



BRAND PERFORMANCE CHECK

Haglofs AB

PUBLICATION DATE: JULY 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

Haglofs AB

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

MEMBER COMPANY INFORMATION	
Headquarters:	Jarfalla, Sweden
Member since:	18-04-2012
Product types:	Outdoor
Production in countries where FWF is active:	China, Indonesia, Turkey, Viet Nam
Production in other countries:	Cambodia, Estonia, Portugal, Sweden
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	96%
Benchmarking score	66
Category	Good

Summary:

Haglöfs has shown progress and met most of FWF's performance requirements. 96% of the total 2018 production volume has been monitored. The benchmarking score is 66, which means that Haglöfs is awarded a Good rating.

Haglöfs follows a strong due diligence procedure when onboarding new suppliers. Suppliers that consistently show little commitment to work on the FWF Code of Labour Practices are informed that this may impact Haglöfs' decision-making in the current consolidation process.

Together with two other FWF members, Haglöfs is working to increase wages at two Vietnamese suppliers. Only 6% of the workforce is earning below the living wage benchmark established in the project. The next step is to start implementing the wage increases and develop a living wage strategy that includes more suppliers.

Haglöfs has been actively following up on CAP issues and complaints. In 2018, nine suppliers were enrolled in the FWF Workplace Education Programme. The member is recommended to start looking into root causes and take steps to prevent issues recurring. Furthermore, Haglöfs is encouraged to take more action to mitigate risks that are specific to their sourcing countries.

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.	45%	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.	2	4	0

Comment: In 2018, 45% of its production volume came from suppliers where Haglöfs buys at least 10% of production capacity. The tail end consists mostly of accessory suppliers. Haglöfs has been consolidating suppliers to be able to work more closely with fewer production locations and this exercise continues in 2019.

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.	9%	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.	3	4	0

Comment: In 2018, 9% of the production volume came from production locations where Haglöfs buys less than 2% of its total FOB.

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.	48%	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.	2	4	0

Comment: In 2018, 48% of the production volume came from production locations where a business relationship has existed for at least five years.

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: Haglöfs started production with three new CMT factories in 2018 and entered nineteen non-CMT locations in the database. Signed questionnaires with the Code of Labour Practices were available on file.

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: Haglöfs uses external sources, such as FWF country studies, NGO reports, World Bank reports, etc, to evaluate possible risks in countries where it plans to source from. When a supplier is suggested that is located in a new country for Haglöfs, the member will conduct a risk analysis for that country. Haglöfs then assesses whether it has the resources available to conduct proper due diligence.

The member has a written Factory Approval process, detailing the steps that need to be taken before onboarding a new supplier. Part of this process is requesting a previous audit report. If there is no report available, the member will arrange an FWF audit before proceeding. In discussing whether to onboard a new supplier, both Head of Sourcing and Head of CSR have veto power.

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: Haglöfs uses a scorecard to evaluate suppliers, defining which suppliers will be phased out, maintained or invested in. Besides evaluating on general vendor criteria, different CAP findings, whether there has been a complaint, and the supplier's willingness to remedy, are integrated into this scorecard.

If a supplier scores comparatively bad, it is informed that this may impact the outcome of the consolidation process. Likewise, if a supplier is scoring better on CSR and other criteria, the supplier will be favoured in the consolidation process.

Haglöfs plans to make the scorecard less subjective, making explicit which criteria need to be met to get a certain score.

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: Haglöfs shares its planning with suppliers two years prior to the specific season. This includes sample development, production time delivery timelines (by sea) and material order timelines. The operations start 6 months in advance. The member starts planning together with the supplier based on the available capacity nine months before. This is also the time that Haglöfs books greige fabric.

Planning is always based on ship freight. If production is delayed for some reason, there is always an option to use air freight.

Haglöfs has five in house pattern makers which enables the member to make very detailed tech packs. This prevents that suppliers need to go back and forth for clarifying specifications, which often can squeeze actual production time.

When allocating styles to suppliers, Haglöfs tries to give suppliers both summer and winter styles. This helps suppliers have consistent production throughout the year. In 2018 around 5% was Never Out of Stock (NOS) placed in low season. For 2019 Haglöfs aims to have 20% NOS items, to reduce pressure on suppliers during peak season.

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

Comment: In 2018, two FWF audits in China and one in Vietnam noted excessive overtime.

The member company sees the largest risk directly contributing to excessive overtime is adding more volume in a late stage, though it is always checked with suppliers if this is possible.

