



## BRAND PERFORMANCE CHECK

---

SALEWA, DYNAFIT & Wild Country

PUBLICATION DATE: JULY 2017

this report covers the evaluation period 01-01-2016 to 31-12-2016

## ABOUT THE BRAND PERFORMANCE CHECK

Fair Wear Foundation believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. FWF, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

FWF's Brand Performance Check is a tool to evaluate and report on the activities of FWF's member companies. The Checks examine how member company management systems support FWF's Code of Labour Practices. They evaluate the parts of member company 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 product locations, and most product locations work for many different brands. This means that in most cases FWF member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of FWF member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location 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 product location 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 member company 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 & Wild Country

Evaluation Period: 01-01-2016 to 31-12-2016

MEMBER COMPANY INFORMATION	
Headquarters:	Bolzano, Italy
Member since:	25-09-2013
Product types:	Outdoor
Production in countries where FWF is active:	Bangladesh, China, Indonesia, Myanmar, Romania, Tunisia, Turkey, Viet Nam
Production in other countries:	Austria, Cambodia, Czech Republic, Italy, Slovakia, 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
SCORING OVERVIEW	
% of own production under monitoring	93%
Benchmarking score	79
Category	Leader

## Summary:

In 2016, OberAlp Group with brands SALEWA, DYNAFIT & Wild Country has shown advanced results on performance indicators and has made exceptional progress. With a monitoring percentage of 93%, reached using FWF audits and external audits approved by FWF according to its guidelines, it has achieved the required monitoring threshold for companies that have been a member longer than three years. In addition, SALEWA, DYNAFIT & Wild Country has achieved a benchmarking score of 79, placing it in the Leader category.

In 2016, Wild Country joined FWF as part of the OberAlp Group's FWF membership. All three brands share the same social compliance and sustainability strategy and program, and are therefore evaluated together.

In terms of sourcing, SALEWA, DYNAFIT & Wild Country has made significant progress in conducting due diligence, ensuring that production takes place at known production locations and organising its order placement and follow up in such a way that contributes to improved social compliance. This process has also led to substantial consolidation of production locations, potentially facilitating the social compliance monitoring process. When it comes to monitoring and complaints handling, SALEWA, DYNAFIT & Wild Country has a well-developed system in place to follow up on audits and complaints, as well as work on root cause analysis and remediation of more difficult labour standards. Where possible, it seeks out active collaboration with other FWF brands stakeholders in terms of CAP and complaint remediation.

SALEWA, DYNAFIT & Wild Country is encouraged to maintain its advanced level of CAP remediation, being sure to document it. Its initial work on living wage implementation also needs to be further developed, tested, and, where possible, implemented into its regular production practices.

## PERFORMANCE CATEGORY OVERVIEW

**Leader:** This category is for member companies 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 member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of FWF member companies—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 member companies will receive a 'Good' rating.

**Needs Improvement:** Member companies 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. Member companies 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:** Member companies 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. Member companies 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
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	57%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	3	4	0

**Comment:** In 2016, 57% of production volume came from suppliers where SALEWA, DYNAFIT & Wild Country were responsible for at least 10% of production. This is a significant improvement over the previous year.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	31%	FWF provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to FWF.	0	4	0

**Comment:** SALEWA, DYNAFIT & Wild Country had 31% of its FOB coming from production locations where it buys less than 2% of its total FOB. This is a relatively long tail, and SALEWA, DYNAFIT & Wild Country indicated that it has a relatively high number of equipment and accessory factories that make specific products.

**Recommendation:** FWF recommends SALEWA, DYNAFIT & Wild Country to consolidate its supply base by limiting the number of supplier in its 'tail end'. To achieve this, members should determine whether suppliers where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way.

It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	64%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	3	4	0

**Comment:** In 2016, approximately 64% of SALEWA, DYNAFIT & Wild Country's production volume comes from production locations where it has maintained a business relationship for at least five years. This is an increase from the previous Brand Performance Check.

**Recommendation:** FWF recommends SALEWA, DYNAFIT & Wild Country to maintain stable business relationships with suppliers. Long term relationships support most aspects of the Code of Labour Practices, and give factories a reason to invest in improving working conditions.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.3 All new production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

**Comment:** SALEWA, DYNAFIT & Wild Country was able to show that questionnaires for new suppliers were signed and returned.

