



## BRAND PERFORMANCE CHECK

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Vaude Sport GmbH & Co. KG

PUBLICATION DATE: APRIL 2019

this report covers the evaluation period 01-01-2018 to 31-12-2018

## 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

Vaude Sport GmbH & Co. KG

Evaluation Period: 01-01-2018 to 31-12-2018

MEMBER COMPANY INFORMATION	
Headquarters:	Tettnang, Germany
Member since:	15-11-2010
Product types:	Outdoor, Sportswear
Production in countries where FWF is active:	China, Myanmar, Viet Nam
Production in other countries:	Austria, Cambodia, Germany, Korea, Republic of, Lithuania, Portugal, Taiwan, Ukraine
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	100%
Benchmarking score	88
Category	Leader

## Summary:

Vaude met most of FWF's management system requirements to improve working conditions. Vaude monitored an impressive 100% of its total purchasing volume, which is well above the 80% required of brands in 3+ years of membership. Combined with a benchmarking score of 88, Vaude comfortably maintains its 'Leader' status.

Vaude has made significant progress in consolidating its supplier base. At 78% of its suppliers, Vaude accounts for more than 10% of the production capacity. Eighty percent of Vaude's total FOB volume comes from suppliers with which Vaude enjoys a long-term business relation (exceeding five years).

Vaude has established strong, integrated systems at the company level. Due to the presence of full-time staff in Asia and frequent visits by Vaude staff to the production sites, Vaude possesses in-depth knowledge about its production sites. The monitoring and remediation of findings at the production sites is a joint effort by all staff members in close contact with these sites.

As (excessive) overtime remains a common labour violation, FWF recommends cooperating with other customers when trying to mitigate excessive overtime hours. It is also recommended to regard excessive overtime, or Sunday work, as a critical non-compliance, that warrants urgent follow-up.

Vaude analyzed and compared all FWF wage ladders from the audited factories. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Asia Floor Wage and Global Living Wage Coalition (also referred to as the Anker benchmark). Vaude's research found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark.

However, Vaude is not able to substantiate a clear link between the wages paid to workers and the FOB prices paid to factories. When Vaude is able to investigate further and determine more precisely the labour costs for its products, it should have a better understanding whether Vaude's FOB prices support payment of living wages. This could then form the basis for discussion with management at suppliers where Vaude has high leverage, to move towards payment of living wages.

## 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.	78%	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.	4	4	0

**Comment:** Vaude is an important buyer (leverage above 10%) for suppliers that combined account for 78% of Vaude's total purchasing volume. This figure has increased from 68% compared to the previous financial year and reflects Vaude's efforts to consolidate its supplier base. Vaude feels it will not be possible to consolidate further, as a certain degree of diversification is needed from a risk management perspective.

**Recommendation:** Vaude 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
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	17%	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.	2	4	0

**Comment:** 17% of production volume from production locations come from sites where Vaude buys less than 2% of its total FOB, down from 20% during the previous financial year. This is another indication that Vaude has been successfully in consolidating its supplier base. Vaude indicated that it takes a very careful approach when phasing out suppliers in order to prepare the supplier and minimize any possible adverse impact for workers.

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.	80%	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.	4	4	0

**Comment:** The total FOB volume from suppliers with which Vaude enjoys a long-term business relation exceeding five years is relatively high and has increased slightly to 80% compared with the previous financial year. Vaude explained that it has decided to move out of China and increase volume in Vietnam and Myanmar. This is mostly influenced by the decisions of its Chinese business partners that is moving production in order to stay competitive.

**Recommendation:** Vaude is advised to describe policies regarding maintaining long term business relationship in a sourcing strategy that is agreed upon with top management/sourcing staff.

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:** Vaude could show examples of signed questionnaires and pictures of the the FWF Code of Labour Practices posted at new suppliers.

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 suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

**Comment:** Based on its vendor management system, Vaude conducts due diligence at new suppliers focusing on environmental, social and quality standards. As part of the assessment, local staff of Vaude visits all new production locations and conducts a detailed walk-through inspection to verify the health and safety conditions. Discussions with the management focus on the environment, social and quality standards in the factory. The FWF Code of Labour Practices is presented in detail and the willingness of manufacturers to cooperate on implementing improvements is assessed.

