



**Brand Performance Check**  
**Ortovox Sportartikel GmbH**

**Publication date: December 2020**

This report covers the evaluation period 01-07-2019 to 30-06-2020

## About the Brand Performance Check

Fair Wear Foundation (Fair Wear) 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. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear'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 Fair Wear 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 Fair Wear 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 Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at [www.fairwear.org](http://www.fairwear.org). The online [Brand Performance Check Guide](#) provides more information about the indicators.

# Brand Performance Check Overview

## Ortovox Sportartikel GmbH

Evaluation Period: 01-07-2019 to 30-06-2020

| Member company information   |  |
|--|--|
| Headquarters:  | Taufkirchen , Germany  |
| Member since:  | 2015-07-01   |
| Product types:   | Outdoor products;Sports & activewear;Outdoorwear   |
| Production in countries where Fair Wear is active:                                     | China, Romania, Viet Nam   |
| Production in other countries:   | Austria, Belarus, Germany, Hungary, Italy, Latvia, Lithuania, Poland, Republic of Moldova, Serbia, Taiwan, Ukraine |
| Basic requirements   |  |
| Workplan and projected production location data for upcoming year have been submitted? | Yes  |
| Actual production location data for evaluation period was submitted?                   | Yes  |
| Membership fee has been paid?  | Yes  |
| Scoring overview   |  |
| % of own production under monitoring   | 92%  |
| Benchmarking score   | 79   |
| Category   | Leader   |

## **Disclaimer**

*This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.*

*While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.*

*This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.*

*Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.*

## Summary:

Ortovox has shown advanced results on performance indicators and has made remarkable progress. Ortovox monitored 92% of its supply chain by using Fair Wear audits, external audits and by monitoring its low-risk production locations. Combined with a benchmarking score of 79, Fair Wear has awarded Ortovox a place in the 'Leader' category.

The CSR team of Ortovox is very committed and has gained internal support throughout the company by investing in communication and awareness-raising throughout the year.

Despite the challenges caused by the COVID-19 pandemic, Ortovox has shown advanced efforts in responsible purchasing practices throughout the year. In collaboration with production staff, direct communication with and support for the suppliers was the focus. Various additional tools were developed to continue monitoring during COVID-19 times. The system that Ortovox already had in place proved to be functioning well; Ortovox could rely on its strong systems during COVID-19. Furthermore, close cooperation with other member brands was shown in taking responsibility and finding ways to minimise risks caused or enlarged by the consequences of COVID-19.

The high involvement of top management in decision-making during COVID-19 created a smooth and fast process, which enabled Ortovox staff to act immediately and responsibly.

In the first half of Ortovox's financial year, advanced efforts were shown to mitigate root causes of excessive overtime and low wages. COVID-19 forced the brand to put further action on hold.

A recommendation remains that Fair Wear encourages Ortovox to continue working on ensuring a raise of wage levels towards living wages.

## Performance Category Overview

**Leader:** This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

**Good:** It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear 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. | 62%    | 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:** Ortovox bought 62% of its production volume from production locations where the company buys at least 10% of production capacity. This is a slight decrease compared to 71% last year.

| 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. | 23%    | Fair Wear 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 Fair Wear. | 0     | 4   | 0   |

**Comment:** In the past financial year, 23% of production volume came from production locations where Ortovox buys less than 2% of its total FOB. The overall production of Ortovox has grown over the past years and therefore the company had to find alternative production locations to keep up with the increased production. In finding alternative locations the company aims to cooperate with their current partners in Europe, however, the facilities (which must possess specific skills to make Ortovox's high tech garments) do often not allow for production above 2% of FOB. For this reason, it is hard to shorten the 'tail end'. Nevertheless, this percentage shrunk with 1% in the past financial year.

