



## BRAND PERFORMANCE CHECK

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Haglöfs Scandinavia AB

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](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

## BRAND PERFORMANCE CHECK OVERVIEW

Haglöfs Scandinavia AB

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

AFFILIATE INFORMATION	
Headquarters:	Avesta, Sweden
Member since:	18-04-2012
Product types:	Outdoor
Production in countries where FWF is active:	China, Romania, Viet Nam
Production in other countries:	Estonia, Indonesia, Portugal, Sweden
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	83%
Benchmarking score	65
Category	Good

## Summary:

Haglöfs meets most of FWFs management system requirements. The company has systematically made use of FWF audit teams to monitor suppliers in China and Vietnam. Together with meeting the requirements for monitoring in low risk countries (13% of their 2015 volume), it comes to a monitoring threshold of 83%, which is below the required 90% monitoring threshold for members after their third year of membership. 9,5% of the 2015 production volume is produced in footwear factories that are part of Asics monitoring system, which for 2015 counts towards the monitoring threshold. With clear agreements on ensuring follow up of existing audit reports and a top management decision on how to better streamline monitoring efforts with Asics, FWF has decided to award the 'Good' category for this performance check.

Haglöfs has been in process of consolidating its supplier base the past 2 years. It has a stable number of suppliers with long term business relationships of more than five years, accounting for 62% of their 2015 volume. Haglöfs continues to work towards addressing overtime by better streamlining its production and order flow process and has laid the groundwork for getting open costing on a product level.

Haglöfs has been cooperating with other FWF members which resulted in improving several findings at shared suppliers. The company works with clear guidelines and checklists for selecting and visiting suppliers. It can improve its system to document and track progress in order to systematize coordinated efforts between different departments that can ensure sustained responses to CAPs. The company has adequately responded to two complaints that were submitted in 2015.

Given the increase in footwear sales, meaning that the footwear factories have increased in importance for Haglöfs, FWF encourages Haglöfs to align itself more closely with Asics in monitoring and follow-up of these factories. FWF encourages Haglöfs to continue in its efforts with WEP training sessions and CAP follow-up.

## 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	54%	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:** It is suggested to discuss with top level management of Asics how to jointly increase leverage and have greater impact through cooperating and ensuring a shared, strong message towards the suppliers.

**Comment:** Haglöfs has been in process of consolidating its supplier base the past 2 years.

As a relatively small player in the outdoor industry the company consciously decided to decrease the number of suppliers in order to increase their leverage. Through using a scorecard system, the company decided which factories to phase out and which factories to invest in.

Approximately 16% of the 2015 production volume came from factories sourced through Asics using their footwear technology. These production sites are generally large factories where Haglöfs has very limited leverage.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	62%	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:** Haglöfs values long-term relationships and through its consolidation process aims to build a stable supplier base. In 2015, 63% of the production volume came from factories where a business relationship has existed for at least five years.

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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**Recommendation:** It is recommended to set up a process for including information from questionnaires in the factory overview. This will give insight into follow-up actions, should as investigating whether subcontractors listed in the questionnaire are used for Haglöfs orders or where other audit reports exist.

**Comment:** Five new factories selected in 2015. All signed questionnaires are viewed 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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**Recommendation:** It is recommended to better document the outcomes of the due diligence process. As the sourcing team is visiting the potential new suppliers, a reported outcome of the evaluation is necessary in order to make a joint and informed decision with other colleagues within the company.

**Comment:** Haglöfs has a procedure describing the due diligence process for selecting new suppliers. The initial evaluation phase consists of signing the questionnaire and assessing the willingness of factories to work on the Code of Labour Practices. Secondly, existing audit reports are collected and thirdly a visit is planned by the sourcing team. If the evaluation leads to an OK, the Worker Information Sheet is sent and first production is started. In case there are any doubts, a FWF audit is conducted before bulk production. Sourcing and developers who visit the factories are provided with a checklist by the sustainability manager.

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:** FWF recommends Haglöfs to draft a responsible exit strategy in case the consolidation process leads to further phasing out production at existing suppliers. FWF can advise in what can be considered to be included in the strategy.

Secondly, FWF recommends Haglöfs to set up an evaluation system that creates an overview of the overall performance of the entire supplier base. The overview can serve as a basis for internal discussions and keeping track of progress suppliers make. It should include what criteria lead to good/acceptable/excellent. Outcomes of audits, progress on improvements, visit reports, complaint and participation in factory training programmes can be included.