Moreover, when considering a new production location, Vaude collects existing audit reports and researches other clients sourcing at the factory. In case another FWF member is working with the factory, it is a significant advantage for starting the business relationship. Vaude will then reach out to the other FWF member and request it to share further information.

Vaude requires suppliers to be transparent on subcontractors; preferably all processes are done in house, if not the subcontractors are included in the monitoring system for implementing the Code of Labor Practices. FWF audits are not done prior to production as part of the due diligence process. Vaude, however, commissions audits after the start of production, including at all subcontractors that do sewing.

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:** Suppliers are evaluated twice a year together with all Vaude staff involved with the manufacturers. Suppliers are evaluated based on a set of indicators related to six aspects: (1) sustainability; (2) innovation; (3) production; (4) purchasing and logistics; (5) quality and; (6) cooperation and communication. Tier 1 and tier 2 suppliers are treated the same in this appraisal process. Of course dependant on sales of products concerned, factories that did not demonstrate a willingness to improve on social issues will not receive more orders, while suppliers that perform well would be eligible to receive more orders. Best practices and lessons learned are shared with all suppliers during the annual vendor meeting which is held at Vaude's headquarters. During this meeting, the supplier evaluation and future business relation is discussed with each of the suppliers.



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:** Approximately nine months before delivery, Vaude and the supplier agree on order quantity per style and the delivery deadline. The forecast is agreed upon with the supplier according to their capacity. Vaude demands insight from its suppliers regarding their capacity in pieces per season. Vaude wants to know precisely how many styles the suppliers can do per season and per month. The manufacturers indicate whether the proposed shipment date is feasible; if not, a new date is agreed upon. The communication with the factory is documented in the forecast sheet, where factories can reply and provide comment to the planners. Manufacturers are often asking for production in low season and Vaude tries to accommodate this as much as possible. In order to allow more maximum time for production, orders are often split between multiple delivery dates. When delivery is late, Vaude uses air freight.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced 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.	6	6	0

**Comment:** According to Vaude, (excessive) overtime is a common non-compliance in the garment sector. Vaude indicates that the main cause is related to fabric delays and the fact that suppliers book their available production capacity based on sixty hours per week.

Vaude indicated that in the past overtime was also caused by lack of internal coordination. This has been improved internally. At present, Vaude does not allow last minute 'special orders' anymore. In addition, the sales department is no longer allowed to confirm dates to the customer without getting the prior green light from the production team.

At the 12 Vaude factories that were audited in 2018, (excessive) overtime was found at five suppliers. To overcome the occurring overtime, Vaude has several instruments to mitigate the risk: a flexible planning system with their own warehouse that allows them to adjust the delivery dates to the retailer when needed; the option to prioritize orders, or split the delivery of orders. A last case scenario is air freight.

Vaude is actively promoting transparency regarding working hours. At a factory in Myanmar, where excessive overtime was found which was kept outside the official attendance records, Vaude tracks the working hours for different sections over a period of several months in order to analyse the root causes for excessive overtime.

**Recommendation:** As audit results still show overtime, FWF recommends to keep addressing overtime with the factory and other customers at the factory. FWF recommends cooperating with other customers at the factory to increase leverage, when trying to mitigate excessive overtime hours. It is also recommended to regard excessive overtime, or Sunday work, as a critical non-compliance.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

**Comment:** Vaude's Product manager works with a technician and designer to establish a retail price and FOB price for a certain style (taking fabric costs into account). Once there is internal agreement, the full package is shared with the manufacturer who is asked to agree to the FOB price. The manufacturer verifies whether it is possible to make the product for the proposed price point and suggests adjustments when needed. In case of disagreement, technicians have the possibility to make the design simpler in order to get closer to the target price. In case that is not possible, a decision would need to be taken internally whether or not to accept a higher price.

Vaude does not calculate labour minutes per style, nor does it do open book costing which would allow sufficient insight into the labour cost per product style. It therefore has no possibility of knowing exactly whether the prices they pay suffice for payment of legal minimum wages. Vaude indicated that it will explore the feasibility of a more open book costing with its key suppliers in 2019. To this end, it will develop a costing template (deadline June 2019), which will form the basis for price negotiations at the end of 2019.

