



# BRAND PERFORMANCE CHECK

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SALEWA & DYNAFIT

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

### SALEWA & DYNAFIT

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

AFFILIATE INFORMATION	
Headquarters:	Bolzano, Italy
Member since:	25-09-2013
Product types:	Outdoor
Production in countries where FWF is active:	Bangladesh, China, Romania, Turkey, Viet Nam
Production in other countries:	Austria, Cambodia, Czech Republic, Ethiopia, Indonesia, Italy, Lithuania, Myanmar, Portugal, Slovakia, Switzerland, Taiwan, United States
BASIC REQUIREMENTS	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
All suppliers have been notified of FWF membership?	Yes
SCORING OVERVIEW	
% of own production under monitoring	87%
Benchmarking score	71
Category	Good

## Summary:

In 2015, SALEWA & DYNAFIT meets most of FWF's management system requirements. With a benchmarking score of 71, it is well within the Good category. However, its monitoring percentage of 87% is below the required 90% threshold after three years of membership. Due to the fact that its score of 70 is well within the Good category, and that the monitoring threshold is not significantly below the required 90%, FWF exercises its discretionary power to award SALEWA & DYNAFIT with a Good classification.

SALEWA & DYNAFIT continued to make progress on establishing an effective due diligence system for (new) production locations. A number of suppliers, however, placed production at locations that were not previously known to or approved by SALEWA & DYNAFIT. For this reason, effective due diligence on a production location level was not conducted and a significant number of new suppliers did not sign and return the Code of Labour Practices before first orders were placed. To mitigate this, SALEWA & DYNAFIT put significant effort into collecting full external audit reports, assessing the quality, and following up on them in a systematic manner. This allowed SALEWA & DYNAFIT to come very close to reaching the required monitoring threshold.

In terms of wage levels, SALEWA & DYNAFIT took a significant step by having costing information for all of its apparel styles. This lays the groundwork for gaining more insight into the relation between labour costs as quoted by the supplier and the wage levels of workers.

FWF encourages SALEWA & DYNAFIT to continue its work on remediation and monitoring, and research innovative ways to make progress on overtime and wage levels.

## 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	15%	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.	1	4	0

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

**Comment:** At approximately 15% of SALEWA & DYNAFIT's suppliers, it has significant leverage. This is a significant decrease from the previous year, and is partly due to the fact that it had production at locations that were not previously known to or approved by SALEWA & DYNAFIT.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	56%	Stable business relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.	Supplier information provided by affiliate.	3	4	0
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**Recommendation:** FWF recommends SALEWA & DYNAFIT to carry on maintaining stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

**Comment:** SALEWA & DYNAFIT works to have a long-term business relationship with its suppliers. In 2014, about 56% of production was at suppliers with which it has a long-term relationship, a significant decrease from the previous year. This is partly due to the fact that it had production at locations that were not previously known to or approved by SALEWA & DYNAFIT.

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:** In its process of starting with new suppliers, SALEWA & DYNAFIT ensure that the Code of Labour Practices has been signed and returned.

In 2015, SALEWA & DYNAFIT had production at a significant number of production locations for the first time, especially in the apparel division. This was unexpected, and was due to the fact that a number of suppliers placed production at production locations that were not previously approved by SALEWA & DYNAFIT. For this reason, a significant number of new production locations did not sign and return the Code of Labour Practices before first orders were placed. Since the start of production, all these new production locations have signed and returned the Code of Labour Practices.

As SALEWA & DYNAFIT ensures that the new suppliers and production locations it chooses to work with have signed and returned the Code of Labour Practices, points can be awarded.

1.4 Company conducts human rights due diligence at all new suppliers before placing orders.	No	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.	0	4	0
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**Requirement:** Human rights due diligence must be conducted at all new suppliers before placing orders.

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

In addition to this, in 2015 a process was developed where human rights due diligence was put into place as part of the Supplier Selection Guide. SALEWA & DYNAFIT was also able to show human rights due diligence for a number of production locations.

However, as mentioned earlier, SALEWA & DYNAFIT began production at a significant number of new production locations in 2015. This meant that inadequate due diligence steps were able to be taken before placing orders and therefore points cannot be awarded.