**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to keep the full completed questionnaire on file and not just the signed pages. In this way, suppliers can be reminded of their commitment to all eight Labour Standards, where necessary.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.4 Member company conducts human rights due diligence at all new production locations before placing orders.	Advanced	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

**Comment:** SALEWA, DYNAFIT & Wild Country has a 'supplier screening' process which includes social standards and which was developed already before joining FWF in October 2013. Supplier screenings include asking for existing audit reports, an extensive factory visit and a detailed questionnaire. These activities are conducted before production takes place at the production sites by the quality control and product managers in China, Vietnam, Bangladesh and Myanmar.

In 2015, a process was developed where human rights due diligence was put into place as part of the Supplier Selection Guide. As a response to the issues found in 2016 related to the discovery of new production locations and the lack of due diligence, SALEWA, DYNAFIT & Wild Country further developed and strengthened its due diligence process by defining all the necessary steps before a new production location can be accepted and setting in place various checks by different positions (eg. general manager, CSR team, planning team) to ensure adequate due diligence. In addition, SALEWA, DYNAFIT & Wild Country has a spreadsheet to ensure that due diligence has been done at every new production location.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0



**Comment:** SALEWA, DYNAFIT & Wild Country was able to show that it made production decisions incorporating social compliance issues. This was both in a positive and negative sense (ie. factories were chosen as longer term strategic partners when they cooperated on social compliance while they also phased out production when the supplier did not show adequate improvement).

When it comes to a responsible exit strategy, SALEWA, DYNAFIT & Wild Country indicated that it, where possible, phases out production over a number of seasons and in (close) communication with the production location(s).

**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to establish a more systematic process regarding its exit procedures at production locations to ensure that these locations are, where possible, not adversely affected.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

**Comment:** From design to development, division management (eg. apparel, technical hardware) is involved to decide on placement of production. Development is around product type instead of product line. 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. This means that SALEWA, DYNAFIT & Wild Country bases its production planning on 'hard' production orders to avoid larger fluctuations in order volumes. By its 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.

In 2016, SALEWA, DYNAFIT & Wild Country strengthened the demand planning department, a separate team within the apparel division. This means that the sales departments are no longer filling in sales forecasts and then 'overachieving' the target, potentially leading to rush orders and overbooked capacity, a major cause of overtime. The demand planning department, independent of the sales departments, has no such incentive as mentioned above and is therefore much more accurate in its forecast, which means that material can be booked on time and has a better chance of being at the factory when production needs to take place.

**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to track and report on its purchasing practices related to supporting reasonable working hours. This could include reporting on the accuracy of demand planning or the occurrence of air freight, etc.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Intermediate efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	3	6	0

**Comment:** In 2016, SALEWA, DYNAFIT & Wild Country started asking suppliers to provide feedback on its purchasing practices related to overtime and pricing as part of CAP remediation and production evaluation. In general, suppliers indicated they were satisfied. This means that SALEWA, DYNAFIT & Wild Country's suppliers have not indicated that its purchasing practices are a cause of OT. It also worked to build in an extra buffer week in the production planning process.

Audits at various production locations, however, indicated that excessive overtime was still occurring on a regular basis.

**Recommendation:** SALEWA, DYNAFIT & Wild Country are encouraged to continue its dialogue with suppliers on the role it can play in reducing excessive overtime at a factory level, and could investigate whether it can cooperate with other (FWF) brands on the remediation of excessive overtime where found.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company'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

**Comment:** SALEWA, DYNAFIT & Wild Country 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 & Wild Country began a process of collecting wage data and costing information on a style level. This process was completed in 2015 and updated for each new season after, meaning that costing information has been compiled for the vast majority of 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.

**Recommendation:** FWF encourages SALEWA, DYNAFIT & Wild Country 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 'Labour Minute Costing' report, available on the FWF website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if suppliers fail to pay legal minimum wages.	Yes	If a supplier fails to pay minimum wage, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law.	Complaint reports, CAPs, additional emails, FWF audit reports or other documents that show minimum wage issue is reported/resolved.	1	2	-2

**Comment:** At one audit conducted in 2016, it was unclear if legal minimum wages were being paid due to inaccurate record-keeping. However, worker interviews indicated that workers did receive legal minimum wages. To make sure, SALEWA, DYNAFIT & Wild Country asked for documentation on this finding and received it.

**Recommendation:** SALEWA, DYNAFIT & Wild Country is recommended to ensure that its suppliers have accurate record-keeping systems in place.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations 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 production location and member company financial documents.	0	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses root causes of wages lower than living wages with suppliers and takes steps towards the implementation of living wages.	Production location level approach	Sustained progress towards living wages requires adjustments to member companies' policies.	Documentation of policy assessments and/or concrete progress towards living wages.	4	8	0

**Comment:** SALEWA, DYNAFIT & Wild Country 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. Similar to issues related to excessive overtime, SALEWA, DYNAFIT & Wild Country asked for feedback from its suppliers on this issue, and is in process of receiving the responses and entering into a meaningful dialogue with them.