**Recommendation:** Increased transparency in costing and productivity gives insight in the labour costs per product. This forms the basis for ensuring enough is paid to cover at least minimum wage and for making steps towards living wages. FWF recommends Vaude to expand its knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. First priority would be to make sure this level of transparency can be achieved with their suppliers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, FWF member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, FWF Audit Reports or additional monitoring visits by a FWF auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

**Comment:** At a factory in Myanmar the FWF audit found that new workers during the 3-month probation period were earning 75% of the legal minimum wage. This is technically in line with relevant legislation in Myanmar which allows payment of 50% of the minimum wage for trainees for a maximum of three months and 75% for workers on probation for another three months.

However, in FWF's 2018 Enhanced Monitoring Programme for Myanmar, FWF has stipulated that 'FWF member companies must work with their suppliers and establish reasonable timeframes to ensure that all workers earn at least minimum wage. This means taking appropriate action when suppliers pay workers below the legal minimum wage, which may be legally allowed under the national legislation (for trainee and probation level wages), but is considered to be a violation of the FWF Code of Labour Practices.'

Vaude indicated that it has discussed with its supplier what it would take to have all workers earning at least the minimum wage level. The supplier pays new workers for 3 months at 75% of the minimum wage level, but it does not apply 50% of the minimum wage for trainees (which technically would be allowed under national legislation). The supplier furthermore indicated that they would be willing to abolish the wages for probationary workers at 75% of the minimum wage, provided Vaude would absorb the additional labour costs. Vaude had considered this but eventually decided that it could not cover the additional costs in the FOB prices as the products concerned were a basic style.

**Recommendation:** As the Enhanced Monitoring Programme for Myanmar was communicated during the second half of 2018, Vaude did not have sufficient time to address the issue with its supplier. Vaude is recommended to work with its supplier in Myanmar and establish a reasonable timeframe to ensure that all workers earn at least minimum wage.

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

**Comment:** No evidence of late payments to suppliers by Vaude was found.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

**Comment:** Vaude analyzed and compared all FWF wage ladders from the audited factories. A detailed analysis has been made by comparing wage levels per factory with living wage benchmarks of the Asia Floor Wage and Global Living Wage Coalition (also referred to as the Anker benchmark). As mentioned, Vaude found that mode regular wages of sewing operators at its factories in Vietnam are close to or above the Anker benchmark.

Vaude is part of Fair Wear's Living Wage Incubator network. The goal is to provide a platform for the member companies to exchange ideas on the subject and to learn from each other. Within that context, Vaude committed to a living wage pilot with a producer in Vietnam. As the factory has to compete for skilled labour it already offers good wages. The factory committed to improve wages further through improvement of production performance and the introduction of a time-rated remuneration system. The direct contribution of Vaude to these improvements are unclear as yet, but it is assumed that Vaude contributes through the prices it pays for products concerned.

**Recommendation:** FWF encourages Vaude to discuss with suppliers about different strategies to work towards higher wages. It is advised to start with suppliers where the member is responsible for a large percentage of production and enjoys a long term business relationship.

FWF encourages Vaude to involve worker representatives and local organisations in assessing root causes of wages lower than living wages. It is advised that the outcomes of the root cause analysis are discussed internally and with top management, to form a basis for an embedded strategy.

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 an member company's score.	Supplier information provided by member company.	N/A	2	0

Comment: Vaude has its own production location at its headoffice in Tettang. The facility provides local employment for several refugees.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	4	0

Comment: Vaude has analysed how the current wages paid in its factories in Vietnam relate to the living wage benchmark put forward by the Global Living Wage Coalition (also known as the Anker benchmark). It concluded that several suppliers already pay close or above this benchmark. This is partly due to Vaude's due diligence (factories are of a relatively high standard), but also to worker shortages in Vietnam, which means factories have to offer competitive wages in order to attract workers. As the wages in Vietnam were already considered good, Vaude has therefore not financed additional wage increases as such.