Haglöfs has meetings with suppliers to discuss overtime, and the suppliers have not indicated that Haglöfs' orders are the main cause for the overtime. The member always evaluates with suppliers about how the production went and how the member can improve. When products or volumes are added late in the production planning, the buying department assists the supplier in identifying volumes that need to be prioritized and what can be produced later.

Recommendation: Haglöfs could discuss with factory management on how the member can support by reducing pressure in peak season. Haglöfs could consider hiring local experts to analyse the root cause of excessive overtime in cooperation with the supplier. FWF could recommend qualified persons upon request. FWF recommends cooperating with other customers at the factory to increase leverage when trying to mitigate excessive overtime hours.

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: Haglöfs has costing sheets for all its styles with all but one supplier, which includes information on fabric/trims/labels cost, consumption, labour cost, overheads, profits. For styles, one production location sometimes informs the company about the labour minutes. However, Haglöfs doubts whether the minutes are actually accurate.

At the moment the company does not connect the costing information to wage information to ensure certain wage levels are paid but relies on factory management to ensure payment of at least legal minimum wage. Audits confirm that suppliers pay minimum wage, and many suppliers have wage levels around one of the living wage benchmarks.

Recommendation: FWF recommends Haglöfs to use the wage ladder and wage information from audit reports to link its costing information to wage levels and discuss increasing wages with factory management.

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.	No problems reported/no audits	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.	N/A	0	-2

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: Haglöfs is cooperating with two other FWF members on a living wage project at its two shared suppliers in Vietnam. A wage structure analysis accounting for the different types of wages and benefits and deductions was completed.

The calculation showed that only 6% of the workers are below the living wage benchmark that was established in the project for the region. Haglöfs has yet to agree with the other members how to implement the wage increase in a way that respects the wage differentiation between the skill levels of workers.

Recommendation: Now that the calculations have been done, FWF recommends Haglöfs to now agree with the other two members on how to internalise the costs. Based on this experience, the member is encouraged to create an action plan that includes more production locations in its supply chain.

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	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: In Vietnam, Haglöfs and the two other FWF members conducted a study to estimate living costs for the Thai Binh region in order to define a living wage benchmark, in consultation with local staff, experts and selected workers. When the minimum wage in the region was raised, the target wage level was re-evaluated. The member company already calculated the costs to increase the prices to reach the living wage benchmark and is thinking of strategies on how to finance this.

Recommendation: We strongly recommend members to integrate the financing of wage increases it 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	21%	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: Three factories totalling 21% of the total FOB pay above trade union demands for the majority of workers, which is one of the living wage benchmarks.

Recommendation: We encourage the member to show that discussions and plans for wage increases have resulted in the payment of a target wage and roll the approach out to other suppliers.

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	8%	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	96%	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 head of sustainability is responsible for implementing FWF requirements.

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: Haglöfs shares the audit reports and Corrective Action Plan findings with factories and internally with all relevant departments in a timely manner.

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: Haglöfs is actively engaged with factories to address Corrective Action Plans, focusing on shared responsibility between the brand and the factory and also between several customers.

In 2018 three FWF audits have been conducted. Additionally, three reports were shared for audits conducted in December 2017.

Monitoring of improvements is done by following up via the CAPs and requesting evidence in terms of documents and pictures. If Haglöfs needs to chase factories to respond, that will be noted in the suppliers' evaluation. The visits to suppliers are used to check on the CAP status.

The member could show that many CAP findings have been remediated and others are in the process of being remediated. For more complex issues verification audits are scheduled in 2019 to verify improvements.

Recommendation: FWF recommends Haglöfs to focus specifically on root causes related to audit 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.	33%	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.	2	4	0

Comment: Haglöfs has visited production locations that together make up one-third of its production volume.

Requirement: Regular visits should be made for production sites (including subcontractors and production locations in low-risk countries). Regular visits provide opportunities to discuss problems and corrective actions in the time period between formal audits. FWF has developed a Health & Safety Guide that can be used during these visits.

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: Three external audit reports were collected, and the member could show that the quality was assessed and the CAPs were followed up, with another FWF member in the lead.

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	Policies are not relevant to the company's supply chain			N/A	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	Intermediate			3	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Intermediate			3	6	-2

Comment: Haglöfs has one supplier in Turkey. This supplier was not visited in 2018, but was audited by FWF. Haglöfs knows all subcontractors that are used for printing and embroidery. The topic of Syrian refugees is discussed and the audit did not discover Syrian workers. The supplier is not located in an area where there would be a high risk of Syrian refugees working in factories. Therefore Haglöfs did not follow up upon the previous requirement to develop a policy for Haglöfs' Turkish suppliers outlining its expectations related to Syrian refugees. In 2019 Haglöfs plans to visit the factory and audit the subcontractors.

