



## BRAND PERFORMANCE CHECK

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ODLO International AG

this report covers the evaluation period 01-07-2015 to 30-06-2016

## 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

ODLO International AG

Evaluation Period: 01-07-2015 to 30-06-2016

AFFILIATE INFORMATION	
Headquarters:	Hünenberg, Switzerland
Member since:	18-09-2008
Product types:	Sportswear
Production in countries where FWF is active:	China, India, Romania, Turkey, Viet Nam
Production in other countries:	Germany, Hungary, Indonesia, Israel, Italy, Jordan, Korea, Republic of, Morocco, Portugal, Slovenia, Sri Lanka, Thailand
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	90%
Benchmarking score	78
Category	Leader

## Summary:

ODLO meets most of FWF's management system requirements and goes beyond several. At 90%, ODLO's monitoring percentage meets the 90% monitoring threshold required for members beyond their third year of membership.

ODLO has long-lasting relationships with most suppliers and owns two production sites in Romania and Portugal. This, as well as a high leverage at most suppliers, allows effective work on implementing FWF's Code of Labour Practices.

A strong monitoring system and due diligence process enables ODLO to identify and address risks and non-compliances in their supply chain. ODLO's production planning system supports reasonable working hours, yet challenges remain to reduce excessive overtime hours at shared suppliers. In countries where FWF offers its Workplace Education Programme, two thirds of ODLO's suppliers have participated (by production volume).

FWF encourages ODLO to strengthen efforts toward increasing wage levels. For its own production site in Romania, ODLO has looked further into possibilities to implement a living wage project, but a final decision has not been taken yet. With production sites that are not owned by ODLO, the company discusses the topic regularly during supplier visits, but ODLO has not yet started to systematically agree with suppliers to work towards higher wage benchmarks.

## 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	67%	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:** ODLO produces 33 % of its production at its own production sites in Romania and Portugal, which produce exclusively for ODLO. Another third of ODLO's production volume is produced at suppliers where ODLO buys at least 10% of production capacity. High leverage at its suppliers allow ODLO to work effectively on the implementation of FWF's Code of Labour Practices (CoLP). At the same time, the company has a limited number of suppliers where it accounts for a smaller percentage of production capacity, due to specific requirements for expertise and machinery.

1.2 Percentage of production volume from suppliers where a business relationship has existed for at least five years	78%	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.	4	4	0
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**Comment:** Long-term supplier relationships are an important part of ODLO's sourcing strategy. The company has not ended any key relationships in the past financial year. With one relevant supplier, ODLO is in the process of gradually phasing out production for reasons that are not related to social compliance. The factory has been informed several seasons ahead and production from this supplier will be moved to an existing supplier of ODLO. Two new suppliers have been added in the last financial year to allow closer market time for a specific product range.

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:** ODLO started business relationships with two new suppliers in its last financial year and could show signed FWF questionnaires including the CoLP for both suppliers. One supplier was already producing for another FWF member. ODLO's FWF membership is always discussed with potential suppliers during initial meetings. Endorsement of the CoLP is required before orders can be placed.

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:** ODLO has a strong due diligence process in place. When planning to select a new supplier in a new production country, a factsheet is produced assessing possible risks using FWF country studies as well as information by ILO and NGOs.

ODLO staff visits every potential new production site, uses the FWF Health&Safety Checklist, collects existing audit reports and discusses FWF requirements already during the first visit.

In its last financial year, ODLO started sourcing from Turkey. ODLO is aware of the risks related to working conditions of Syrian refugees and has informed their suppliers accordingly. Both new production sites have been visited. The risk for subcontracting has been determined as low since the production process is mostly automated.

ODLO has also started a due diligence process for a production location in Myanmar toward the end of their last financial year.

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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**Comment:** ODLO is systematically monitoring the social performance of its suppliers, especially the follow-up on Corrective Action Plans (CAP). Dialogue with factories and results of visits are documented. Social performance has been integrated as a category in the supplier score card of ODLO during the last financial year, but has not yet been assessed. This will be implemented in ODLO's current financial year. ODLO feels that all suppliers are generally willing to make improvements on social compliance. Due to the small supplier base it is difficult for ODLO to reward well-performing suppliers with larger orders.