**Recommendation:** Vaude should analyse what is needed to increase wages and develop a strategy to finance the costs of wage increases. To support companies in analysing the wage gap, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models. It is furthermore advised that the strategy for how to finance wage increases is agreed upon by top management.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.14 Percentage of production volume where the member company pays its share of the target wage	20%	FWF member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	1	3	0

**Comment:** In 2018 Vaude did a comparison between the mode regular wage for sewing operators paid in its factories with the prevailing minimum wage levels and, where available, a living wage benchmark. Its analysis found that, at factories that combined account for 20% of its Vaude's 2018 FOB value, the regular mode wage for sewing operators exceeded the living wage benchmark of the Global Living Wage Coalition (Anker benchmark). FWF considers that Vaude has contributed to payment of the target wage at these factories through the prices it pays for the products concerned.

**Recommendation:** FWF encourages Vaude to show that discussions and plans for wage increases have resulted in the payment of a target wage.

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## PURCHASING PRACTICES

Possible Points: 47

Earned Points: 37

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## 2. MONITORING AND REMEDIATION

BASIC MEASUREMENTS	RESULT	COMMENTS
% of own production under standard monitoring (excluding low-risk countries)	88%	
% of production volume where monitoring requirements for low-risk countries are fulfilled	12%	To be counted towards the monitoring threshold. FWF low-risk policy should be implemented. See indicator 2.9. (N/A = no production in low risk countries.)
Meets monitoring requirements for tail-end production locations.	Yes	
Requirement(s) for next performance check		
Total of own production under monitoring	100%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

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

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

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

Comment: Audit Reports and Corrective Action Plan findings are shared with factory and worker representation where applicable. Improvement timelines are established. In the follow up of corrective actions, Vaude includes local staff and has a clear protocol determining what kind of findings are discussed and to be resolved in what time (also see indicator 2.4).

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.	Advanced	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.	8	8	-2

**Comment:** During the Brand Performance Check, follow-up on corrective actions plans in FWF audit reports was verified randomly. Vaude was able to share detailed information on the status of CAP findings which showed significant progress in terms of remediation of CAP findings. A FWF re-audit at a Vaude supplier in Vietnam showed significant improvements on almost all CAP findings, while no new findings were found.

Vaude has a strong system to document and monitor improvements made after an audit. Already in 2015/16 Vaude introduced a new system that explains how CAPs should be followed up by relevant Vaude staff from headquarters and locally based. The system categorizes findings with the required follow up actions within a clear time-frame. Critical findings for instance require immediate response (within 3 weeks) from factory by email and are followed by two on-site visits. The Vaude top management is involved in case an audit reveals critical problems. Non-critical findings can be handled through desktop follow up, and a yearly visit by local staff. Furthermore, feedback from the factory management on the implementation status of improvements, is cross-checked by Vaude's local staff who visits the production sites regularly. Worker interviews are conducted to verify whether the statement of implementation from factory management is correct.

In case the factory management response varies from the answers from the workers, Vaude takes up the topic again with factory management to see how to ensure full CAP implementation. Dependent on the audit findings, Vaude will arrange training at the factory concerned in order to address issues concerned. Any CAP status update, or new findings, identified during the training, will be immediately integrated in the CAP and followed up through the system.

The process of implementation of all CAPs is analyzed per factory on a yearly basis and progress is documented in a separate sheet by means of ranking the implementation; this forms the basis for prioritizing and marking which issues should be discussed with general management. This analysis is discussed with the factory management during factory visits. Meaningful efforts (documents, pictures, on site visit and meeting reports) are shown to realize improvements, particularly in the area of health and safety which is checked on an annual basis. To this end, a yearly Basic Health and Safety Check is done at all of Vaude's suppliers.

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.	98%	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

Comment: All suppliers are frequently visited by local staff of Vaude and occasionally by headquarter staff. Two factories in high risk countries, one in the Ukraine and one in Korea, were not visited in 2018. Furthermore, Vaude has a policy to visit suppliers in low risk countries every three years.

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:** Vaude has purchased audit reports for three suppliers that are part of the Better Work programme in Vietnam. In addition, third party audits reports are collected by Vaude from a number of suppliers. The FWF audit quality assessment tool was used to assess these external audit reports. Vaude could show proof of dilligent follow-up on the CAPs, also in cooperation with other (FWF and non-FWF) brands.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	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.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	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
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Policies are not relevant to the company's supply chain			N/A	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

**Comment:** Vaude sources at one factory in Myanmar since 2003, starting a relationship long before the suspension of economic sanctions by the EU. As FWF was not active in Myanmar, together with other FWF brands it arranged a training in 2015 on the Code of Labour Practices with SMART Myanmar. The factory was also enrolled in the social compliance programme of SMART. Vaude furthermore tried to enrol the factory in a social dialogue training with SMART but there was no place for the factory in the programme in 2018. The production site has been audited by FWF several times; last time in 2018. The audit revealed various non-compliances, which are being followed up diligently by Vaude.