**Recommendation:** Fair Wear recommends Ortovox to consolidate its supply base by limiting the number of production locations in its 'tail end' as much as possible within their business model. To achieve this, Ortovox should determine whether production locations 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. | 60%    | Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions. | Supplier information provided by member company. | 3     | 4   | 0   |

**Comment:** Ortovox values long-term business relationships. Even though production locations were added due to the company's growth, Ortovox chooses to closely work with already existing suppliers. As such, the number of suppliers has not increased, but the number of production locations (subcontractors to the main supplier) did increase. Nevertheless, the percentage of production locations where Ortovox maintains a business relationship with for at least five years has increased from 47% in the previous year to 60% in the current year.

| 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:** Ortovox could show the signed Fair Wear Code of Labour Practices (CoLP) on file for all new suppliers and all data was complete.

| 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:** In search of new suppliers, Ortovox always starts with sending out a request for all necessary information, including the Fair Wear questionnaire. Before bulk orders are placed a signed questionnaire needs to be returned. This is part of the checklist which also includes basic financial and invoicing information. Ortovox discusses Fair Wear membership with potential suppliers prior to placing first orders.

A thorough due diligence process is followed when selecting a new supplier. This process ensures the supplier has the needed capacity and skills and shares the mindset of Ortovox regarding quality and social compliance. Normally, all production locations are visited several times before orders are placed. This includes a factory tour using the Fair Wear Health&Safety checklist. Fair Wear membership is discussed and Ortovox checks whether the supplier has experience with Fair Wear or similar initiatives. While the Head of Mountainwear has the final responsibility to select a new supplier for the product categories garments and backpacks, the new onboarding process has made the approval of CSR staff decisive. Ortovox tries to focus on a limited number of countries to manage risks related to both social compliance and business and is aware of country information provided by Fair Wear.

Ortovox focused on the process of selecting new subcontractors (not a new business relationship) by discussing its process and importance extensively with its current suppliers. With the launch of the new Product Lifecycle Management (PLM) system, the process of onboarding and approving production locations (including subcontractors) has been mapped. This system allows more specific information per location and interdepartmental data sharing has improved significantly.

In the past financial year, Ortovox started production in Romania, at four production locations. In line with the process in place, the CSR team drafted a country profile as the first input. This profile was shared with the Product Department and country-specific risks were discussed. In addition, existing audit reports were used to do location-specific due diligence. The supplier through which the new production locations were selected participated in the regional supplier seminar in Eastern Europe. The seminar was found very helpful and could partly substitute Ortovox's active involvement. The training was followed up by Ortovox together with the supplier and a proper report was shown to be shared with Ortovox as an alternative to visiting.

Examples in times of COVID-19 were shown for Romania, where a new factory was supposed to be audited before the end of the financial year. The audit was cancelled due to COVID-19. Alternatively, Ortovox was in close contact with the main supplier who did a thorough inspection and had a meeting with the factory management. A detailed report was shared with Ortovox, including photos, a Health and Safety Check and country-specific risks such as social dialogue and worker representation were discussed.

| 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:** Ortovox has a supplier evaluation system, which includes production location compliance with the Code of Labour Practices. The evaluation is complemented with audit results which are weighted with colour codes. The evaluation is done on the main supplier level and shared with suppliers. CAPs are established based on the results, which allows for the start of a dialogue between Ortovox and its suppliers. In the past financial year, Ortovox noted an increasing understanding among its suppliers regarding the need for improvements. Communication improved significantly, partly due to COVID, as in-person meetings were impossible and video conferencing created a bigger need for openness. Transparency and compliance have led to production decisions, for example at one Serbian supplier who was at first hesitant and distant. Thanks to persistence and open communication of Ortovox, partly pushed by COVID-19 crisis, this supplier has opened up eventually and is willing to share their wage system to jointly work on wage increase. Ortovox has rewarded this supplier with higher volumes. This example reflects the view of Ortovox on business relationships; focus on stable and sustainable partnerships, take the extra mile. Ending a business relationship is only a very last resort. In this financial year, no business relationship was ended.

| 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:** Ortovox follows a production planning process that starts three years in advance and in close cooperation with suppliers. Suppliers receive first forecasts early on, which are continuously updated. First orders are placed before the sales meetings, more orders then follow afterwards and again after relevant trade fairs. Lead times between order and delivery range from 8 to 9 months. Ortovox meets with CMT and fabric suppliers several times a year in strategic round tables to discuss upcoming production, which takes fabric availability and CMT capacity into account. Production control schedules are then shared with Ortovox and updated when necessary. Key suppliers share weekly updates with Ortovox.

During COVID, all contact happened through video conferencing. Samples were sent to the HQ for approval. The CEO was closely involved in strategic decisions to minimize consequences for suppliers but also for retailers. For example, only orders that were not yet placed have been reduced. This was a very small portion, as orders are placed at a very early stage in the process. Furthermore, the CEO and sales department immediately decided to postpone the delivery date for all of the retail shops.