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

**Comment:** SALEWA & DYNAFIT has an internal system to evaluate supplier compliance with the FWF Code of Labour Practices. Social standards are included besides price, delivery times, etc. and are weighted equally to the other indicators for evaluation. The supplier evaluation is done twice a year at the end of the summer/winter season. However, since the previous year, no progress has been booked on rewarding suppliers for social compliance performance improvement.

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 encourages SALEWA & DYNAFIT to compile working hours information from quality control staff present during production. This information could be used to see the impact of SALEWA & DYNAFIT's production on working hours.

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



When discussing with its suppliers on pricing, SALEWA & DYNAFIT has also started to include production planning and order quantities into these discussions, allowing the supplier more time to plan production. According to SALEWA & DYNAFIT, these efforts led to a reduction in air freight from 8% to 1% in 2015 and into 2016.

In 2015, the planning process continued to be more solidified. From design to development, division management is involved to decide on placement of production. Development is now around product type instead of product line. In terms of production, factories are now also specializing for SALEWA & DYNAFIT production, leading to increased efficiency. The process was also designed to have as much information available as early as possible to prevent hobbles along the road as much as possible.

SALEWA & DYNAFIT bases its production planning on 'hard' production orders to avoid larger fluctuations in order volumes. By second buy, production planning should be based on these 'hard' production orders. When 50-60% of orders are collected from retailers, extrapolation accuracy is very good and can be used for placing these production orders.

While SALEWA & DYNAFIT tries to book capacity as early as possible to allow smooth production, suppliers often move production to other production locations. This can be due to planning from other clients or the factories' own planning.

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

**Comment:** As mentioned in 1.6, SALEWA & DYNAFIT has continued progress on its own production process and removing obstacles to a smooth order process as much as possible. In terms of CAP remediation for specific factories where OT was found, progress continued to be difficult and there were no significant improvements since the previous year's Brand Performance Check.

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 encourages SALEWA & DYNAFIT to use the wealth of costing information on a style level to gain further insight into the relation between the (direct) labour costs and the wage levels of workers. A useful tool in this can be the newly-published 'Labour Minute Costing' report, available on the FWF website.

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

At the end of 2014, SALEWA & DYNAFIT began a process of collecting wage data and costing information on a style level. This process was completed in 2015, meaning that costing information has been compiled for all styles in the apparel division, including labour costs. When the costing manager discusses prices with factories, the local minimum wage and relevant living wage levels are defined and discussed in terms of level of implementation.

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
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**Comment:** Audits conducted in 2015 did not show any production locations where legal minimum wages were not being paid.

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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1.11 Degree to which affiliate assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Factory-level approach	Sustained progress towards living wages requires adjustments to affiliates' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0
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**Recommendation:** FWF recommends SALEWA & DYNAFIT to use the available information to assess root causes of wage levels being lower than living wage levels. In a next step, SALEWA & DYNAFIT can develop a pricing policy that incorporates the wage levels of workers.

FWF encourages SALEWA & DYNAFIT to continue its wage analysis work, track progress and start making implementation plans.

**Comment:** Similar to 2014, most audit reports in 2015 indicated wages lower than living wage levels. SALEWA & DYNAFIT has used the wage ladders of audit reports to discuss wages and also included wage levels as point of discussion during price negotiations with the suppliers.

In addition, as mentioned at an earlier indicator, SALEWA & DYNAFIT collected wage data on a style level, based on an open-costing type model.

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

Possible Points: 40

Earned Points: 24

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	64%	
% of own production in low risk production countries where FWF's Low Risk policy has been implemented	23%	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	87%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 90% Measured as a percentage of turnover.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.1 Specific staff person is designated to follow up on problems identified by monitoring system	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2
2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2

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

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

In addition to this, SALEWA & DYNAFIT utilizes its quality control staff located in production countries to follow up on CAPs and track improvements. This helps keep the pressure on the supplier to work towards improvements, even when staff from its European offices are not present at the production location.

As mentioned earlier, SALEWA & DYNAFIT started production at a number of new production locations in 2015. In order to fulfill its monitoring requirements, it went to extensive lengths to collect full external audit reports, assess the quality, and follow up on the findings.