In the meantime, SALEWA, DYNAFIT & Wild Country encouraged its factories to be more transparent on its payslips, receiving proper premiums for OT and discrimination in wage increases between departments (eg. ironing and sewing departments). It also asked one production location to do an analysis of living costs in the area.

In terms of open costing, more than 90% of apparel products now have costing sheets for them. In addition, on a management level SALEWA, DYNAFIT & Wild Country engages in discussions about wage levels at a supplier level. It has also identified one supplier that it will pilot a living wage intervention with, and this work continues into 2017.

At the end of 2016, these various steps and initiatives did not yet work out into a supply chain approach, as work is still continuing on this and results need to be tabulated yet.

**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to continue its work related to living wages, focusing on the pilot project as well as producing tangible results that can lead towards further progress, even if the results may seem like small steps.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	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 a member company's score.	Supplier information provided by member company.	N/A	2	0

## PURCHASING PRACTICES

Possible Points: 44

**Earned Points: 30**

## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	77%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	16%	FWF low risk policy should be implemented. 0 = policy is not implemented correctly. N/A = no production in low risk countries.
Meets monitoring requirements for tail-end production locations.	No	Implementation will be assessed next Brand Performance Check
Total of own production under monitoring	93%	Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100% 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case FWF teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for FWF to approve the auditing system.	Information on audit methodology.	N/A	0	-1

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	FWF considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

**Comment:** SALEWA, DYNAFIT & Wild Country has put significant effort into CAP remediation. It was able to show a system of tracking progress for its audits, with comments, pictures and information shown in the CAP updates. In addition to this, SALEWA, DYNAFIT & Wild Country 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.

For its repeat audits, SALEWA, DYNAFIT & Wild Country has done an analysis of audits in 2013 and 2016 to see what issues have been followed up, which ones were not and what issues were new. A number of (predominantly external) audits were not able to be followed up more in-depth as production was either stopped or in the process of being stopped. In terms of worker representation, SALEWA, DYNAFIT & Wild Country also discussed audit findings with the local trade union at a factory in Vietnam.

In summary, SALEWA, DYNAFIT & Wild Country has made progress in comparison to previous years and therefore also receives more points.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	91%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.6 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 2016, approximately 16% of its monitoring volume was based on existing, external audit reports. This percentage is slightly higher than the previous year, indicating that SALEWA, DYNAFIT & Wild Country has a system in place to avoid double auditing at production locations if possible.



**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to work on analysing the weaker points of the external existing audits and taking steps to ensure that all relevant social compliance information is available.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Average score depending on the number of applicable policies and results	Aside from regular monitoring and remediation requirements under FWF membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. FWF requires member companies to be aware of those risks and implement policy requirements as prescribed by FWF.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	5	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Intermediate			3	6	-2
Compliance with FWF Myanmar policy	Advanced			6	6	-2
Compliance with FWF guidance on abrasive blasting	Policies are not relevant to the company's supply chain			N/A	6	-2

**Comment:** SALEWA, DYNAFIT & Wild Country has continued sourcing in Bangladesh and maintained its due diligence and risk mitigation activities. These focus on only sourcing at Accord inspected and approved factories, as well as ensuring factory management is aware of relevant risks and attending training sessions. There were a number of factories, however, that have not been audited and have not completed any training, and therefore full points cannot be awarded.

For Myanmar, SALEWA, DYNAFIT & Wild Country took a number of steps in 2016. In addition to its usual due diligence as described earlier, it also put together a list of all factories associated with issues released by relevant organizations and the relevant information related to production, etc. For the factories where it produces, it also checked ownership of the factory and the land that it is on in accordance with the FWF policy.

For this reason, SALEWA, DYNAFIT & Wild Country receives full points for all relevant issues of this indicator.

Finally, it organized a training session at its supplier (that it won a FWF Best Practice Award 2016 for) focusing on intercultural issues between management and workers (see Social Report 2016).