In 2018 Vaude no longer had any positive FOB in Turkey. Nonetheless, Vaude still follows up on a complaint that was filed in the past years that involved Syrian refugees.

Vaude has no production in Bangladesh. Its assortment does not contain products where abrasive blasting could be a risk.

Main production for Vaude is done in China and Vietnam. In Vietnam Vaude considers the lack of (social) dialogue between management and workers to be among the key risk areas. In order to understand workers' concerns better, Vaude initiated a 6-months survey among workers. It is also working together with Better Work in Vietnam in order to train factory management and workers on country specific risks.

Besides the absence of workers' right on Freedom of Association and limited social dialogue, Vaude considers that the main risk in China is related to overtime, which is mostly caused by a shortage of workers. Vaude local staff in China has been trained to train more workers at the production sites on country specific risks. A root cause analysis has been also been conducted by Vaude local staff, which identified steps for remediation.

**Requirement:** Vaude should follow the requirements for brands as stipulated under the Enhanced Monitoring Programme for Myanmar. This means, inter alia: (i) promoting processes to ensure Freedom of Association and enhance social dialogue at suppliers; (ii) work with their suppliers and establish reasonable timeframes to ensure that all workers earn at least minimum wage; and (iii) work with their suppliers to ensure they follow FWF's guidance on age verification, and enrol factories in FWF's training on age verification.

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: Vaude is actively working together with several other FWF member companies in resolving corrective actions 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.	50-100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. FWF has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of FWF membership; posting of worker information sheets, completed questionnaires.	2	3	0

Comment: Approximately 12% of Vaude's 2018 purchasing volume comes from areas that are classified by FWF as low risk. Monitoring requirements are fulfilled for production in low-risk countries. Vaude visits all suppliers in low risk countries every three years. During the 2018 financial year visits were made to factories in Portugal. The factory visit and meeting with management follows a certain protocol and are documented. A walk through inspection including a health and safety check is part of the protocol. Vaude also checks whether the COLP is posted. Signed questionnaires are on file for all suppliers in low risk countries.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	Yes	FWF encourages its members to 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.	2	2	0

Comment: Vaude conducts audits at all their sewing production sites - no matter how small or big of value to the company.

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:** Vaude works together with one licensee who produces some of Vaude's apparel collection and sells these products in the Chinese market. The contract between the licensee and Vaude has been signed long before Vaude joined FWF. Adding social standards to the contract means changing the overall contract with the licensee which Vaude finds difficult. Vaude is aware of all six production sites which have completed and signed the Vaude/FWF supplier questionnaire. Nevertheless, Vaude is not monitoring the working conditions at these factories, which could carry a reputational risk.

**Recommendation:** FWF recommends Vaude to continuously work together with the licensee on social standards. It is suggested to have social standards included in the licensee's contract and to include its production sites in the monitoring of social standards.

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## MONITORING AND REMEDIATION

Possible Points: 33

**Earned Points: 32**

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### 3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	7	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	5	
Number of worker complaints resolved since last check	2	

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.1 A specific employee has been designated to address worker complaints	Yes	Followup is a serious part of FWF membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: Both CSR responsible staff at Vaude in Germany and Asia are responsible for handling complaints, which takes place through desktop communication as well as on-site. Addressing worker complaints is seen as a shared responsibility which is best addressed face-to-face with the factory management. Whenever the factory management is in Europe, meetings take place to discuss follow up of complaints (and audits). In addition local and on social standards trained staff is involved in the daily business and things which need handling in case of a complaint.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the FWF Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

**Comment:** Local Vaude staff visits the production sites regularly. Checking the posting of the Worker Information Sheet is part of every visit. In the checklist other Vaude colleagues use when visiting suppliers, a question is included to check whether the Worker Information Sheet is posted.