Ortovox's production planning system was shown to be effective during COVID. The key has been open communication with all suppliers, in order to keep monitoring working hours. The stable relationship and the alternative ways to stay in touch has enabled the system to continue to be effective. Ortovox could show open communication and information sharing between involved staff and suppliers. The CSR team is closely involved and flags any risks immediately at production planning team.

General risks related to COVID-19 were well addressed by Ortovox. Ortovox has committed to fulfilling the principles that were formulated in cooperation with the Partnership of Sustainable Textiles in the 'Guidelines for Responsible Purchasing Practices in time of COVID-19'. More information can be found in Ortovox's sustainability report 2019/2020.

The member brand showed advanced efforts in terms of flexible payment terms for retailers and postponed delivery deadlines for suppliers. Orders that were already completed were not cancelled and the agreed payment terms are met. For orders that were already in production or for which material was already purchased, a cancellation was avoided. Late deliveries that result from the impact of the COVID-19 outbreak were not sanctioned. Rather, Ortovox took the initiative to push back the delivery deadline with a month. Lead times and capacities were closely coordinated with tier 1 and material suppliers. The following topics have been on the agenda of each meeting with the suppliers: capacity issues due to lockdowns, delivery, additional costs due to lockdowns, securing payment of wages, means of transport, alternatives to avoid cancellations and changes in forecasts.

| 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:** A total of 56% of Ortovox's production volume comes from suppliers in Europe. No indication of excessive overtime was found at the production locations in Europe. Neither through audits nor factory visits and discussions. At one production location in China, excessive overtime issues were found through a Fair Wear audit. After the report was received, it was immediately shared with the factory. The first update was scheduled for January 2020, but then COVID already hit China. The Korean factory owner was unable to travel to China. Ortovox could show multiple efforts to follow-up, however without success so far. After numerous emails and phone calls requesting to take action, offering to assist from the brand side, the factory owner seems to refuse to take any steps. For this reason, Ortovox feels it is forced to start an exit process. A responsible exit strategy is now being set up and implementation will be assessed in the next financial year. At one audited production location in Viet Nam, incomplete records were found. Ortovox followed up immediately and with an additional external audit focusing on working hours and wages, the missing data was shared. After the lockdown, production was restarted and no specific indications were found for excessive overtime related to the temporarily stop.

| 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 the previous year, Ortovox started discussing wage levels with suppliers. Several key suppliers follow an open-costing approach. Ortovox knows the labour costs for most products and for some suppliers the labour minute costs. The company has a product lifecycle management system to help to get a better grip on this. In this financial year, it was planned to take next steps to work on wage levels and buying prices more specifically. This process did start, at the beginning of 2020, with the help of Fair Wear. Preparatory meetings took place, to discuss how to best approach this wage project. Unfortunately, soon after the meetings, COVID-19 hit. Ortovox was ready to take the next step, and showed this with a thorough analysis of necessary wage increase and specific wage discussions with suppliers, but had to put it on hold due to the pandemic.

**Recommendation:** Ortovox 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. | No problems reported/no audits | If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear 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, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved. | N/A   | 0   | -2  |

**Comment:** In the previous financial year, legal minimum wage issues were found at a production location in Serbia. Ortovox could show advanced efforts in terms of follow up. In collaboration with other Fair Wear member brands, a deep analysis of wage slips was done. This revealed a lot of insight into the details regarding wages and enables future monitoring. Ortovox has given this case a high priority, invested a lot of time in the matter and succeeded in a stronger business relationship with increased awareness of the importance of transparency on the supplier side.

