail. A basic health and safety check is conducted in addition to a checklist that includes detailed questions on working conditions.

1.5 Supplier compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and performance improvement is rewarded	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0
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Comment: Suppliers are evaluated twice a year together with all VAUDE staff involved with the manufacturers. Social compliance is discussed during meetings with the factory management on the international trade fair in 2015 where longer term strategy is determined. Local VAUDE staff is heavily in evaluating supplier performance and provide input to head office.

The supplier's performance on social standards is part of the decision making which leads to the consolidation plan of VAUDE. Suppliers that were not performing well on implementing the Code of Labour Practices will not receive more orders while improved audit results were a reason to continue the business relationship. VAUDE provided several examples in which the social performance influenced the received order quantities. Several factories received less order volume as they failed to demonstrate progress in 2015 or did not show willingness to improve. Others who performed well regarding social compliance and showed willingness to improve last year received more orders in 2016 and were defined strategic partnerships.

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: FWF suggests to further analyse the impact of the improved production planning system on working hours in the factory. It would be interesting to be able to connect the early order placement system to a decrease of pressure of sudden orders. In combination with FWF audits to verify the working hours and feedback from factory management, conclusions may be drawn on the impact of VAUDE's planning on working hours in factories where VAUDE has high leverage.

Comment: VAUDE has a strong, integrated system in place. Approximately nine months before delivery, VAUDE and the supplier agree on the production capacity and how many pieces of what style will be produced when. VAUDE forces dealers to place orders earlier. The forecast is agreed upon with the supplier according to their capacity. The manufacturers will indicate whether the proposed shipment date is feasible; if not a new date is agreed on. The communication with the factory is documented in the forecast sheet, where factories can reply and provide comment to the planners. Orders are often split between 3 different delivery dates. In 2015, VAUDE's CSR project team has invested time in improving production planning based on past figures and ensuring CSR and production staff are included in the planning. Feedback from FWF audits indicated order planning has improved.

VAUDE staff conducts in-line quality inspection and is present during production time. VAUDE always has on stock items; the number of carry over styles increased in 2015 which attempt to cover the low season of factories.

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

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

Comment: To overcome the occurring overtime, VAUDE has several instruments to mitigate the risk: a flexible planning system with their own warehouse that allows them to adjust the delivery dates to the retailer when needed; the option to prioritize orders, move orders from factory to factory, or spread orders that can be handled in time. A last case scenario is air freight.

However, VAUDE indicated reducing excessive overtime in Asia remains the biggest challenge which is also shown in the FWF audits. In 2015 VAUDE has initiated a project with the manufacturer that showed the most overtime problems and started with analysing the cause of overtime.

VAUDE has followed up on a recommendation from last performance check by collecting external audit reports for the remaining 4% of the supplier base to include them in the overtime analysis. As a result of these efforts, 99% of the 2015 volume is monitored. VAUDE plans to consolidate with FWF audits factories for the remaining 1%.

With their own factory in Vietnam, VAUDE attempted to reduce the need for excessive overtime through better planning, introducing easier styles that are more feasible to produce and productivity projects.

After an audit showed raw materials appointed by VAUDE arrived a bit late which could have contributed to excessive overtime hours, VAUDE investigated what the problem was at the fabric supplier. It was related to a known defective material for which the materials team is creating a solution. Initial orders were split to different delivery times. These efforts helped the manufacturer to smooth the production and rectify the schedule. In addition, the manufacturer is asked to report such problems immediately should it happen again in order to adjust delivery times instead of resorting to overtime hours.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Style-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	4	4	0
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Recommendation: FWF suggests to pilot gaining more insight into the relation between pricing and the labour costs with the own factory in Vietnam, given the high leverage and transparency with that supplier. The survey that is planned among workers will provide insight to look into the wage calculation method of VAUDE Vietnam. FWF can assist in providing a costing sheet and other relevant tools to support steps towards payment of a living wage.