**Comment:** As part of their consolidation process, Haglöfs had developed a scorecard to evaluate suppliers on a number of criteria, including social compliance. It defined which suppliers would be phased out and which will be further invested in. The scorecard has not been updated in 2015 and no longer has the function of evaluating the entire supplier base.

Haglöfs evaluates Code of Labour Practices compliance of factories individually by keeping track of audits, following up on them and including social compliance aspects in factory visits. Haglöfs has decided against rewarding social compliance performance because the decision to source more or less at a factory depends on more than just social compliance aspects.

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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**Comment:** In general, Haglöfs always agrees on a production schedule that is signed by the supplier. In the past years the company has offered incentives to country subsidiaries to order early, leading to an increase in early orders for the last two years. In addition to this, Haglöfs worked with partial shipments and reduced time for sales, decreasing the chance of last minute orders. Haglöfs has also placed orders for greige (non-dyed) fabrics based on the first sales forecast. This means that the fabrics are on hand at the factory when production starts, reducing the risk of having late materials deliveries delaying production orders.

Haglöfs also does not make any changes after the sampling stage and pre-books materials and fabrics well before order deadline so that all materials should be in the factory when production is scheduled to begin. In 2015, the company has made the forecast more binding for the sales team; facilitating better production planning for their factories. In 2015, the company introduced Never Out of Stock (NOS) items to fill the low season capacity of factories.



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:** It is suggested for next year to assess the impact the newly introduced systems (see 1.6) have had on reasonable working hours and preventing excessive overtime. Feedback from suppliers can be used to investigate whether it has in fact resulted in better planning for the factories and if they for example indeed used Haglöfs order to fill capacity in low season. Moreover, better insight can be gained by investigating the production capacity of the factory in order to ensure planning discussions are based on regular working hours.

**Comment:** Five out of seven audits conducted by FWF in 2015 showed excessive overtime took place. One factory has shown improvements through introducing lean production and better planning. Haglöfs analysed whether their orders contributed to excessive overtime which was according to the supplier not usually the case given their relatively small quantities. Where it considered shared suppliers with other FWF members, Haglöfs and the other brands investigated the cause of the excessive overtime.

Throughout 2015, Haglöfs continued to work on improving its own production monitoring system so that more real-time tracking of production could be implemented. It also continued to identify suppliers that it would like to invest in a relationship with to analyse how to prevent excessive overtime. Part of this relationship will mean higher production volumes and a better production planning system that should lead to decreased excessive overtime. Haglöfs is able to split orders where this is possible for its quantities to absorb possible delays. From the measures it has introduced the past years, the number of airfreight have dropped indicating less delays happened.

1.8 Affiliate's pricing policy allows for payment of at least the legal minimum wages in production countries.	Country-level policy	The first step towards ensuring the payment of minimum wages - and towards implementation of living wages - is to know the labour costs of garments.	Formal systems to calculate labour costs on per-product or country/city level.	2	4	0
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**Recommendation:** The valuable data Haglöfs has collected for several styles in a cost-sheet can be used to analyse whether the sewing costs are sufficient for payment of at least minimum wage. When discussing the quotation figures with the supplier, linking the sewing costs to minimum wage levels can be included in the discussion.

**Comment:** Haglöfs is working on implementing a cost engineering project: an open costing methodology for the factories that it has strong relationships with. This means that for every product that is produced, Haglöfs receives information related to the cost breakdown of each product. In a spreadsheet all costs are collected per product including fabric costs, trim costs, overhead, margins and sewing costs. It has proved a valuable tool to analyse where to make changes in styles/products without losing profits/margins.

1.9 Affiliate actively responds if suppliers fail to pay legal minimum wages.	No minimum wage problems reported	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
1.10 Evidence of late payments to suppliers by affiliate.	No	Late payments to suppliers can have a negative impact on factories and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of factory and affiliate financial documents.	0	0	-1
1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	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

**Recommendation:** FWF recommends to use the cost breakdown to assess the hypothetical cost effects of increasing wages towards benchmarks that are included in the wage ladder. FWF encourages Haglöfs to discuss with suppliers about possibilities to work towards higher benchmarks and how Haglöfs can support this process. 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.

**Comment:** As mentioned above, Haglöfs is working on gaining insight into a cost breakdown of its products. This is an important starting point for working towards ensuring living wages as it shows per product what the labour input is. After the costing sheets are completed Haglöfs can start with living wage engineering.

1.12 Affiliate sources from an FWF factory member.	Yes	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.	1	1	0
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**Comment:** In 2015, Haglöfs sourced from a factory in China that is a member of FWF.