During COVID-19, no payment issues were found and in the supplier survey this did not come forward as an issue at any of the suppliers.

| Performance indicators   | Result | Relevance of Indicator  | Documentation   | Score | Max | Min |
|--|--------|---|---|-------|-----|-----|
| 1.10 Evidence of late payments to suppliers by member company. | No     | Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems. | Based on a complaint or audit report; review of production location and member company financial documents. | 0     | 0   | -1  |

**Comment:** Ortovox has discussed payment terms for the COVID phase with every supplier. These terms were shared with both the suppliers and retailers. The scope of the terms was to create a shared solution for all partners involved, in terms of payment and liquidity. Ortovox communicated that it would take full responsibility for materials already ordered or produced. Ongoing production and orders ready for production were not discussed but followed through as planned. For those suppliers under strict lockdowns, such as Italy, Ortovox did not negotiate any new payment terms. Eventually, Ortovox was not affected as hard as expected and was the company able to even pay earlier than the original payment terms.

| 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:** Wage levels are discussed by Ortovox with all its suppliers. It has been a continuous process in the past years. The beforementioned wage issue at the Serbian supplier was taken as an opportunity to take the next step into root cause assessment and response. Ortovox reached out to the local Fair Wear team in Eastern Europe and showed great effort in addressing the case properly. The persistence of Ortovox to share and explain details with the supplier resulted in a change of behavior on the supplier side. Transparency increased a lot and there is willingness to work on a target wage. Another living wage plan was started at a backpack supplier in Viet Nam, however Ortovox discovered that this supplier does not work with labour minute costing. A different approach is therefore needed for this specific product. Overall, Ortovox showed good efforts to take next steps on living wage. Clearly, due to COVID-19 this was hindered from measurable results.

**Recommendation:** Fair Wear encourages Ortovox to involve worker representatives and local organisations in assessing root causes of wages lower than living wages.

| 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     | 6   | 0   |

**Comment:** In the first half of the financial year, Ortovox could show steps towards determining wage increases. This is mostly seen in the extensive discussions and gained transparency on wages at several suppliers. Measurable wage increase results were stalled, due to COVID in the second half of the financial year, as suppliers informed Ortovox that other priorities arose regarding lockdowns.

**Recommendation:** In determining what is needed and how wages should be increased, it is recommended to involve worker representation. Fair Wear encourages Ortovox to decide on a specific target wage as a next step, following the extensive discussions and gained transparency.

| 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%     | Fair Wear 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     | 6   | 0   |

**Comment:** No target wage has been implemented yet. The requirement given in last year's brand performance check will therefore remain for this year too.

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

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## Purchasing Practices

**Possible Points: 52**

**Earned Points: 32**

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## 2. Monitoring and Remediation

| Basic measurements   | Result | Comments   |
|--|--------|--|
| % of production volume where approved member own audit(s) took place.                      |        |  |
| % of production volume where approved external audits took place.                          | 21%    |  |
| % of production volume where Fair Wear audits took place.                                  | 35%    |  |
| % of production volume where an audit took place.  | 56%    |  |
| % of production volume where monitoring requirements for low-risk countries are fulfilled. | 36%    | To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.g. (N/A = no production in low risk countries.) |
| Member meets monitoring requirements for tail-end production locations.                    | Yes    |  |
| Total monitoring threshold:  | 92%    | 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 Fair Wear 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:** Ortovox has a designated CSR team to follow up on findings 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 Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system. | Information on audit methodology. | N/A   | 0   | -1  |

**Comment:** Ortovox makes use of Fair Wear audits and external audits only.

| 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: Fair Wear 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:** Ortovox shares the audit report and corrective action plan and establishes an improvement timeline in a timely manner with the factory. Ortovox has implemented a Product Lifecycle Management (PLM) system, which improved information sharing with each department. Sharing was shown to be done systematically by using specific templates. The topic of worker representatives is mentioned in the email to factories, including the importance to share audit results with worker representatives.

**Recommendation:** Before an audit takes place, Ortovox is recommended to check with the supplier whether worker representatives are active. In this way, they can be involved from the start of an audit and be invited for the audit opening and exit meeting. Including workers when following up on audit reports gives them the opportunity to be informed of issues in the factory and have a voice in the prioritization of issues.

| 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 | Fair Wear 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:** Ortovox's CSR team coordinates CAP follow-up. An overview is kept with a monitoring document for all suppliers. Corrective actions are discussed with suppliers and improvements are documented. Ortovox also evaluates whether findings are caused by the company's sourcing practices and asks suppliers whether they need support from the company in remediation. Wherever possible, Ortovox cooperates with other (Fair Wear member) brands sourcing at the same supplier. To discuss more complex findings, face to face meetings between suppliers and CSR staff or the Head of Product are organised.