Comment: VAUDE takes local minimum wages into account during product pricing. The company has a formal costing system per style. It includes the fabric and trim price, handling costs, profit and the CMT price, but not the exact share that goes to workers' wages. VAUDE discussed this ambition internally, but found that it is not possible to receive the exact amount that is paid to workers from the manufacturer. In order to get a guarantee for payment of at least minimum wage the company aimed to look at production settings and price entry special items that potentially had a negative aspect on producers. Based on the Cut Make Trim calculations, VAUDE can estimate the wage levels as input for their own price setting. After the first prototype, the manufacturer can indicate if the target price is not feasible. If not, VAUDE changes the drawing, design considerations, the fabric, the own price calculations or the retail price. In addition, nearly all factories in high risk areas are audited by FWF to ensure payment of at least minimum wage. As part of remediating audit results, VAUDE is conducting a wage survey at their own factory in Vietnam to research living wage levels among workers.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF affiliates are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2
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Comment: Two audits conducted in Vietnam in 2015 showed payment below minimum wage. VAUDE responded adequately by immediately making it a top priority and discussing the finding with factory management. Payment below minimum wage is a critical finding to VAUDE and the factory has to report remediation within three weeks. The factory is required to send the wage calculation methodology as an evidence that they adjusted their wage policy. A new HR manager was appointed at one of the factories in Vietnam with whom VAUDE is now working on remediation. On site visits are planned to verify remediation. In 2016 there will be a survey among workers to inquire about their wages and get more insight into payments of the factory in Vietnam.

At the second location where payment below minimum wage was found, VAUDE first followed up by email requesting the payroll of those months. In July 2015 the factory was visited and payrolls checked in detail. The allowance for hazardous work was introduced but based on piece rate instead of the regular wage. VAUDE explained the allowance should be based on basic wage. In May 2016 the supplier will be visited to check whether this has been remediated.

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 audits conducted by FWF teams in 2015 showed evidence of late payments to suppliers by VAUDE.

1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Supply chain approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	6	8	0
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Recommendation: Looking into issues such as piece rate systems, productivity and training will support creating impact to increase wage levels. FWF encourages VAUDE to further support suppliers to close the gap to the first living wage benchmarks through the analysis they conducted.

Comment: VAUDE analysed and compared all FWF wage ladders from the audited factories in China and Vietnam. A detailed analysis has been made by listing all wages per factory in comparison with the local minimum wages, Asia Floor Wage benchmarks and Collective Bargaining Agreements where applicable. In Vietnam, VAUDE collected data from stakeholders Molisa (Vietnam labour department) and GIZ to have regional benchmarks. Audits conducted in 2015 showed a gap towards living wage benchmarks; however several reports concluded that wages at the production sites are higher than minimum wages and making steps towards Asia Floor Wage. In audited factories in China and Bulgaria some departments earn above living wage estimates. In one factory audited in 2015 in Vietnam all wages for regular working hours are above living wage as estimated by local stakeholders.

VAUDE has collected wage data for the factory in Myanmar and has involved workers in the discussion on wage levels in Vietnam and China.

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.	23%	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an affiliate's score.	Supplier information provided by affiliate.	1	2	0

Comment: VAUDE owns one factory in Germany. Another factory in Vietnam is owned by VAUDE's founder and counselor. FWF has decided to count both factories as "owned by VAUDE".

PURCHASING PRACTICES

Possible Points: 42

Earned Points: 36

2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	90%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	9%	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	99%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

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

Comment: The responsibility to implement the Code of Labour Practices is integrated within the production department of VAUDE. The company has designated staff in Germany and full time staff in both China and Vietnam to coordinate the CAP follow up process. In addition, VAUDE QC staff frequently visits the production locations and have shared responsibility to follow up on problems identified by the monitoring system.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Advanced	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	8	8	-2
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Comment: VAUDE has a strong system to document and monitor improvements made after an audit. The company shows advanced evidence of understanding the relevant issues from FWF stakeholder information. In 2015 VAUDE introduced a new system that explains how CAPs should be followed up for every staff involved within VAUDE. The system categorizes findings with the required follow up actions within a clear time-frame. Critical findings for instance require immediate response from factory by email and are followed by two onsite visits. The VAUDE board is involved in case the audit reveals crucial problems. Noncritical findings can be handled through desktop follow up, and visits by local staff. Furthermore, the feedback from the factory management on the implementation status of improvements, is cross-checked by VAUDE's local staff who visits the productions sites regularly. Worker interviews are conducted to verify whether the statement of implementation from factory management is correct. In case the factory management response varies from the answers from the workers, VAUDE to ensure CAP implementation. The process of implementation of all CAPs is analysed per factory on a yearly basis and progress in documented in a separate sheet by means of ranking the implementation; this forms the basis for prioritizing and marking which issues should be discussed with general management. This analysis is discussed with the factory management during factory visits. Meaningful efforts are shown to realise improvements, particularly in the area of health and safety which is checked on annual basis.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	96%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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Comment: Production sites are visited each year several times by VAUDE staff. This is especially the case for all production sites in China, Vietnam and Myanmar.