In China and Vietnam, Haglöfs enrolls factories in the FWF WEP, to raise workers' awareness. With regard to excessive overtime, an issue specific to China and Vietnam, Haglöfs always evaluates together with the supplier on how to improve production planning next time.

Two issues that are specific to Indonesia are unhealthy and unsafe working conditions, and issues related to wages. Haglöfs is working on both issues via the CAP of the FWF audits.

Haglöfs considers child labour, wage issues and unauthorised subcontracting specific to Cambodia, and therefore works with audit reports in this country to check.

Requirement: FWF members should visit Turkish suppliers and their known subcontractors at least annually.

Recommendation: The member brand could encourage their Turkish supplier that if a position opens up they can consider employing a Syrian refugee worker. They can discuss with their suppliers to cooperate with United Work, a NGO that collects the CVs of Syrian refugees in Turkey. Haglöfs could discuss what support they can offer support when Syrian workers are employed.

The member can be more pro-active with regard to freedom of association, which is limited in China, Vietnam, and Indonesia. Haglöfs is recommended to support the implementation of the FoA Protocol which is signed by its mother company. We encourage the member to enroll the Indonesian and Vietnamese suppliers in the WEP Communication module that is available since 2019.

In Vietnam, increased production pressure in peak time is linked to (sexual) harassment. Besides the increase in NOSstyles to reduce orders in peak time where possible, FWF encourages Haglöfs to investigate factory policies and ensure contracting arrangements with suppliers include preventing violence and harassment and involuntary overtime.

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: The member has shared suppliers with other FWF members and works together.

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: For 96% of the production volume placed in low risk countries, Haglofs could show it fulfilled all requirements.

One Swedish location has not posted the Worker Information Sheet.

Requirement: Monitoring requirements need to be fulfilled for production in low-risk countries in order for it to be counted towards the monitoring threshold. All production sites in low-risk countries must:

- Ensure up to date information on the labour conditions in the location either by a regular visit and/or a report by a third party;
- Be informed of FWF membership and return the completed CoLP questionnaire before production orders are placed;
- Be aware of specific risks identified by FWF;
- Have the FWF Worker Information Sheet posted in local languages.

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

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	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.	1	2	0

Comment: Haglöfs started reselling one external brand in 2018 for socks and instead of receiving the signed questionnaire back, Haglöfs received a Code of Conduct that is similar to FWF. The group that owns the brand commits to all socks being produced in USA.

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).		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.		3	0

Comment: The external brand that is being resold is not a member of a sustainability initiative.

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: 37

Earned Points: 25

3. COMPLAINTS HANDLING

BASIC MEASUREMENTS	RESULT	COMMENTS
Number of worker complaints received since last check	14	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	9	

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 head of sustainability is designated to address worker complaints.

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.	No	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: Haglöfs visits its main suppliers every year. In preparation of these visits, staff is briefed by the sustainability manager on CSR related issues and are asked to take a picture of the Worker Information Sheet. Four CMT suppliers have not posted the Worker Information Sheets, two in low risk countries and two in small accessory factories in Vietnam and China where Haglöfs is a small customer. From the nineteen non-CMT subcontractors -used for embroidery and printing- nine have not posted the WIS yet.

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.	50%	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: Over the past three years, Haglöfs has enrolled suppliers that in total account for 50% of the production volume in the FWF WEP. The trainings actively raise awareness on the FWF CoLP and complaints hotline.

PERFORMANCE INDICATORS	RESULT	RELEVANCE OF INDICATOR	DOCUMENTATION	SCORE	MAX	MIN
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure	Yes	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	3	6	-2

Comment: Haglöfs has received 14 complaints in 2018, and discussed these in detail with the factories. In case of workers not having received back payments, Haglöfs made sure the workers received outstanding payments. Haglöfs has received the inspirational award from FWF for its cooperation with another FWF member to follow up on a shared complaint and reduce excessive overtime and address a number of wage issues.

Where complaints keep coming back and commitment of factories is low, Haglöfs informs suppliers that this will be taken into account when consolidating its supply chain.

Recommendation: Haglöfs is recommended to do a root cause analysis for recurring complaints such as not accepting resignation and withholding outstanding payments and the occurrence of physical assault. Once root causes are known the member can cooperate with its suppliers to take preventative steps.

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: Haglöfs has received the inspiration award from FWF for its cooperation with another FWF member and non-FWF customers to follow up on a shared complaint.