In the second half of Ortovox's financial year, COVID-19 hit. To improve and encourage communication in this time of crisis and limitations, Ortovox developed a supplier evaluation survey. Through this survey, Ortovox was able to better understand and monitor each production location's challenges and needs in times of COVID. The majority of the suppliers provided Ortovox with clear input. The CSR team coordinated this survey, in collaboration with the production team. The main outcomes were related to moving delivery deadlines. Also, clarity on payment terms has been helpful and the explicit commitment of Ortovox to not cancel orders.

One Chinese factory was audited and the first follow-up was in January. Unfortunately, in that same month, the COVID-19 pandemic hit China and concrete steps were difficult to take. The factory owner is based in Korea and was not able to travel to the factory. Through the factory evaluation, Ortovox discovered that the willingness of this factory manager to work on compliance was very limited. Therefore, Ortovox started to activate its exit strategy. The member company is aware of the risks and considers this as a very last resort.

For the audited production location in Serbia, Ortovox could show many follow up emails, a presentation of the supplier sharing evidence of corrective actions and a deep wage analysis done by Ortovox and shared member brands. This was all done through emails and video conferencing, due to COVID-19 related travel restrictions. The investment in a stable relationship was shown to be beneficial for maintaining and improving communication and cooperation.

The COVID-19 supplier survey done by Fair Wear showed findings at a production location in Romania. Ortovox followed up immediately and could show with additional information collected that no action was needed.

**Recommendation:** Fair Wear encourages Ortovox to continue strengthening their system to analyse how they might have contributed to findings and what changes they can make in their purchasing practices.

| 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. | 76%    | 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:** Ortovox visited production locations responsible for 76% of total production. This is a decrease compared to the previous financial year but this was clearly due to COVID. As an alternative, Ortovox showed that video conferencing took place with all suppliers, in order to keep in touch. Also, several suppliers sent out short videos supporting pieces of information.

| 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:** Two audit reports were collected, both as part of the due diligence process. The content was evaluated and missing points were analysed. For both of the audit reports, progress and updates were shown. The last update was from the end of August 2020, so further follow up must be assessed in the next performance check.

In those sourcing countries where Fair Wear is not active, Ortovox works with other organisations who follow Fair Wear's methodology as much as possible.

| Performance indicators   | Result  | Relevance of Indicator  | Documentation   | Score | Max | Min |
|--|---|---|---|-------|-----|-----|
| 2.7 Compliance with FWF risk policies.   | Advanced result on all relevant policies                | Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear. | Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents. | 6     | 6   | -2  |
| Compliance with FWF enhanced monitoring programme Bangladesh   | Policies are not relevant to the company's supply chain |   |   | N/A   | 6   | -2  |
| Compliance with FWF Myanmar policy   | 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 | Policies are not relevant to the company's supply chain |   |   | N/A   | 6   | -2  |
| Other risks specific to the member's supply chain are addressed by its monitoring system             | Advanced  |   |   | 6     | 6   | -2  |

**Comment:** Ortovox does not have production in Bangladesh, Myanmar or Turkey and does not produce denim products. As mentioned in the previous performance check report, Ortovox addressed Fair Wear's homeworker guidance during the visit at one of its Chinese production locations where homeworkers are part of the production process.

For the European production locations, Ortovox analyses audit results systematically, with a proactive role for the main suppliers and staff in direct contact with the factories.

During COVID-19 this process was interrupted, as visits were not possible. Nevertheless, as the systems were well in place and involvement of both production staff and suppliers already existed, Ortovox was able to still address specific risks.

Regarding general risks, Ortovox set up the COVID supplier survey to identify risks, such as issues around OHS and failure to pay legal minimum wages. Mitigation was done through the beforementioned payment terms guidance.

During COVID-19 crisis, Ortovox closely cooperated with other Fair Wear brands to ensure being on top of country-specific COVID-19 information for all production countries. This was a challenge as Fair Wear does not have a team in most of Ortovox's production countries. COVID-19 information of each production country was updated on a biweekly basis.

Furthermore, Ortovox and its suppliers managed to create alternative ways to monitor and assess production locations. For example, one of the suppliers sent a video of a potential new production location to enable Ortovox to inspect digitally and get a first impression of the location.

| 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:** Ortovox actively cooperates where possible with other (Fair Wear member) brands in addressing issues related to labour conditions.