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: VAUDE collects available audit reports from suppliers and conducts the FWF audit quality assessment tool. Results of this analysis are shared with FWF for preparation of audit teams before conducting a new audit. In most case VAUDE schedules a FWF audit at those production sites as well. In the Philippines where FWF is not active, VAUDE cooperated with other FWF members to organise a joint audit.

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

2.6 High risk issues specific to the affiliate's supply chain are identified and addressed by the monitoring system.	Advanced 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.	6	6	0
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Comment: VAUDE has addressed specific risks by enrolling suppliers in China and Vietnam in FWF's Workplace Education Programme and training by ILO Better Work.

Vaude checked through onsite visits which supplier lacked knowledge on Occupational Health and Safety after which they selected four factories to take part in OHS trainings by ILO Better Work. The local Vaude staff also participated in this training.

VAUDE analysis CAP findings every year and prioritises remediation plans for the most urgent findings. The biggest challenge in China and Vietnam remains the absence of social dialogue structures, working hours, payment of overtime hours and social security coverage. Vaude conducts root causes analyses to investigate the causes of excessive overtime.

The country studies of FWF and other studies are compared for production countries and shared internally. In case factory relocates (commonly in China and Vietnam), Vaude discusses with their supplier that previous CAP findings are prevented from happening in the new building.

Through China and Vietnam staff Vaude proactively checks whether issues from a CAP also occur at other suppliers in order to inform other suppliers about these issues and to check what Vaude can do to prevent this here.

Vaude has followed FWF's guidance policy at a Turkish supplier in cooperation with other FWF members. Vaude continues to monitor the production locations of the supplier in Turkey.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Bangladesh	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	N/A	3	0
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2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Advanced 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.	3	3	0
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Comment: VAUDE complies with FWF's Myanmar policy. VAUDE produces in Myanmar since they joined FWF membership and followed up production in this high risk country together with FWF closely. First audits at the factories in Myanmar have been conducted at the end of 2014. Serious findings were found in the area of health and safety, working hours and wage records and the absence of legally binding employment contracts. VAUDE visited the factory and discussed how they can find solutions to remediate earlier audit findings. Wage data was collected and compared with the newly introduced legal minimum wage. VAUDE CSR staff checked the wage data again in November 2015. The factory is visited by VAUDE's China staff 4 times a year to discuss status of remediation. In 2015, in cooperation with the EU project SMART, VAUDE established a complaint hotline and enrolled the factory in the SMART CSR academy. The factory participated in a fire fighters training and human resources training and a temporary complaints mechanism was set up.

2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the changes of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1
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Comment: VAUDE shares audits and CAPs with other customers of the production sites. VAUDE took the lead to follow up CAPs in many of the shared audits and took initiative in coordinating the CAP follow up process and keeping the others informed. A joint training project was provided in Myanmar. Email trails of cooperation was shown.

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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Recommendation: It is recommended to revisit production locations in Croatia to discuss the Code of Labour Practices in person.

Comment: Approximately 9% of VAUDE's 2015 purchasing volume comes from areas that are classified by FWF as low risk. Monitoring requirements are fulfilled for production in low-risk countries.

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

Possible Points: 32

Earned Points: 32

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

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

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

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	74%	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.	3	4	-2
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Comment: Most of VAUDE's factories are audited several times and awareness increased. Few findings showed workers were not aware, but in most cases a WEP was organised after the audit.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes + Preventive steps taken	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	6	6	-2
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Recommendation: Where applicable, it is suggested to involve worker representation or union representatives in agreeing and monitoring the CAP after a complaint was submitted.

Comment: VAUDE has own internal complaints procedure with clear steps and responsibilities. In handling complaints VAUDE is actively involved in follow up with a big role for local staff in remediation. VAUDE uses the topics from complaints to analyse and evaluate suppliers. VAUDE pays additional attention to overtime issues, particularly through their local staff and analyses the root causes of excessive overtime. In 2015 VAUDE ended the business relationship with a supplier among other because it did not adequately remediated several complaints and CSR issues.

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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COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 14

4. TRAINING AND CAPACITY BUILDING

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

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

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

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

VAUDE conducted a survey among all company employees on the importance of VAUDE improving working conditions.

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

In addition news on current happenings are shared through internal mailings and intranet.