**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to maintain its high level of due diligence and monitoring, as both Bangladesh and Myanmar continue to face significant challenges related to social compliance.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances 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

**Comment:** SALEWA, DYNAFIT & Wild Country actively cooperated with other FWF brands in resolving corrective action plans at shared suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	Member undertakes additional activities to monitor suppliers	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	2	0

Comment: SALEWA, DYNAFIT & Wild Country meets FWF's monitoring requirements for low-risk countries. In 2016, FWF issued a warning to brands sourcing in Italy about vouchers being used instead of salary payments. In response, SALEWA, DYNAFIT & Wild Country took the recommended steps and asked its suppliers to ensure abuse of the voucher system did not take place.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits above the minimum required monitoring threshold.	None	FWF encourages all of its members to audit/monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to FWF and recent Audit Reports.	N/A	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	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	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	FWF believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	Yes, and member has information of production locations	FWF believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	1	1	0

Comment: SALEWA, DYNAFIT & Wild Country makes use of two licensees, in China and South Korea respectively. Both licensees have provided information on the production locations that they make use of.

## MONITORING AND REMEDIATION

Possible Points: 30

Earned Points: 27

## Additional comments on Monitoring and Remediation:

In the tail end of SALEWA, DYNAFIT & Wild Country's supplier base, FWF requires SALEWA, DYNAFIT & Wild Country to ensure it audits all production locations that are responsible for over 2% of production and/or production locations where SALEWA, DYNAFIT & Wild Country is responsible for over 10% of the location's production capacity, with a priority being placed on the production locations found in Bangladesh.

### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	5	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	4	

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 System is in place 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 production location visits, etc.	2	2	0

Comment: SALEWA, DYNAFIT & Wild Country has a process in place to ensure that the Worker Information Sheet is posted at all production locations and also has these sheets on file on its internal server.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Percentage of FWF-audited production locations where at least half of workers are aware of the FWF worker helpline.	36%	The FWF complaints procedure is a crucial element of verification. If production location 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. Production location participation in the Workplace Education Programme also count towards this indicator.	Percentage of audited production locations where at least 50% of interviewed workers indicate awareness of the FWF complaints mechanism + percentage of production locations in WEP programme.	2	4	0

**Comment:** Approximately 36% of FWF-audited factories over the past three financial years showed workers were aware of the FWF worker helpline or received a WEP training session.

**Recommendation:** SALEWA, DYNAFIT & Wild Country can stimulate its suppliers to participate in WEP training sessions to raise awareness about the existence and the functioning of FWF's worker hotline. In addition to sending the Worker Information Sheet, SALEWA, DYNAFIT & Wild Country can use the worker information cards available for download on FWF's website.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location 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. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

**Comment:** In 2016, SALEWA, DYNAFIT & Wild Country received five complaints. Four of these complaints were resolved and closed, while one complaint remains open. For every complaint, SALEWA, DYNAFIT & Wild Country worked and cooperated with other FWF brands to resolve the complaint.

In terms of preventive steps for future complaints in Myanmar, SALEWA, DYNAFIT & Wild Country worked on establishing and maintaining social dialogue at a factory level and involving workers in the internal processes of the factory. There was also a training on cross-cultural communication to improve factory-level relations, as mentioned before.

For the complaints in China, SALEWA, DYNAFIT & Wild Country got factory confirmation that the policy related to laying workers off in off-season would not happen again. For another complaint, SALEWA, DYNAFIT & Wild Country urged the factory to post the dismissal policy in a public place in order to prevent misunderstandings from happening again.

**Recommendation:** SALEWA, DYNAFIT & Wild Country is encouraged to proactively ensure that the issues related that came up in the complaints lodged in 2016 (eg. awareness of dismissal policy) do not occur in other production locations. In such a way, preventive measures are integrated in a systematic, supplier-based level.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	Active cooperation	Because most production locations supply several customers with products, involvement of other customers by the FWF member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	2	2	0

**Comment:** The complaint in Myanmar was handled in close cooperation with another FWF member. There are some new issues related to the same complaint that will require cooperation, and this will continue in 2017.

## COMPLAINTS HANDLING

Possible Points: 15

**Earned Points: 10**



## 4. TRAINING AND CAPACITY BUILDING

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.1 All staff at member company are made aware of FWF membership.	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: SALEWA, DYNAFIT & Wild Country informed its employees in numerous ways in 2016. This included raising awareness among the Export team, the Wild Country brand that joined FWF in 2016, the technical hardware team, and the retail team. Content of the presentations included the FWF process approach, the results of the latest Brand Performance Checks and what information to tell consumers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	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	-1

Comment: In 2016, there was no new staff in direct contact with suppliers as Wild Country falls under the apparel division. During the Brand Performance Check, it was clear that all relevant staff are informed of FWF requirements.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, FWF audit findings.	2	2	0

**Comment:** As a response to last year's issues with its production in many more production locations, SALEWA, DYNAFIT & Wild Country worked closely with its suppliers to improve its due diligence process all production locations. This is in addition to its other social compliance activities.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Production location participation in Workplace Education Programme (where WEP is offered; by production volume)	57%	Lack of knowledge and skills on best practices related to labour standards is a common issue in production locations. 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

**Comment:** SALEWA, DYNAFIT & Wild Country had production locations responsible for approximately 57% of its production volume participate in WEP training sessions.

