



BRAND PERFORMANCE CHECK

Outdoor & Sports Company Ltd.

PUBLICATION DATE: MAY 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. The online [Brand Performance Check Guide](#) provides more information about the indicators.

BRAND PERFORMANCE CHECK OVERVIEW

Outdoor & Sports Company Ltd.

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

MEMBER COMPANY INFORMATION	
Headquarters:	Cheshire, United Kingdom
Member since:	01-07-2012
Product types:	Sportswear
Production in countries where FWF is active:	Bulgaria, China, India, Indonesia, Myanmar, Viet Nam
Production in other countries:	Hungary, Malaysia, Philippines, Portugal, Serbia, Ukraine, United Arab Emirates, United Kingdom
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	90%
Benchmarking score	75
Category	Leader

Summary:

OSC has shown advanced results on performance indicators, especially with its work on planning processes and complaint handling. With a monitoring percentage of 90% and a total benchmarking score of 75, the brand is classified as a leader.

Compared to last year, OSC has consistently performed well. Strong areas are: the production planning system and focus in preventing excessive overtime, insight into labour costs of the workers for 99% of the production locations, making sure that production locations pay minimum wages to their workers, cooperation with other brands and complaint handling. In 2018, OSC won the FWF Inspirational Award for collaborative and proactive remediation of a complaint with another FWF member brand and non-FWF members. The brand organised WEP basic training for 75% of the production volume in high-risk areas.

FWF encourages OSC to urge production locations to take part in more transformative training programmes. Last year, monitoring of the tail-end was flagged as an area for improvement. Although improved, this needs further attention this year.

FWF recommends that OSC investigates how wages of the workers at the production locations are related to their buying prices and to take steps to set target wages for workers in cooperation with factory management and worker representatives.

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.	69%	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 2018, the percentage of the production volume from production locations where OSC buys at least 10% of the production capacity increased from 53% to 69%.

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.	28%	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: With 28% of the production volume from production locations where OSC buys less than 2% of its total FOB, the brand has a relatively long 'tail end' for production. This is more than last year (25%). OSC has nevertheless started an internal process to limit the number of production sites. It has compared all factories used for the different brands per product group to create synergies between brands. During the last three years, the brand has ended relationships with fifteen factories and started working with three new factories, which were already linked to FWF.

OSC orders relatively small quantities and has several carry-over styles, which require specific skills or machinery to fulfill quality and safety standards. It has a few new product categories, which still need to grow (accessories, rug sacks).

Recommendation: FWF encourages OSC to continue the process of consolidating its supply base by limiting the number of suppliers in its 'tail end'. To achieve this, OSC should continue to 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.

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: 80% of OSC's production volume comes from production locations where the brand's business relationship has existed for at least five years. The sourcing strategy of the member is focused on long-lasting partnerships with suppliers to deliver high-quality products consistently.

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: In 2018, one new production location was added. OSC could show the signed questionnaire for this production location. New production locations receive a sourcing pack that includes a questionnaire with the Code of Labour Practices.

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: OSC has developed a formal due diligence policy and shared this with top management, as recommended in the Brand Performance Check last year. The policy has a clear flow chart outlining the stages that need to be taken when selecting new factories. CSR is the gatekeeper in this process, all CSR requirements need to be fulfilled before placing orders.

OSC is working directly with all their suppliers and visits a factory at least once before orders are placed. During the sampling and pricing programme, OSC establishes whether the supplier conforms to supplier guidelines and meets its ethical standards. Existing audits are analyzed, a preliminary CAP is established. FWF membership requirements and the factory's willingness to be audited by FWF's audit team are also discussed. The company aims to look for production locations where FWF members are already present to increase leverage to improve working conditions cooperating with the other FWF brands.

The information collected during the due diligence process is input for the supplier appraisal (indicator 1.5).

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: OSC has a supplier appraisal twice a year: a spreadsheet provides a score to all the factories according to product specifics, quality, logistics and follow-up on FWF Corrective Action Plans. The supplier appraisal leads to production decisions. A positive appraisal is rewarded with extra orders.