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

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

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement FWF requirements and advocate for change within their organisations.	FWF Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	0
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Comment: No additional training is needed aside VAUDE Academy. All staff in direct contact with suppliers are involved in the follow up of FWF's monitoring systems. Weekly meetings take place to ensure that everybody is aware of current happenings. Local staff is trained on health and safety issues to better enable them to detect health and safety violation. The training was expanded in 2015 by making 2 local staff accredited auditors. VAUDE staff joins the FWF seminars, stakeholder meetings and annual conference.

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

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	90%	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.	6	6	0
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Comment: VAUDE finds the educational programme very important, to encourage suppliers and their employees to discuss working conditions. 15 factories have participated in FWF's Workplace Education Programme in 2015. All factories were open for the training and reported that the training was useful. Some of the trainings have been conducted to verify or remediate complaints at the production sites. Management of some sites wished for more follow up possibilities after the training and trainings which go beyond labour standards and grievance mechanisms addressing factory specific needs.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	90%	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.	4	4	0
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Comment: VAUDE initiated training on labour standards and dialogue in Myanmar, in cooperation with FWF and other FWF brands. In Vietnam, four factories enrolled in the Occupational Health and Safety training provided by ILO Better Work.

TRAINING AND CAPACITY BUILDING

Possible Points: 13

Earned Points: 13

5. INFORMATION MANAGEMENT

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

Recommendation: All production locations of sewing is monitored; this can be expanded to washing, printing and embroidery.

Comment: VAUDE staff is regularly at the production sites conducting in-line inspections. Before an audit takes place VAUDE actively discusses the potential use of subcontractors with management and analyses production capacity and workforce during visits. Especially Asian QC staff is at the factories during production frequently. In case an audit shows the manufacturer uses subcontractors, VAUDE investigates whether they are used for VAUDE orders. Subcontractors are also visited by CSR staff in case they are located on-site and are part of the QC visits if they have an essential role in product quality. VAUDE asks the factories on a yearly basis to send an update concerning subcontractors in use.

Purchasing volumes at factories could be verified by checking financial accounts.

5.2 A system exists to allow purchasing, CSR and other relevant staff to share information with each other about working conditions at suppliers	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1
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Comment: Everybody at VAUDE, including local staff, has access to the server where all information with regard to labour conditions at the production sites is filed. Information is shared explicitly with staff in contact with production sites and communication is documented. Local staff are mostly working and living around the factory locations, but are own VAUDE staff. The QC team is now also part of the product development phase to better understand comments from the factory. There are regular internal production meetings that include CSR staff.

INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

6. TRANSPARENCY

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

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

VAUDE is an actively involved in the German Textilbundniss and other stakeholder platform where they regularly informs public and stakeholders about FWF membership.

6.2 Affiliate engages in advanced reporting activities	Yes	Good reporting by members helps to ensure the transparency of FWF's work and shares best practices with the industry.	Affiliate publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	1	0
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Comment: VAUDE includes the results of the brand performance check in its sustainability report. The sustainability report is according to GRI standards; comprehensively reporting on audit results, remediation activities and complaints. The 'leader' status is communicated through several channels including social media, on garment communication, catalogs and during fairs.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for affiliates to transparently share their efforts with stakeholders.	Report adheres to FWF guidelines for Social Report content.	2	2	-2
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Comment: The social report of VAUDE is submitted and published on VAUDE's website as part of the sustainability report based on the Global Reporting Initiative (GRI) G4 Guidelines. See <http://nachhaltigkeitsbericht.vaude.com/>

TRANSPARENCY

Possible Points: 4

Earned Points: 4

7. EVALUATION

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

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

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

Possible Points: 2

Earned Points: 2

RECOMMENDATIONS TO FWF

VAUDE suggest FWF to consider high and low season when planning supplier seminars organised by FWF in China and Vietnam.

VAUDE would appreciate a discussion around effective remediation of excessive overtime at the members seminar.

Timely receiving audit and training reports remains an issue. As do the invoices for audits and trainings.

VAUDE would have also liked to be informed earlier in case policy changes results in members covering costs that were previously covered by FWF. This way, they are able to revise the company's budget accordingly.

VAUDE would appreciate the website homepage as well as more material in the German language. The audit reports, CAP and country policies in local languages would support VAUDE in their monitoring and remediation efforts.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	36	42
Monitoring and Remediation	32	32
Complaints Handling	14	15
Training and Capacity Building	13	13
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	108	115

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

94

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

13-04-2016

Conducted by:

Annabel Meurs, Niki Janssen

Interviews with:

Antje von Dewitz (CEO)

Jan Lorch (International sales manager)

Anika Rudolf (Production & CSR)

Sven Koenig (Production & CSR)

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.