During COVID-19, Ortovox has taken an active role in collaborating with other brands. Together with several other Fair Wear member brands, a COVID-19 update per country was made on a biweekly basis, to make sure all developments were known and could be followed up.

| 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. | 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. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries. | Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires. | 2     | 2   | 0   |

**Member undertakes additional activities to monitor suppliers.:** Yes (1)

**Comment:** One supplier in Lithuania has not been visited. Production only started in 2020, so this visit was not possible due to COVID-19. This supplier accounts for 0.02% of FOB. All other locations have been visited and several have had audits as well, commissioned by Ortovox.

| 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    | Fair Wear 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 Fair Wear and recent Audit Reports. | 2     | 2   | 0   |

**Comment:** Ortovox monitors 92% of its total FOB, this includes full audits at several tail-end production locations.

| Performance indicators   | Result                    | Relevance of Indicator   | Documentation               | Score | Max | Min |
|--|---------------------------|--|-----------------------------|-------|-----|-----|
| 2.11 Questionnaire is sent and information is collected from external brands resold by the member company. | No external brands resold | Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods. | Questionnaires are on file. | N/A   | 2   | 0   |

| Performance indicators  | Result                    | Relevance of Indicator   | Documentation   | Score | Max | Min |
|---|---------------------------|--|---|-------|-----|-----|
| 2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume). | No external brands resold | Fair Wear 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 Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members. | N/A   | 3   | 0   |

| Performance indicators  | Result       | Relevance of Indicator  | Documentation   | Score | Max | Min |
|---|--------------|---|---|-------|-----|-----|
| 2.13 Questionnaire is sent and information is collected from licensees. | No licensees | Fair Wear 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   |

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## Monitoring and Remediation

**Possible Points: 30**

**Earned Points: 30**

### 3. Complaints Handling

| Basic measurements  | Result | Comments   |
|---|--------|--|
| Number of worker complaints received since last check.    | 0      | At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system. |
| Number of worker complaints in process of being resolved. | 0      |  |
| Number of worker complaints resolved since last check.    | 0      |  |

| Performance indicators  | Result | Relevance of Indicator   | Documentation  | Score | Max | Min |
|---|--------|--|--|-------|-----|-----|
| 3.1 A specific employee has been designated to address worker complaints. | Yes    | Followup is a serious part of Fair Wear 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:** Ortovox has defined clear responsibilities for addressing 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. | Yes    | Informing both management and workers about the Fair Wear 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:** Worker information sheets are regularly checked during production location visits. Photographic evidence was shown on file. In times of COVID-19, visits were not possible and suppliers provided Ortovox with pictures via email to show evidence of the posted worker information sheets with complaints hotline details.

| 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. | 30%    | After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue. | Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes. | 4     | 6   | 0   |

**Comment:** Ortovox did a WEP Basic at 4 production locations in Vietnam, accounting for 27% of FOB in high-risk production countries. Another training was done at a supplier in China, accounting for 1% of FOB. In addition, a training was organized focusing on improving workers' and management understanding of the Fair Wear Code of Labour Practices in Ukraine, accounting for 2% of FOB. More plans were made to organise training, however, due to COVID-19 measures, this had to be put on hold.

| 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. | No complaints received | 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. | N/A   | 6   | -2  |

**Comment:** No complaints were received from factories where Ortovox had production in the financial year 2019/2020. One complaint was received at a production location before Ortovox started a business relationship.

| Performance indicators  | Result  | Relevance of Indicator   | Documentation  | Score | Max | Min |
|---|---|--|--|-------|-----|-----|
| 3.5 Cooperation with other customers in addressing worker complaints at shared suppliers. | No complaints or cooperation not possible / necessary | Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier. | Documentation of joint efforts, e.g. emails, sharing of complaint data, etc. | N/A   | 2   | 0   |

**Comment:** No complaints were received from factories, while Ortovox had production.

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## Complaints Handling

**Possible Points: 9**

**Earned Points: 7**

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## 4. Training and Capacity Building

| Performance indicators  | Result | Relevance of Indicator   | Documentation                                      | Score | Max | Min |
|---|--------|--|--|-------|-----|-----|
| 4.1 All staff at member company are made aware of FWF membership. | Yes    | Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed. | Emails, trainings, presentation, newsletters, etc. | 1     | 1   | 0   |