In summary, SALEWA & DYNAFIT is still working towards making significant progress related to the more difficult issues related to excessive working hours, wage levels and/or freedom of association. For this reason, full points cannot yet be awarded.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	95%	Formal audits should be augmented by annual visits by affiliate staff or local representatives. They reinforce to factory managers that affiliates are serious about implementing the Code of Labour Practices.	Affiliates should document all factory visits with at least the date and name of the visitor.	4	4	0
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

Comment: In 2015, SALEWA & DYNAFIT collected a significant number of existing audit reports. It also assessed the quality of these reports and implemented the existing 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:** FWF encourages SALEWA & DYNAFIT to ensure that all production locations are known before commencing production at a supplier. In addition to this, it is recommended to share information among relevant staff about the country-specific risks associated with production in various (high risk) countries.

**Comment:** In 2015, whenever FWF communicated specific country risks and/or updated its country reports, this information was shared with relevant staff.

As mentioned earlier, SALEWA & DYNAFIT discovered that a number of production locations was used for its production without its knowledge in 2015. The risks for these production locations were not identified and mitigated sufficiently, and for this reason full points cannot be awarded.

2.6a High risk issues specific to Bangladesh are identified and addressed by the monitoring system and remediation activities.	Advanced Capacity	Affiliates sourcing in Bangladesh should take additional action to address both building and fire safety and the prevention of violence against women.	Building, electrical and fire safety inspection reports, evidence of cooperation with other customers sourcing at the same factories (Accord signatories and/or FWF affiliates), etc.	3	3	0
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**Recommendation:** FWF encourages SALEWA & DYNAFIT to continue its efforts to enrol its suppliers in the WEP training program, as a means to mitigate gender-based violence.

**Comment:** In 2015, SALEWA & DYNAFIT continued its monitoring and remediation activities in Bangladesh. This led to, for example, it making a decision to place no further orders at a production location that was removed from the Accord. It also actively followed up on all FWF and external audits.

It was not able to organize a WEP training session at its main supplier due to capacity issues related to the training team in Bangladesh.

All in all, SALEWA & DYNAFIT was able to identify and mitigate a number of high risk issues in Bangladesh.

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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**Recommendation:** SALEWA & DYNAFIT is encouraged to keep up its CAP remediation efforts in Myanmar, and bring the current complaint to a mutually beneficial conclusion for all stakeholders.

**Comment:** In 2015, SALEWA & DYNAFIT audited its only active supplier in Myanmar in collaboration with another FWF member. The findings of this audit were followed up on as part of the CAP remediation process.

In addition to this, it has been engaged in a complex complaint related to the alleged dismissal of trade unionists at this same production facility. This case has been handled by the local authorities at several levels, including the Supreme Court. Throughout this process, SALEWA & DYNAFIT has been engaging with the supplier and a number of stakeholders on remediation. Part of this complaints process aims to enhance social dialogue in this production facility going forward.



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
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
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
2.10 External brands resold by affiliates that are members of another credible initiative. (% of external sales volume)	No external brands resold	FWF believes affiliates who resell products should be rewarded for choosing to stock external brands who also take their supply chain responsibilities seriously.	External production data in FWF's information management system. Documentation of sales volumes of products made by FWF or FLA members.	N/A	3	0

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## MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 28

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### 3. COMPLAINTS HANDLING

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1
3.2 System exists to check that the Worker Information Sheet is posted in factories	Yes	The Worker Information Sheet is a key first step in alerting workers to their rights.	Photos by company staff, audit reports, checklists from factory visits, etc.	2	2	0

**Requirement:** SALEWA & DYNAFIT needs to ensure that all production locations have posted the Code of Labour Practice.

**Comment:** A system exists to check that the Worker Information Sheet is posted at all production locations. However, a significant number of production locations did not have the Code of Labour Practice posted in 2015.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	55%	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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**Recommendation:** SALEWA & DYNAFIT can stimulate its suppliers to participate in WEP trainings, to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the worker information sheet, affiliates can use the worker information cards available for download on FWF's website.