The company values two-way communication with their suppliers: it shares the supplier appraisal with the supplier and requests feedback about own performance.

Recommendation: FWF suggests OSC to further develop and visualize the supplier appraisal which makes it easier to compare and communicate supplier performance through time and with other factories. FWF encourages OSC to further develop the supplier evaluation of the brand.

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: OSC has a strong, integrated production planning system. Lead times for production is between 100 and 120 days. OSC gathers forecasts of retailers orders early on to communicate order quantities to its production locations. The company works with a critical path schedule and splits orders for suppliers to spread out the production until the final delivery. Deadlines are determined in partnership with suppliers. After every season there is an evaluation to discuss how the production went and if there are issues that can be improved. Once samples are approved there will be no further changes to the product designs. Production of the never out of stock (NOS) items and bestsellers is planned during factories' downtime with the aim to mitigate overtime issues.

OSC will be flexible on the deadline when necessary. If the factory has difficulty with the agreed production timelines, OSC and the supplier will jointly determine options, such as splitting the delivery of the order or shipping goods by 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: OSC consistently discusses the former season's production run with factories to identify possibilities to improve the process in order to reduce overtime. In four of the nine FWF audits conducted in 2018, excessive overtime was discovered. Despite the relatively low leverage at these factories, OSC made sure that their orders do not cause excessive overtime by spreading orders even more. OSC knows that this time is filled up by orders of other brands and also has discussed that with some of these production locations.

The brand has discussed excessive overtime with the factories face-to-face, via email, and via CAPs, with a focus of OSC to persuade their Chinese factories to have a six-day working week. At new production locations, overtime is discussed straight-away and monitored by OSC.

The brand faced problems of late materials deliveries from Japan and made design and production decisions (such as using a stock of certain colours materials) to assure that the production process was not affected.

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: During its last financial year OSC collected an overview of the wages paid for 99% of the suppliers, two suppliers did not yet give full transparency. In 2018 OSC has open costing for most of its suppliers. Prices are negotiated based on experience and knowledge of the price of fabric, design, and workmanship which could be needed for the product. OCS has not yet connected the labour minute value calculations to wage levels at production locations.

In this process of price negotiation, OSC may reduce the complexity of technical specifications to meet a target price rather than pushing the factory to reduce prices. The performance of OSC purchasing staff is not evaluated based on the target prices they achieve. OSC is consistent in paying the agreed price, including for late deliveries or repeat orders.

Recommendation: FWF recommends OSC to expand their 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. The first priority would be to make sure this level of transparency can be achieved with their main suppliers.

OSC is encouraged to provide buyers (or other employees involved in price negotiations with suppliers) training on cost breakdown.

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: In 2018 no failure to pay legal minimum wage was identified in the FWF audits. In four audits payment of minimum wage could not be determined. OSC reacted pro-active with CAP follow-up, knows the legal minimum wage on province-level, has collected the wage sheets (see indicator 1.8).

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 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: As described under indicator 1.8, OSC has insight into wage levels in their production locations systematically and deepens the understanding of cost breakdowns. For almost all factories OSC knows that wage standards are above minimum wage, but below Asian floor wage.

OSC compares the wage levels of production locations. With the factories that are closest to minimum wage, OSC actively discusses this topic to make factory management aware that workers' wages should be enough to cover basic needs, even if workers do not make overtime. OSC supports this by smoothening out orders. The brand monitors some of its major suppliers on their progress on paying higher wages and work together with other brands on this. For OSC, the verification of wages remains a challenge, especially in China.

Recommendation: FWF encourages OSC to discuss with suppliers about the root causes of lower wage levels and explore 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 long term business relationship. FWF encourages OSC to involve worker representatives and local organisations in assessing the 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

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
1.13 Member company determines and finances wage increases	None	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.	0	4	0

Comment: OSC has not yet systematically agreed on target wages with suppliers.