**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 & Wild Country should motivate its main supplier(s) to join WEP trainings.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Production location 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, member companies 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

**Comment:** In 2016, SALEWA, DYNAFIT & Wild Country had production in two non-WEP countries, Indonesia and Myanmar. As mentioned earlier in this report, SALEWA, DYNAFIT & Wild Country organized a training session in Myanmar but as all factories eligible for these training session represented less than 2% of its FOB, the indicator in N/A.

**Recommendation:** When production in non-WEP countries becomes more sizable, FWF encourages SALEWA, DYNAFIT & Wild Country to implement training sessions that meet FWF's standards as described in the Brand Performance Check Guide.

---

## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 11

---

## 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 member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: SALEWA, DYNAFIT & Wild Country has an advanced system in place to ensure that it is aware of all production locations. This is partly a response to the issues it faced as described in the previous Brand Performance Check.

In addition, it has also worked to identify all subcontracting locations related to activities such as washing, printing and embroidery and ensured that the Worker Information Sheet is posted.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	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

Comment: SALEWA, DYNAFIT & Wild Country has an advanced system in place to share information with all relevant staff. On the internal server, all relevant staff have access and know where to find required information.

---

## INFORMATION MANAGEMENT

Possible Points: 7

Earned Points: 7

---

## 6. TRANSPARENCY

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	FWF's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about FWF are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	FWF membership is communicated on member's website; other communications in line with FWF communications policy.	2	2	-3

Comment: SALEWA, DYNAFIT & Wild Country each communicate about FWF on their websites. In addition to this, in 2016 FWF membership was communicated in all SALEWA stores around Europe by means of a wooden plaque, paper brochures explaining the FWF methodology and on paper shopper bags. The bag design was approved by the FWF communication team and additional requirements for distribution were also followed.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company 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.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	0	2	0

Comment: The most recent Brand Performance Check was published on the website of SALEWA, but not on the DYNAFIT website. As Wild Country joined FWF in 2016, publishing the Brand Performance Check was not applicable.

**Recommendation:** FWF recommends SALEWA, DYNAFIT & Wild Country 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.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.3 Social Report is submitted to FWF and is published on member company's website	Complete and accurate report submitted to FWF	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with FWF's communication policy.	Social report that is in line with FWF's communication policy.	1	2	-1

**Comment:** SALEWA has published the 2016 Social Report on its website, but the Social Report is not yet found on the DYNAFIT or the Wild Country website.

**Requirement:** FWF approach requires transparency on member companies work towards social standards. The social report needs to be submitted to FWF and published on the member company's website.

---

## TRANSPARENCY

Possible Points: 6

Earned Points: 3

## 7. EVALUATION

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management	Yes	An annual evaluation involving top management ensures that FWF policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	100%	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.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	4	4	-2

Comment: SALEWA, DYNAFIT & Wild Country was able to show that it made progress on both of the requirements included in the previous Brand Performance Check:

- conducting human rights due diligence at all production locations before placing orders;
- ensuring that the Worker Information Sheet is posted in all production locations.

## EVALUATION

Possible Points: 6

Earned Points: 6



## RECOMMENDATIONS TO FWF

SALEWA, DYNAFIT & Wild Country would encourage FWF to create and share wage ladders for specific regions within production countries, to allow members to more accurately understand the local context and wage levels so they can work towards a living wage.

## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	30	44
Monitoring and Remediation	27	30
Complaints Handling	10	15
Training and Capacity Building	11	11
Information Management	7	7
Transparency	3	6
Evaluation	6	6
Totals:	94	119

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

79

### PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

09-05-2017

Conducted by:

Kees Gootjes, Tina Rogers

Interviews with:

Alexandra Letts, CSR Expert Social Compliance and Sustainability

Marie Måwe, CSR Manager

Stephanie Völser, Executive Assistant of the President

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, Quality Manager Technical Hardware

Heiner Oberrauch, President