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:** ODLO has strong systems in place to plan production in a way that supports reasonable working hours. An online database allows both suppliers and ODLO to access a shared transparent production planning system. This allows ODLO to detect possible problems and set production priorities with the supplier. During its last financial year, ODLO has continued to improve production planning for its own production sites in Romania and Portugal. Lead times have been shortened, but are now spread more evenly throughout the year to allow reasonable hours of work. Greige fabric is kept on stock constantly to allow on-demand production. With other suppliers, ODLO and the supplier agree on a delivery date together, allowing for lead times of up to 120 days. Usually, 60-80% of orders promised to by ODLO to the supplier are executed unchanged. Additional indicators related to more predictable and even production planning have been implemented for the development team and design/category management team. For most suppliers, ODLO has a good understanding of the general production capacity. A supplier summit in October 2015 brought together material and CMT suppliers of ODLO to facilitate better dialogue and smoother work flows.



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:** ODLO could discuss with factory management on the causes of excessive overtime and provide support to manage overtime. If necessary, ODLO could hire local experts to analyse root cause of excessive overtime in cooperation with the supplier.

Furthermore, FWF encourages ODLO to involve other customers at production sites where ODLO only has limited leverage.

**Comment:** A FWF audit at ODLO's own production in Romania confirmed that overtime hours decreased significantly due to ODLO's improved production planning and are within legal limits.

However, two other FWF audits at a Thai and Chinese site indicated excessive working hours. The Thai production site is shared with another FWF member. Both members discussed the audit finding with the supplier. The supplier agreed to work on decreasing overtime hours and has recently opened an additional production location in Vietnam to increase capacity. Nevertheless, a FWF verification audit in ODLO's current financial year indicated that challenges with excessive overtime remain.

The Chinese production site is shared with several FWF members, but the combined leverage at the site remains below 10%. ODLO tried to involve other non-FWF customers of the production site while re-mediating overtime findings, but was unable to.

In general, if suppliers announce possible problems with meeting the agreed shipping deadline, ODLO tries to split orders and staggers delivery dates. Airfreight is accepted and paid by the party that caused the delay.

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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**Comment:** ODLO uses detailed costing sheets for all suppliers. For its own production sites, ODLO knows the exact wage share per style.

However, it remains a challenge for ODLO to gain insights into labour cost per working minute of production sites, which are not owned by the company.

To calculate accurate estimates, ODLO uses data from its own production to develop minutes per style benchmarks for production sites not owned by ODLO and systematically cross-checks their wage estimates with wage data collected during FWF audits.

In Ethiopia, where reliable data on living wage benchmarks was not yet available, ODLO interviewed local stakeholders to collect wage benchmarks and reviewed payrolls of the supplier.

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:** None of the three audits conducted by FWF in ODLO's last financial year found that workers were paid below legal minimum wage.

1.10 Evidence of late payments to suppliers by affiliate.	Yes	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.	-1	0	-1
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**Requirement:** ODLO should pay its suppliers on time as late payments to suppliers 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.

**Comment:** One supplier stated during a FWF audit that ODLO delayed payments. ODLO explained that they had requested suppliers to accept a payment delay of one month to be able to fulfill urgent, short-term financial responsibilities. The audited supplier did not accept this proposal, but payment was nevertheless delayed for one month. ODLO is aware of risks associated with delaying payments and does not request this to suppliers on a regular basis. At times, ODLO also grants pre-payments to suppliers if requested to allow financial stability.

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 encourages ODLO to go ahead with the implementation of a living wage project at its own production site in Romania. As ODLO owns the supplier, the company is held more accountable for implementing adequate steps. In addition, FWF encourages ODLO to discuss with suppliers about possibilities to work towards higher benchmarks. ODLO can make use of FWF's living wage portal and recent publications to support this process.

**Comment:** For its own production site in Romania, ODLO has looked further into possibilities to implement a living wage project, but a final decision has not been taken yet. The company has gathered information about the socio-economic situation in the region and the demographic situation at the factory. In addition, ODLO has actively been searching for possible (local) partners and regional wage benchmarks. With production sites that are not owned by ODLO, the company discusses the topic regularly during supplier visits and is able to estimate the amount needed to raise wage levels to living wage benchmarks. Wages has also been integrated as a topic when selecting new suppliers. ODLO has not yet started to systematically agree with suppliers to work towards higher wage benchmarks.

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 its last financial year, ODLO bought 12 % of its production at a FWF factory member.