Requirement: OSC should analyze what is needed to increase wages and develop a strategy to finance the costs of wage increases.

Recommendation: To support companies in analyzing the wage gap, FWF has developed a calculation model that estimates the effect on FOB and retail prices under different pricing models.

It is advised that the strategy for how to finance wage increases is agreed upon by top management. In determining what is needed and how wages should be increased, it is recommended to involve worker representation.

FWF advises companies to avoid the concept of a one-time charitable contribution. We strongly recommend members to integrate the financing of wage increases in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

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	0%	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.	0	3	0

Comment: OSC has not yet agreed on target wages with suppliers, hence their share of the target wage is not yet paid. This is on the agenda for 2019.

Requirement: OSC is expected to begin setting a target wage for its production locations.

PURCHASING PRACTICES

Possible Points: 47

Earned Points: 31

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	2%	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.	No	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check		
Total of own production under monitoring	90%	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: OSC has a dedicated CSR staff member 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 (CAP) findings are shared with factory management. The CSR manager keeps a CAP log up to date to keep track of CAPs and improvement from the factories. Issues are prioritised and when an urgent document is needed OSC will make sure the supplier answers in a timely manner.

Worker representatives are not systematically involved after the audit to find solutions for identified issues and monitor implementation. OSC sends the audit and CAP to the factory and requests to discuss it with the workers.

Recommendation: Including worker representation when following up on audit reports and CAPs where applicable is necessary to ensure workers can support possible changes and improvements of labour standards at the production site.

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: OSC systematically addresses CAP follow up. The sourcing and CSR teams discuss the follow-up of the Corrective Action Plans with their suppliers during on-site visits and through emails and Skype. The CAPs issues are ranked through a color code that indicates the status of the remediation process. During the Brand Performance Check OSC could demonstrate on-going follow up of Corrective Action Plans at various suppliers. Twice a year OSC internally organises a remediation review, which provides insight on how proactive suppliers are in CAP follow-up.

OSC aims to discuss and resolve the root causes of issues with suppliers and focuses on finding solutions for the individual situation of each supplier. OSC has shared experience from an audit at a Vietnamese supplier with another supplier that planned to start working in Vietnam. OSC increased monitoring activities in Myanmar based on audit results and slow progress of CAP follow-up (see 2.7). However, in general, the brand does not have a system in place to ensure issues identified at one supplier are prevented or addressed at comparable production locations. Capacity building at this point is mainly focused on raising basic awareness about labour rights. Worker representatives are not systematically involved in remediation.

Recommendation: OSC could organise joint training for its suppliers in one country or region to ensure more commitment from suppliers to remediate more structural issues and facilitate peer to peer learning.

FWF encourages OSC to continue strengthening its system to analyze how they might have contributed to findings and what changes they can make in their purchasing practices. FWF also recommends OSC to gradually ensure factories establish independent worker representation and involve these representatives in monitoring and remediation of findings.

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

Comment: OSC visited 91% of the production locations in 2018. During the visits by technicians from England or the Chinese QC team, OHS issues are checked and a limited amount of specific items from the CAP are discussed.

When sourcing and CSR staff visit, they follow up on CAPs with a questionnaire that includes FWF implementation of the Code of Labour Practices.

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: OSC mainly relies on FWF audits. The brand has collected non-FWF audit reports for five suppliers. The quality of these audits has been assessed and for all five audits, OSC proofed that corrective actions are implemented.

For the supplier in the United Arab Emirates (UAE), OSC trained an audit team and shared the FWF audit template, so they could conduct audits meeting FWF requirements.

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.	3	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	Intermediate			3	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	Policies are not relevant to the company's supply chain			N/A	6	-2

Comment: OSC started working in Myanmar in 2016 with two factories where other FWF members are also sourcing. The production locations were audited and work together with other FWF members OSC was active to mitigate risks.

Top management, CSR and sourcing are aware of the country-specific risks. The brand monitors progress on labour rights closely. For one production location, there was no commitment to improve and therefore OSC did not continue working with that factory.