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: 41

Earned Points: 27

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### Additional comments on Purchasing Practices:

Haglöfs is wholly owned by Asics since 2010. For this reason, Haglöfs is able to make use of Asics technology in its footwear. In terms of production, this means that Haglöfs makes use of Asics factories for production of its footwear.

These factories are audited regularly by Asics, however Haglöfs experiences difficulties in getting access to the reports and the follow-up of the CAP is made difficult because of Haglöfs' small production orders, especially compared to the size of Asics as well as the turnover of the production company.

Over the past two years the footwear sales have been increasing significantly, meaning that the footwear factories have increased in importance for Haglöfs. This increases the responsibility for Haglöfs to monitor working conditions and contribute to improvements.

For this reason, FWF encourages Haglöfs to align itself more closely with Asics in monitoring and follow-up of the footwear factories. A top level discussion needs to take place to decide on a joint monitoring system. Haglöfs can make use of Asics' leverage at the factories to effect change while Asics can benefit from the experience and insights Haglöfs has gained during its FWF membership.

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	70%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	13%	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	83%	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 direct of sustainability is responsible for implementing FWF requirements. He is also part of the Management Team.

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:** FWF recommends Haglöfs to set up a system where the status of findings and realised improvements are documented in the CAP or in a general overview. Sourcing and product development staff can use this to report back from factory visit which enables the sustainability manager to continue monitoring and improving findings. It will help to prioritise and continue working with the supplier on which findings are still pending. Coordinated efforts between different departments are required to ensure sustained responses to CAPs.

FWF encourages Haglöfs to align itself more closely with Asics in monitoring and follow-up of the footwear factories. A top level discussion needs to take place to decide on a joint monitoring system where both companies can benefit from exchanging knowledge and jointly remediate problems. A suggestion is to have Asics auditing staff to observe a FWF audit to learn from this experience.

**Comment:** Haglöfs has continued to realise improvements after factory audits. Particularly where it considered shared suppliers with other FWF members, progress had been made on increasing awareness on labour rights, worker representation and several health and safety issues. Haglöfs has guidelines for staff visiting factories; sourcing or product development staff are briefed on social compliance issues before visiting suppliers. However, there is no effective system to document and track progress that can be used by different staff in the company. The sustainability manager has email communication with suppliers on the findings, but the status of improvements are not systematically documented/tracked. Haglöfs also continues to work with other FWF brands to meet with supplier representatives at international events and fairs in order to streamline efforts.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	82%	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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2.4 Existing audit reports from other sources are collected.	Yes	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.	1	3	0
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**Recommendation:** Existing audits can be counted towards the monitoring threshold if the quality of the report is assessed using the FWF audit quality tool and corrective actions are implemented.

**Comment:** Haglöfs collects existing audit reports as part of their due diligence process. In most cases a FWF audit is scheduled as well. The company works with four factories that are SA8000 certified but does not have the entire report or has demonstrated working on the corrective actions.

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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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:** Haglöfs is recommended to continue working on mitigating the country-specific high risks by making progress on the high risk issues identified by the audits and also by cooperating more closely with Asics. As Haglöfs started a business relationship with a factory in Turkey in 2016, it should follow the guidelines for Syrian Refugees.

**Comment:** Haglöfs has worked to identify and begin work on mitigation for a number of high risk issues in the supply chain (eg. overtime, living wage, freedom of association) in the countries that it sources from. The mitigation of these issues is ongoing. Social dialogue, excessive overtime and social security remain the biggest challenges in China and Vietnam.

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
2.6b High risk issues specific to Myanmar are identified and addressed by the monitoring system and remediation activities.	Not sourcing in Myanmar	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.	N/A	3	0



2.7 Affiliate cooperates with other customers in resolving corrective actions at shared suppliers	Information sharing	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.	1	2	-1
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Recommendation: FWF suggests Haglöfs to better document status of joint follow-up actions. Even though one brand commonly takes the lead it is important to be kept informed of the status in order to be aware of required implementation steps before communication with or visits to the factory.

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 draft visit reports, including evidence whether of the Worker Information Sheet is posted after visiting suppliers in low-risk countries.

Comment: Factories are visited and questionnaires are viewed on file.

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: 29

Earned Points: 19

### 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
3.2 System exists to check that the Worker Information Sheet is posted in factories	No	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.	0	2	0

**Recommendation:** It is suggested to ask suppliers to submit a photo of the posted Worker Information Sheet with the annual questionnaire and to ask staff visiting a supplier to check if the documents are still posted as indicated on the obtained photo.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	28%	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.	2	4	-2
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**Recommendation:** Haglöfs can continue to stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, members can use the worker information cards available for download on FWF's website.