**Comment:** Approximately 55% of FWF-audited factories in 2015 showed workers were aware of the FWF worker helpline or received a WEP training session.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Affiliate involvement is often essential to resolving issues.	Documentation that affiliate has completed all required steps in the complaints handling process.	3	6	-2
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**Recommendation:** FWF encourages SALEWA & DYNAFIT to continue its efforts to resolve the complaint and ensure preventive steps are taken (eg. encouraging effective social dialogue).

**Comment:** SALEWA & DYNAFIT received one complaint in 2015. This complaint, as mentioned in 2.6b, is relatively complex and has not yet been resolved. It remains to be seen which preventive steps can be taken to avoid this type of complaint happening again.

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: 11

## 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: During discussions with various SALEWA & DYNAFIT staff, a good knowledge of FWF and its requirements was shown.

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: In 2015, a key employee in apparel joined SALEWA & DYNAFIT. In contact before and during the Brand Performance Check, it was clear that this person was adequately trained on FWF requirements.

4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes	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.	1	2	-2
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Comment: All intermediaries have been informed about FWF membership. As intermediaries are the primary contact to SALEWA & DYNAFIT, they are actively involved in supporting the Code of Labour Practice. In 2015, these intermediaries did not always inform SALEWA & DYNAFIT on a timely basis about where production was taking place and therefore full points cannot be awarded.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	41%	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. This programme is offered in an increasing number of production countries. SALEWA & DYNAFIT should motivate its main supplier(s) to join WEP trainings.

**Comment:** SALEWA & DYNAFIT enrolled 41% of its production locations located in WEP countries in FWF's WEP training program, a significant increase compared to the previous year.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	18%	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.	2	4	0
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**Comment:** In 2015, SALEWA & DYNAFIT conducted a training session in Myanmar.

## TRAINING AND CAPACITY BUILDING

Possible Points: 15

Earned Points: 10

## 5. INFORMATION MANAGEMENT

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

**Comment:** Audits in 2015 continued to identify subcontracting locations that were not included in SALEWA & DYNAFIT's monitoring system. A number of suppliers also placed production at locations that were not previously known to or approved by SALEWA & DYNAFIT.

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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## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 4



## 6. TRANSPARENCY

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

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: Check this online yet.

6.3 Social Report is submitted to FWF and is published on affiliate's website	Published on affiliate's website	The Social Report is an important tool for 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: SALEWA & DYNAFIT has submitted the Social Report to FWF and it will be published online as well. The previous year's report is also published online.

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## TRANSPARENCY

Possible Points: 4

Earned Points: 4

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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
7.2 Changes from previous Brand Performance Check implemented by affiliate	60%	In each Brand Performance Check report, FWF may include requirements for changes to management practices. Progress on achieving these requirements is an important part of FWF membership and its process approach.	Affiliate should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: In 2014, SALEWA & DYNAFIT had requirements related to the following indicators:

- 1.4: Due diligence conducted at all new production locations
- 2.6: High risk issues related to sourcing in Myanmar

In 2015, SALEWA & DYNAFIT followed up on both requirements by developing a more structured due diligence process. However, it did not conduct due diligence at all new production locations, for reasons mentioned earlier in the report.

For Myanmar, SALEWA & DYNAFIT worked to mitigate risks related to sourcing there, and is continuing this in 2016.

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## EVALUATION

Possible Points: 6

Earned Points: 6

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## RECOMMENDATIONS TO FWF

N/A

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	24	40
Monitoring and Remediation	28	35
Complaints Handling	11	15
Training and Capacity Building	10	15
Information Management	4	7
Transparency	4	4
Evaluation	6	6
Totals:	87	122

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

71

### PERFORMANCE BENCHMARKING CATEGORY

Good

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

12-05-2016

Conducted by:

Kees Gootjes

Interviews with:

Alberto Ciet, Footwear Division

Alexandra Letts, CSR Manager

Ansgar Beckstedde, Sourcing Director Apparel

Clemens Possenig, Quality Management Equipment

Kai Blessenohl, Costing Manager

Massimo Baratto, CEO

Michael Levi, General Manager Apparel Division

Stefan Rainer, Sales Manager SALEWA

Verena Neufeldt, Technical Hardware

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.