OSC did not publish the wage ladder of the factory on their website or in the social report, which is a FWF requirement for the enhanced monitoring programme for Myanmar.

Requirement: FWF members sourcing in Myanmar are required to develop and publish wage ladders for each factory where production takes place.

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: OSC actively cooperates with other FWF members in resolving corrective actions, in several cases taking the lead. In cases where other members lead this process, the brand could demonstrate that they are well-informed about the status of remediation.

In addition to this, updates of visits are shared and OSC has active cooperation with other brands as part of their in their human rights due diligence approach for potential new production sites.

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: OSC sources in 3 production locations in low-risk countries, responsible for 5 % of total FOB. The brand has visited the Hungarian and Portuguese production locations in the past two years, which is a FWF monitoring requirement for low-risk locations. The production volume of these two production locations counts towards the monitoring threshold.

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).	No	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.	N/A	2	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.	Yes, and member has collected necessary information	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.	2	2	0

Comment: OSC has three external brands and collected all the required information from these brands. The brand has collected audit reports for the known production locations. One of the production locations is producing for OSC as well.

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).	0%	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.	0	3	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	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.	N/A	1	0

MONITORING AND REMEDIATION

Possible Points: 35

Earned Points: 26

Additional comments on Monitoring and Remediation:

Comment: OSC is responsible for more than 10% of the production locations capacity of a Serbian and Bulgarian supplier. For these suppliers no audit report is available. The Serbian supplier will be audited in 2019. OSC production will stop production at the Bulgarian facility.

Requirement: In the tail end of OSC's supplier base, FWF requires OSC to ensure it audits all production locations where OSC is responsible for over 10% of the location's production capacity as per the monitoring threshold requirements.

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	4	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved	0	
Number of worker complaints resolved since last check	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

Comment: The CSR manager is responsible to address any complaint received.

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: OSC requests photos from all suppliers to ensure that the worker information sheet is posted in factories. During regular visits, this is checked.

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.	75%	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.	6	6	0

Comment: Twelve production locations have participated in FWF's Workplace Education Programme basic module in 2016-2018. The production locations are located in China, Myanmar, and Vietnam. OSC also organised a training for two of their production locations in Ukraine. This means that 75% of the production volume in high-risk countries has received basic training.

For one of the Chinese production locations that already received a WEP, OSC organised an ILO Score Module 1 training.

Recommendation: OSC could consider implementing additional activities to raise awareness about the FWF Code of Labour Practices and FWF complaint helpline next to providing 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: Four complaints were received in Myanmar, China and Vietnam about, amongst other, overtime, late payments and the way toilet visits were organised. When OSC receives a complaint, the brand contacts the factories directly and investigates the issues. In all four complaints cases, the CSR manager was actively involved in the remediation trajectory through discussions with factory management, checks and collecting of evidence and visits of the production locations. In one of the four complaints, the reaction of OSC and another FWF member brand was slower than usual. Currently, all four complaints are resolved.

For the Vietnamese complaint, OSC showed proof of the active follow up, including the role of the local QC double-checking remediation and preventative measures, for example, related to the monitoring of on-time payments and stimulating the supplier to develop a different system for toilet visits. In the case of the Chinese complaints, preventative steps focus on reducing the working hours to avoid excessive overtime.

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: In three complaint cases, OSC shared a production location with another FWF member. OSC cooperated with several other FWF members and non-FWF member brands when addressing complaints. OSC and Haglofs won the FWF inspirational award 2018 for their joint remediation of a complaint in China together with four non-FWF brands.

COMPLAINTS HANDLING

Possible Points: 17

Earned Points: 17

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: The CSR manager provides FWF training to new staff informing them about the CoLP and they way OSC organises FWF membership. All OSC staff receives regular updates in the quarterly newsletter. In 2018 the CSR manager informed all staff about winning the FWF Inspiration Award for remediation of a complaint. FWF membership can be found on the OSC business cards and on the garments.