**Comment:** All staff is informed about Fair Wear during the monthly staff meeting. The induction programme for new staff members includes Fair Wear and social compliance. This programme is offered twice a year and is also open for existing staff when interested. Specific staff members are updated on Fair Wear one on one, depending on roles and responsibilities. Furthermore, the CSR team informs all staff by email in case anything ad hoc occurs.

| 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 Fair Wear requirements and advocate for change within their organisations. | Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc. | 2     | 2   | -1  |

**Comment:** The Ortovox CSR team meets on a biweekly basis with staff in direct contact with suppliers. Staff members visiting production locations are asked to follow up on specific audit findings. During COVID-19, the CSR team has supported the production and planning colleagues by intensifying the contact, sharing COVID-19 specific risks per country and discussing each supplier's case. The overview created for COVID-19 is a helpful tool for staff in direct contact with supplier, in order to prioritize talking points during the weekly video meetings.

| 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, Fair Wear audit findings. | 2     | 2   | 0   |

**Comment:** Ortovox does not use agents. However, they closely cooperate with three main suppliers in Europe. These suppliers are actively involved in follow-up on audits at their subcontractors and Ortovox is cooperating with these suppliers to improve their due diligence process when selecting new production locations. During COVID-19 the three suppliers have taken an active role in monitoring production locations.

| 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. | 21%    | Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count. | Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes. | 2     | 6   | 0   |

**Comment:** Four of Ortovox' production locations in Vietnam are involved in the Better Work programme. Of these four, one has participated in Supervisory Training offered by the ILO, accounting for 21% of FOB from high-risk production countries.

**Recommendation:** Fair Wear recommends Ortovox to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural and structural change to improve working conditions. To this end, Ortovox can make use of Fair Wear's WEP Communication or Violence and Harassment Prevention modules or implement advanced training through external training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

| Performance indicators  | Result           | Relevance of Indicator  | Documentation  | Score | Max | Min |
|---|------------------|---|--|-------|-----|-----|
| 4.5 Degree to which member company follows up after a training programme. | Active follow-up | After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact. | Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees. | 2     | 2   | 0   |

**Comment:** Better Work is following up on the training at production locations that are part of the Better Work programme. As per Fair Wear guidelines, Better Work is in the lead with Ortovox staying updated. Follow-up is done by Ortovox through discussing the outcomes with factory management and discussing how to share this with the rest of the workers.

## Training and Capacity Building

**Possible Points: 13**

**Earned Points: 9**

## 5. Information Management

| Performance indicators                                    | Result   | Relevance of Indicator  | Documentation  | Score | Max | Min |
|---|----------|---|--|-------|-----|-----|
| 5.1 Level of effort to identify all production locations. | Advanced | Any improvements to supply chains require member companies to first know all of their production locations. | Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities. | 6     | 6   | -2  |

**Comment:** Ortovox is well aware of the locations that are used for its production. Ortovox's approval of each location is required for suppliers. In-line quality control takes place at key suppliers which reduces the risk for unauthorized subcontracting and Ortovox quality staff is well-trained on the issue. The majority of Ortovox's production takes place in Europe. The European production locations are regularly visited by Ortovox staff. In the past financial year, the production and planning staff members took a more active role in identifying as well as monitoring production locations. The importance of preventing unauthorized subcontracting is felt to be more widely supported within the company.

During COVID-19, CSR staff members were in close contact with production and planning colleagues to find alternative ways for information sharing. Through regular video conferencing contact with suppliers was maintained and the focus has been on understanding the need for identification and continued transparency about production locations.

The quality control team received all product samples at the HQ during COVID-19. The team has been able to cross-check quality with the factory skills they are familiar with for the specific locations. In this way, an additional method of monitoring was created, to check whether production is taking place at the stated factories.

| 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 staff involved in production has access to relevant supplier information. Head of Product, Head of Mountainwear, CSR staff and quality managers share information frequently. Audit results are shared with planning and production teams and several times per year the CSR team translates audit results into the language of other departments, to enhance the internal connection and include everyone in the process.

In times of COVID-19, the CSR team created a producer evaluation template to ensure up to date information on developments related to COVID-19. In this way CSR could support relevant staff in their discussions with suppliers.