At all nine production sites audited in 2018 the audit team found the Code of Labour Practice (COLP) posted. However, at its main suppliers in Vietnam, the COLP was only posted at the sewing area, which was not easily accessible for workers from other departments. This was flagged already during an earlier audit, but not improved.

**Requirement:** Vaude must ensure that the Worker Information Sheet, including contact information of the local complaints handler of FWF, is posted in factories in a location that is accessible to ALL workers.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	74%	After informing workers and management of the FWF CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, FWF's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Vaude is actively working to raise awareness of workers on the FWF Code of Labour Practices and complaints helpline. Vaude's policy is to arrange Workplace Education Programme (WEP) training for all its main suppliers every three years. In 2018, at the request of Vaude, FWF implemented WEP training at three factories. In addition, Vaude's local staff based in China, who is trained as a WEP trainer, has implemented training sessions at two factories in China in 2018. Vaude plans to build the capacity of Vaude's local staff in Vietnam to do the same. A factory in Cambodia arranged training and a quiz on the FWF Code of Labour Practices for its workers.

**Recommendation:** The member could consider implementing additional activities to raise awareness about the FWF Code of Labour Practices and FWF complaint hotline next to providing good quality training. This could include providing the FWF worker information cards to workers during visits or when handing out pay slips, making use of FWF's Factory Guide, stimulating peer-to-peer learning among workers and ensuring factory management regularly informs workers, in particular new workers, about their rights and available grievance mechanisms.

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 + Preventive steps taken	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.	6	6	-2

**Comment:** Vaude always takes immediate action when complaints come in. Vaude also shares information about complaints and remediation steps taken with Vaude staff and with other factories in order to prevent similar problems occurring at different factories. At one factory in Myanmar, where a complaint was lodged about excessive overtime, Vaude conducted an overtime project in order to identify the root causes. Lack of communication was considered part of the problem and Vaude has made arrangements for social dialogue training by SMART to commence in 2019.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers	No complaints or cooperation not possible / necessary	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.	N/A	2	0

**Comment:** In 2018 there were no complaints at shared suppliers.

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## COMPLAINTS HANDLING

Possible Points: 15

Earned Points: 13

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## 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	0

**Comment:** New staff at Vaude receive an orientation training which includes FWF membership requirements. Information is furthermore shared through the Intranet and Internet. Once a year a training is organized for sales staff. Top management discusses FWF membership requirements at least twice a year, but also on an ad-hoc basis whenever needed. Furthermore, the CEO of Vaude speaks very often about FWF through participation in panels and interviews. This is also shared with all employees at Vaude headquarters.

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:** Every two weeks, the CSR team, consisting of relevant staff responsible for sales, CSR, QC, innovation, marketing and materials come together to discuss new developments, including audits, complaints, or information from the Textilbündnis or FWF. In addition, all staff that visit factories have a responsibility to follow up on specific CAP findings.

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.	Member does not use agents/contractors	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.	N/A	2	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.4 Factory participation in training programmes that support transformative processes related to human rights.	26%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. FWF has developed several modules, however, other (member-led) programmes may also count.	Training reports, FWF's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

**Comment:** Three of Vaude's suppliers in Vietnam are enrolled in the ILO Better Work programme, which are automatically counted towards this indicator. Vaude follows-up on the Better Work training reports. A factory in Myanmar has been enrolled in training offered by the SMART programme. Training aims at building capacity on social compliance, Human Resources management and cultural differences between (foreign) management and workers. The factory was also enrolled in a FWF training on age verification.



PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	Active follow-up	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	2	2	0

Comment: Whenever there are non-compliances mentioned in a training report, Vaude would immediately integrate it into existing CAPs and follow up as part of normal CAP follow-up towards remediation.

## TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 9

## 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:** Vaude local staff conducts regular in-line inspections at all of its suppliers. Frequent presence in factories makes it possible to closely monitor where production takes place.

Twice a year suppliers are asked to indicate whether any subcontractors are being used. If so, subcontractors concerned are required to sign the questionnaire and post the Code of Labour Practices.