1.13 Percentage of production volume from factories owned by the affiliate.	33%	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
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Comment: ODLO owns one production site in Portugal and one in Romania. Both production sites produce exclusively for ODLO.

## PURCHASING PRACTICES

Possible Points: 43

Earned Points: 32

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	81%	
% 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	90%	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: ODLO has designated staff to follow up on problems identified by monitoring systems and clear procedures on internal responsibility.

2.2 Degree of progress towards resolution of existing Corrective Action Plans	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that affiliates can do towards improving working conditions.	Documentation of remediation and followup actions taken by affiliate.	4	8	-2
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Recommendation: To facilitate remediation, ODLO could consider:

- Hiring a local consultant to assist factor management in developing an action plan and in investigating root causes.
- Providing factory training.
- Share knowledge/material.

**Comment:** ODLO has a system in place to systematically follow up on audit findings. All findings are registered in an overview document. Staff from product development and local quality control staff in China support remediation when visiting suppliers. Structural issues are discussed during visits by management and the Head of Sourcing.

At its own production sites, designated ODLO staff is responsible for monitoring and remediation, including subcontractors. The recent FWF audit at the Romanian site verified significant improvements on previous audit findings.

At the same time two other FWF audits conducted during ODLO's last financial year in China and Thailand highlighted several non-compliances. ODLO has been working on remediation in cooperation with other FWF members also sourcing at the production locations. While some findings have been improved, challenges remain e.g. regarding excessive overtime.

2.3 Percentage of production volume from suppliers that have been visited by the affiliate in the past financial year	94%	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:** ODLO staff visited almost all production sites during ODLO's last financial year.

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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**Recommendation:** FWF encourages ODLO to collect additional data on wage levels or other information relevant to the FWF Code of Labour practices that might not be included in existing audit reports from other sources.

**Comment:** ODLO collected existing audit reports from its production locations in Israel and Jordan, where FWF is not conducting audits as well as one report from a Turkish supplier. ODLO assessed the quality of those audits with FWF's audit quality assessment tool and ensured follow up on audit findings. Those audits are therefore counted towards FWF's monitoring threshold (15% of total FOB).

For the production site in Israel, no findings were included. ODLO followed-up with the factory to collect additional information about their compliance system.

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:** Once ODLO receives an audit report, they first evaluate it themselves, discuss it with other FWF members (if it is a shared audit) and then pass it on to the supplier to agree on improvement timelines.

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 recommends ODLO to further strengthen its risk assessment by systematically including preventive actions and remediation.

**Comment:** ODLO has a thorough understanding of common risks in its supply chain. The company uses detailed country factsheets assessing risks and opportunities based on extensive research taking into account information by FWF, ILO and other international and local stakeholders.

Several risks are addressed actively and ODLO is aware of their responsibility e.g. regarding the risks related to working conditions of Syrian refugees in Turkey.

For Ethiopia, ODLO cooperated with other FWF members, interviewed stakeholders, visited the production site and conducted a risk assessment to monitor and address possible challenges.

Challenges remain regarding structural risks such as excessive overtime, low wage levels and lack of dialogue between workers and management.

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

**Comment:** ODLO did not source yet from Myanmar during its last financial year, but has plans to do so in the near future. ODLO is aware of FWF's policy on sourcing from Myanmar. A due diligence process has been started which includes exchange with another FWF member already sourcing at the production location. A trip has been scheduled for the end of 2016 to collect further stakeholder input and insights into the production location.



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: ODLO cooperates actively with other FWF members wherever possible. For one audit, it took the lead in remediation on behalf of other members. Especially at a production location in Ethiopia ODLO cooperated with other FWF members who had started sourcing from the country for the first time.

2.8 Monitoring requirements are fulfilled for production in low-risk countries	Yes	Low risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with basic standards.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0
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Comment: ODLO could show signed CoLPs and pictures of the CoLP on display for all production locations in low risk countries. Except for one production site in Hungary, where ODLO sources less than 1 % of its FOB, all production sites were visited or are owned by ODLO.

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: 22

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	0	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	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

Comment: ODLO has designated staff resources and defined clear responsibilities to handle 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: ODLO asks its traveling staff to check whether the Worker Information Sheet has been posted and collects pictures for proof. The Worker Information Sheet has been replaced by FWF's updated version at most suppliers.