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## Information Management

**Possible Points: 7**

**Earned Points: 7**

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## 6. Transparency

| Performance indicators  | Result  | Relevance of Indicator  | Documentation  | Score | Max | Min |
|---|---|---|--|-------|-----|-----|
| 6.1 Degree of member company compliance with FWF Communications Policy. | Minimum communications requirements are met AND no significant problems found | Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers. | Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy. | 2     | 2   | -3  |

**Comment:** All information of Ortovox regarding FWF adheres to FWF's communications policy. Ortovox communicates on its website about FWF membership. Each workbook includes CSR stories in general and FWF has featured a few times.

| 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 Fair Wear'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:** Ortovox publishes Brand Performance Check reports on its website, as well as a concise summary of audit results taking up in the annual Sustainability Report. The audit results per country are linked to specific factories. The exact factory names are not shared, instead, the Fair Wear ID code is linked to the audit results. The level of information sharing on specific production locations is considered as an advanced transparency step.

| 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 Fair Wear's communication policy. | Social report that is in line with Fair Wear's communication policy. | 2     | 2   | -1  |

**Comment:** Ortovox submitted a complete and accurate social report. The report, known as Ortovox's Sustainability Report is published on the member's website.

## 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 Fair Wear policies are integrated into the structure of the company. | Meeting minutes, verbal reporting, Powerpoints, etc. | 2     | 2   | 0   |

**Comment:** The CSR department is in regular contact with top management. Fair Wear membership evaluation is done annually. Evaluation of social compliance with the CEO is done on a monthly basis. During COVID-19, this contact has been intensified and top management was closely involved in decision making regarding risks in times of the crisis.

| 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. | 83%    | In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear 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:** In the past performance check Ortovox received three requirements. Two related to living wage efforts and one related to monitoring requirements for factories with more than 10% leverage. This requirements was resolved, as all monitoring requirements for tail-end were met.

For the two living wage requirements, Ortovox could show numerous steps to address and discuss wages with specific suppliers. The progress was shown in the willingness of the supplier to open up the books, however, due to COVID-19 further progress was not possible.

As serious efforts by Ortovox were shown, the level of progress on the two living wage requirements is rated 50%.

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## Evaluation

**Possible Points: 6**

**Earned Points: 6**

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## Recommendations to Fair Wear

- Ortovox feels that the Brand Performance Check as it is now, favours production in Asia. Production in Europe is mainly organized in small factories that have a small workforce. Thus as a brand, you end up with many factories where you buy less than 2% of your total FOB (at the same time having high leverage at each factory).
- Ortovox recommends Fair Wear, to give more freedom and credit to a brand's own risk assessment in the Brand Performance Check. Especially long-term Fair Wear member brands have the knowledge and the experience to identify risks relevant to their specific supply chain and work to remediate them. The Performance Check now is felt to push all members to tackle the same issues, even though these might not be the priority 1 issues to address in that specific case.
- Ortovox feels that in the last years Fair Wear's position as a multi-stakeholder initiative has changed. It is less multi-stakeholder (balancing the needs and expectations of all parties involved) but is influenced more by NGOs (and government funding for specific issues) without balancing it with the business perspective (e.g. the minutes regarding the wage commitment).
- It would be great if Fair Wear could support brands more even in countries where Fair Wear is not active at the moment.
- Information provided on the member hub and monthly update is still not easy to manage (hard to find, it is difficult to identify relevant information).
- Ortovox is positive about Fair Wear's new system with brand liaison and performance checker role being separated. The efforts made to guarantee a smooth check has been very much appreciated by Ortovox.

## Scoring Overview

| Category                       | Earned | Possible |
|--------------------------------|--------|----------|
| Purchasing Practices           | 32     | 52       |
| Monitoring and Remediation     | 30     | 30       |
| Complaints Handling            | 7      | 9        |
| Training and Capacity Building | 9      | 13       |
| Information Management         | 7      | 7        |
| Transparency                   | 6      | 6        |
| Evaluation                     | 6      | 6        |
| Totals:                        | 97     | 123      |

### Benchmarking Score (earned points divided by possible points)

79

### Performance Benchmarking Category

Leader

## Brand Performance Check details

Date of Brand Performance Check:

17-11-2020

Conducted by:

Hendrine Stelwagen

Interviews with:

Katrin Bauer - Head of CSR

Stefanie Rieder-Haas - Head of CSR

Christian Schneidermeier - CEO

Brigitte Bräunlein - Head of Sourcing & Production Planning

Claudia Mitze - Purchase Coordinator