Before an audit takes place, Vaude actively discusses the potential use of subcontractors with management and analyses production capacity and workforce during visits. In case an audit shows that the manufacturer uses subcontractors, Vaude investigates whether they are used for Vaude orders. Subcontractors are also visited by CSR staff in case they are located on-site and are part of the QC visits if they have an essential role in product quality.

CMT suppliers are part of the regular monitoring of Vaude, including audits and CAP follow-up. Vaude is now expanding this to also include subcontractors engaged in embroidery and printing. A complete list with all the subcontractors was available and has been shared with FWF for uploading into the database.

The factories used by Vaude's licensee are all known. However, these factories do not fall under Vaude's monitoring system and are not visited by Vaude staff. This carries a certain risk (see also indicator 2.13).

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: Everybody at Vaude, including local staff, has access to the server where all information with regard to labor conditions at the production sites is kept. Information is shared proactively with staff in contact with production sites and communication is documented.

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

Vaude is actively involved in the German Textilbündnis and other stakeholder platforms where it regularly informs public and stakeholders about FWF membership. The CEO of Vaude also frequently shares information about FWF membership during panels and interviews.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Supplier list is disclosed to the public.	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.	2	2	0

Comment: Vaude publishes its supplier list on its website since a few years. It has also started a pilot with Trustrace, in which a QR code is placed on the product tags. Scanning the link through a 'Vaudepedia' App would give information about the materials used and certifications. Vaude plans to implement this system from April/May 2019.

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 AND published on member's website.	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.	2	2	-1

Comment: The social report of Vaude is submitted to FWF and published on Vaude's website as part of the sustainability report based on the Global Reporting Initiative (GRI standards).

## TRANSPARENCY

Possible Points: 6

Earned Points: 6

## 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:** Vaude set out to be the most sustainable outdoor company. Vaude is of the view that FWF memberships offers the most fair and objective standard, and mechanisms, to support Vaude in realizing this ambition. Its ambition is also reflected through other initiatives, e.g. Vaude played a strong role in developing the sustainability charter and council at the European Outdoor Group (EOG).

FWF membership is well integrated within Vaude. It has dedicated staff at the headquarters and in Asia and memberships requirements are responsibilities are integrated throughout the organization.

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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	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.	Member company 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

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## RECOMMENDATIONS TO FWF

1. The LW incubator should offer a platform for exchange information and sharing of documents.
2. The database indicated that resolved/closed complaints are published is on the homepage, but are in fact not easily found on the website, and also not on the database. It would be good if we could have an overview of all complaints in the database.
3. Vaude contributed financially to FWF for remediation of some specific cases at Vaude suppliers. Vaude got updates from FWF, but expects a report with more detailed information, such as a cost breakdown and pictures, etc.
4. Vaude would like clarity on the planning of verification audits for 2019.
5. Brands should be more involved in new developments at FWF, e.g. BPC changes or transparency policy, etc. Before decisions are made that affect brands, consultation should take place.
6. FWF should share information as a follow-up on stakeholder meeting.
7. Performance check indicators are not adjusted to the product portfolio. If a brand has a limited portfolio and thus only a few suppliers, it would be easier to reach a high score. FWF should take into account the need to have different suppliers per product group.
8. FWF has worked on a new branding strategy and messaging, but no communication was made to the member brands, despite the fact that they were interviewed as part of the development proces.
9. The FWF homepage in German is not attractive (only 2 pages, not attractive)
10. Auditors should be of the same quality. Other organizations certify auditors, but FWF auditors are not accredited by any third party. This could lead to differences in quality.
11. Vaude suggests that it would be good if, at the end of an audit, the auditors could share the corrective action plan with the factory management.



## SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	37	47
Monitoring and Remediation	32	33
Complaints Handling	13	15
Training and Capacity Building	9	11
Information Management	7	7
Transparency	6	6
Evaluation	2	2
Totals:	106	121

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

88

PERFORMANCE BENCHMARKING CATEGORY

Leader

## BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

13-03-2019

Conducted by:

Koen Oosterom, Anne van Lakerveld (observer)

Interviews with:

Antje von Dewitz - CEO

Susanne Medesi - Head of Vendor Management

Jan Lorch - Chief Sales Officer and Sustainability Manager

Ralf Geiger - Head of Marketing

Thomas König - Head of Purchasing and Planning

Anika Mauz, Sven König - Vendor Management