**Comment:** 2 out of 7 factory audit reports showed workers were aware due to participation in WEP. no evidence of WIS posted on file.

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:** As an outcome of one of the complaints and with FWF's assistance, it is recommended to draft a responsible exit strategy that the company follows in its consolidation process.

**Comment:** Haglöfs has followed the complaints procedure in both cases. One complaint indicated a complex case that is at the time of the performance check still under investigation. The second complain result of a factory foreclosure and has been resolved.

3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Information sharing	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.	1	2	-2
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Requirement: In case another FWF member is sourcing at the same supplier, cooperation is required in order to successfully resolve a complaint at a shared supplier.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 7

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## 4. TRAINING AND CAPACITY BUILDING

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

Comment: Haglöfs actively informs all staff of FWF requirements, particularly its sales staff. FWF membership requirements are included in the clinic material for both own stores as well as wholesale stores.

4.2 Ongoing training in support of FWF requirements is provided to staff in direct contact with suppliers.	No	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.	0	2	0
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Recommendation: A training session by FWF on labour standards and FWF membership can be held for purchasing/product developers/sourcing staff. In addition, it is recommended for the new sustainability manager to actively take part in training opportunities FWF offers such as: FWF seminars, the FWF annual conference and webinars.

Comment: Haglöfs ensures that relevant staff are aware of FWF requirements, also when visiting suppliers.

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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4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	26%	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.	4	6	0
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**Recommendation:** In order to ensure awareness and enhance understanding of the relevant labour standards, grievance mechanisms and the importance of a good mechanism for communication between employers and workers in the workplace, FWF developed the Workplace Education Programme. These WEP training sessions are now also offered in Vietnam and Romania. Haglöfs can continue to motivate its suppliers to join the training sessions.

**Comment:** Five suppliers participated in FWF's Workplace Education Programme.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	All production is in WEP areas.	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.	N/A	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 Member companies 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 participation should be balanced and representative.

Comment: A small percentage of 2015 purchasing volume is sourced from Indonesia where FWF currently does not offer the Workplace Education Programme. If the volume in Indonesia increases for Haglöfs it is recommended to organise factory trainings at those suppliers as well.

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## TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 5

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## 5. INFORMATION MANAGEMENT

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.1 Level of effort to identify all production locations	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:** FWF suggests Haglöfs to integrate information from the questionnaires in their supplier overview. This way, actions can be formulated to further investigate whether listed subcontractors are also used for Haglöfs production and to how to follow up on existing audit reports.

**Comment:** Haglöfs works to maintain and update its supplier information regularly. It has direct relationships and also contractually obligates its suppliers not to work with subcontractors. Haglöfs staff conducts inline quality inspection. In some cases an intermediary has different units that are used for Haglöfs order where it is not clear which share is produced at which unit.

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:** Haglöfs has internal meetings regularly to discuss issues related to factory performance on social compliance. Powerpoint checklists are available for the developers and sourcing team to prepare for visits. The sustainability manager instructs colleagues on most important CAP issues before visits.

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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

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## 6. TRANSPARENCY

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

Comment: Haglöfs follows FWF's policy in communicating about FWF. It has a description of membership on the website and product workbook.

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 Haglöfs 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.

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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Recommendation: FWF requests Haglöfs to send a draft text of the sustainability report that describes FWF membership and audit results in order to provide feedback before it is published.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 3

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## 7. EVALUATION

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

Recommendation: FWF suggests to discuss the recommendations from this performance check in order to prioritize and set clear action point for this year and the years to follow.

Comment: The person responsible for FWF membership is part of the management team. The person who will be replacing the current sustainability manager will report directly to the CEO. Sustainability topics (including FWF membership) is on the agenda of every monthly meeting.

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

Haglöfs would appreciate advice on what can be considered a responsible exit strategy.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	27	41
Monitoring and Remediation	19	29
Complaints Handling	7	15
Training and Capacity Building	5	9
Information Management	7	7
Transparency	3	4
Evaluation	2	2
Totals:	70	107

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

65

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

07-06-2016

Conducted by:

Annabel Meurs

Interviews with:

Katarina Stenman (Sourcing Manager)

Richard Jägrud (Product Director)

Lennart Ekberg (Director of Sustainability)

Eva Mullins (Sustainability/Materials manager)

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.