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: The CSR manager shares updates with the sourcing team about 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.	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.	0%	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.	0	6	0

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	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.	N/A	2	0

TRAINING AND CAPACITY BUILDING

Possible Points: 9

Earned Points: 3

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: OSC has direct relationships with all suppliers and prohibits subcontracting in their supplier contracts. The local Chinese QC team visits the factories at different stages of the production, which allows them to check the production locations for unauthorized subcontracting.

For printing and embroidering an exception is made, though suppliers must inform OSC before the production starts. The brand registers all subcontractors in the FWF database and checks FWF requirements for all suppliers.

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: CSR and sourcing teams share a list with travel plans which allows CSR to update all traveling staff to follow up on corrective actions with the help of a questionnaire. The local QC staff is informed and active in follow up as well. Information about working conditions at production sites is accessible to all.

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: Public communication about FWF membership complies with FWF's Communication Policy. FWF's Logo, link to www.fairwear.org and a brief explanation about their membership are displayed on all brand websites. The leader logo on the hang-tags of its products is in line with FWF's communication policy.

Recommendation: FWF recommends OSC to update the quotes on the different brand websites (quote people working for FWF in 2019).

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
6.2 Member company engages in advanced reporting activities	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	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.	1	2	0

Comment: OSC shares its Brand Performance Check report on its website.

OSC endorses the Down Codes and has developed a 'trace your down' checker for the brand Mountain Equipment with information about down suppliers related to animal welfare. OSC does not disclose specific information about production locations.

Recommendation: Considering that the Mountain Equipment website states that: "Our aim is to have the most comprehensive and most transparent auditing system of any outdoor brand, anywhere in the world", OSC could consider disclosure of production location to the public.

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: OSC has submitted its social report to FWF in time and is in the process to publish the 2018 report on its website.

TRANSPARENCY

Possible Points: 6

Earned Points: 5

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: CSR is working closely with management on a day to day basis. Progress on audits and last year's Brand Performance Check score were discussed in management meetings as well.

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.	50%	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: OSC received one requirement during its last Brand Performance Check about monitoring the tail end. Last year four production locations with more than 10% leverage were not monitored. As a consequence of the consolidation policy of OSC, it is no longer active at two of these production locations and at another production location, the leverage is now lower than 10%.

There was one Serbian production location, where OSC started sourcing in 2017, where both in 2017 and 2018, the leverage was more than 10%. For this production location, an audit is planned in 2019. In 2018 the leverage at one of the Bulgarian suppliers was more than 10%. OSC will stop sourcing at this production location as part of its consolidation strategy.

EVALUATION

Possible Points: 6

Earned Points: 6

RECOMMENDATIONS TO FWF

1. It would be valuable if FWF is more visible and marketing/communication to talk more about what FWF does.
2. FWF has to improve the working in the CAP reports and use more neutral language and objective terms. For example, the word " falsifying" implies lying and is difficult to communicate. Another description like: " there is no correlation between records and workers interviews" makes CAP follow-up easier
3. Audits from China are often late, which is a barrier for CAP follow-up
4. The database could be more user-friendly
5. The complaint section of the database is difficult to understand and it is not possible to make comments in the database
6. CAPs could be easier and more straight forward; it would be helpful if the size of the CAPs is smaller and better understandable.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	47
Monitoring and Remediation	26	35
Complaints Handling	17	17
Training and Capacity Building	3	9
Information Management	7	7
Transparency	5	6
Evaluation	6	6
Totals:	95	127

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

75

PERFORMANCE BENCHMARKING CATEGORY

Leader

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

05-04-2019

Conducted by:

Mariette van Amstel, Linda van IJzendoorn

Interviews with:

Hamish Dunn, Mountain Equipment Brand Director

Steve Rothwell, Ron Hill Sourcing Commercial Director

Sarah Forte, Commercial and Logistics Director for Mountain Equipment and Sprayway.

Kevin Offer, CSR and FWF Manager

Joe Tinka, Finance

Pam Wheeler, Mountain Equipment Marketing

Oliver Carter, Ron Hill Marketing