COMPLAINTS HANDLING

Possible Points: 17

Earned Points: 8

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: Haglöfs actively informs all staff of FWF membership requirements. Yearly training is implemented for new staff and staff that regularly visit production locations. During the monthly team meetings and product meetings, CSR will often share updates on FWF. During the sales meeting, all sales staff is informed about FWF membership.

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: General information regarding FWF requirements is shared on a regular basis. Furthermore, in 2018, in-depth training was provided to staff more closely involved in specific issues. For example, a session on root causes of overtime was attended by development, sourcing and logistics teams and a session on managing corrective action plans by development and sourcing teams.

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

Comment: All agents and intermediaries are informed about FWF's Code of Labour Practices. Haglöfs prefers to have direct contact with production locations to ensure CoLP implementation. However, the agents help Haglöfs chase suppliers for returning the questionnaire and posting the WIS.

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.	3%	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.	1	6	0

Comment: One of the suppliers, good for 3% of the total production volume, is enrolled in the Better Work Programme of ILO.

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

Comment: Better Work is following up on the training, and as per FWF guidelines, Better Work is in the lead with Haglofs staying updated.

TRAINING AND CAPACITY BUILDING

Possible Points: 11

Earned Points: 6

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: Haglöfs works to maintain and update its supplier information regularly. It has direct relationships and also contractually obligates its suppliers not to work with subcontractors. Haglöfs staff conducts onsite quality inspection during factory visits and in this way can check on unauthorised subcontracting.

Whenever suppliers indicate they would like to use subcontractors, for example to expand production capacity, Haglöfs visits the production location before production starts and include that in your monitoring system.

Haglöfs has added 19 non CMT subcontractors, that were identified in the due diligence process of Haglofs and in audits.

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: All information regarding production locations is saved on a shared drive, accessible for all relevant staff. In addition, CSR staff regularly meets with the buying and design department and whenever Haglöfs' staff visits a production location they are informed about relevant issues to check upon. After the visit, this information is shared with CSR staff again to keep track of progress.

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: Haglöfs publishes information about Fair Wear Foundation and its membership commitments on its website.

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: Haglöfs publishes the performance check report and its suppliers list on its website.

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

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: Haglöfs' FWF membership is managed by the sustainability manager. She is in direct contact with the CEO and together they evaluate FWF membership on a regular basis. Haglöfs considers FWF the gold standard with regard to sustainability.

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.	1%	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.	2	4	-2

Comment: One requirement was included in the previous performance check report, pertaining to the development of a policy for Haglöfs' Turkish suppliers outlining its expectations related to Syrian refugees. This has not been implemented, however, the member checked whether the location of the supplier would entail a risk of Syrian undocumented workers, and found the supplier is not located in an area where that constitutes a risk.

Additionally, Haglöfs identified three subcontractors linked to its Turkish suppliers and has included them in Haglöfs monitoring system.

EVALUATION

Possible Points: 6

Earned Points: 4

RECOMMENDATIONS TO FWF

- * FWF could engage more with the commercial departments of members.
- * FWF could better position FWF itself vis a vis other initiatives. Use platforms like ISPO to make FWF membership well known, organising events and having stands.
- * The functionality of the database should be improved to make it more user-friendly.
- * The complaints system is inefficient, the member is in a position where it passes on information from FWF to supplier and back.
- * There is a disconnect between what is discussed in the audit exit meeting and what is written in the CAP. If the CAP mentions falsification of time and wage records, there should be evidence.
- * There should be a possibility to delete factories in the database, and having a shared supplier questionnaire in the database.
- * Questionnaire for external brands is not fit for purpose (eg question on number of workers)
- * The first audit report received in the new template did not contain information on subcontractors. The CAP is now spread over 12 tabs, it is easier to get an overview when all information is in one tab.
- * The delivery of the audits is too much delayed.
- * The filling in of the template of the work plan is a waste of time, it is very repetitive.

SCORING OVERVIEW

CATEGORY	EARNED	POSSIBLE
Purchasing Practices	31	47
Monitoring and Remediation	25	37
Complaints Handling	8	17
Training and Capacity Building	6	11
Information Management	7	7
Transparency	6	6
Evaluation	4	6
Totals:	87	131

BENCHMARKING SCORE (EARNED POINTS DIVIDED BY POSSIBLE POINTS)

66

PERFORMANCE BENCHMARKING CATEGORY

Good

BRAND PERFORMANCE CHECK DETAILS

Date of Brand Performance Check:

04-06-2019

Conducted by:

Niki Janssen

Interviews with:

Carsten Unbehaun - CEO

Elaine Gardiner - Head of Sustainability

Hevig Axberg - Operations Director

Paul Cosgrove - Product Director

Asa Lidbom - Head of Development