3.3 Percentage of FWF-audited factories where at least half of workers are aware of the FWF worker helpline.	50%	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:** ODLO 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, ODLO can use the worker information cards available for download on FWF's website.

**Comment:** In one out of three FWF audits conducted in ODLO's last financial year, more than half of all interviewed workers were aware of the FWF helpline. One production site participated in FWF's Workplace Education Programme, which is counted toward this indicator.

3.4 All complaints received from factory workers are addressed in accordance with the FWF Complaints Procedure	No complaints received	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.	N/A	6	-2
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3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most factories supply several customers with products, involvement of other customers by the FWF affiliate can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	-2
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**Comment:** ODLO has actively cooperated with other FWF members to remediate findings from a complaint received already in ODLO's previous financial year.

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## COMPLAINTS HANDLING

Possible Points: 9

Earned Points: 8

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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: Information about FWF membership is shared regularly on ODLO's intranet and during sales conferences. The result of the last Brand Performance Check was shared with all employees.

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: The development team received training by the person responsible for FWF membership at ODLO and was introduced to the Health&Safety checklist. ODLO also organised an event to update relevant staff on current developments in Ethiopia, where ODLO had started sourcing for the first time.

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: ODLO works with one agent located in the United States, production takes place in China. Although ODLO sources via the agent, the company is still in direct contact with the production site when needed. The agent has been informed about the FWF Code of Labour Practices.

4.4 Factory participation in Workplace Education Programme (where WEP is offered; by production volume)	67%	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:** In ODLO's last financial year, one Vietnamese supplier participated in a WEP. Two production sites in Romania and a Chinese supplier had participated in the two years before and are also counted toward this indicator.

4.5 Factory participation in trainings (where WEP is not offered; by production volume)	0%	In areas where the Workplace Education Programme is not yet offered, affiliates may arrange trainings on their own or work with other training-partners. Trainings must meet FWF quality standards to receive credit for this indicator.	Curricula, other documentation of training content, participation and outcomes.	0	4	0
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**Recommendation:** All factory workers should be informed about the labour standards and the process of monitoring and remediation. In order to further communication between employers and workers in the workplace FWF recommends ODLO to ensure suppliers participate in trainings. Trainings must meet FWF quality standards to receive credit for this indicator: top management, supervisors and workers should be included in the trainings separately. Workplace standards and dispute handling should be included in the training. At least 10-20% of the workforce must be trained, depending on the size of the factory. Worker participations should be balanced and representative.

## TRAINING AND CAPACITY BUILDING

Possible Points: 15

**Earned Points: 10**

## 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

**Comment:** ODLO has a strong system in place to identify all production locations. For their own production sites, they are aware which subcontractors are being used. Those are also visited by ODLO staff. With production sites that are not owned by ODLO, ODLO has made agreements whether, and if so, which subcontractors can be used. Local ODLO staff visits production sites regularly and also checks for subcontracting.

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:** Staff from both sourcing and product development is involved in CSR activities. Information is shared in regular meetings, especially before and after supplier visits. ODLO staff and suppliers have access to a joint database with relevant information.



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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: ODLO informs the public about its FWF membership through its website, brochures, press releases and catalogs. All communication materials and channels contain information about the FWF membership in correct wording.

As a FWF leader company, ODLO uses on-garment communication on hang-tags and product boxes.

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: The latest Brand Performance Check report has been published on ODLO's website.

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 has been submitted to FWF and has been published on ODLO's website.

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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

Comment: FWF membership has been evaluated at top management level during ODLO's last financial year. The membership is integrated in ODLO's sustainability strategy and additional resources for implementation of membership have been approved.

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

Odlo currently sources around 30% of its FOB from countries, where FWF is not active and would like more guidance from FWF on how to implement the CoLP there.

Odlo would like more guidance on how FOB values of different production locations of one supplier can be calculated.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	32	43
Monitoring and Remediation	22	29
Complaints Handling	8	9
Training and Capacity Building	10	15
Information Management	7	7
Transparency	4	4
Evaluation	2	2
Totals:	85	109

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

78

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

21-10-2016

Conducted by:

Lisa Suess

Interviews with:

Christophe Jean Bezu, CEO

Andrea Gerber, Sustainability Manager

Daniel Mulvie, Head of Sourcing & Product Development

Stephanie Waltenspül, PR 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.